



**ARETE**

ARETE INDUSTRIAL SICAV a.s.

STATUTE OF THE INVESTMENT FUND

Valid as of August 1, 2024

## CONTENT

1	List of terms and abbreviations used.....	3
2	Information about the Fund .....	5
3	Information about the Fund Auditor’s Identity .....	5
4	Information about the Fund Manager and Administrator .....	6
5	Information on delegating Individual Activities to Another .....	7
6	Depository details .....	8
7	Investment objectives of the Fund .....	9
8	Investment strategy of the Fund .....	9
9	Limits for limiting and spreading risk and liquid assets.....	12
10	Risk profile data.....	14
11	Accounting period, valuation, and investment method of the Fund.....	18
12	Rules for managing the Fund .....	20
13	Rules for accepting and providing loans and advances.....	21
14	Rules for concluding repo trades and derivatives .....	22
15	Information about securities issued by the Fund .....	22
16	Information on fees, costs and the total cost of the Fund.....	44
17	Other necessary information for investors necessary to assess the investment .....	48
Annex No. 1	Precontractual information on investments according to article 8 of the SFDR.....	52

## 1 LIST OF TERMS AND ABBREVIATIONS USED

For the purposes of this Statute, the following terms have the following meanings:

**Act** – Act No. 240/2013 Coll., on investment companies and investment funds, as amended.

**Act on business corporations** – Act No. 90/2012 Coll., on business companies and cooperatives, as amended.

**Act on conversions** – Act No. 125/2008 Coll., on conversions of commercial companies and cooperatives, as amended.

**Administrator** – Winstor investiční společnost a.s., as defined in article 4 of this Statute.

**Auditor** – KPMG Česká republika Audit, s.r.o., as defined in article 3 of this Statute, which provides auditing services to the Fund.

**Business day** – A day when banks are open for normal business in the Czech Republic.

**Civil code** – Act No. 89/2012 Coll., Civil code, as amended.

**CNB** – the Czech National Bank.

**CZK** – Czech crown, the legal currency of the Czech Republic.

**Depository** – Komerční banka, a.s., as defined in article 6 of this Statute, which acts as a depository for the Fund.

**ESG** - refers to requirements in the field of environmental sustainability, social responsibility and corporate governance.

**ESG indicators** – quantitative and qualitative indicators used by the Fund for monitoring and promoting specified environmental and social goals and characteristics.

**ESG strategy** – ESG strategy of the Fund available on the website <https://www.arete.eu/cs/arete-industrial>.

**Expert advisor** – ARETE GLP s.r.o., as defined in article 4.4 of this Statute.

**Fund** – ARETE INDUSTRIAL SICAV a.s., as defined in article 2.1 of this Statute.

**Fund account credit date** - The date on which funds remitted by an investor are credited to the Fund bank account. In the case of fulfilling the obligation by set-off against due obligations pursuant to Section 1982 et seq. of No. 89/2012 Coll., the Civil code, or Section 21(3) of the Business corporations Act, this date is the effective date of the agreement on set-off of mutual claims.

**Investment company** - Winstor investiční společnost a.s., as defined in article 4 of this Statute.

**Investment fund capital** – Assets and debts from the Fund's investment activities in the sense of §164, paragraph 1 of the Act.

**Investment shares** – Investment shares A, Investment shares B, Investment shares C, Investment shares D, Investment shares E, Investment shares F, Investment shares G, Investment shares X and Investment shares Y, unless otherwise stated in the wording of this Statute.

**Manager** – Winstor investiční společnost a.s., as defined in article 4 of this Statute.

**Net present value** – Means, in the event of an exchange, cancellation, transfer, redemption, purchase or sale of Investment shares, the amount before any taxation, which the shareholder as the owner of the relevant

Investment shares will receive and which corresponds to the current value of the Investment shares determined on the basis of the fund capital attributable to the given type of Investment shares of shares to be the subject of exchange, cancellation, transfer, redemption, purchase or sale after deducting the applicable amount of applicable costs and redistribution factors.

**Other fund capital** – Other assets of the Fund in the sense of Section 164, paragraph 1 of the Act.

**Real estate** - Immovable property within the meaning of §498, paragraph 1 and §3055 of the Civil code (in particular, land, real right to land, a right declared to be real property by law and a building connected to the land with a solid foundation, which did not become part of the land as of the Civil code's effect, on by which it is established).

**Regulation** – Regulation No. 243/2013 Coll., on investing in investment funds and on their management techniques, as amended.

**SFDR** – Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the disclosure of information related to sustainability in the financial services sector.

**Sustainability factors** – environmental, social and employment issues, respect for human rights and anti-corruption and bribery issues.

**Sustainability risks** - an environmental, social or governance event or situation that, if it were to occur, could have an actual or potential material adverse effect on the value of the investment.

## 2 INFORMATION ABOUT THE FUND

### 2.1 INFORMATION ABOUT THE FUND

#### 2.1.1 BUSINESS NAME AND HEADQUARTERS

ARETE INDUSTRIAL SICAV a.s., with registered office náměstí 14. října 642/17, Smíchov, 150 00 Prague 5, the Czech Republic, ID 080 31 444, company registered in the commercial register maintained by the Municipal Court in Prague, file number B 24315.

#### 2.1.2 ABBREVIATED NAME

Arete Industrial

#### 2.1.3 ENROLLMENT IN THE LIST OF INVESTMENT FUNDS WITH LEGAL PERSONALITY

The Fund is registered in the list of investment funds with legal personality maintained by the CNB pursuant to Section 597 letter a) of the Act.

#### 2.1.4 THE REGISTERED CAPITAL OF THE FUND

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

#### 2.1.5 DATE OF CREATION OF THE FUND

March 27, 2019.

#### 2.1.6 THE PERIOD FOR WHICH THE FUND IS ESTABLISHED

The Fund is established for an indefinite period.

