



ARETE

ARETE INDUSTRIAL SICAV a.s.

PROSPECTUS OF INVESTMENT FUND

1st September 2022

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Prospectus of the Investment Fund ARETE INDUSTRIAL SICAV a.s.

1 Definition

1.1 The following terms and expressions have the following meaning for the purposes of this Prospectus:

- a) “**Fund Administrator**” means Winstor investiční společnost a.s., as defined in clause 4 hereof.
- b) “**Auditor**” means the audit company defined in clause 3 hereof which provides the Fund with auditing services.
- c) “**Net Asset Value**” means, in case the Investment Shares are replaced, cancelled, transferred, bought-back, purchased or sold, the amount (before application of any respective taxes) which the shareholder (as the holder of relevant Investment Shares) will receive and which is equal to the up-to-date value of Investment Shares which is determined based on the fund capital allocated to the particular class of Investment Shares which are to be subject to the replacement, cancellation, transfer, buy-back, purchase or sale after deduction of the relevant amount of the redistribution factors.
- d) “**CNB**” means the Czech National Bank as defined in clause 16 hereof.
- e) “**Date on which Funds are Credited to Fund's Account**” means the day on which funds transferred by the investor are credited to the Fund’s account established for that purpose by the Fund’s depository. As concerns offsets against obligations owed as per Section 1982 et seq. Act No. 89/2012 Coll., the Civil Code, or Section 21 paragraph 3 of the Corporations Act, this date is the date on which the agreement on offsetting the claims takes effect.
- f) “**Depository**” means Komerční banka, a.s., as defined in clause 5 hereof, which is engaged as the Fund’s depository.
- g) “**Fund**” means ARETE INDUSTRIAL SICAV a.s., as defined in clause 2.1 hereof.
- h) “**Investment Shares**” mean Investment Shares A, Investment Shares B, Investment Shares C, Investment Shares E, Investment Shares X, Investment Share Y, unless this Prospectus implies otherwise.
- i) “**Investment Fund Capital**” means assets and debts from the Company's investment activities within the meaning of Section 164 (1) of the Act.
- j) “**CZK**” means Czech crowns, the legal tender of the Czech Republic.
- k) “**Regulation**” means Regulation No. 243/2013 Coll., on investing in investment funds and their management techniques, as amended.
- l) “**Real Property**” means immovable things as per Section 498 paragraphs 1 and 3055 of the Civil Code (including, but not limited to, tracts of land and in rem rights therein and rights declared by a law to be immovable things, and structures firmly attached to the tract of land which, as of the effective date of the Civil Code, do not constitute a component part of the tract of land on which it has been constructed).
- m) “**Civil Code**” means Act No. 89/2012 Coll., the Civil Code, as amended.

- n) **“Fund Manager”** means Winstor investiční společnost a.s., as defined in clause 4 hereof.
- o) **“Professional Advisor”** means ARETE GLP s.r.o., as defined in clause 4.7 hereof.
- p) **“Other Fund Capital”** means other assets of the Company within the meaning of Section 164 (1) of the Act.
- q) **“Business Day”** means the day on which banks are open for ordinary course of business in the Czech Republic.
- r) **“Act”** means Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended.
- s) **“Corporations Act”** means Act No. 90/2012 Coll., on business companies, corporations and cooperatives, as amended.
- t) **“Transformations Act”** means Act No. 125/2008 Coll., on transformations of business companies and cooperatives, as amended.

2 Basic Information on the Fund

2.1 Information on the Fund:

- a) Name: ARETE INDUSTRIAL SICAV a.s.;
- b) Abbreviated name: Arete Industrial;
- c) Registered office: náměstí 14. října 642/17, 150 00 Prague 5, Czech Republic;
- d) Identification No.: 080 31 444;
- e) The Fund is a joint-stock company registered in the Companies Register with the Municipal Court in Prague, file number B 24315.

2.2 The registered capital of the Fund is CZK 100,000 (in words: one hundred thousand Czech crowns), the registered capital corresponds to the amount of the founder's shares.

2.3 Date of foundation of the Fund: 27 March 2019. The Fund was established on the basis of its entry in the Commercial Register.

2.4 The Fund is registered in the register of investment funds and legal entities with the CNB as per Section 597 (a) of the Act.

2.5 The Fund has been established for perpetuity.

2.6 The Fund is a qualified investor fund which, pursuant to the provisions of Section 95 (1) (a) of the Act, collects financial means or things which value can be expressed in monetary terms from multiple qualified investors by issuing participation securities to them and which performs common investment of the collected financial means or things which value can be expressed in monetary terms on the basis of a specified investment strategy in favour of these qualified investors and, moreover, it manages such assets.

2.7 Identification of the Fund's Internet address: www.arete.eu.

2.8 The Fund is not a part of any consolidated group on the date the Prospectus has been approved.

2.9 The Fund Manager is Winstor investiční společnost a.s.

- 2.10 The Fund Administrator is Winstor investiční společnost a.s.
- 2.11 The Fund does not take advantage of the services of a principal sponsor.
- 2.12 Investments in the Fund may be publicly offered.
- 2.13 The Fund does not create sub-funds as per Section 165 of the Act.

3 Information on the Auditor

3.1 Information on the Auditor:

- a) Name: KPMG Česká republika Audit, s.r.o.;
- b) Registered office: Pobřežní 648/1a, 186 00 Prague 8, Czech Republic;
- c) Identification No.: 496 19 187;
- d) The Auditor is a limited liability company registered in the Companies Register with the Municipal Court in Prague, file number C 24185;
- e) Auditor's certificate No.: 071.

3.2 Auditor's engagement towards the Fund:

- a) Auditing the Fund's financial statements (Section 187 of the Act),
- b) Providing a statement on whether the Fund's annual report complies with its financial statements (Section 292 of the Act).

4 Information on the Fund Manager and the Fund Administrator

4.1 Basic Information:

- a) Name: Winstor investiční společnost a.s.;
- b) Registered office: Růžová 948/14, 110 00 Prague 1, Czech Republic;
- c) Identification No.: 083 15 868;
- d) The Fund Manager is a joint-stock company registered in the Companies Register with the Municipal Court in Prague, file number B 24543.

4.2 License (permit to operate)

CNB's decision No. 2019/068651/CNB/570, 2018/00275/CNB/571, which came into effect on 20/06/2019a.

4.3 The Fund Manager is registered in the register of investment companies administered by the CNB as per Section 596 (a) of the Act.

4.4 The Fund Manager is the Fund's statutory director as per Section 9 (1) and (2) of the Act. The Fund Manager appoints an authorized representative in line with Section 154 (3) of the Act.

4.5 The Fund Manager is authorized to exceed the decisive limit.

4.6 The Fund Manager's engagement towards the Fund:

- a) Managing the Fund:
 - a. Management of the Fund's assets, including investing on the Fund's account;
 - b. Investment risk management.
- b) Administration of the Fund:
 - a. keeping the Fund's books of accounts;
 - b. legal advice;
 - c. compliance and internal audit;
 - d. dealing with complaints filed by the Fund's investors;
 - e. evaluation of the Fund's assets and debts insofar as stipulated in Clause 10.3 hereof;
 - f. calculating the up-to-date value of the shares to the Fund;
 - g. discharging duties relating to taxes, charges and other similar payments;
 - h. maintaining a list of shareholders issued by the Fund, safekeeping of securities and keeping records of book-entered securities issued by the Fund (with the exception of book-entered securities kept in the Central Securities Depository's records);
 - i. distributing and paying out proceeds generated by the Fund's assets;
 - j. ensuring that Investment Shares and founder's shares issued by the Fund are issued, replaced, cancelled, bought back, purchased and sold;
 - k. drafting and updating the Fund's annual report;
 - l. drafting and updating the Fund's Key Information Document or a comparable document under the law of a foreign country and making changes to it;
 - m. copy-writing the Fund's promotional communications;
 - n. disclosing, making available and providing information and documents to the Fund's shareholders and other parties;
 - o. reporting data and making documents available to the CNB or a supervisory authority of another Member State;
 - p. exercising activities associated with managing the assets owned by the Fund;
 - q. distributing and making payments if the Fund is terminate;
 - r. keeping records about the Investment Shares and founder's shares - issued by the Fund - issued, replaced, cancelled, bought back, purchased and sold;
 - s. offering investments in the Fund.

The Fund Manager performs these activities in their entirety itself or has entrusted their performance to another person. Details of the delegation of certain activities are regulated in clause 5 hereof.

- c) Other operations carried out under an agreement of discharge of office or under the law, not included in the management or administration.

4.7 The Professional Advisor to the Fund Manager is ARETE GLP s.r.o., with its registered seat at

náměstí 14. října 642/17, Smíchov, 150 00 Prague 5, ID No.: 118 62 530, a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 355548. The Professional Advisor has significant experience in the area on which the Fund's investment strategy is focused. In particular, the Professional Advisor provides the Fund with advisory services in the implementation of the Fund's investment strategy, searches for and analyses investment opportunities and creates market analyses. Furthermore, the Professional Advisor provides administrative activities related to fundraising. The Professional Advisor is entitled to a remuneration for his work.

4.8 Information on delegation of activities to other persons, inter alia the management of the Fund, management of the Fund's assets, which are carried out only by the Fund Manager and shall not be entrusted, not even in part, to any other person.

4.9 *Information on delegation of individual activities to other persons, including the administration of the Fund*

The Fund Manager has entrusted the performance of certain activities to the following companies on the basis of concluded contracts. The Fund Manager may control and influence the performance of these activities by these companies by its orders. The Fund Manager may terminate the contracts under which these activities have been entrusted with immediate effect. The entrustment of the performance of these activities shall not affect the Fund Manager's liability to compensate for damages arising from the breach of its obligations as Fund Manager and Fund Administrator under this Prospectus, the Act and other legal regulations. The Fund Manager does not exclude further entrustment in the future of activities that are normally part of the management or administration to a third party under the conditions provided for by law.

The administration of certain information systems and information technologies is provided for the Fund Manager by Winstor Capital a.s., with registered office at Růžová 948/14, Nové Město, 110 00 Prague 1, ID No. 060 99 122, a company registered in the Commercial Register maintained by the Municipal Court in Prague, file number B 22495.

Compliance and internal audit for the Fund is carried out by GPP s.r.o., with registered office at Korunní 2206/127, Vinohrady, 130 00 Prague 3, ID No. 077 54 302, a company registered in the Commercial Register maintained by the Municipal Court in Prague, File No. C 307061. Upon the prior written notice to the Administrative Board, the Fund Administrator shall be entitled to entrust other persons with the performance of the following individual activities, which includes the administration of the Fund:

- a) offering investments in the Fund;
- b) copy-writing the Fund's promotional communications for offering the investments in the Fund;
- c) dealing with complaints filed by the Fund's and other persons;
- d) discharging duties relating to taxes, charges and other similar payments on the part of the Fund's shareholders;
- e) discharging duties arising from the legal regulations in the area of AML/CFT;
- f) evaluation of suitability and adequacy of the investment in the Fund for those interested in investing in the Fund to the extent stipulated by the Act;

- g) ensuring that Investment Shares and founder's shares issued by the Fund are issued, replaced, cancelled, transferred, bought back, purchased and sold;
- h) safekeeping of the Fund's shares and keeping the Fund's shares in the records of book-entered securities;
- i) keeping a list of holders of Shares in the Fund;
- j) keeping records on issuing, replacement, cancellation, transfer, buying back, purchasing and selling of the Fund's shares;
- k) distributing and paying out proceeds generated by the Fund's assets;
- l) disclosing, making available and providing information and documents to the Fund's shareholders and other parties.

Upon prior written notice to the Administrative Board, the Fund Administrator shall be entitled to delegate other persons to perform the individual activities specified in this Prospectus with due care and under the conditions stipulated by the Act, by this Prospectus, the Fund's Articles of Association and the agreement of discharge of office. The person delegated to perform individual activities listed in this Prospectus is also entitled to delegate the performance of certain act(s) within the activities to another person under the conditions set out herein, in the Fund's Articles of Association and the agreement of discharge of office. The costs of performing the individual activities specified in this Prospectus secured by delegation to the other persons are paid from the assets of the Fund.

5 Information on the Depositary

5.1 Basic Information

- a) Name: Komerční banka, a.s.;
- b) Registered office: Na Příkopě 969/33, 114 07 Prague 1, Czech Republic;
- c) Identification No.: 453 17 054;
- d) The Depositary is a joint-stock company registered in the Companies Register with the Municipal Court in Prague, file number B 1360.

5.2 The Depositary's engagement towards the Fund:

The Depositary is responsible for carrying out for the Fund what is outlined in Section 60 of the Act, including, but not limited to:

- a) safekeeping of the Fund's assets, if the nature thereof allows it;
- b) creating and keeping monetary accounts and keeping records of the movement of all financial means in the Fund's assets;
- c) keeping the records, or controlling the status, of the Fund's assets other than the assets referred to in (a) or (b) above, if the nature thereof allows it.

5.3 The Depositary audits for the Fund as per in Section 73 (1) of the Act, whether, in compliance with the Act, directly applicable European Union legislation concerning management of investment funds, this Prospectus, and the depositary agreement:

- a) Investment Shares were issued and bought back;
 - b) the up-to-date value of an Investment Share was calculated;
 - c) the Fund's assets and debts were evaluated;
 - d) the consideration from trades involving the Fund's assets was paid by usual deadlines;
 - e) the revenues of the Fund are used.
- 5.4 The Depositary does not perform for the Fund the activities outlined in Section 73 (1) (f) of the Act.
- 5.5 The Depositary Agreement does not allow transfers or any other use of the Fund's assets by the Depositary.
- 5.6 The Depositary is the only party which can carry out the activities outlined in Section 71 (1) of the Act and the exercise thereof (or any part thereof) has not been entrusted to another party.

6 Investment objectives of the Fund

- 6.1 The investment objective of the Fund' is to achieve a constant return on the investment made by the holders of Investment Shares issued to the Fund, primarily through direct investments in Real Property and indirect investments in Real Property through direct or indirect participation in capital commercial companies (commercial companies directly or indirectly controlled by the Fund, hereinafter "**Business Companies**") and granting loans to the Business Companies, provided that the revenue on the investment in the Fund will primarily be obtained by income from the Business Company' share in profits and interests on the loans granted to the Business Companies. The value of investments in Real Property and Business Companies should not exceed 49% of the Fund's assets.
- 6.2 The investment is suitable for investors who are willing to accept a higher level of risk in order to achieve a higher return on their investment on a mid- and long-term basis.
- 6.3 The Fund is a growth investment operation which means that a large portion of profit is further reinvested in line with the investment strategy of the Fund; yet the Fund may use a portion thereof to pay consideration for buy-back, purchase or sale of selected classes of Investment Shares issued to the Fund and, if applicable, to pay return of the Fund's assets to the shareholders.
- 6.4 Any change in the investment objectives is to be decided by the Fund Manager subject to prior written consent from the Fund's Administrative Board.

7 Investment Strategy of the Fund

- 7.1 In order to achieve the investment objective, the Fund's assets can be invested in the following types of assets as listed in clauses 7.1.1. and 7.1.2. hereof.
- 7.1.1 The main assets in which the Fund, as an investment fund under the Act, invests more than 90% of the value of its assets in accordance with its Prospectus, are as follows:
- a) Investment securities;
 - b) Securities issued by an investment fund or a foreign investment fund;

- c) Shareholdings in Business Companies;
- d) Monetary market tools;
- e) Financial derivatives as per the Act;
- f) Rights arising from the registration of things referred to in points a) through e) above which enable the Fund to directly or indirectly handle such assets in at least a similar manner as the authorized holder thereof;
- g) Receivables for paying funds from accounts as regard the parties referred to in Section 72 (2) of the Act;
- h) Loans and credits granted by the Fund.

7.1.2 The ancillary assets in which the Fund, as an investment fund under the Act, invests a total of more than 10% of the value of its assets in accordance with its Prospectus, are primarily the following: Real Property, titles to Real Property, trademarks, movable assets, receivables not include in assets according to Article 7.1.1. hereof, appraisable rights and rights associated with the assets listed in this clause 7.1.

- 7.2 The asset values referred to in clause 7.1.1. and 7.1.2 hereof may be represented by a security or a book-entered security, entry in the relevant register or by any other form.
- 7.3 When investing in shares, ownership interest and/or other forms of participation in Business Companies or cooperatives, the Fund will take into account their economic advantage, while respecting the prudential and risk limitation rules.
- 7.4 The Fund will not follow (copy) any particular index or benchmark.
- 7.5 The Fund's investments referred to in clause 7.1 of this Prospectus are not concentrated in geographical terms.
- 7.6 The Fund may invest in assets in euros (EUR) and Czech crowns (CZK), or in other currencies which are the legal tender of an EU country.
- 7.7 The Fund's investments may be made on the territory of the European Union. Investments in Real Property and/or Business Companies on the territory of any other country than that mentioned above can be made only up to 5% of the Fund's assets and subject to the requirements imposed in Section 54 (a) and (b) of the Regulation.
- 7.8 Neither the return on nor the revenue from the investment in the Fund is guaranteed or secured. The Fund is neither a secured nor guaranteed Fund, and the Fund or any third parties do not provide the investors with any guarantees in this respect.
- 7.9 The Fund Manager may accept and grant loans or credits on the Fund's account only subject to the requirements imposed in clause 12 of this Prospectus.
- 7.10 The Fund Manager may agree upon repo transactions and derivatives on the Fund's account only subject to the requirements imposed in clause 13 of this Prospectus.
- 7.11 Subject to prior written consent from the Administrative Board, the Fund Manager may use the Fund's assets to make a donation, secure a third party's obligation or pay debt which is not related to the management, unless such transaction has a negative impact on the Fund's investment objectives as per clause 6 hereof.

7.12 Change of the investment strategy and other particulars of the Fund's Prospectus:

Any amendment to this Prospectus (including changes of the investment strategy) is to be decided by the Fund Manager subject to prior written approval from the Fund's Administrative Board. The Fund Manager may update the information in this Prospectus without the prior consent of the Administrative Board, whereas he/she is obliged to inform the Administrative Board in writing in advance of any update.

7.13 If

- a) a written plan has been drafted for a transaction which proves that the transaction is efficient;
- b) the transaction cannot be entered into under the same or better conditions with a third party;
- c) the transaction caters to protecting the Fund's assets against loss of value;
- d) the transaction is beneficial and favourable to the Fund;
- e) the transaction is executed after the prior consent of the Administrative Board and the Investment Committee of the Fund, if any;
- f) the transaction is carried out in line with the provisions of Section 255 of the Corporations Act;

the Fund Manager may enter into the transaction – a pecuniary acquisition of assets to the Fund - with a shareholder in the Fund, with the statutory director, an authorized agent, a member of the Fund's Administrative Board, with the Fund's employee, with a member of the Investment Committee of the Fund, a close person or a party on behalf of which any of the foregoing persons is authorized to act, or a party which forms a corporate group with the Fund. In addition to the rules imposed in this clause, the Corporations Act's general conflict-of-interest rules apply.

7.14 If derivatives are used, the Fund, to calculate the total exposure, uses the method under Regulation 231/2013, amending Directive of the European Parliament and of the Council 2011/61/EU, as concerns exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

8 Limits for Restricting and Distributing Risk and Liquid Assets

8.1 Basic investment limits for the composition of the Fund's assets:

- a) Assets under clause 7.1.1. always represent 90% or more of the Fund's assets.
- b) Assets according to clause 7.1.2. always represent less than 10% of the Fund's assets.
- c) The Fund Manager is entitled to use leverage in the management of the Fund's assets. The leverage ratio will not exceed 600% (calculated according to the methodology of Commission Regulation (EU) No 231/2013).
- d) The total value of the loans and borrowings provided shall not exceed 95% of the value of the Fund's assets;
- e) the assets under clause 8.1.1(b) do not exceed 10% of the value of the Fund's assets.

8.2 The classification of assets held by the Fund for the purpose of calculating limits under this

Prospectus whose title is:

- a) the future acquisition of the asset's value (in particular, the accounting items for the acquisition of assets prior to the settlement of a trade in the asset's value or receivables for advances provided prior to the acquisition of the asset's value), or
- b) liquidation of the asset value from the Fund's assets (especially receivables for settlement of the purchase price),

to the category according to clauses 7.1.1. and 7.1.2. of this Prospectus is governed by the type of the assets value that will be included in the assets of the Fund after the trade settlement.

8.3 If the asset belonging to the Fund cannot be categorized according to clause 7.1.1. or 7.1.2. of this Prospectus, for the purpose of calculating limits under this Prospectus, such an asset shall be considered as an asset of the category under clause 7.1.2. of this Prospectus.

8.4 Exemptions from the duty to maintain the investment limits for the composition of the Fund's assets:

Not established.

8.5 Remedy deadline if the investment limits are exceeded unintentionally:

Should there be inconsistency between the composition of the Fund's assets and the investment limits imposed above on the grounds independent of the Fund Manager's will, the Fund Manager will remedy such situation without undue delay in order to preserve the interests of the Fund's shareholders as much as possible.

8.6 Fund's Minimum Liquid Funds

To ensure its internal operations, the Fund is required to keep liquid funds in the amount of at least CZK 2,000,000 or an equivalent of this amount in EUR; this amount may be lower from time to time (on a temporary basis) until a particular transaction is settled.

The Fund Company has prepared a contingency liquidity management plan for the Fund in the event that the Fund's liquidity is threatened.

Information on any measures taken to manage the Fund's insufficient liquidity, or information on the proportion of the Fund's assets that are subject to special measures as a result of their low liquidity, will be published on the Fund's website.

8.7 Investments over the up-to-date value of the Fund's assets:

An investment which exceeds the up-to-date value of the Fund's assets can be made on the Fund's account in excess of the current available resources only if:

- a) the Fund's liquidity as per clause 8.6 hereof is maintained;
- b) the Fund Manager has a sufficient source of capital to cover this part of the investment which exceeds the value of the Fund's assets on the date of the acquisition; the source of capital must take the form of obligations to subscribe the Investment Shares to investors or the form of loans or borrowings from third parties or where the source of capital can be reasonably assumed;
- c) the part of the investment does not fall due before the Fund Manager, on the Fund's account, has access to the source of capital to make such investment;

- d) the source of capital will comply with transparency and precaution requirements and the utilization will not result in violating the rules for accepting loans and credits under this Prospectus; and
- e) the Fund Manager has a chance to withdraw from the investment without any penalty if it, on the Fund's account, fails to gain access to the source of capital.

Notwithstanding the foregoing, the Fund shall be entitled to enter into investment negotiations if it has a source of capital to cover the transaction costs of the investment.

8.8 Approval of transactions by all shareholders in the Fund

In justified cases, Fund Manager may request the approval of the General Meeting of the Fund for the intended transaction involving the assets of the Fund. The consent of the General Meeting to the intended transaction must be granted by all shareholders in the Fund.

9 Risk Profile

The Fund's Manager notifies the investors that the value of their investment in the Fund may fluctuate (drop and raise) and that the return on the original investment is not guaranteed. The Fund's performance in the previous periods does not guarantee the same or higher performance in the future. Investment in the Fund is designed to generate revenue if held on a long-term basis. It is therefore not suited for short-term speculation.

9.1 The risks to which the investment in the Fund may be exposed in connection with the Fund's investment strategy primarily include:

- a) Market risk arising from the effect of changes in e-market developments on the prices and values of assets held by the Fund.
- b) Risks of land purchase. The Fund intends to invest both in lands the handling of which will be contracted with a third party (future tenant or future owner), and in lands that the Fund will hold and will seek the use thereof after they have been acquired. For lands which will be covered by a contract with a third party, there is a risk that the third party will cease to be interested in the land, or lose its interest in the project that was supposed to be implemented, and other candidates will not be willing to pay the price (rent) in the originally estimated amount. In the case of land for which there is no pre-determined use, there is a risk that the Business Company or the Fund will be forced to hold the land for a long period of time, for which they will earn no or only a minimum revenue, or a risk that the Business Company or the Fund will not be able to sold it for the same price as the one for which it was acquired.
- c) Risk related to the location and use of lands. The value of the lands depends, to a large extent, on the selected location and the possibilities of their use. If the suitability of the site or land use is not correctly chosen (or the land use cannot be changed with respect to the investment plan), the value of the land may become lower than its acquisition price.
- d) Risk associated with construction. If the Fund or the Business Company is interested in building up the land, it is necessary to take into account that it is a long-term process during

which the land will not earn any revenue. In addition, a long time may elapse between the start of project preparation, its completion and final acceptance of the product by the new owner (tenant), in the course of which unexpected changes in the real estate market or changes on the part of the particular owner (tenant) may occur. These circumstances may negatively affect the overall profitability of the project.

- e) Risk of obtaining public licenses. Construction on land can only be carried out on the basis of valid permits in accordance with the relevant legal regulations (e.g. set-aside measures, zoning permit, building permit, etc.). The absence of valid permits may delay or even stop the construction project, which in turn may affect the expected profitability of the project.
- f) Risk associated with lease. If the properties are let to a tenant, adverse situations may arise on the tenant's side, for example, the tenant may not pay rent and/or rent-related fees, tenant may go bankrupt, etc.
- g) Risk of cost increase and decrease of revenues. The benefits of construction depend on many factors, including cost, such as the cost of the land, construction, technical services (architect, technical supervision, project management, geodetic services, etc.) or financial costs. These costs may change over time and may exceed the expected (budgeted) level. This increase in costs may have a negative impact on the economic outcome of the project and thereby a negative impact on the Fund. Further circumstances may also produce other similar negative effects, in particular a decline in prices (rental or selling prices) on the relevant market, leading to lower returns than expected by the implementation of individual projects.
- h) Construction risk for a pre-determined candidate. If the construction is carried out for a predetermined candidate (owner or tenant), there is a risk that the candidate will be unwilling or unable to take over the real property (for example due to a change in its strategy or solvency) and a new candidate, if any, will only be willing to pay a lower price or rent than the original candidate. This may affect the expected profitability of the project.
- i) Risk of collateral. With regard to market practice, it can be assumed that if the construction or acquisition of the Real Property or the Business Companies is funded by financial institutions, collateral will be required in the form of a lien covering the Real Property as well as the shares in the Business Companies and/or other collateral as applicable. If the Fund and/or the Business Company are unable to repay the financing, there would be a risk that the Fund or the relevant Business Company would be forced to sell the project in order to repay its debt related to the financing (even at a lower price than the market price) or that the Fund ceases to be the owner in relation to the share in the relevant Business Company or the Real Property.
- j) Contractors' risk. Construction will be carried out by one or more contractors. Failure to fulfil the contractors' obligations, lack of coordination or cooperation on the part of the contractors may lead to errors, delays or increase in the prices of deliveries, which can have a negative impact on adherence to the construction time schedule and the project budget. However, contractors' failures may also occur after the project is completed; during the operation of the project, and even after the warranty period for a specific delivery has expired. There may also be significant deficiencies and shortcomings that exceed the coverage provided by the contractor or his professional policy.

- k) Currency risks: the value of the investment may be influenced by an exchange rate fluctuation. The assets and debts of the Fund and the Business Companies may be denominated in currencies other than the Investment Shares currency. Changes in the currency exchange rate pertaining to the Investment Shares issued by the Fund and other currencies in which the assets and debts of the Fund and the Business Companies are denominated may result in a decrease or increase in the value of the assets or debt denominated in that currency. Adverse currency fluctuations may lead to loss. The assets and debts of the Fund and of the Business Companies may be held in EUR, CZK or any other currency within the European Union, the value of the Investment Shares of the Fund being denominated in EUR.
- l) Interest rate risk is defined as the risk of loss due to the adverse impact of changes in interest rates.
- m) Credit risk, i.e. the risk associated with a possible non-compliance with the obligations of the Fund or the Business Company's counterparty, where the issuer of an investment instrument owned by the Fund or the Business Company or the counterparty fails to fulfil its obligations, and/or a debtor fails to repay its obligations in a due and timely manner.
- n) The risk of a lack of asset liquidity: timely and adequate liquidation (sale) of a sufficient number of assets determined to be sold is not guaranteed.
- o) The risk associated with using third-party capital to achieve the Fund's investment objectives consisting in stronger influence of the development of market prices for the Fund's and the Business Company's assets on the value of Shares which offers a chance of higher revenues and accordingly greater losses.
- p) The risk associated with the possibility of the failure of a company in which the Fund participates is that such a company may be affected by business risk. As a consequence of the risk, the market value of the shareholding in the relevant company may decrease or entirely devalue (bankruptcy) or may prevent the sale of the shareholding in such a company.
- q) Risk associated with investment in Real Property. In general, for investments in the Real Property which are subject to liens or other third party rights, the risk of insufficient infrastructure required to use the Real Property and the risk arising from the Valuation of the Real Property. If the Fund acquires the Real Property into its assets or assets of the Business Company (specifically buildings) through construction, there is a risk of their defective or delayed execution, which may cause damage to the Fund. Given the nature of the assets, there is also a risk of destruction of such an asset, whether due to acts of a third party or due to force majeure.
- r) Risk of financial derivatives. Risks associated with financial derivatives are generally market risks, especially currency and interest rate-related risks depending on the underlying assets of the derivative. As regards financial derivatives which are not traded on the Regulated Markets, the Fund or the Business Company may be subject to a credit risk by the counterparty and the settlement risk. Although the initial investment in a financial derivative may be small (or none), even a slight change in market conditions may cause a significant reduction or increase in the market value of the financial derivative (the leverage) and a significant disparity between the performance of each counterparty.