#### 2.1.7 INCORPORATION OF THE FUND

The Fund is a fund of qualified investors, which in the sense of §95 paragraph 1 letter a) of the Act collects money or money-valuable things from several qualified investors by issuing participation securities and carries out joint investment of the collected money or money-valuable things on the basis of a specified investment strategy for the benefit of these qualified investors and further manages this property.

The Fund is neither a master nor a subordinate fund.

#### 2.1.8 SUB-FUNDS

The Fund does not create sub-funds according to § 165 of the Act.

### 2.2 INFORMATION ABOUT PRIME BROKER OF THE FUND

The Fund does not have a prime broker.

### 2.3 INTERNET ADDRESS

Designation of the Fund's internet address: <https://www.arete.eu/cs/arete-industrial>.

## 3 INFORMATION ABOUT THE FUND AUDITOR'S IDENTITY

The Fund's auditor is KPMG Česká republika Audit, s.r.o., with registered office at Pobřežní 648/ 1a, 186 00 Prague 8, ID 496 19 187, registered in the commercial register maintained by the Municipal Court in Prague, file number C 24185.

The activity of the Auditor in relation to the Fund is as follows:

- a) verification of the Fund's financial statements according to §187 of the Act; and

- b) statement on the compliance of the Fund's annual report with its financial statements pursuant to §292 of the Act.

## **4 INFORMATION ABOUT THE FUND MANAGER AND ADMINISTRATOR**

### **4.1 INFORMATION ABOUT THE PERSON OF THE MANAGER AND ADMINISTRATOR**

The Manager and Administrator of the Fund is Winstor investiční společnost a.s., with its registered office at Jungmannova 745/24, Nové Město, 110 00 Prague 1, ID 083 15 868, a company registered in the commercial register maintained by the Municipal Court in Prague, file number B 24543.

The Investment company was established based on the decision of the CNB dated ID: 2019/068651/CNB/570, 2018/00275/CNB/571, which entered into force on June 20, 2019.

The Investment company is registered in the list of Investment companies maintained by the CNB pursuant to §59 6 letter a) of the Act.

The Investment company is entitled to exceed the decisive limit.

### **4.2 STATUTORY AUTHORITY**

The Investment company is the statutory body of the Fund in accordance with §9, paragraphs 1 and 2 of the Act.

### **4.3 ACTIVITIES OF THE INVESTMENT COMPANY IN RELATION TO THE FUND**

The Investment company performs the following activities in relation to the Fund:

- a) management of the Fund, namely:
  - i. management of the Fund's assets, including investing on the Fund's account;
  - ii. managing risks associated with investing;
- b) administration of the Fund, in particular:
  - i. accounting of the Fund;
  - ii. provision of legal services;
  - iii. compliance and internal audit;
  - iv. handling complaints and claims of the Fund's investors;
  - v. valuation of the assets and debts of the Fund to the extent specified in article 11.2 of this Statute;
  - vi. calculation of the present value of the Fund's Investment shares;
  - vii. ensuring the fulfillment of obligations related to taxes, fees or other similar monetary payments;
  - viii. maintaining a list of owners of shares issued by the Fund, custody of securities and keeping records of book-entry securities issued by the Fund (with the exception of book-entry securities kept in the records of the Central Securities Depository);
  - ix. distribution and payment of income from the assets of the Fund;
  - x. ensuring the issuance, exchange, cancellation, transfer, redemption, purchase and sale of Investment shares and founder shares issued by the Fund;
  - xi. drawing up and updating the Fund's annual report;
  - xii. drawing up and updating the key information of the Fund or a comparable document according to the law of a foreign country and making changes to it;
  - xiii. preparation of the Fund's promotional communication;

- xiv. publishing, making available and providing data and documents to the Fund's shareholders and other persons;
- xv. notification of data and provision of documents in particular to the CNB or the supervisory authority of another member state;
- xvi. performance of other activities related to the management of values in the Fund's property;
- xvii. distribution and payment of monetary benefits in connection with the cancellation of the Fund;
- xviii. keeping records of the issuance, exchange, cancellation, transfer, redemption, purchase and sale of Investment shares and founder shares issued by the Fund;
- xix. offering investments in the Fund.

The Investment company performs these activities in full by itself or has entrusted their performance to another person. Details on the entrustment of certain activities are regulated by article 5 of the Statute.

The Investment company may also perform other activities for the Fund based on a contract for the performance of a function of a statutory or the law, which are not included in the scope of management or administration.

#### **4.4 INFORMATION ABOUT THE PERSON OF THE MANAGER'S EXPERT ADVISOR**

ARETE GLP s.r.o., with registered office at náměstí 14. října 642/17, Smíchov, 150 00 Prague 5, ID 118 62 530, a company registered in the commercial register maintained by the Municipal Court in Prague, section C, insert 355548.

The expert advisor has significant experience in the area on which the Fund's investment strategy is focused. In particular, the expert advisor provides consulting services to the Fund in the area of implementing the Fund's investment strategy, searches for and analyzes investment opportunities, and creates market analyses. Furthermore, the expert advisor provides administrative activities related to fundraising.

The professional advisor is entitled to remuneration for his activities.

### **5 INFORMATION ON DELEGATING INDIVIDUAL ACTIVITIES TO ANOTHER**

#### **5.1 ENTRUSTMENT OF MANAGEMENT**

The Manager has not entrusted the management of the Fund's assets or part of the Fund's assets, specifically the management of the Fund's assets, including investments on the Fund's account, to another person.

#### **5.2 ENTRUSTING THE PERFORMANCE OF CERTAIN ACTIVITIES**

The Investment company entrusted the performance of some activities to the companies listed below based on concluded contracts. The Investment company can control and with its orders influence the performance of the listed activities by the listed companies. The Investment company is entitled to terminate the contracts based on which the aforementioned activities were entrusted with immediate effect. By entrusting the performance of these activities, the responsibility of the Investment company to compensate for damage caused by the violation of its obligations as Manager and Administrator of the Fund, which derive from the Statute, the Act, and other legal regulations, remains unaffected. In the future, the Investment company does not rule out further entrustment of activities that are usually part of management or administration to a third party under the conditions set by law.

The management of certain information systems and information technologies is provided for Investment company by Winstor Capital a.s., with its registered office at Jungmannova 745/24, Nové Město, 110 00 Prague 1, ID 060 99 122, a company registered in the commercial register maintained by the Municipal Court in Prague, file number B 22495.

Compliance is provided for the Fund by GPP s.r.o., with registered office at Korunní 2206/127, Vinohrady, 130 00 Prague 3, ID 077 54 302, a company registered in the commercial register maintained by the Municipal Court in Prague, file number C 307061. Internal audit for the Fund is provided by GPP interní audit s.r.o., with its registered office at Korunní 2206/127, Vinohrady, 130 00 Prague 3, IČO 213 10 700, a company registered in the commercial register maintained by the Municipal Court in Prague, file number C 399923.

After prior written notification to the supervisory board, the Administrator is authorized to entrust another with the performance of the individual activities listed below, which include the administration of the Fund:

- a) offering investments in the Fund;
- b) preparation of promotional communications for offering investments in the Fund;
- c) handling complaints and claims of the Fund and other persons;
- d) the fulfillment of obligations relating to taxes, fees or other similar monetary payments on the part of the Fund's shareholders;
- e) fulfillment of obligations arising from legal regulations in the area of AML/CFT;
- f) evaluation of the appropriateness and adequacy of investment in the Fund for those interested in investing in the Fund to the extent stipulated by the Act;
- g) ensuring the issuance, exchange, cancellation, transfer, redemption, purchase and sale of Investment shares and founder shares issued by the Fund;
- h) safekeeping of the Fund's shares and management of the Fund's shares in the register of book-entry securities;
- i) maintaining a list of owners of the Fund's shares;
- j) keeping records on the issuance, exchange, cancellation, transfer, redemption, purchase and sale of the Fund's shares;
- k) distribution and payment of income from the assets of the Fund;
- l) publishing, making available and providing data and documents to the Fund's shareholders and other persons.

After prior written notification to the supervisory board, the administrator is entitled to entrust another person with performance of the individual activities specified in this Statute with the exercise of professional care and under the conditions set by the Act, this Statute, the Fund's articles of association and the contract on the performance of the function of statutory body. The person entrusted with the performance of the individual activities listed in this Statute is entitled to entrust the performance of an action or some actions from this activity to another person under the conditions set out in this Statute, the Fund's articles of association and the contract on the performance of the function of statutory body. The costs of the performance of the individual activities listed in this Statute provided by the authorization of another are paid from the assets of the Fund.

## **6 DEPOSITARY DETAILS**

### **6.1 DEPOSITARY DETAILS**

The Depositary of the Fund is the company Komerční banka, a.s., with registered office at Na Příkopě 969/33, 114 07 Prague 1, Czech Republic, ID 453 17 054, a company registered in the commercial register maintained by the Municipal Court in Prague, file number B 1360.

The depositary is entered in the list of depositaries of investment funds maintained by the CNB.

### **6.2 ACTIVITY OF THE DEPOSITARY**

The Depositary for the Fund carries out activities according to §60 of the Act, in particular:

- a) has custody of the Fund's property, if its nature allows it;



- b) records the movements of all funds belonging to the Fund's assets;
- c) registers, if its nature allows it, or checks the condition of other assets of the Fund than those mentioned in letters a) and b).

The Depositary for the Fund performs control duties according to §73, paragraph 1 of the Act, in particular whether in accordance with the Act, the directly applicable regulations of the European Union in the field of investment fund management, the Fund's articles of association, this Statute and the provisions of the depositary agreement:

- a) Investment shares were issued and redeemed;
- b) the current value of the Investment share was calculated;
- c) the assets and debts of the Fund were valued;
- d) consideration was paid from transactions with the Fund's assets within the usual time limits;
- e) revenues flowing to the Fund are used.

The Depositary for the Fund does not carry out activities resulting from §73 paragraph 1 letter f) of the Act.

The arrangement of the depositary agreement does not allow the transfer or further use of the Fund's assets by the Depositary.

The activities referred to in §71 paragraph 1 of the Act are performed only by the Depositary and their performance is not even partly entrusted to another person.

## 7 INVESTMENT OBJECTIVES OF THE FUND

The investment objective of the Fund is the permanent appreciation of funds deposited by shareholders owning Investment shares issued by the Fund, in particular on the basis of direct investments in Real estate and indirect investments in Real estate through direct or indirect participations in capital trading companies (trading companies directly or indirectly controlled by the Fund, hereinafter referred to as "**Corporations**") and the provision of loans to Corporations, with the Fund's investment returns being mainly provided by income from shares in the profits of Corporations and from interest on loans granted to Corporations. The value of investments in Real estate and Corporations should reach a target of at least 49 % of the Fund's assets.

The investment is suitable for investors who are willing to take a higher level of risk in order to achieve a higher appreciation of the invested funds in the medium and long term.

The Fund is a growth investment device, which means that a large part of the profit is further reinvested in accordance with the Fund's investment strategy, however, the Fund may use part of the profit to pay compensation for redemptions, purchases or sales of selected types of Investment shares issued by the Fund and, where appropriate, also to pay income from assets of the Fund to shareholders.

Changes to investment goals are decided by the Manager with the prior written consent of the Fund's supervisory board.

## 8 INVESTMENT STRATEGY OF THE FUND

In order to achieve the investment objective, the assets of the Fund can be invested in the following types of assets listed in articles 8.1.1 and 8.1.2 of this Statute.