- s) Risks associated with repo transactions. In particular, it is the counterparty's credit risk that is covered by a pledge of securities. The risk may also be posed by a fall in the price of pledged securities, which is treated by a requested larger coverage than the volume of the loan granted. Another risk of pledged securities is the liquidity risk.
- t) Risks resulting from public regulation associated with the acquisition, ownership and lease of assets owned by the Fund or a Business Company's, particularly the introduction or increase of taxes, deductions, fees, or restrictions by state authorities.
- u) The risk of settlement: the transaction with the Fund's assets or assets of the Business Company may be thwarted due to inability of the other party to the transaction to meet its duties and deliver assets or pay by the agreed deadline.
- v) The risk associated with the use of borrowed capital (leverage risk), consisting in the fact that the Fund is exposed to an increased influence of the development of market prices of assets owned by the Fund on the value of the Investment Shares when using borrowed capital to achieve investment objectives (i.e., in fact, when using leverage). The use of foreign capital thus potentially allows for higher profits but also higher losses.
- w) The risk of loss of entrusted property: the Fund's or the Business Company's assets are in custody, which is why there exists a risk of loss of the Fund's or the Business Company's assets entrusted to the custody or any other guardianship which may result from insolvency, negligence or deliberate action by the party which keeps the Fund's or the Business Company's assets in custody or any other guardianship.
- x) The risk of other legal defects: the value of the Fund's or the Business Company's assets may drop if the assets acquired by the Fund or the Business Company have legal defects, e.g. if there is any third-party's pledge, easement, leasehold or a right of first refusal.

9.2 Any of the risk-bearing situations outlined in clauses 9.1 and 9.3 hereof may cause the revenues to be delayed, reduced or even non-existent. Such condition may constitute an obstacle for covering the Fund's own investment, or, as the case may be, an obstacle for paying what is owed to third parties. Since the payment of funds invested by the Fund will usually be subordinated to the full payment of commitments owed to the financing bank, the Fund's own funds would not be returned before such payment; should the development take an extremely unfavourable course (including potential insolvency of the relevant Business Company), the Fund's own investment may not even return in the original amount, and total loss of the invested funds may occur.

9.3 Other relevant risks which may have an impact on the value of the investment in the Fund:

- a) The risk of volatility of up-to-date value of the shares issued to the Fund as a result of changes in the composition or value of the Fund's assets.
- b) The risk of suspended buy-back of the Investment Shares: the Fund Manager may, under certain circumstances, suspend buy-back of the Investment Shares to the Fund, which may cause changes to the up-to-date value of the Investment Shares, for which the buy-back request will be settled, and to the subsequent settlement of the buy-backs.
- c) Operating risks which may result in a loss due to insufficient or collapsed in-house processes or human error and/or due to external events, and risks of loss of assets entrusted in custody or other guardianship, which may result from, without limitation, insolvency, negligence or deliberate action by the party which keeps the Fund's or the Business

Company's assets or the Investment Shares issued by the Fund in custody or any other guardianship.

- d) Risk that the Fund may be closed for legal reasons.
- e) Activities related to the administration of the Fund must be carried out through persons possessing appropriate public authority, such as the Fund Manager or Depositary. Thus, the Fund is exposed to the risk of losing such authority (for example, it will be revoked by a decision of the CNB) or that such persons terminate the relevant contracts for carrying out the necessary activities. In such a case, the Fund may not succeed in substituting such a person at all for another person possessing the necessary authorization, or it may succeed under conditions less favourable to the Fund. These facts and circumstances may have a negative impact on the business performance of the Fund.
- f) Risks resulting from restriction of the Depositary's supervision activities under Section 73 (1) (f) of the Act.

10 Accounting Period and the Fund's Methods of Investing

- 10.1 Principles for managing the Fund's assets are also implied by the Fund's Articles of Association.
- 10.2 The Fund's accounting period starts on 1 October and ends on 30 September of each calendar year; this is without the prejudice to potential changes during an accounting period resulting from a transformation carried out under the Transformations Act or the Act or from a termination of the Fund. The first accounting period commences on the date the Fund is established. The Fund's General Meeting is responsible for approving the Fund's financial statements.
- 10.3 The assets and debts of the Fund are evaluated at a fair value. The fair value of the Fund's assets and debts may be determined by the Fund Administrator in line with Section 194(b) and 195 of the Act without an expert or based on an expert report. Business Companies owned by the Fund which are real-estate companies (hereinafter "**Real-estate Company**") in the sense of the Act and which already own real estate, are evaluated as of the moment they are acquired (registered in the assets) and by the latest at the end of each calendar quarter, by the Fund Administrator, an independent expert, or by the Fund Administrator using an independent expert evaluation of the major asset components in the Real-estate Company's portfolio, with such evaluation to be drafted at all times at least at the end of each accounting period. The Fund Administrator may use the independent expert evaluation of the Real-estate Company drafted at the end of a accounting period for the evaluation of the Real-estate Company as of the end of the accounting period and for the following three (3) calendar quarters. The Fund Administrator may use the independent expert evaluation of the major asset components in the Real-estate Company's portfolio drafted at the different moment, e.g. as of the date they are registered in the assets of the Real-estate Company or as of the date the occupancy permit becomes effective or as completing the construction project (or if a circumstance with similar consequences arises) for the evaluation of the Real-estate company at the end of the respective calendar quarter following the date the evaluation was drafted and for the calendar quarter of the same accounting period except in cases of the evaluation at the end of the accounting period. Evaluation of Real-estate Companies that do not own real estate can be performed once a year. The evaluation of Real-estate Company may take into account liabilities that, by their nature, cannot be properly taken into account in the Real-

estate Company's books, but which can reasonably be expected to reduce the effective selling price for the Fund in the event of future sale of the Real-estate Company and/or its own real property. This mainly includes, but is not limited to, the effect of a latent tax (a potential tax on the difference between the valuation of the major assets in the property of the Real-estate Company and their tax cost) and future obligations on incentives or discounts negotiated with the lessees. Detailed procedures for evaluating the Fund's assets and debts are set out in the Fund Administrator's internal regulations.

- 10.4 The Fund shall ensure the external expert valuation of the Real Property in case of acquisition or disposal of the Real Property under the terms of the Act. The Fund Manager and the Fund Administrator are bound by such an evaluation of the Real Property.
- 10.5 The Fund Administrator will determine and publish in the annual report the leverage ratio once per year in line with clause 6 through 11 of the Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.
- 10.6 If there is a sudden change of circumstances that influence the price of the assets owned by the Fund, the Fund Administrator will, upon a prior notification to the Administrative Board, carry out an evaluation which will take into account the up-to-date circumstances that influence the price for the Fund's assets (hereinafter a "**Special Evaluation**"). Based on the Special Evaluation, the Fund Administrator will also carry out a special calculation of the Investment Shares' fair value and send it, together with the date of the Special Evaluation, to all shareholders in the Fund without undue delay in the form as per clause 17.2 hereof.
- 10.7 Conversions of assets denominated in a foreign currency are subject to the CNB's foreign exchange rate as announced by the CNB and valid on the date on which the conversion is made.
- 10.8 The Fund Manager shall decide on the individual investments (acquisition of the property values referred to in clause 7.1, (including construction) and divestments (the liquidation of the property values referred to in clause 7.1). If the Fund Manager makes investment decisions concerning the assets of the Fund or the assets of the companies of a controlled entity (i.e. for example, in the position of a partner), the Fund Manager shall seek the prior written opinion of the Investment Committee of the Fund; if not established, it may request the opinion of the Administrative Board. If such an investment decision concerns a transaction with a total payment value greater than 5% of the Investment Fund Capital, or if the transaction relates to an asset with a value greater than 5% of the Investment Fund Capital, the Fund Manager shall seek the prior written opinion of the Investment Committee (if established) and of the Administrative Board.
- 10.9 If established, the Fund's Investment Committee is an advisory body, it is composed of up to 7 (seven) members. The members of the Investment Committee are appointed and recalled by the Statutory Director of the Fund, up to a maximum of 4 (four) members upon joint proposal by all shareholders holding the founder's shares in the Fund, 1 (one) member upon proposal of the chairman and the Fund Manager, and up to 2 (two) members upon proposal of the shareholders owning the Investment Shares A, or shareholders holding founder shares, if the Investment A Shares are not issued. The Investment Committee decides collectively on the opinions on investment and divestment plans submitted by the Fund Manager and/or by individual members of the Investment Committee. The Investment Committee shall meet as necessary. Voting takes

place by acclamation or per rollam (also in the form of an e-mail message) or in the form of teleconference. In the event that a member of the Investment Committee has not delivered an opinion within the defined period of time, he/she shall be deemed to abstain from voting. The activities of the Investment Committee are managed by an authorized member of the Investment Committee, usually a member proposed by all shareholders with founder's shares in the Fund. The Investment Committee decides on its opinion by simple majority of its members, the Fund Manager is not bound by the opinion of the Investment Committee and shall be entitled in justified cases: (a) to decide on the implementation of the investment plan even in the event of a negative opinion of the Investment Committee if the Fund Manager ensures that such a decision does not violate any generally binding legal regulation, the Prospectus or his/her professional duty and that it is in accordance with the Fund's investment strategy; (b) to decide to reject the investment plan even in the case of a positive opinion of the Investment Committee.

10.10 The decisions of the Administrative Board are governed by the Fund's Articles of Association.

10.11 The statement of the Administrative Board and/or the Investment Committee of the Fund is either (i) affirmative – “yes, we support the proposed investment and/or divestment”, or (ii) affirmative – “yes, we support the proposed investment and/or divestment subject to the following conditions”, or (iii) negative – “no, we do not support the proposed investment and/or divestment”, or (iv) abstaining. The Fund Manager will disclose information on the composition of the Investment Committee of the Fund and any changes thereof without undue delay upon the written request from the Fund's shareholder.

10.12 With the Administrative Board's of the Investment Committee's (if established) statement and the Fund Manager's decision delivered, the Fund Manager is entitled to make the relevant investment.

11 Rules for Managing the Fund

11.1 The Fund separates assets and debts from Investment Fund Capital from the Other Fund Capital.

11.2 The assets of the Fund from investing activities mainly include the assets that are covered by obligations arising from the subscription of Investment Shares.

11.3 Other Fund Capital primarily means cash received from subscriptions of the founder's shares.

11.4 To satisfy the claims of a creditor or shareholder against the Fund that arises in connection with the investment activity, only assets from that investment activity may be used. Assets from the Fund's investment activity cannot be used to satisfy a debt which is not a debt of the investment activity. Rules for distribution from own resources:

a) The Fund's profit/loss from investment activity arises as a difference between revenues from the investment activities carried out by the Fund and the costs for securing such Fund's operations.

b) The proceeds of the Fund's assets from investment activities shall be used to cover the costs pursuant to clause 15 (except for clause 15.6), unless otherwise stipulated by generally binding legal regulations, the Fund's Articles of Association or this Prospectus. If the Fund's business related to investment activity in a financial year generates profit (excess of revenues over expenses), the profit does not have to be distributed as a dividend but may be reinvested to increase the assets resulting from the Fund's investment activity. If the

Fund's business related to investment activity in a financial year ends up in a loss position (excess of expenses over revenues), the loss will be paid from the Fund's resources from the investment activity. Investment retained earnings from previous years are preferred to cover the losses.

- c) In accordance with the provisions of the preceding paragraph, the Fund's General Meeting (where the voting rights are only enjoyed by the founder's shares) may decide that shares in the profit from investment activity will be paid to the shareholders upon the Fund Manager's proposal and subject to prior written notice to the Administrative Board. The dividend is a share in the profits of the shareholders holding the Investment Shares. The dividend for each class of shares issued by the Fund may be different. A dividend on a certain type of Investment Shares may be paid exclusively to the Investment Fund Capital of that type of Investment Shares.
- d) The decisive date for exercising the right to a dividend from investment activity is the day designated for such purpose by the General Meeting of the Fund. This date must not precede the date of the General Meeting that decided to pay dividends and may not follow the maturity date of the dividend. The dividend is payable no later than six months from the date the General Meeting adopts the resolution to distribute profit. The General Meeting decides on the maturity of dividends and royalties via a resolution upon the Fund Manager's proposal. If the General Meeting does not set forth the due date and place of payment in the resolution, statutory provisions apply.
- e) Share in profit, in the form of dividends can be paid, subject to the prior notice to the Administrative Board, in the form of an advance on the share in profit.

11.5 Use of profit from Other Fund Capital:

The provisions and procedure in clause 11.4 hereof shall apply mutatis mutandis to the use of profit that arises from Other Fund Capital, but in this case no prior notice to the Administrative Board is required. The right to profit arising from Other Fund Capital is part of the fund capital attributable to the founder's shares. The founder's share in the dividend corresponds to its share in Other Fund Capital. The right to vote on the decision to use the profit belongs only to the founder's shares.

12 Rules for Granting and Receiving Loans and Credits

- 12.1 A loan or borrowing with a maturity not exceeding 20 (twenty) years may be accepted on the Fund's and/or the Business Companies' account under conditions that are not less favourable than the corresponding market standards, provided that the limit specified in clause 8.1 (c) hereof is respected and at the same time the interest burden will take into account the rules of low capitalization and other possible restrictions imposed by the legislation for tax deductibility of interest. A loan or borrowing may be accepted on the Fund's and/or the Business Companies' account in particular for the effective management of the Fund's liquidity and investment financing.
- 12.2 The assets of the Fund and/or the Business Companies may be used to secure the received loan or borrowing by the Fund and/or the Business Companies, provided that the conditions of such collateral have a positive economic impact. The collateral must be compliant with the Fund's

general investment strategy.