The asset value according to articles 8.1.1 and 8.1.2 can be represented by a security or a book-entry security, an entry in the relevant register or another form.

When investing in shares, business shares, or other forms of participation in Corporations or cooperatives, the Fund will take into account in particular their economic advantage, while simultaneously respecting the rules of prudence and rules for limiting risks.

The Fund is authorized to invest in assets both in euros (EUR) and Czech crowns (CZK), as well as in other currencies that are legal tender in some of the countries of the European Union.

Investments of the Fund can be realized on the territory of the European Union. Investments in Real estate and/or Corporations in the territory of another country other than the above can only be realized up to 5 % of the Fund's assets and only under the conditions of §54 letter a) and b) Regulation.

## **8.1 ASSETS IN WHICH THE FUND INVESTS**

### **8.1.1 MAJOR ASSETS**

The main assets in which the Fund, as an investment fund pursuant to the Act, invests more than 90% of the value of the Fund's assets in accordance with its Statute, are:

- a) investment securities;
- b) securities issued by an investment fund or a foreign investment fund;
- c) participation in Corporations;
- d) money market instruments;
- e) financial derivatives according to the Act;
- f) the rights resulting from the registration of the items listed in points a) to e) in the register and enabling the Fund to directly or indirectly dispose of this value in at least a similar manner as the authorized holder;
- g) claims for the payment of funds from an account with persons pursuant to Section 72, paragraph 2 of the Act;
- h) loans and advances provided by the Fund.

According to article 8.1.1 of the Statute, the Fund's investments are not geographically concentrated.

### **8.1.2 ADDITIONAL ASSETS**

Additional assets in which the Fund, as an investment fund pursuant to the Act, invests in accordance with its Statute in the aggregate less than 10% of the value of the Fund's assets are mainly: Real estate, property rights to Real estate, trademarks, movable property, receivables not falling under assets according to article 8.1.1 of the Statute, assessable rights and rights associated with assets referred to in articles 8.1.1 and 8.1.2.

## **8.2 COPYING AN INDEX**

The Fund will not track (copy) any specific index or indicator (benchmark).

## **8.3 COLLATERAL AND GUARANTEES**

The return on an investment in the Fund or the income from this investment is not guaranteed. The Fund is not a secured or guaranteed Fund and neither the Fund nor any third parties provide any guarantees to investors in this regard.

## **8.4 ACCEPTANCE AND GRANTING OF LOANS**

The Manager is authorized to accept and provide credits or loans on the account of the Fund only under the conditions set out in article 13 of this Statute.

## **8.5 MAKING A DONATION, SECURING ANOTHER PERSON'S DEBT OR PAYING A DEBT UNRELATED TO FUND MANAGEMENT**

After prior written approval by the supervisory board, the Manager is authorized to use the Fund's assets to provide a donation, secure an obligation of another person, or to pay off a debt that is not related to management, provided that such a transaction does not negatively affect the fulfillment of the Fund's investment goals according to article 7 of this Statute.

## **8.6 POSSIBILITIES AND LIMITS RELATING TO THE SALE OF ITEMS ON BEHALF OF THE FUND THAT THE FUND DOES NOT HAVE IN ITS POSSESSION**

The Fund may not enter into contracts for the sale of investment instruments that it does not own.

## **8.7 DERIVATIVES AND REPO TRADES**

The Manager may conclude repo transactions and derivatives on behalf of the Fund under the conditions set out in article 14 of this Statute.

In the case of using derivatives, the Fund uses the methods for calculating the total exposure according to Regulation No. 231/2013, which supplements Directive 2011/61/EU of the European Parliament and of the Council, in terms of exceptions, general operating conditions, depositories, leverage, transparency and surveillance.

## **8.8 TRANSACTIONS WITH PERSONS WITH SPECIAL STATUS TO THE FUND**

Assuming that:

- a) a written plan is prepared for the trade, in which the effectiveness of the execution of this trade is documented;
- b) the transaction cannot be carried out under the same or more favorable conditions with a third party;
- c) the trade is in the interest of protecting the Fund's property against its depreciation;
- d) the trade is beneficial to the Fund;
- e) the transaction is carried out after the prior approval of the supervisory board and the Fund's investment committee, if established;
- f) the trade is carried out in accordance with the provisions of Section 255 of the business corporation Act;

the Manager is authorized to enter into a transaction consisting in the acquisition of assets for the Fund also with a shareholder of the Fund, a proxy holder, a member of the board of directors or a supervisory board, an employee of the Fund, a member of the investment committee of the Fund, a person close to them or with a person for whom any of the previous persons is authorized to act, or with a person who forms a concern with the Fund. In addition to the rules mentioned in this article, the general rules for conflict of interests according to the Act on business corporations also apply.

## **8.9 APPROVAL OF TRANSACTIONS BY ALL SHAREHOLDERS OF THE FUND**

In justified cases, the Manager may request an approval of the Fund's general meeting for the intended transaction from the Fund's assets. The consent of the Fund's general meeting to the intended transaction must be granted by all the Fund's shareholders.

## **8.10 SUSTAINABILITY INFORMATION**

The Fund is a financial product promoting environmental and social properties according to article 8 of the SFDR, i.e. a light green product.

Through responsible investing, the Fund strives to achieve the appreciation of investors' funds and at the same time to influence the Corporations in which the Fund invests towards the application of responsible behavior.

The Fund is a product according to article 8 of the SFDR, which promotes environmental and social properties.

Regarding environmental properties, the Fund promotes:

- a. Reducing energy intensity, increasing the efficiency of use of energy sources, use of energy from renewable sources;
- b. Reducing greenhouse gas emissions;
- c. Reducing waste production and promoting a circular economy; and
- d. Support for biodiversity.