- 12.3 The Fund may also grant loans or borrowings to the Business Companies or other persons. Loan or borrowing can be granted on the Fund's account unless the repayment date thereof exceeds 20 years. Granting loans or borrowings from the Fund's assets to other persons is subject to reasonable collateral (such as lien, promissory note, guarantee declaration.), yet it is not a necessary condition.
- 12.4 If the loan or credit is granted to the Business Company or other party in which the Fund has a stake that enables the Fund to control such party, the Fund need not request the party to loan or credit can be granted without collateral given the existence of the mutual control. On the basis of a contract, the Fund may set off claims from loans or borrowings granted to that party against the claim(s) of another creditor or creditors.
- 12.5 Unless otherwise provided by other provisions hereof, clauses 12.1 to 12.4 shall apply mutatis mutandis in relation to other forms of financing of the Fund or Business Companies, including the issue or acquisition of debt securities.

13 Rules for Agreeing upon Repo Transactions and Derivatives

- 13.1 The Fund may agree on repo transactions if the subject matter thereof is any of the assets defined in clause 7.1.1 or 7.1.2 hereof and if the repo transaction's terms and conditions are in line with the Fund's investment objectives.
- 13.2 The terms and conditions for agreeing upon a reverse repo transaction must comply with the requirements set out in this Prospectus.
- 13.3 The Fund may agree on a derivative if:
 - a) It has been accepted for trading on any of the markets referred to in Section 3 paragraph 1 subparagraph a) of the Regulation;
 - b) It has been arranged with a permitted party as per Section 6 paragraph 3 of the Regulation;
 - c) It has been arranged with a party in which the Fund has a stake that enables it to control such party.
 - d) It has been arranged with a business corporation that participates in the Fund; or
 - e) It has been arranged with the creditor of the person who is the issuer of the security or the originator of the risk that is the underlying asset of the agreed derivative.
- 13.4 The derivative can be arranged by the Fund only for the purpose of securing the value of the Fund's assets, reducing the Fund's risks, or reducing costs for managing the Fund's assets.
- 13.5 The underlying asset of the derivative arranged on the Fund's account may only be:
 - a) Exchange rate;
 - b) Interest rate; or
 - c) An asset owned by the Fund or a liability of the Fund.

14 Securities issued by the Fund, their subscription and trading

- 14.1 The Fund issues the following types of "no par value" shares: founder's shares, Investment Shares A, Investment Shares B, Investment Shares C, Investment Shares D, Investment Shares E, Investment Shares X, Investment Shares Y.
- 14.2 The founder's shares and the Investment Shares have not been accepted for trading on any regulated market or any other public market, i.e. they are not listed on any official market.
- 14.3 The shareholder in the Fund is entered in the list of shareholders. The list of shareholders shall include the information required by Section 264 of the Business Corporations Act. As regards the shares in the form of book-entered securities, the Fund's shares are also recorded in the relevant asset accounts. The list of shareholders for the book-entered shares is not replaced by the register of book-entered securities within the meaning of Section 264 of the Corporations Act, unless otherwise specified by law.
- 14.4 The shareholders in the Fund have all rights associated with the Fund's shares, which are granted to them by this Prospectus, the Fund's Articles of Association and the Corporations Act, unless the Fund's Articles of Association or the Act provide otherwise. The Fund's shareholders participate in the Fund's capital according to the rules laid down in this Prospectus, the Fund's Articles of Association, the Act and the Corporations Act. For each type of issued shares, there is a certain amount of the Fund's capital as set out in this Prospectus. All issued shares of a particular type represent the same proportion of the relevant part of the Fund's capital attributable to that type of shares.
- 14.5 The Fund Administrator keeps records of the shareholder in the list of shareholders.
- 14.6 The Fund does not provide any special benefits to shareholders.
- 14.7 The rules for the transfer of the founder's shares and the Investment Shares are set out in the Articles of Association of the Fund, or this Prospectus as applicable.

Founder's shares

- 14.8 The registered capital is divided into 10 (ten) founder's shares, each representing the same share in the registered capital.
- 14.9 The value of the founder's shares is expressed in Czech crowns (CZK).
- 14.10 The founder's shares are "no par value" shares and they take the form of book-entered registered securities.
- 14.11 Pursuant to the Corporations Act, this Prospectus and the Articles of Association of the Fund, the founder's shares provide a shareholder, as a partner, with the right to participate in the management of the Fund, its profit and the liquidation balance upon the termination of the Fund. This right to share in profit and liquidation balance arises only from Other Fund Capital, i.e. from the Fund's management of assets that are not part of assets from investment activities (i.e. from registered capital).
- 14.12 The minimum initial investment of one shareholder in the Fund's founder's shares is CZK 1,000 (one thousand Czech crowns).
- 14.13 The founder's shares shall remain those acquired by a person other than the owner of the founder's shares, as none of these owners exercised their preferential right to subscribe for new founder's

shares under the conditions specified in Section 161 of the Act or exercised their right of first refusal as per Section 160 of the Act.

14.14 The holders of the founder's shares have the following rights, without limitation:

- a) the right to a share in the Fund's profit from Other Fund Capital (dividend), approved by the General Meeting of the Fund, with only the founder's shares having voting rights, to be distributed in accordance with the Prospectus and the Articles of Association of the Fund;
- b) the preferential right to subscribe to the Fund's new founder's shares when the Fund's registered capital is increased, unless the General Meeting of the Fund, where only the founder's shares have voting rights, decides to exclude or restrict the preferential right to subscribe for new founder's shares;
- c) the right to attend and vote in the General Meeting of the Fund, to request and receive explanations of matters concerning the Fund and to make proposals and counterproposals to the General Meeting of the Fund;
- d) the right of a qualified shareholder pursuant to Section 365 of the Corporations Act to ask the statutory director of the Fund to convene an extraordinary general meeting of the Fund to discuss the proposed matters;
- e) the right to a share in the liquidation balance when the Fund is terminated with liquidation from the Other Fund Capital, with only the founder's shares having the right to vote.

Investment shares

14.15 The Fund's shares that are not founder's shares are Investment Shares.

14.16 Investment Shares are denominated in euros (EUR). Investments in the Fund, replacement, cancellation, buy-back, purchase and sale of Investment Shares are made primarily in euros (EUR).

14.17 Investment shares are "no par value" shares and take the form of a book-entered security.

14.18 The Investment Shares comes with the right to buy-back upon the holder's request on the Fund's account under terms and conditions set out in this Prospectus, the Fund's Articles of Association and the Act.

14.19 Investment Shares expire upon buy-back.

14.20 Investment shares may be issued on the basis of a public call.

14.21 Investment Shares are registered in the relevant property accounts. The Fund Administrator keeps a list of shareholders in the Fund as a list of holders of book-entered securities issued by the Fund (see Section 38 (1) (h) of the Act).

14.22 The rights attached to the Investment Shares may be exercised from the date these Investment Shares were issued to the relevant asset account until the date such Investment Shares are cancelled (debited from the relevant asset account). If the Investment Shares are not issued, no invitation to the General Meeting shall be sent to the person who subscribed to the Investment Shares. Within the period between the payment of the rate of issue for the Investment Shares and the issue of these Investment Shares to the person subscribing to them, if there is any change in the rights attached to the Investment Shares subscribed, the subscriber shall be entitled to withdraw from the subscription contract within 10 (ten) Business Days. The withdrawal shall

exclusively cover the extent of the subscription of the Investment Shares whose issue rate has been redeemed but not yet issued; otherwise the right of withdrawal expires. The withdrawal period shall commence on the date on which the Fund receives the new full wording of the Fund's Articles of Association containing the amendment of the rights attached to the Investment Shares subscribed by the Fund to the person subscribing the Investment Shares. The right of withdrawal must be exercised in accordance with the rules set out in the Fund's Articles of Association; the right of withdrawal exercised in breach of these conditions shall not be taken into account. If the relevant Investment Shares are issued between the repayment of the issue rate and the decisive day for the General Meeting of the Fund, the Fund shall send an additional invitation to the General Meeting without delay to the person who subscribed the Investment Shares and had not yet been the shareholder in the Fund.

- 14.23 No voting right shall be attached to the Investment Shares unless otherwise stipulated by a generally binding legal regulation, this Prospectus or the Articles of Association of the Fund. Pursuant to the Corporations Act, this Prospectus and the Articles of Association of the Fund, the Investment Shares provide a shareholder, as a partner, with no right to participate in the management of the Fund. Yet, these shares provide the holder with the right to participate in the profit from the Investment Fund Capital and the liquidation balance of the Investment Fund Capital upon the termination of the Fund.
- 14.24 For the purposes of this Prospectus, the Investment Shares mean Investment Shares A (hereinafter referred to as “**IAA**”), Investment Shares B (hereinafter referred to as “**IAB**”), Investment Shares C (hereinafter referred to as “**IAC**”), Investment Shares D (hereinafter referred to as “**IAD**”), Investment Shares E (hereinafter referred to as “**IAE**”) Investment Shares X (hereinafter referred to as “**IAX**”) and Investment Shares Y (hereinafter referred to as “**IAY**”).
- 14.25 IAA represent the shareholder's share in the portion of the Fund capital of the company attributable to the IAA and has assigned ISIN CZ0008043916.
- 14.26 IAB represent the shareholder's share in the portion of the Fund capital of the company attributable to the IAB and has assigned ISIN CZ0008043924.
- 14.27 IAC represent the shareholder's share in the portion of the Fund capital of the company attributable to the IAC and has assigned ISIN CZ0008043932.
- 14.28 IAD represent the shareholder's share in the portion of the Fund capital of the company attributable to the IAD and has assigned ISIN CZ0008045796.
- 14.29 IAE represent the shareholder's share in the portion of the Fund capital of the company attributable to the IAE and has assigned ISIN CZ0008048410.
- 14.30 IAX represent the shareholder's share in the portion of the Fund capital of the company attributable to the IAX and has assigned ISIN CZ0008043940.
- 14.31 IAY represent the shareholder's share in the portion of the Fund capital of the company attributable to the IAY and has assigned ISIN CZ0008043957.
- 14.32 The minimum gross amount of contractually agreed upon investment (i.e. including entry fee) per investor in the Fund (provided that the investor complies with the requirements imposed in Section 272 (1) or (2) of the Act) is determined differently for the individual classes of Investment Shares and amounts to:

- a) EUR 50,000,000 for investments in Investment Shares A;
- b) EUR 3,000,000 for investments in Investment Shares B;
- c) EUR 50,000 for investments in Investment Shares C;
- d) the minimum amount set for the particular investor under the Act for investments in the Investment Shares D;
- e) EUR 50,000 for investments in Investment Shares E; and
- f) EUR 1,000 or the minimum amount set for the particular investor under the Act for investments in the Investment Shares X and the Investment Shares Y.

The contractually agreed investment per investor in the Fund can be increased by an amendment to the Equity Commitment Agreement pertaining to the Investment Shares regarding IAD, IAX and IAY at least in the amount of EUR 10,000 and regarding IAA, IAB and IAC at least in the amount of EUR 50,000. There is no specified minimum increase in the contractually agreed investment per investor in the Fund by an amendment to the subscription contract of IAE.

The entry fee for the contractually agreed investment increase will be charged to the investor and deducted from the first called capital after the amendment is entered into, unless otherwise specified in the Equity Commitment Agreement.

Both cash and non-monetary repayment of the deposit is allowed. In the case of repayment of the deposit through a non-monetary payment, the conditions of the effectiveness of the Equity Commitment Agreement for the Investment Shares may include the conclusion of the related contractual documentation, which will govern the conditions for repayment of the non-monetary deposit or special conditions and method of settlement of the Investment Shares buy-back.

- 14.33 Any transfer of IAB, IAC and IAD is subject to the prior consent by the Fund's Statutory Director. Any transfer of IAA also requires the prior written consent of the Administrative Board. The prior written consent of Administrative Board is also required for the transfer of IAX and IAY to the owner of the founder's shares of the Fund and/or the Investment Shares; any transfer of IAX and IAY to any other third party requires the prior written consent of the Statutory Director of the Fund and the Administrative Board. IAE can be transferred without Fund Administrator's prior consent. However, contractual acquisitions of Investment Shares can only take place under the Act, the Articles of Association of the Fund and this Prospectus.
- 14.34 The Investment Shares are transferable by virtue of a contract and entry in the relevant records. The transfer of the Investment Shares is effective for the Fund if the change of the person of the shareholder is evidenced by the statement of the owner's account or on the day of delivery or receipt of the statement of the share issue pursuant to Act No. 256/2004 Coll. on capital market operations.
- 14.35 If the title to the Investment Shares is transferred, the transferee is required to inform the Fund about the change of the owner without undue delay.
- 14.36 Shareholders in the Fund have all rights attached to the Investment Shares granted by law, this Prospectus and the Fund's Articles of Association.
- 14.37 The issue of the Investment Shares is subject to the execution of an Equity Commitment Agreement.

14.38 The Fund Manager may use gradual capital calls to the Fund investors via subscriptions for Investment Shares under concluded Equity commitment agreements to finance investments. Based on the concluded Equity commitment agreements pertaining to the Investment Shares, the Fund Manager will determine the total amount of the capital withdrawal, or partial investors whose capital will be the subject of the withdrawal.

14.39 Holders of the Investment Shares have the following rights, without limitation:

- a) the right to be informed of the up-to-date value of the Investment Shares;
- b) the right to have their Investment Shares bought back on the Fund's account, subject to the terms and conditions imposed by the Fund's Articles of Association and this Prospectus;
- c) the right to a share in the Fund's profit from the Investment Fund Capital (dividend), approved by the General Meeting of the Fund, with only the founder's shares having voting rights, to be distributed in accordance with the conditions set out in the Articles of Association of the Fund and this Prospectus;
- d) the right to exercise the right of first refusal over the Investment Shares of another shareholder (subject to the requirements imposed in Section 283 paragraph 1 of the Act) if a decision to sell the Investment Shares is ordered to be enforced or if there is an execution order to sell the Investment Shares;
- e) the right to a share in the liquidation balance upon the termination of the Fund with liquidation from the Investment Fund Capital;
- f) the right to a free up-to-date copy of this Prospectus and the most recent annual report;
- g) the right to vote as long as stipulated so by applicable legislation or the Fund's Articles of Association.

Issuing the Investment Shares

14.40 The Equity commitment agreement binds the investor, via gradual step-by-step investments, to subscribe for the Investment Shares issued by the Fund for the amount up to the amount of the total promised investment after the deduction of banks' fees and charges, if any, associated with the crediting or conversion of the transferred payment and the subsequent deduction of the entry fee to which the investor agreed in the Equity commitment agreement. Subscription for the Investment Shares takes place under calls to perform made by the Fund during the subscription period in the manner set out in clause 14.38 hereof.

14.41 The Fund Manager is then entitled to ask investors to subscribe for Investment Shares; every investor is first obliged to pay up the underlying investment under the Act and this Prospectus and the full entry fee, unless otherwise stated in the Equity Commitment Agreement. Unless the Fund Manager decides otherwise, after the underlying investments of all investors are utilized, other subscriptions to the Investment Shares and investors' commitments are carried out subject to the following principles:

- a. investors' partial investments (further subscriptions) are to be implemented so as to achieve, as far as possible, the same or a similar proportion between the invested capital for each investor and such investor's overall amount of the investment volume within which it agreed to subscribe for the Investment Shares (after the deduction of banks' fees and charges, if any, associated with the crediting or conversion of the transferred payment and

the subsequent deduction of the entry fee); the sequence and ratio of the capital withdrawn shall be determined by the Fund Manager at his/her own discretion;

- b. the minimum sub-investor's subscription is at least EUR 10,000.

In the event that an investor fails to pay the corresponding issue rate of the Investment Shares in accordance with the request for payment within an additional period of 10 (ten) Business Days after the repeated request for payment by the Fund, then pursuant to the Equity Commitment Agreement pertaining to the Investment Shares, the subscription of the Investment Shares expires and the Fund may require the investor to pay a contractual penalty up to the amount of the total entry fee in respect of its total contractually promised investment.

14.42 In the event that the amount of the paid-up investment of the shareholder whose obligation to further subscriptions of the Investment Shares ceased to exist pursuant to clause 14.38 (i.e. when the investor has not paid the corresponding issue rate of the Investment Shares as per the request for performance), corresponds to a different type of the Investment Shares as defined in clause 14.29 of this Prospectus, the Fund Manager shall decide on the replacement of the Investment Shares of this shareholder for the number of investment shares of the type that pursuant to clause 14.29 herein corresponds to the amount of investment paid so far. The Net Asset Value of the Investment Shares for the purpose of replacement will be determined as of the closest future date of the determination of the Net Asset Value; the replacement will always take into account (deduct) the difference between the entry fee paid and any higher entry fee that the shareholder would be obliged to pay in the case of Investment Shares replaced for the originally owned shares, other costs related to the replacement and redistribution factors. Neither the paid entry fee nor the redistribution factors are returned as a result of the change of the type of the Investment Shares, whether in whole or in part. The shareholder will provide the Fund with all necessary cooperation for them to be able to actually carry out the replacement of Investment Shares. If the shareholder fails to cooperate, the Fund may give a unilateral instruction to cancel the Investment Shares which are to be subject of the replacement in the relevant register of book-entered securities and to issue new Investment Shares to the shareholder's property account.

14.43 The Fund issues Investment Shares for the up-to-date value of the Investment Shares announced always retroactively for the period in which there is the Date on which Funds are Credited to Fund's Account. The next lower whole number of Investment Shares to the Fund calculated as the whole-number part of the quotient of the invested amount and the particular utilization (after bank fees associated with crediting or converting the credited amount and the entry fee are debited) and the up-to-date value of the Investment Share as of the applicable decisive date. In the event of an incomplete settlement of the payable issue rate agreed in the Equity Commitment Agreement, the agreement remains valid and effective and the Investment Shares may be issued at least in the amount corresponding to the payment if the minimum investment requirements under the Act and the Prospectus are met. In the event that the investor pays the issue rate in accordance with the relevant request for partial investment in multiple payments, the decisive date for the settlement of the subscription is determined by the date of crediting the last payment. The amount credited to the Fund's account in EUR shall be deemed to be a monetary amount received into the Fund's account, unless otherwise specified below. If the subscription amount of the Investment Shares is sent to the Fund's account and at the same time a specific withdrawal has been payable in EUR, the amount credited to the Fund's account shall be deemed to be the amount in EUR converted from the amount credited to the Fund's account at the relevant exchange rate of that other currency

against EUR. In the case of the CZK currency, such exchange rate is the EUR/CZK rate announced by the Czech National Bank on the date of crediting the amount of money to the Fund's account. Thus, the amount converted into the Fund's account within the meaning of the first sentence of this paragraph shall be the amount converted from another currency into EUR and credited to the Fund's account in EUR. In the event that a specific withdrawal was due in a currency other than EUR, the amount received on the Fund's account within the meaning of the first sentence of this paragraph shall be the EUR amount converted from the amount received in the Fund as per the applicable exchange rate. As regards CZK, such an exchange rate is the EUR/CZK exchange rate announced by the Czech National Bank at the end of the relevant decisive period. In the case of other currencies, such an exchange rate shall be the individual currency/EUR exchange rate announced by the European Central Bank on the date the amount is credited to the Fund's account held in that currency. The difference (the balance of the amount received) for which it is no longer possible to issue another whole Investment Share of the Fund is considered a revenue of the Fund's Investment Fund Capital (the settlement of under- or overpayments).

14.44 Entry Fee amounts to:

- a) 0% - 0.5% of the total contractually promised investment in case of IAA;
- b) 0% - 2% of the total contractually promised investment in case of IAB;
- c) 0% - 3% of the total contractually promised investment in case of IAC;
- d) 0% - 5% of the total contractually promised investment in case of IAD;
- e) 0% - 3% of the total contractually promised investment in case of IAE;
- f) 0% of the total contractually promised investment in case of IAX;
- g) 0% of the total contractually promised investment in case of IAY.

14.45 The entry fee constitutes the Fund's income (Investment Fund Capital) and is applied as a deduction from the gross value of contractually promised investments.

14.46 A public call to enter into Equity Commitment Agreements pertaining to the subscription of IAY may be made and the agreement concluded by 30 June 2020. It is impermissible for the Fund to issue new IAY after 30 September 2020. Any amendment to this clause is subject to the prior written consent of all IAY shareholders.

14.47 The up-to-date value of the Investment Shares is determined from the Fund's fund capital allocated to the individual classes of Investment Shares as per clauses 14.46 through 14.48. of this Prospectus and ascertained at the end of the decisive period. The decisive period commences on the date following the date on which the last up-to-date value of the Investment Shares has been determined and ends usually on the last day of the same calendar month. In usual circumstances, a calendar month is the decisive period and the last calendar day of the relevant calendar month is the date on which the up-to-date value of the Investment Shares is determined. The decisive period may, in exceptional cases, be shorter than one calendar month, in particular if the Fund is involved in a transformation as per applicable law or if the up-to-date value of the Investment Shares is determined on an exceptional basis. Until the end of the second calendar month following the month in which the subscription of any type of Investment Shares (hereinafter the "**Initial Period**") commenced, the IAA, IAB, IAC, IAD, IAE and IAX are subscribed at an initial

issue rate of EUR 10 (ten euros) per Investment Share and IAY are subscribed at an initial issue rate of EUR 1 (one euro) per Investment Share. Provided that the Investment Shares of the relevant Class have not been subscribed during the Initial Period, the initial issue rate of the Investment Shares class, the subscription of which was subsequently initiated after the Initial Period for IAA, IAB, IAC, IAD, IAE and IAX, is EUR 10 (ten euros) per Investment Share, and for IAY EUR 1 (one euro), the initial issue rate is valid only until the end of the calendar month in which the Investment Shares of the relevant Class were first subscribed. The provisions of the preceding sentences are without prejudice to the rules for the distribution of the Investment Fund Capital between various types of Investment Shares.

14.48 If the up-to-date value of the Investment Share is adjusted retroactively, the difference in the amount of ascertained differences regarding the issued Investment Share should be compensated as of the decisive date. If the number of Investment Shares issued to the shareholder is higher than the number that should have actually been issued based on the adjusted up-to-date value of the Investment Share, the relevant number of Investment Shares equal to the ascertained difference is to be compensated by cancellation without any further compensation. If the number of Investment Shares issued to the shareholder is lower than the number that should have actually been issued based on the adjusted up-to-date value of the Investment Share, the relevant number of Investment Shares equal to the ascertained difference is to be additionally issued to the shareholder. In the event that the Investment Shares are in the form of a book-entered security, compensation for differences in the number of issued Investment Shares will be ensured by write-off, or by crediting the appropriate number of Investment Shares to the shareholder's assets account. If the up-to-date value of the Investment Share is adjusted in an amount which is (in absolute value) 1.0% (unless otherwise stipulated by law) or less of the adjusted up-to-date value of the Investment Share, the differences in the number of issued shares are not to be compensated, unless the Fund Manager decides otherwise. This decision must be immediately communicated in writing to the Administrative Board.

14.49 The differences in the fund capital allocated to various classes of Investment Shares reflect the application of various redistribution parameters and calculation methods of the so-called redistribution factors. Redistribution Factor 1 is accounted on a periodic basis each calendar month, simultaneously with the determination of the up to date IAA, IAB, IAC, IAD, i.e. IAX value. The redistribution factor 2 is accounted to the investor on an occasional basis, always in the decisive period to which the decisive day for the determination of the up to date values of the relevant IAA, IAB, IAC or IAD falls. The redistribution factor 3 is accounted periodically, each calendar month simultaneously with the determination of the up to date IAE value.

The redistribution Factor 1 ("**RF1**") is determined based on the relative profitability of each individual IAA, IAB, IAC, IAD and IAX class. Amount corresponding to RF1 is accounted in each decisive period for Investment Fund Capital accruing to IAY and to the yet unissued IAY, which, according to the rules defined in Article 15.8.12, already contribute to the profit or loss (and at the same time to the debit of the part of Investment Fund Capital attributable to the IAA, IAB, IAC, IAD, i.e. IAX).

The redistribution Factor 2 ("**RF2**") is determined on the basis of the duration of the period for which the investor holds the relevant Investment Share, it applies to the buy-back of IAA, IAB, IAC and IAD and the amount corresponding to RF2 is credited to the Investment Fund Capital attributable to IAY.

The redistribution Factor 3 (“**RF3**”) is determined on the basis of the relative profitability of the IAE class as a whole. The amount corresponding to RF3 is credited in each decisive period to the Investment Fund Capital attributable to the IAY and to the yet unissued IAY, which, according to the rules defined in Article 15.8.12, already contribute to the profit or loss (and at the same time to the debit of the part of the Investment Fund Capital attributable to the IAE).

The values of redistribution factors are always calculated on the basis of the last day of the vesting period, which in the case of periodic RF1 clearing is calendar month or the decisive date to determine the current value of the Investment Shares to be transferred, replaced, cancelled, bought back, purchased or sold, in the event of occasional clearing of RF2 and in the case of monthly clearing of RF3 (hereinafter referred to as the “**Decisive Day for Calculation**”).

14.50 Calculation of redistribution factors

Calculation of RF1_t ($\delta RF1_t$)

RF1_t means the total amount to be cleared on the basis of the balance sheet date for the calculation.

Amount of RF1_t at the Decisive Day for Calculation is determined based on the internal yield percentage method of total amount of all investments in IAA, IAB, IAC, IAD, i.e. IAX (“**IRR_t**”).

$$NAV_t = \sum_{k=1}^K CF_k * (1 + IRR_t)^{\frac{p}{12}}$$

$$NAVh_t = \sum_{k=1}^K CF_k * (1 + h)^{\frac{p}{12}}$$

The current value of all IAA, IAB, IAC, IAD, i.e. IAX on the Decisive Day for Calculation or the up to date value of the liquidation balance attributable to each IAA, IAB, IAC, IAD, i.e. IAX in the event of liquidation of the Fund prior to clearing of the outstanding part of RF1.

CF_{ik} means the amount of the k-th change in the total amount of the investment in IAA, IAB, IAC, IAD, i.e. IAX during the investment into the Fund, Investment Shares transferred, replaced, cancelled, bought back, purchased or sold, the amount of profit shares paid or advances on the profit shares or the liquidation balance.

h means the comparative value (hurdle rate) for the internal return percentage of the total amount of all investments in the relevant class of Investment Shares.

| Type of Investment Shares | <i>h</i> |
|---------------------------|----------|
| IAA | 6 % |
| IAB | 4 % |
| IAC | 0 % |
| IAD | 0 % |
| IAX | 0 % |

NAV_{h_t} means the comparative value of the investment of all investors in IAA, IAB, IAC, IAD, i.e. IAX on the Decisive Day for Calculation if the internal rate of return on the investment (IRR) with the same amounts and timing of CF_k, k a p equals to h .

K means the total number of changes in the total amount of all investments in Investment Shares of the same type.

k means the sequence of change in the total amount of all investments in Investment Shares of the same type.

p means the number of calendar months between the last change in the total amount of the investment in Investment Shares of the same type and the Decisive Day for Calculation.

All of the investments increasing the total amount of funds invested in IAA, IAB, IAC, IAD, i.e. IAX are calculated for the purposes of IRR_t and NAV_{h_t} calculation, minus any input or other fees.

In the case of a transfer of the Investment Shares, the amount of CF_{ik} for both the transferor and the transferee shall be set at the current value of the transferred Investment Shares at the end of the calendar month in which the last application was submitted unless otherwise stated by the Fund Manager and in individual cases subject to the consent of both the transferor and the transferee. In that case, the decisive day for the determination of RF1 shall be the last day of the calendar month in which the last application of all possible requests for approval of the transfer of Investment Shares was submitted.

All divestments decreasing the total amount of funds invested in IAA, IAB, IAC, IAD, i.e. IAX are calculated for the purposes of IRR_t and NAV_{h_t} before deduction of any taxes or other input or other fees and redistribution factors.

Date of change in the amount of investment for the purposes of IRR_t calculation or NAV_{h_t} calculation:

- a) Invested funds credited to the Fund's account are, for the purpose of calculation of IRR_{it} and NAV_{h_t}, deemed to have been contributed towards the end of the last calendar day in the month when they were credited to the Fund's bank account, unless otherwise specifically stipulated by the Fund Manager.
- b) In transfers of the Investment Shares, for the purpose of calculation of IRR_k and NAV_{h_t} (for both the transferor and the transferee) the transfer of the Investment Shares shall be deemed completed at the end of the calendar month in which the last application was submitted unless otherwise stated by the Fund Manager and in individual cases subject to the consent of both the transferor and the transferee.
- c) The share in profit and advance payments of the share in profit or the liquidation balance (where the paid advances in the profit share are not included) are, for the purpose of calculating IRR_t and NAV_{h_t} deemed to have been paid on the last day of the calendar month in which they were paid out, unless the Fund Manager specifies otherwise in individual cases.
- d) In the event of termination of the investor's investment (with the exception of the transfer of the Investment Shares), the amount for the purpose of IRR_t and NAV_{h_t} calculation shall be deemed to have been paid on the Decisive Day for Calculation unless otherwise specified in individual cases by the Fund Manager.