Among the social features, the Fund promotes:

- a. Health, safety and wellbeing of employees and tenants; and
- b. Supporting local communities.

The Fund also focuses on the application of good governance policies, including in relation to its suppliers.

The promoted environmental and social characteristics, including monitored ESG indicators and related methodology, are described in more detail in the ESG strategy and Annex No. 1 of this statute. The ESG strategy can be refined and supplemented.

The Fund also performs an analysis in accordance with the ESG strategy for each investment. The fund therefore assesses the potential sustainability risks associated with the investment and determines whether the investment is in line with the ESG indicators that the Fund has determined to promote individual environmental and social characteristics. The investment can only be implemented if it is in accordance with the ESG strategy, or if it does not lead to a violation of the established ESG indicators.

The Fund does not have exclusion criteria for counterparties (the so-called blacklist). However, the Fund assesses sustainability risks associated with transaction counterparties on an individual basis as part of the ESG analysis of each transaction.

The Fund does not take into account the most significant adverse impacts on Sustainability Factors (so-called Principle Adverse Impacts or PAI).

This financial product promotes environmental and social properties, but does not follow the goal of sustainable investments. The underlying investments of this financial product do not take into account EU criteria for environmentally sustainable economic activities.

## **9 LIMITS FOR LIMITING AND SPREADING RISK AND LIQUID ASSETS**

### **9.1 INVESTMENT LIMITS**

Investment limits for the composition of the Fund's assets:

- a) assets according to article 8.1.1. always make up 90 % or more of the value of the Fund's assets;
- b) assets according to article 8.1.2. always make up less than 10 % of the value of the Fund's assets;
- c) The manager is entitled to use leverage when managing 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 loans and advances provided will not exceed 95 % of the value of the Fund's assets;
- e) assets according to article 8.1.1. letter b) do not exceed 10 % of the value of the Fund's assets.

## **9.2 CLASSIFICATION OF ASSETS IN THE FUND'S ASSETS FOR THE PURPOSES OF CALCULATING LIMITS**

Classification of assets in the Fund's property for the purposes of calculating limits according to this Statute, which are titled as:

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

To the category according to article 8.1.1. and 8.1.2. of this Statute is governed by the type of asset value that will be included in the Fund's assets after the transaction is settled.

If the asset in the Fund's property cannot be classified in the category according to article 8.1.1. or 8.1.2. of this Statute, for the purposes of calculating the limits according to this Statute, such an asset will be considered an asset of the category according to article 8.1.2. of this Statute.

## **9.3 EXEMPTIONS FROM THE OBLIGATION TO COMPLY WITH INVESTMENT LIMITS**

There are no exceptions to the obligation to comply with investment limits for the composition of the Fund's assets.

## **9.4 REMEDIAL PERIOD IN CASE OF PASSIVE EXCEEDING OF INVESTMENT LIMITS**

If the composition of the Fund's assets does not comply with the investment limits stated above due to reasons that occurred independently of the Manager's will, the Manager will rectify such a situation without unnecessary delay so that the interests of the Fund's shareholders are preserved to the greatest extent possible.

## **9.5 MINIMUM LIQUID RESOURCES OF THE FUND**

In order to ensure its internal operation, the Fund is obliged to hold liquid funds in the amount of at least CZK 2,000,000 or the equivalent of this amount in EUR, with the possibility of temporarily reducing this amount until the settlement of a specific business case.

The Investment company has prepared a liquidity management contingency plan for the Fund in case the Fund's liquidity is threatened.

The Fund will publish information on any measures taken to manage the Fund's insufficient liquidity, or information on the share of the Fund's assets that is subject to special measures due to its low liquidity, on its website.

## **9.6 INVESTMENTS ABOVE THE CURRENT VALUE OF THE FUND'S ASSETS**

An investment can be made into the Fund's account, the amount of which exceeds the current available resources of the Fund, provided that:

- a) the liquidity of the Fund will be maintained according to article 9.5 of this Statute;
- b) in that part of the investment that exceeds the value of the Fund's assets at the time of acquisition, the Fund Manager will have secured a source of capital for making such an investment in the form of obligations to subscribe to Investment shares towards investors or in the form of loans or borrowings from third parties or securing a source of capital can be realistically assumed;
- c) the maturity of the relevant part of the investment will not occur before the Manager, on behalf of the Fund, obtains access to a source of capital to make such an investment;

- d) the source of capital will meet the requirements for transparency and soundness, and the drawing will not violate the rules for accepting credits and loans according to this Statute; and
- e) and in the event that the Manager does not gain access to this source of capital on behalf of the Fund, he will be entitled to withdraw from such investment without penalty.

Notwithstanding the above, the Fund is entitled to enter into negotiations for the realization of an investment if it has secured a source of capital to cover transaction costs related to the investment.

## 10 RISK PROFILE DATA

The Fund warns investors that the value of an investment in the Fund may fall as well as rise, and the return of the originally invested amount is not guaranteed. The performance of the Fund in previous periods does not guarantee the same or higher performance in the future. An investment in the Fund is intended to achieve a return during its long-term holding and is therefore not suitable for short-term speculation.

The consequence of the occurrence of any of the cases representing the risks mentioned in articles 10.1 and 10.2 of this Statute may be a delay, reduction, or complete exclusion of revenues. Such a situation may be an obstacle to covering the Fund's own investment, or possibly also an obstacle to the payment of obligations to third parties. Considering that the repayment of the funds invested by the Fund will usually be subject to the full repayment of the obligations towards the financing bank, the Fund's own funds would not be returned before this repayment; in the event of an extremely unfavorable development (including the possible insolvency of the relevant company), the Fund's own investment will not be returned even in the original amount or there will be a complete loss of its own invested funds.

### 10.1 MAIN RISK FACTORS

Relevant risks associated with the Fund's investment strategy, which may affect the value of an investment in the Fund, are in particular the following risks:

- a) Market risk resulting from the effect of changes in market development on the prices and values of assets owned by the Fund.
- b) Risks of buying land. The Fund intends to invest both in land, for the further management of which a contract will be concluded with a third party (future tenant or future owner), and in land that the Fund will hold and look for use for until after its acquisition. In the case of land for which a contract will be concluded with a third party, there is a risk that this third party will cease to have the land in question, or the plan that was to be realized on it, the interest and another interested party will not be willing to pay the price (rent) in the originally assumed amount. There is a risk that the Corporations or the Fund will be forced to hold the plots for a long time, during which they will not bear any or only a minimal return, or that it will not be possible to sell them at the same price for which they were acquired.
- c) Risk related to the location of land and its use. The value of land largely depends on the chosen location and the possibility of its use. If the suitability of the location or the use of the land is not chosen correctly (or if it is not possible to change the use of the land with regard to the investment plan), a situation may arise that the value of the land will be lower than its purchase price.
- d) Risk associated with construction. If the Fund or the Corporations is interested in implementing construction on the land, it is necessary to take into account that this is a long-term process, during which the land in question will not bear any revenue. In addition, a long time may pass between the start of project preparation, completion, and handing over of the final product to the new owner (tenant), when unexpected changes in the market or changes on the part of the specific owner (tenant) may occur. These facts can then negatively affect the overall profitability of the given project.

- e) Risk of obtaining public permits. Construction on the land can only be carried out on the basis of valid permits in accordance with the relevant legal regulations (e.g. exemption from the land fund, zoning decision, building permit, etc.). The absence of valid permits can delay or stop the construction project altogether, which can affect the expected profitability of the project.
- f) Lease Risk. If the properties are left for use by the tenant, adverse situations may arise on the part of the tenant, for example, the tenant will not pay rent and/or fees related to the lease, will become bankrupt, etc.
- g) The risk of increased acquisition costs and decreased revenues. The feasibility of construction depends on many factors, including the amount of costs, such as the purchase price of the land, construction, technical services (architect, technical supervision, project management, geodetic services, etc.) or financial costs. These costs may change over time and exceed the expected (budgeted) level. This increase in costs can have a negative impact on the financial result of the project and thus also a mediated negative effect on the Fund. Other facts can have a similar negative impact, especially a drop in prices (rent or sale price) on the relevant market, leading to the fact that the realization of individual projects will achieve lower returns than what was expected.
- h) Construction risk for a predetermined interested party. If the construction is carried out for a predetermined interested party (either the owner or the tenant), there is a risk that this interested party will not be willing or able to take over the property after the completion of the construction (for example, due to a change in his strategy or ability to pay) and a possible new interested party will be willing to offer lower price or rent than the originally considered interested party. This fact may have an effect on the projected profitability of the project.
- i) The risk of collateral realization. With regard to market practice, it can be assumed that, if the construction or acquisition of Real estate or Corporations is financed by financial institutions, security in the form of a lien on both the Real estate and shares in Corporations, or other security, will be required. If the Fund and/or the Corporation were unable to repay the financing, there would be a risk that the Fund or the respective Corporation would be forced to sell the project in order to pay off its debts from this 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 Corporation or Real estate.
- j) Supplier risk. The construction will be carried out through one or more suppliers. Failure to fulfill the obligations of suppliers, lack of coordination or cooperation on the part of suppliers can lead to errors, delays or cost overruns of deliveries, which can have a negative impact on compliance with the duration of construction and the budget of the project. However, supplier doubts may also appear after the project is completed, i.e. during the operation of the project, even after the warranty period for a specific delivery has expired. There may also be deficiencies of a significant magnitude that exceed the coverage provided by the relevant contractor or their professional insurance.
- k) Currency risk consisting in the fact that the value of the investment may be affected by a change in the exchange rate. The assets and liabilities of the Fund and the Corporations may be expressed in currencies other than the currency of the Investment shares. Changes in the exchange rate of the currency of Investment shares issued by the Fund and other currencies in which the assets and liabilities of the Fund and Corporations are denominated may lead to a decrease or an increase in the value of the assets or liabilities denominated in that currency. Adverse currency fluctuations may result in loss. Assets and debts of the Fund and Corporations may be held in EUR, CZK or any other currency within the European Union, while the value of the Fund's investment share is expressed in EUR.
- l) Interest rate risk is defined as the risk of loss due to the adverse impact of interest rate changes.
- m) Credit risk, i.e. the risk associated with possible non-compliance with the obligations of the counterparty of the Fund or the Corporation, when the issuer of an investment instrument owned by the Fund or the Corporation or the counterparty of the contractual relationship (during the



implementation of a specific investment) does not comply with its obligation, or the debtor with its obligations on time and in full won't pay.