If the internal rate of return cannot be used for the purposes of calculating IRR_t and NAV_{h_t} (e.g. due to the abnormal flow of cash flows associated with the total amount of all investments in IAA, IAB, IAC, IAD, i.e. IAX) in the above form, an appropriate adjustment to the calculation procedure respecting the internal rate of return method or a similar method of calculation by another method, such as a modified internal rate of return or a modified Dietz method.

$$RF1_{it} = \max\{(NAV_t - NAV_{h_t}) * X; 0\}$$

X is the RF1 coefficient determined on the basis of the calculated amount of IRR_t :

| Type of Investment Shares | IRR_t | X |
|---------------------------|----------------------|------|
| IAA | $6\% < IRR_t < 12\%$ | 15 % |
| IAA | $IRR_t \geq 12\%$ | 20 % |
| IAB | $4\% < IRR_t < 10\%$ | 15 % |
| IAB | $IRR_t \geq 10\%$ | 20 % |
| IAC | $IRR_t \geq 0\%$ | 20 % |
| IAD | $IRR_t \geq 0\%$ | 25 % |
| IAX | $IRR_t \geq 0\%$ | 0 % |

The determination of the amount of RF1 to be cleared shall be determined on the basis of the RF1_t amount on the Decisive Day for Calculation and the total aggregate amount of all RF1_t cleared by the Decisive Day for Calculation ("**RF1_{t-1}**"):

| Type of Investment Shares | $\delta RF1_t$ |
|---------------------------|--------------------------------|
| IAA | $RF1_t - RF1_{t-1}$ |
| IAB, IAC, IAD, IAX | $\max\{RF1_t - RF1_{t-1}; 0\}$ |

Based on the Fund Manager's decision, the clearing of a positive amount of $\delta RF1_t$ shall be carried out by reducing the amount of the Investment Fund Capital attributable to IAA, IAB, IAC, IAD, i.e. IAX and to the yet unissued IAA, IAB, IAC, IAD, i.e. IAX, which, according to the rules defined in Article 15.8.12, already contribute to the profit or loss.

For the purposes of calculating IRR_t and NAV_{h_t} , clearing a positive amount of $\delta RF1_t$ shall be seen as CF_k which reduces the total amount of all investments in the relevant class of Investment Shares.

The amount corresponding to a positive amount of $\delta RF1_t$, shall be redistributed for the benefit of the part of the Investment Fund Capital accruing to IAY according to the rules laid down in this Prospectus. The redistribution shall be made to the debit of the part of the Investment Fund Capital attributable to the IAA, IAB, IAC, IAD, i.e. IAX) and to the yet unissued IAA, IAB, IAC, IAD, i.e. IAX, which, according to the rules defined in Article 15.8.12, already contribute to the profit or loss.

Based on the Fund Manager's decision, the clearing of a negative amount of $\delta RF1_t$ shall be carried out, provided, that IAA have already been issued, or invested funds have already been credited to the Fund's bank account by the clearing day. The decisive day of the IAA issuance is preceded by, or equals to the day of clearing of a negative amount of $\delta RF1_t$. Clearing of a negative amount of $\delta RF1_t$ shall be carried out by increasing the amount of the Investment Fund Capital attributable to IAA and to the yet unissued IAA, which according to the rules defined in Article 15.8.12, already contribute to the profit or loss.

For the purposes of calculating IRR_t and NAV_h , clearing a negative amount of $\delta RF1_t$ shall be seen as CF_k which increases the investment value of the relevant investor.

The amount corresponding to a negative amount of $\delta RF1_t$, shall be redistributed to the debit of the part of the Investment Fund Capital accruing to IAY according to the rules laid down in this Prospectus, the Fund's Articles of Association, or by the effective agreement of the IAY shareholders.

Clearing of $\delta RF1_t$ will not be performed as of the Decisive Date for Clearing.

Calculation of $RF2_t$

$$RF2_t = \sum_{j=1}^J RF2_{jt}$$

$RF2_t$ means individual redistribution factor of $RF2$ j -th IAA, IAB, IAC and IAD which was subject of the buy-back, for which the Decisive Day for Calculation (i.e. the date as of which the up-to-date value of the Investment Share crucial for the buy-back is determined) is the last day (at the latest) of the decisive period (t).

J means the number of IAA, IAB, IAC and IAD, which were subject of the buy-back, for which the decisive date (i.e. the date on which the up-to-date value of the Investment Share crucial for the buy-back is determined) is the last day (at the latest) of the decisive period (t);

The individual $RF2$ IAA, IAB, IAC, and IAD are cleared on the Decisive Day for Calculation, i.e. by day which the up to date value of the Investment Shares, decisive for the buy-back, is determined.

If the request for buy-back of Investment Share J is filed by the shareholder in the sixth (6th) or any following year after the date that is decisive for the determination of the issue rate of the relevant Investment Share j , then $RF2_{jt} = 0$; this does not apply in the case of IAD, where the request for redemption of IAD j by a shareholder has been made after the first eleven (11) months and any subsequent month from the date relevant for the determination of the issue price of IAD j , then $RF2_t =$ the current value of the investment share being redeemed after taking into account $\delta RF1_t * 0,01$. If the request for buy-back of Investment Share j is filed by the shareholder in the fifth (5th) or any preceding year after the date that is decisive for the determination of the issue

rate of the relevant Investment Share j , or, in the case of a request to buy-back IAD j within the first eleven (11) months of the record date for determining the issue price of IAD j , then the following shall apply

| Type of Investment Shares | RF2 _{jt} |
|---------------------------|--|
| IAA, IAB, IAC, IAD | the up-to-date value of the Investment Shares bought back after taking into account $\delta RF1_t * Y$ |

Y means the RF2 coefficient determined according to the length of the investor's investment in the j -th IAA, IAB or IAC that is subject to the buy-back, determined by the number of whole quarters that have elapsed between the decisive day for the determination of the issue rate of j -th IAA, IAB, or IAC and the Decisive Day for Calculation of RF2 of this Investment share (“**Duration of Investment_j**”).

$$Y = \max\{90\% - 4.5\% * \text{Duration of Investment}_j; 0\}$$

In the case of IAD, Y means the coefficient RF2 determined by the length of the period for which the investor's investment in the j th IAD subject to redemption lasts, the length of the period being determined by the number of whole months that have elapsed between the Relevant Date for determining the issue price of the j th IAD and the Decisive Day for Calculation the RF2 of the IAD (the "**IAD_j Investment Duration**").

$$Y = \max\{90\% - 7,42\% * \text{Duration of Investment IAD}_j; 0,01\}$$

Calculation of RF3_t ($\delta RF3_t$)

RF3_t means the total amount to be settled based on the balance as of the Decisive Day for calculation.

RF3, as of the Decisive Day for Calculation is determined based on the internal rate of return method as a percentage of the total volume of all investments in IAE ("**IRR_t**").

$$NAV_t = \sum_{k=1}^K CF_k * (1 + IRR_t)^{\frac{p}{12}}$$

$$NAVh_t = \sum_{k=1}^K CF_k$$

NAV_t means the total value of the investment of all investors as of the Decisive Day for Calculation, i.e. the current value of the IAE as of the Decisive Day for Calculation or the current value of the liquidation balance attributable to all IAEs as of the date relevant for the determination of the liquidation balance in the event of liquidation of the Fund prior to settlement of the outstanding portion of the RF3.

NAVh_t means the comparative value of all investors' investment in IAE as at Decisive Day for

Calculation. NAV_{h_t} represents the aggregate of all cash invested in IAE.

CF_k means the amount of the k th change in the amount of the total investment in IAE during the term of the investment in the Fund (the acquisition of IAE by transfer from other investors is also deemed to be a contribution), the value of the Investment Shares transferred, exchanged, cancelled, redeemed, purchased or disposed of, the amount of profit-sharing or advances of profit-sharing or liquidation proceeds paid to all investors.

K means the total number of changes in the amount of investment in IAE.

k means the order of change in the amount of investment in IAE.

p means the number of calendar months between the last change in the amount of investment in IAE and the Decisive Day for Calculation.

Any investments that increase the total amount of cash invested in IAE are calculated net of any upfront or other fees and costs for the purposes of calculating IRR_t and NAV_{h_t} .

Any divestments that reduce the total amount of cash invested in IAE shall be calculated before deduction of any taxes, exit and/or other fees and costs and redistribution factors for the purposes of calculating IRR_t and NAV_{h_t} .

Date of change in the amount of investment volume for the purposes of calculating IRR_t and NAV_{h_t} :

- a) Invested funds credited to the Fund's bank account shall, for the purposes of calculating IRR_t and NAV_{h_t} , be deemed to have been deposited at the end of the last calendar day of the month in which they were credited to the Fund's bank account, unless the Fund specifies otherwise in a particular case.
- b) In the case of a transfer of IAE, for the purposes of calculating IRR_t and NAV_{h_t} (for both the transferor and the transferee), the transfer of Investment Shares shall be deemed to have taken place as at the end of the calendar month in which the last application of all potential applications for transfer of Investment Shares was made, unless the Fund determines otherwise in a particular case with the consent of both the transferor and the transferee.
- c) Profit sharing and advances of profit sharing or liquidation balances (to the extent that they do not count against profit sharing advances paid) are deemed paid on the last day of the calendar month in which they are paid for purposes of calculating IRR_t and NAV_{h_t} , unless the Fund provides otherwise in a particular case.
- d) In the event of the termination of an investor's investment (other than the transfer of Investment Shares), the amount shall be deemed to be paid on the relevant Decisive Day for Calculation for the purposes of calculating IRR_t and NAV_{h_t} , unless the Fund provides otherwise in a particular case.

In the event that the internal rate of return method cannot be applied for the purposes of calculating IRR_t and NAV_{h_t} (e.g. due to non-standard cash flow patterns associated with total investments in IAE) in the form above, a suitable modification of the calculation procedure respecting the internal rate of return method or a similar calculation procedure using another method, e.g. the modified internal rate of return method or the modified Dietz method, may be used for the calculation.

$RF3_t = \max \{(NAV_t - NAV_{h_t}) * 20 \% ; 0\}$ The determination of the RF3 amount to be cleared

shall be based on the amount of $RF3_t$, as of the Decisive Day for Calculation and the total aggregate amount of all $RF3_t$ cleared as of the Decisive Day for Calculation at the latest (" $RF3_{t-1}$ "):

| Type of Investment share | $(\delta RF3_t)$ |
|--------------------------|--------------------------------|
| IAE | $\max\{RF3_t - RF3_{t-1}; 0\}$ |

For IAE, the settlement of the positive amount of $\delta RF3_t$ as decided by the Fund will be made by reducing the amount of the Investment Fund Capital attributable to IAE and to the yet unissued IAE, which, according to the rules defined in Article 15.8.12, already contribute to the profit or loss.

The settlement of the positive amount of $\delta RF3_t$, shall be treated as a CF_k reducing the total amount of all investments in IAE for the purpose of calculating IRR_t and NAV_{h_t} .

The amount corresponding to the positive amount of $\delta RF3_t$, shall be redistributed to the portion of the Investment Fund Capital attributable to the IAY in accordance with the rules set out hereof. The redistribution shall be made to the credit of the portion of the Investment Fund Capital attributable to IAE and to the yet unissued IAE, which, according to the rules defined in Article 15.8.12, already contribute to the profit or loss.

14.51 The portion of the Investment Fund Capital attributable to the n -th type of Investment Shares determined for the last day of the decisive period (t) (" $FK IAnt$ ", for a specific type of Investment Shares issued by the Fund " $FK IAA_t$ ", " $FK IAB_t$ ", " $FK IAC_t$ ", " $FK IAD_t$ ", " $FK IAE_t$ ", " $FK IAX_t$ " or " $FK IAY_t$ ") is determined by the following relationship:

The portion of the Investment Fund Capital attributable to the n -th type of Investment Shares determined for the last day of the previous decisive period ($t-1$) (" $FK IA_{nt-1}$ ", for a specific type of Investment Shares issued by the Fund " $FK IAA_{t-1}$ ", " $FK IAB_{t-1}$ ", " $FK IAC_{t-1}$ ", " $FK IAD_{t-1}$ ", " $FK IAE_{t-1}$ ", " $FK IAX_{t-1}$ " or " $FK IAY_{t-1}$ ")

- a) (+/-) the portion of the profit or loss of the decisive period after tax and the change in the valuation difference of assets accounted for the benefit of or to debit of the Investment Fund Capital or other changes to the Investment Fund Capital, which mean a change to the Investment Fund Capital, save for the changes referred to in subparagraph b) to c) of this clause 14.51, whereas for the portion of the Investment Fund Capital attributable to the individual types of Investment Shares, the total amount shall be allocated proportionally to the Investment Fund Capital attributable to each type of Investment Shares increased by the amount corresponding to the subscribed and as yet unissued Investment Shares of that type; ;
- b) (+) the sum of the cash and cash equivalents for which n -type of Investment Shares were issued in the decisive period, i.e. after deducting any entry fees and costs, and the sum of the cash and cash equivalents obtained during the decisive period in favour of the part of the Investment Fund Capital attributable to the n -type of Investment Shares, not by subscription of the Investment Shares (e.g. surcharge outside the registered capital, clearing of $\Sigma \delta RF1_t$, etc.);
- c) (-) pre-tax dividend to owners of n -type Investment Shares or other disbursements to the portion of the Investment Fund Capital attributable to the n -th type of Investment Shares for which the decisive day of disbursement falls on the decisive period;

- d) (+/-) the part of $\Sigma\delta RF1_t$ is cleared in the decisive period to the benefit or debit of FK IAY_t;
- e) (+/-) the portion of RF2_t cleared in the decisive period to the benefit of the Investment Fund Capital within the buy-back of IAA, IAB, IAC or IAD, whereas for the portion of the Investment Fund Capital attributable to the individual types of Investment Shares, the total amount shall be allocated proportionally to the number of participating Investment Shares as of the last day of the decisive period;

(+/-) amount of RF3_{it} cleared in the decisive period to the benefit of FK IAY_t. In the event that IAY are not issued on the last day of the calendar month relevant for the determination of the current value of the Investment Shares (or on any other date if the Articles of the Fund or this Prospectus indicate otherwise) to be transferred, exchanged, cancelled, redeemed, purchased or sold, RF1, RF2 and RF3 shall not apply.

14.52 The up-to-date value of the Investment Shares is rounded down to four decimal places. The up-to-date value of the Investment Shares will not be disclosed to the public.

14.53 The Investment Shares are issued to the investor within 60 (sixty) Business Days from the date the up-to-date rate of the Investment Shares is determined for the period with the Date on which Funds are Credited to Fund's Account. In justified cases (especially pending an expert evaluation of the Fund's assets) the period outlined above can be extended to 100 (one hundred) Business Days. Investment Shares will be issued upon their crediting to the relevant property account.