- n) The risk of insufficient liquidity of assets consisting in the fact that the timely and adequate monetization of a sufficient amount of assets intended for sale is not guaranteed.
- o) The risk associated with the use of foreign capital for the achievement of the Fund's investment goals lies in the increased influence of the development of market prices of the assets owned by the Fund and the Corporation on the value of the shares, potentially making it possible to achieve a higher profit, but also a higher loss.
- p) The risk associated with the possibility of failure of a company in which the Fund has a stake, consisting in the fact that such a company may be affected by business risk. As a result of this risk, there may be a drop in the market price of the share in the relevant company or its complete depreciation (for example, in the event of bankruptcy), or the impossibility of selling participation in such a company.
- q) Risk associated with investments in Real estate. Generally, for investments in Real estate subject to liens or other rights of third parties, the risk of insufficient infrastructure needed to use the Real estate and the risk arising from the valuation of the Real estate. If the Fund acquires Real estate (specifically buildings) into its property or the property of a Corporation through construction, there is a risk of their being defective or late completion, as a result of which the Fund may suffer damage. Due to the nature of the property, there is also a risk of destruction of such an asset either as a result of the actions of a third party or as a result of force majeure.
- r) Risk of financial derivatives. The risks associated with financial derivatives are market risks, particularly currency or interest rate risks depending on the underlying asset of the derivative. In the case of financial derivatives that are not traded on regulated markets, the Fund or the Corporation may additionally be exposed to counterparty risk and settlement risk. Although the initial investment in the financial derivative may be small (or none), even a slight change in market conditions can cause a substantial decrease or increase in the market value of the financial derivative (the so-called leverage effect) and a significant disparity between the amount of performance of the individual contracting parties.
- s) Risks associated with repo trades. This is mainly the credit risk of the counterparty, which is covered by the pledge of securities. A fall in the price of pledged securities can also be a risk, which is treated by requiring more coverage than the volume of the loan provided. Another risk of pledged securities is liquidity risk.
- t) Risk arising from public regulation related to the acquisition, ownership and lease of property values owned by the Fund or the Corporation, in particular the introduction or increase of taxes, deductions, fees or restrictions by the relevant state authorities.
- u) The risk of settlement consisting in the fact that the transaction with the assets of the Fund or the Corporation may be thwarted due to the inability of the counterparty to the trade to fulfill its obligations and deliver the assets or pay within the agreed time.
- v) The risk associated with the use of foreign capital (the risk associated with the use of the leverage effect) consisting in the fact that the Fund is exposed to the increased influence of the development of the market prices of the assets owned by the Fund on the value of the Investment shares. The use of foreign capital thus potentially makes it possible to achieve a higher profit, but also a higher loss.
- w) The risk of loss of entrusted assets consisting in the fact that the assets of the Fund or the Corporation are in custody and there is therefore a risk of loss of the assets of the Fund, or the Corporation entrusted in custody or other care, which may be caused by insolvency, negligence or intentional actions of the person who has the assets of the Fund or Corporations in escrow or other custody.
- x) The risk of legal defects consisting in the fact that the value of the assets of the Fund and Corporations may decrease as a result of legal defects of the assets acquired into the assets of the Fund or



Corporation, i.e. as a result of the existence of a third party lien, encumbrance, lease relationship, or right of pre-emption.

## 10.2 OTHER RELEVANT RISKS

Other relevant risks that may affect the value of an investment in the Fund:

- a) Risk of unstable current value of shares issued by the Fund as a result of changes in the composition or value of the Fund's assets.
- b) The risk of suspending the redemption of Investment shares consisting in the fact that, under certain conditions, the Manager is authorized to suspend the redemption of the Fund's Investment shares, which may cause a change in the current value of the Investment shares, for which redemption requests will be settled, and later settlement of redemptions.
- c) Operational risk, the consequence of which may be loss due to deficiencies or failure of internal processes or the human factor or due to external events and the risk of loss of property entrusted to safekeeping or other care, which may be caused mainly by insolvency, negligent or intentional actions of the person who has custody or other custody of the property of the Fund or Corporation or Investment shares issued by the Fund.
- d) The risk that the Fund may be canceled for reasons established by law.
- e) Activities related to the management of the Fund must be carried out by persons who have the corresponding public law authorization, such as the Manager or the Depositary. The Fund is thus exposed to the risk that these persons will lose such authorization (e.g., it will be taken away by a decision of the CNB) or that these persons will terminate the relevant contracts for the performance of the necessary activities. In such a case, the Fund may not be able to replace such a person with another person possessing the necessary authorization, or it may succeed under conditions less favorable for the Fund. These facts may have a negative impact on the management of the Fund.
- f) Risks resulting from restrictions on the control activities of the Depositary §73 paragraph 1 letter f) of the Act.

## 10.3 RISKS RELATED TO SUSTAINABILITY

Sustainability-related risks that may be significant for the Fund:

### *Environmental risks*

- a) Risk of tightening of legal requirements for new Real estate - it can be expected that in the future there will be a tightening of requirements for new construction at the European and national level, especially with regard to the energy efficiency of buildings and the efficient use of water resources, the use of renewable resources, and the reduction of greenhouse gas emissions, etc. Although the Fund will comply with the obligations set out in the ESG strategy in the case of new construction (in particular, it will apply the minimum level of building certification for a specified part of the portfolio), it cannot be ruled out that, based on the development of legal regulations, it will be necessary to implement additional requirements for construction, which may lead to increase in costs for unfinished projects compared to original assumptions.
- b) Risk of a decrease in the value of existing Real estate owned by the Fund - although the Fund will apply the minimum level of building certification for a certain part of the portfolio, there are and, in the future, there will be Real estate projects in its assets that do not have such certification, they may be energy-intensive and therefore may in the future lose value. The reason may be the rising energy prices, when buyers/tenants are not interested in energy-intensive projects, the possible tendency of credit institutions to finance only sustainable projects, but also tightening legislation.

### *Risks in the social field*

- c) Risk of insufficient remedial measures – in accordance with the ESG strategy, the Fund is committed to improving the conditions of its tenants, or their employees. To this end, it will also conduct regular meetings with tenants and tenant satisfaction surveys. However, the fund may not be able to adequately respond to tenants' comments that will be raised through regular meetings/satisfaction surveys. This can lead to the loss of the tenant, or to fulfill the reputational risk.

#### *Risks in the field of administration and management*

- d) Risk of non-compliance with ethical codes and other rules - it cannot be ruled out that employees or suppliers will not comply with ethical codes or whistleblowing rules, which the Fund has committed to complying with. A partial violation of these rules does not represent a greater risk for the Fund. However, if violations were to occur systematically or on a larger scale, such behavior could represent a reputational risk for the Fund in particular.