Buy-back of Investment Shares

14.54 Investment Shares are bought back upon a buy back request which the shareholder delivers to the Fund.

14.55 The minimum value of any individual request for buy-back of Investment Shares amounts to EUR 20,000 (twenty thousand euros). The value of Investment Shares held by one shareholder in the Fund may not, by means of the buy-back, fall below the minimum investment of a qualified investor set forth in the Act.

14.56 The buy-back request regarding the Investment Shares can be submitted as follows:

- a) In person in the Fund Administrator's registered office on Business Days from 9:00 until 16:00 (CET);
- b) in writing, with the shareholder's signature to be officially certified (notarized), via a postal service operator (including courier service);
- c) by an e-mail message to be signed by an e-signature which must have the effects of an officially certified (notarized) signature;
- d) by any other electronic communications signed by an e-signature which must have the effects of an officially certified (notarized) signature, and/or
- e) via electronic communication; email addresses provided by a shareholder upon the investment in a company, or confirmed by a shareholder in one of the fashions set out in this clause.

14.57 The buy-back request regarding the Investment Shares can be submitted at any time. However, investment shares are not bought back for the first 3 (three) years from the date the Fund has been established. Requests for buy-back filed by the deadline set out in the second sentence will be

addressed as if they were submitted on the first Business Day following the end of the initial 3 (three) years from the date the Fund has been established. The Fund is obliged to buy back IAA, IAB, IAC, IAE, IAX and IAY from the shareholders no later than within 24 (twenty-four) months after the end of the calendar month in which it received the shareholder's request for buy-back of the Investment Shares. The Fund is obliged to buy-back IAD from Shareholders no later than 3 weeks after the determination of the value of the IAD for the calendar month in which it received the Shareholder's request to buy-back the IAD. A request to buy-back IAE may be made at any time. However, IAE shall not be bought-back until 30 April 2027. Requests for buy-back made during the period referred to in the preceding sentence shall be treated as if they had been made on the first Business Day following 30 April 2027.

14.58 If Investment Shares are bought back, the shares which the investor purchases last are at all times deemed to be bought back first.

14.59 Investment Shares A, Investment Shares B, Investment Shares C, Investment Shares D and Investment Shares E are bought back at their Net Asset Value, which is to be determined as follows:

- the up-to-date value of the Investment Share determined retroactively for the period in which the Fund received the buy-back request (NAV_t per Investment Share) modified by
- (-) redistribution factor 1 of the relevant Investment Share class ($\delta RF1_t$) and
- (-) redistribution factor 2 of the relevant Investment Share,
- (-) redistribution factor 3 of the Investment Share E class,

The commitment to buy back the Investment Share for its Net Asset Value, and redistribution factor 3 are accounted for in the decisive period which immediately follows the decisive period in which the Fund received the buy-back request.

14.60 Investment Share X is bought back at its Net Asset Value, which is to be determined as follows:

the up-to-date value of the Investment Share IAX determined retroactively for the period in which the Fund received the buy-back request concerning IAX ($INAV_t$ to IAX) modified by

- (-) redistribution factor 1 of the relevant Investment Share X ($\delta RF1_t$)

the commitment to buy back IAX for its Net Asset Value, and redistribution factors are accounted for in the decisive period which immediately follows the decisive period in which the Fund receives the buy-back request pertaining to IAX.

14.61 Investment Share Y is bought back at its Net Asset Value, which is to be determined as follows:

the up-to-date value of the Investment Share IAY determined retroactively for the period in which the Fund received the buy-back request concerning IAY ($INAV_t$ to IAY) modified by

- (+) redistribution factor 1 of the Investment Share Y class,
- (-) redistribution factor 2 of the relevant Investment Share Y,
- (-) redistribution factor 3 of the Investment Share Y class,

the commitment to buy back IAY for its Net Asset Value, and redistribution factor 3 are accounted for in the decisive period which immediately follows the decisive period in which the Fund receives the buy-back request pertaining to IAY.

- 14.62 A payment equivalent to the sum of Net Asset Values of the bought back Investment Shares is to be made by a bank transfer to the shareholder's account listed in the list of shareholders or in the request for buy-back of the Investment Shares.
- 14.63 If the Net Asset Value of the Investment Share is adjusted retroactively, the difference in the amount of ascertained differences in the amounts for the bought back Investment Shares is to be compensated from the Fund's assets. In the event that the Shareholder owns the Investment Shares at the time of correction, the difference may be compensated by returning a portion of the funds for the Investment Shares bought back or by cancelling the relevant number of Investment Shares without compensation; if the shareholder does not own the Investment Shares at the time of the correction, the difference will be compensated by returning a portion of the funds for the bought back Investment Shares. If, as a result of the retroactive adjustment of the Net Asset Value of the Investment Share, the shareholder receives lesser settlement for the bought back Investment Shares, such shareholder will receive, without undue delay, compensation in the form of an additional payment for the bought back Investment Shares which is to equal the actual difference. In the event that the Investment Shares are in the form of a book-entered security, compensation for differences in the number of bought-back Investment Shares will be ensured by write-off of the appropriate number of Investment Shares to the shareholder's assets account. If the Net Asset Value of the Investment Share is adjusted in an amount which is (in absolute value) 0.5% (unless otherwise stipulated by the Act) or less of the adjusted Net Asset Value of the Investment Share, the differences in the amount of considerations are not to be compensated, unless the Fund Manager decides otherwise. This decision must be immediately communicated in writing to the Administrative Board.
- 14.64 Redistribution Factor 2 related to the buy-back of IAA, IAB, IAC, and IAD is the income portion of the Investment Fund's capital attributable to IAY.

Suspending Issuance or Buy-back of Investment Shares

- 14.65 If the upper or lower limit of the Fund's fund capital referred to in clause 14.67 hereof is reached, the Fund Manager will take measures without undue delay to remedy the situation in accordance with Section 164 paragraph 4 of the Act.
- 14.66 The Fund Manager may suspend the issuance or buy-back of Investment Shares for no more than 2 (two) years only if it is essential for protecting the shareholders' rights or rightful interests.
- 14.67 The grounds for suspending the issuance or buy-back of Investment Shares may be as follows, without limitation:
- a) the achievement of an upper or lower limit of the fund capital span as determined by this Prospectus;
 - b) operational reasons in the preparation of any Fund's financial statements;
 - c) lack of the Fund liquidity;
 - d) significant fluctuation in the value of the Fund's assets;

- e) protection of the common interests of shareholders in the Fund being, for example, the situation that a decision was made to terminate the Fund;
- f) potential damage to the interests of shareholders who will stay with the Fund;
- g) termination of the depositary contract.

14.68 If the amount of the Investment Fund Capital falls down to the lower end of the range to the amount corresponding to EUR 20,000,000 (twenty million euros) and lower, the Fund Manager may suspend the buy-back of the Investment Shares. If the amount of the Investment Fund Capital increases to the upper end of the range, the amount corresponding to EUR 400,000,000 (four hundred million euros) and higher, the Fund Manager may suspend the issuance of Investment Shares. The date on which the issuing or buy-back of Investment Shares resumes is to be determined subject to the provisions of Section 163 (3) of the Act.

Purchase of Investment Shares

14.69 If the Fund has sufficient cash resources the Fund Manager may, subject to the prior consent of the Administrative Board and subject to the following requirements, decide to purchase the Investment Shares on the Fund's account:

- a) The Fund will set the upper and lower limit for the amount intended for the purchase of Investment Shares;
- b) The Fund will address all investors in the Fund with the offer to purchase the Investment Shares, the Fund may determine that the offer will apply to all investors, or exclusively the investors in IAB, IAC, IAD and IAE or exclusively the investors in IAX and IAY, or exclusively the investors in IAY;
- c) If the total demand on the part of the Fund's investors exceeds the upper limit of the amount for purchasing the Investment Shares, the Fund will determine the rate at which all investors who requested the sale will be satisfied;
- d) If the total demand on the part of the Fund's investors does not exceed the lower limit of the amount for purchasing the Investment Shares, the Fund may decide to cancel the purchase of Investment Shares;
- e) The purchase price for purchasing the Investment Shares will always be equal to the Net Asset Value of the Investment Shares for the period which includes the day on which the Fund received the request for purchase of the Investment Shares, provided that the Fund in its offer may set out the due date and other process formalities of the purchase;
- f) The offer to purchase the Investment Shares IAY cannot be carried out, unless all holders of these Investment Shares agree to the offer.

14.70 Investment Shares expire upon purchase.

14.71 If Investment Shares are purchased the investment shares which the investor acquires last are at all times deemed to be purchased first.

14.72 The consideration received for the purchase as per clause 14.69 hereof is to be paid to the shareholder within thirty (30) Business Days after debiting the Investment Shares from the respective property account; the payment is to be made by a bank transfer to the shareholder's bank account listed in the list of shareholders. The Fund Manager is entitled to extend the maturity

of the consideration or any part thereof if the Fund's liability arises from the contract of the sale of the asset value.

Sale of Investment Shares

14.73 If the Fund has sufficient financial resources and the Fund Manager does not make the decision referred to in clause 14.68, the Fund may, subject to prior consent of the Administrative Board, deliver a request to the shareholders who hold the Investment Shares. Upon sending the request the purchase agreement becomes effective by which the holders of the Investment Shares to whom the request has been delivered agrees to transfer the title in the number or gross amount mentioned in the request to the Fund, and the Fund undertakes to pay the purchase price for these shares as determined in accordance with clause 14.73 hereof.

14.74 The notice referred to in clause 14.72 hereof can be repeated and may include all Investment Shares held by the shareholder. The Fund will determine the following in the request to each shareholder:

- a) whether the sale will involve all investors, or only investors in IAB, IAC, IAD and IAE only investors in IAX and IAY, or only investors in IAY, or investors who have given their prior consent to the sale of the Investment Shares;
- b) the number of Investment Shares or a gross amount to be sold; the decision must be non-discriminatory;
- c) the calculated purchase price will at all times equals the Net Asset Value of the Investment Shares for the period which includes the day on which the notice as per this clause 14.73.

14.75 Investment Shares expire upon sale.

14.76 If Investment Shares are sold, the shares which the investor acquires first are at all times deemed to be sold first.

14.77 Shareholders will cooperate with the Fund as much as necessary so it can actually consummate the sale of the Investment Shares referred to in clause 14.72 hereof in line with the Articles of Association. If a shareholder fails to cooperate, the Fund may give a unilateral instruction to the relevant register of book-entered securities to cancel the Investment Shares which are to be subject to the sale.

14.78 The consideration received for the sale as per clause 14.72 hereof is to be paid to the shareholder within thirty (30) Business Days after debiting the Investment Shares from the respective property account; the payment is to be made by a bank transfer to the shareholder's bank account listed in the list of shareholders. The Fund Manager is entitled to extend the maturity of the consideration or any part thereof if the Fund's liability arises from the notice of the sale of the asset value.

Investment Share sale differences that are deemed to be discriminatory are the ones that result from different moments when a shareholder enters the Fund and/or different issue prices for Investment Shares of individual shareholders, regardless that the shares are of the same class.

Common provisions for purchase and sale of Investment Shares

14.79 If a Special Evaluation of the Fund's debts or assets, an audit of the Fund's financial records, or any other operations which may have an impact on the calculation of the Investment Share's up-to-date value are taking place, the Fund Manager may extend the deadline for the final payment,

as concerns the purchase or sale, up to 120 (hundred and twenty) Business Days from the date the Investment Shares are debited from the relevant property account; at the same time, the Fund Manager may - subject to the prior written consent of the Administrative Board - decide that a purchase price advance be paid in the amount determined based on the last available Net Asset Value of the Investment Share.

14.80 If the Net Asset Value of the Investment Share is adjusted retroactively, the difference in the amount of ascertained differences in the amounts for the bought back or sold Investment Shares may be compensated from the Fund's assets. If the Shareholder owns the Investment Shares at the time of correction, the difference may be compensated by returning a portion of the funds for the Investment Shares purchased or sold, the relevant number of Investment Shares without compensation; if the shareholder does not own the Investment Shares at the time of the correction, the difference will be compensated by returning a portion of the funds for the purchased or sold Investment Shares. If, as a result of the retroactive adjustment of the Net Asset Value of the Investment Share, the shareholder receives lesser settlement for the bought back or sold Investment Shares, such shareholder will receive, without undue delay, compensation in the form of an additional payment for the bought back or sold Investment Shares which is to be equal to the difference. In the event that the Investment Shares are in the form of a book-entered security, compensation for differences in the number of purchased or sold Investment Shares will be ensured by write-off of the appropriate number of Investment Shares to the shareholder's assets account. If the Net Asset Value of the Investment Share is adjusted in an amount which is 0.5% (unless otherwise stipulated by the Act) or less of the adjusted Net Asset Value of the Investment Share, the differences are not to be compensated, unless the Fund Manager decides otherwise. This decision must be immediately communicated in writing to the Administrative Board.

15 Information on Fees, Costs and the Fund's Overall Cost Effectiveness

15.1 Remuneration to the Fund Manager for the management of the Fund's assets is paid from the Fund's assets related to the Fund's investment activities and amounts to:

- a) 0.4% p.a. from the assets of the Fund up to and including CZK 600,000,000 or thereafter;
- b) 0.2% p.a. from the assets of the Fund exceeding CZK 600,000,000 up to and including CZK 10,000,000,000 or thereafter; and
- c) 0.03% p.a. from the assets of the Fund exceeding CZK 10,000,000,000.

The fee is paid on the basis of an invoice issued on a monthly basis. The amount of the monthly fee determined under a) and b) above is limited to a maximum of CZK 400,000 per month. The fee of the Fund Manager does not include other costs related to the management of the assets and administration of the Fund paid from the Investment Fund capital.

15.2 Remuneration to the Fund Administrator for the administration of the Fund is paid from the Fund's Investment Fund Capital and amounts to:

- a) CZK 2,000 for each subscription, transfer or buy-back of the investment shares that occurred in a given month. At the same time, in the case of:
 - a. necessary application of enhanced identification and control to the investor pursuant to Act No. 253/2008 Coll. or

- b. where the investor is a legal entity with its registered office in a state other than the Czech Republic;

this amount shall be increased to CZK 5,000.

Amount is payable on a monthly basis subject to the invoice issued by the Fund Administrator;

- b) 0% p.a. of the value of Investment Shares in the form of book-entered securities for keeping their records, the fee being paid monthly for each commenced calendar month in which the book-entered securities are maintained, according to the value calculated at the end of the calendar month preceding the calendar month for which the fee is paid ;
- c) CZK 10,000 for the evaluation of each 1 (one) Real Property of the Business Company owned by the Fund, if the evaluation is processed directly by the Fund, regardless of whether the Fund Administrator evaluation is based on the valuation report prepared by a specialised third party (especially real estate) in assets valued by Business Company;
- d) 100 % of the entry fee according to the relevant Investment Shares Subscription Contract, if the Fund Manager mediated the conclusion of the relevant Investment Shares Subscription Contract;
- e) e) 0.8% p.a. of the fair value of ongoing investments from eligible investors (according to the current value of the investment shares) that have been brokered by the Fund Manager, calculated (assessed) on a calendar month basis; for the purposes of calculating the cost for a given calendar month, the value of the relevant investment shares at the end of the preceding calendar month shall be used;
- f) CZK 3,500 for each commenced hour of counselling (prior written approval of the Administrative Board is required);
- g) Remuneration fee for offering investments in the Fund under a separate agreement.

For the purposes of this clause, a Real Estate Company shall mean a Business Company in accordance with Section 100 (3) of the Act.

15.3 The fee to be provided to the Depositary, including the amount thereof, the method of calculation and due date, is agreed in the Depositary Agreement. The fee amounts to:

- a) CZK 48,000 per month if the Fund's assets are less than EUR 150,000,000;
- b) CZK 80,000 per month if the Fund's assets are above EUR 150,000,000 and below EUR 225,000,000; and
- c) CZK 115,000 per month if the Fund's assets are above EUR 225,000,000

+ VAT for each commenced month, due and payable from the Investment Fund Capital. For the first six (6) calendar months of the first Depositary's report, the Depositary's remuneration shall be reduced to two thirds.

15.4 The fee to be provided to the Fund Manager is free of any further costs associated with managing the Fund's assets paid from the Investment Fund Capital.

15.5 Other costs incurred or likely to be incurred in connection with the management of the Fund and

the administration of the Fund, which are covered by the Investment Fund Capital, include, in addition to the direct costs of acquiring the assets in which the Fund invests as per this Prospectus, in particular the following:

- a) costs incurred in connection with the acquisition, administration and realization of assets in which the Fund invests as per this Prospectus (especially the cost for analyses, studies, due diligence, project management, coordination, audit, expert opinion, brokerage or commission or bonuses, etc.);
- b) cost of presenting the Fund to the public and qualified investors;
- c) costs of offering investment in the Fund, marketing and public relations;
- d) costs of acquiring and maintaining investments in the Fund, in particular the cost of fundraising or distributing the Investment Shares;
- e) cost of evaluation of the Fund's assets and debts;
- f) interest on loans and borrowings received and similar charges, including commission fees, incurred in connection with the management of the Fund's assets;
- g) interest on bonds and similar costs arising from the issue of other securities by the Fund in connection with the management of the Fund's assets;
- h) fees for maintaining the Sub-Fund's account and managing the Sub-Fund's finances and investment instruments;
- i) fees for the safekeeping and administration of securities or book-entered securities held in the Fund;
- j) fees for the safekeeping of the Fund's assets transferred to custody by third parties;
- k) fees associated with the issue, buy-back, replacement or cancellation of securities or book-entered securities issued by the Fund;
- l) costs of safekeeping and administration of securities or book-entered securities issued by the Fund;
- m) costs of insurance of the Fund, costs of insurance of the Fund's statutory and control bodies and;
- n) remuneration of employees and members of the Fund's bodies; members of the Fund's Investment Committee;
- o) costs incurred in connection with the payment of profit-sharing and similar payments;
- p) costs of informing the investors;
- q) costs of collateral or instruments reducing risks, securing the value of the Fund's assets;
- r) costs of establishing, formation and commencing the operation of the Fund;
- s) costs of winding up and liquidation of the Fund;
- t) costs associated with transformation of the Fund;
- u) costs for auditing the Fund;

- v) legal, tax, accounting and other specialized consultancy costs;
- w) taxes and similar payments;
- x) notary, judicial and administrative fees and similar payments; and
- y) costs associated with the day-to-day operation of the Fund;

15.6 The costs referred to in clause 15.5 hereof may, if necessary, be incurred by Business Companies held in or being acquired into the Fund's assets. In such an event, the costs may be paid from the assets of the particular Business Company, but such costs need to be included in the Fund's cost limit imposed in clause 15.7 hereof in order to ensure the investors are duly informed.

15.7 Average management costs of the Fund's assets for 5 (five) consecutive accounting periods (net of intra-group interests and interest paid to third parties, including any collateral, net of income tax paid, and net of costs incurred in the brokerage of Investment Shares subscription) paid from the Investment Fund Capital amounts at maximum to 4% p.a. of the value of the Investment Fund Capital, the minimum expected costs are EUR 200,000 p.a.

These average costs of managing the Fund's assets include the Professional Advisor's fee. The Professional Advisor's remuneration fee is paid monthly out of the Fund's assets related to the Fund's investment activities and amounts to CZK 3,000 (three thousand Czech crowns) for each calendar month and a variable fee of 1.5% per annum of the value of the Fund's total assets from investment activities less the Fund's interest-bearing borrowed resources from investment activities as at the last day of the month for which the fee is paid. The amount of the Professional Advisor's remuneration fee as defined in this clause already includes value added tax, if any, to the extent that the Professional Advisor is subject to such tax and such remuneration is not exempt from value added tax

15.8 Collected fees, deductions and redistribution factors charged to the investor before the investment is made or when the Investment Shares are issued, cancelled, replaced, transferred, bought-back, purchased or sold:

| | Entry Fee | | | | | | |
|-------------------------------|---|--|--|--|--|---|---|
| | Type of Investment Shares | | | | | | |
| | A | B | C | D | E | X | Y |
| Entry Fee | 0% - 0.5% of the total contractually promised investment | 0% - 2% of the total contractually promised investment | 0% - 3% of the total contractually promised investment | 0% - 5% of the total contractually promised investment | 0% - 3% of the total contractually promised investment | 0% of the total contractually promised investment | 0% of the total contractually promised investment |
| | Redistribution Factor 1 (for IAA, IAB, IAC, IAD and IAX) | | | | | | |
| Yield on the Investment Class | For Investment Shares A | | | | | | |
| 6 % < IRR _t < 12 % | 15 % of the appreciation above the yield corresponding to 6 % p.a.* | | | | | | |
| IRR _t ≥ 12 % | 20 % of the appreciation above the yield corresponding to 6 % p.a.* | | | | | | |

| Yield on the Investment Class | <i>For Investment Shares B, Investment Shares C, Investment Shares D and Investment Shares X</i> | | | | |
|--|--|------|------|-----|-----|
| | IAB | IAC | IAD | | IAX |
| $0 < IRR_t \leq 4\%$ | 0 % | 20 % | 25 % | | 0 % |
| $4\% < IRR_t < 10\%$ | 15 % of the appreciation above the yield corresponding to 4 % p.a.** | 20 % | 25 % | | 0 % |
| $IRR_t \geq 10\%$ | 20 % of the appreciation above the yield corresponding to 4 % p.a.** | 20 % | 25 % | | 0 % |
| Redistribution Factor 2 (for IAA, IAB, IAC and IAD) | | | | | |
| Duration of holding the relevant Investment Share | Type of Investment Shares | | | | |
| | IAA | IAB | IAC | IAD | |
| until 26/03/2022 | Investment Shares are not bought back | | | | |
| in 1st to 5th year | 100% of the up-to-date value of the bought back Investment Shares after deducting the amount of RF1 charged to the bought back Investment Shares * (0.9 - 0.045 * the number of full quarters between the decisive day for determining the issue rate of the relevant Investment Shares and the decisive day for calculating RF2) | | | | |
| 6th and further year | 0% | | | | |
| Duration of holding the relevant Investment Share | Type of Investment Shares | | | | |
| | IAD | | | | |
| First 11 months | 100% of the up-to-date value of the bought back Investment Shares after deducting the amount of RF1 charged to the bought back Investment Shares * (0.9 - 0.0742 * the number of full quarters between the decisive day for determining the issue rate of the relevant Investment Shares and the decisive day for calculating RF2) | | | | |
| After first 11 months | 100% of the up-to-date value of the bought back Investment Shares after deducting the amount of RF1 * 1% | | | | |
| Redistribution factor 3 (for IAE) | | | | | |
| Type of Investment Shares | | | | | |
| Yield of Investment Class | IAE | | | | |
| | 20% | | | | |

* Comparative value of the investment share class with the same cash flows and revenue corresponding to 6% p.a. will be determined by the mechanism set out in clause 14.50 hereof.

** Comparative value of the investment share class with the same cash flows and revenue corresponding to 4% p.a. will be determined by the mechanism set out in clause 14.50 hereof.

16 Additional Information

16.1 Information on the Prospectus:

- a) The information given in this Prospectus is kept up to date.

- b) Any modification in the Prospectus is not subject to the CNB's consent.
- c) Every Subscriber of Investment Shares must be
 - (i) prior to the conclusion of the subscription agreement, the Fund's Articles of Association, as amended, are provided free of charge upon request; and
 - (ii) provided this Prospectus in its up-to-date version and the latest annual report free of charge upon request.
- d) The documents referred to in clause 16.1(c) hereinabove must be available to every subscriber in the Fund's registered office.

16.2 The rules for communications between shareholders and the Fund, the Fund Manager or the Fund Administrator as well as the shareholders' reporting duties owed to these parties are primarily imposed by the Fund's Articles of Association.

16.3 Supplementary information on the Fund:

- a) The Fund has been established for perpetuity. This does not prevent the Fund from being terminated anytime in accordance with the Fund's Articles of Association and this Prospectus or the Fund Manager from deciding (such decision to be made repeatedly), subject to the terms and conditions imposed in the Fund's Articles of Association, to purchase or sell Investment Shares.
- b) The procedure to be applied if the Fund are terminated or transformed as well as rights and obligations of the shareholders upon such termination or transformation are subject to generally binding law, especially the Act, the Corporations Act and the Transformations Act, and the Fund's Articles of Association.
- c) Supplementary information is available in the Fund's registered office, if necessary.
- d) The courts of the Czech Republic shall have jurisdiction to resolve disputes arising from the Equity Commitment Agreement in connection with an investor's investment in the Fund, unless otherwise stipulated in the Equity Commitment Agreement or mandatory provisions of a legal regulation. The applicable law for a contractual obligation in connection with an investor's investment in the Fund is the legal order of the Czech Republic, unless otherwise stipulated in the contract or mandatory provision of the legal regulation.

16.4 Basic information on the tax system applicable to the Fund:

- a) The taxation of the Fund and its shareholders is subject to the tax laws of the Czech Republic, in particular Act No. 586/1992 Coll., the Income Taxes Act, as amended. The Fund is a basic investment fund the income of which is currently subject to corporate income tax of 5%.
- b) If the income from selling the Investment Shares is received by a Czech tax non-resident the Czech buyer is, in circumstances defined by generally binding law, obliged to deduct security over the income tax from the purchase price in the amount set forth by applicable law.
- c) Dividends paid by the Fund from the Fund's assets are, on a general level, subject to a 15% withholding tax. The withholding tax rate may be limited by an international treaty on the

prevention of double taxation by which the Czech Republic is bound.

- d) Dividends paid to legal entities may be tax exempt provided that statutory requirements are complied with.
 - e) Taxation of foreign investors generally depends on the state of tax residence of the investor. Investor is obliged to provide cooperation to the Fund or the Fund Administrator in order to determine his/her/its state of tax residence in accordance with the Fund's Articles of Association.
 - f) Taxation of income or profits of individual investors depends on applicable tax laws which do not necessarily have to be the same for each investor, which is why any investor who is not sure about his/her/its taxation should seek professional advice.
- 16.5 The Fund Administrator is the party responsible for compliance with duties relating to taxes, fees and other similar charges. If, after the Fund is terminated, holders of Investment Shares issued to the Fund return accepted performance to the Fund in order to discharge a debt which was a part of the Fund's assets and liabilities, the Fund Administrator will take all reasonable steps without undue delay to apply for return of a portion of the tax on the grounds that the performance received by the shareholder is actually lower after the portion of the performance is returned. The tax reimbursement, if any, is to be paid to former shareholders in the same proportion and under the same terms and conditions as the performance to which the tax reimbursement applies.
- 16.6 The authority responsible for supervision over the Fund is the Czech National Bank (abbreviated to "**CNB**"), with its registered office at Na Příkopě 28, 115 03, Prague 1, Czech Republic, telephone: +420 800 160 170, e-mail address: podatelna@cnb.cz, website: www.cnb.cz.
- 16.7 The Fund Manager informs investors that the registration in the list of investment funds administered by the CNB and the CNB's supervision are not a safeguard for the investment's return, the Fund's performance, that they cannot rule out a breach of statutory obligations or this Prospectus or the Fund's Articles of Association, by the Fund Manager, by the Fund Administrator, by the Depositary or by any other party and that they do not guarantee that damage, if any, resulting from such breach is to be compensated.
- 16.8 Should particular provisions (explicit) of this Prospectus be in conflict with particular provisions (explicit) of the Fund's Articles of Association in the interpretation of a particular legal case, the legal case is to be interpreted and assessed in line with the Fund's Articles of Association.

17 Disclosure of Information on the Fund's Business Results

- 17.1 The Fund Administrator is required to send the Fund's Annual Report to CNB no later than within 4 (four) months after the end of the accounting period of the Fund. The Fund Manager and the Fund Administrator are required to submit a qualified investor report to the CNB as per Section 3 (3) (c) of Decree No. 249/2013 Coll., on reporting by Managers and Administrators of investment funds and foreign investment funds.
- 17.2 Informing Fund's shareholders

| Type of Information to be Disclosed | Disclosure Frequency and/or Deadline | Disclosure Method |
|--|---|--------------------------|
|--|---|--------------------------|

| | | |
|---|--------------|--|
| Up-to-date version of the Fund's Articles of Association and the Prospectus | Upon request | Hard copy or electronic copy by e-mail |
| Annual report | Upon request | Hard copy, electronic copy by e-mail or via the Fund's website |
| Information about the up-to-date value of the Investment Shares; | Monthly | Electronic copy by e-mail |

17.3 Shareholders are responsible for the accuracy of the contact data disclosed for electronic communications in the manner given in the Fund's Articles of Association.

In Prague, dated 1st September 2022

Winstor investiční společnost a.s., Member of the Board
 Ing. et Ing. Rostislav Plíva, Ph. D. - Chairman of the Board of Directors