#### *Common risks*

- e) Reputational risk from its own activities – The Fund may not be able to comply with its obligations to fulfill ESG indicators in any area for various reasons. Such a failure can occur, for example, as a result of misconduct by the Fund's employees, but also as a result of objective facts (e.g. the Fund may not have enough funds to implement new projects that will meet the established ESG indicators, suppliers refuse to adhere to the code of ethics for suppliers, etc.). The above may lead to an outflow of investors from the Fund.
- f) Reputational risk from the activities of third parties – in the area of sustainability, the Fund may also be affected by the activities of third parties with whom it cooperates, especially in the case of tenants and suppliers. In the case of tenants, these may be entities that may operate in sectors that are not sustainable or associated with negative externalities. Connection with these entities may represent a reputational risk for the Fund.
- g) Risk of lack of data – in the case of some monitored indicators, especially in the area of greenhouse gas emissions, it may be difficult for the Fund to obtain input data for monitoring the fulfillment of ESG indicators.

## **11 ACCOUNTING PERIOD, VALUATION, AND INVESTMENT METHOD OF THE FUND**

### **11.1 ACCOUNTING PERIOD**

The accounting period of the Fund is defined as the period from October 1<sup>st</sup> to September 30<sup>th</sup> of the calendar year; possible changes during the accounting period in connection with the transformation carried out in accordance with the Act on conversions or the Act, or the cancellation of the Fund are not excluded. The first accounting period begins on the date of the creation of the Fund. The approval of the Fund's financial statements is the responsibility of the Fund's general meeting.

### **11.2 VALUATION**

The Fund's assets and liabilities are valued at fair value. The value of the assets and debts of the Fund can be determined by the Administrator under the conditions of §194 letter b) and §195 of the Act even without an expert or on the basis of an expert's opinion. Corporations owned by the Fund, which are Real estate companies within the meaning of the Act (hereinafter referred to as ("**Real estate company**") and which already have Real estate in their possession, are always valued at the moment of acquisition (inclusion in assets) and always at least at the end of each calendar quarter by the Administrator, by an independent expert or by the Administrator using an independent expert valuation of the main property components in the property of the Real estate company, always carried out at least at the end of each accounting period. The Administrator

may use the independent expert valuation of the main property components in the property of the Real estate company processed at the end of the accounting period of the Fund for the valuation of the Real estate company at the end of the relevant accounting period and for the following 3 (three) calendar quarters. An independent expert appraisal of the main property components in the property of the Real estate company processed at another point in time, e.g. on the date of their inclusion in the property of the Real estate company or on the date when the decision on the use permit becomes legal or the construction project has been completed (or if a fact occurs with similar consequences), the Administrator can use for the valuation of the Real estate company at the end of the relevant calendar quarter following the date closest to the date on which the valuation is processed and for the calendar quarter of the same accounting period, with the exception of valuations at the end of the accounting period. Valuation of Real estate companies that do not own Real estate can be done once a year. The valuation of the Real estate companies may take into account liabilities which, due to their nature, cannot be properly taken into account in the accounting of the Real estate companies, but which can reasonably be expected to reduce the effective sale price for the Fund in the event of a future sale of the Real estate company and/or the Real estate owned by it, while it is mainly, but not exclusively, the effect of latent tax (potential tax on the difference between the valuation of the main property components in the property of the Real estate company and their residual tax value) and liabilities from incentives or discounts negotiated with tenants. Detailed procedures for valuing the assets and liabilities of the Fund are established by the internal regulations of the Administrator.

The Fund will provide an external expert appraisal of the value of the Real estate in the event of acquisition or loss of the ownership right to the Real estate under the terms of the Act. Both the Manager and the Administrator are bound by this assessment of the property's value.

Once a year, the Administrator shall determine and publish in the annual report the degree of use of the leverage effect in accordance with articles 6 to 11 of Regulation No. 231/2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council, as regards exceptions, general operating conditions activities, depositories, leverage, transparency, and supervision.

In the event of a sudden change in circumstances affecting the price of the property value in the Fund's property, based on a previous notification to the supervisory board, the Administrator will carry out a valuation reflecting the current circumstances affecting the price of the Fund's property (hereinafter referred to as "**Extraordinary valuation**"). Based on the Extraordinary valuation, the Administrator will also make an extraordinary determination of the current value of the Investment share, which, together with the date of the Extraordinary valuation, will be sent without delay to all shareholders of the Fund in a form corresponding to article 17.5 of this Statute.

When recalculating the value of assets held in a foreign currency, the exchange rate of the CNB foreign exchange market announced by the CNB and valid on the day on which the recalculation is carried out is used.

### 11.3 METHOD OF INVESTING

Individual investments (acquisition of property values listed in article 8.1, including construction) and divestitures (monetization of property values listed in article 8.1) are decided by the Manager. If the Manager makes an investment decision regarding the assets of the Fund or the assets of a person controlled by the company (e.g., in the position of a partner), he will request a prior written opinion of the Fund's investment committee; if it is not established, it can request the opinion of the supervisory board. If such an investment decision concerns a transaction with a total performance value higher than 5% of the Investment fund capital or if it concerns a property transaction whose value is higher than 5% of the Investment fund capital, the prior written opinion of the Fund's investment committee (is- if established) and the supervisory board.

If established, investment committee of the Fund has a maximum of 7 (seven) members and is an advisory body of the Fund. Members of the investment committee are appointed and dismissed by the board of directors of the Fund, a maximum of 4 (four) members upon the joint proposal of all shareholders owning the Fund's founder shares, 1 (one) member upon the proposal of the Chairman of the board of directors of the Fund Manager, and a maximum of 2 (two) members upon the proposal of the majority of shareholders owners of Investment shares A, or shareholders owning founder shares, if Investment shares A are not issued. Investment committee decides collectively on opinions on investment and divestment plans submitted by the Manager or individual members of the investment committee. Meetings of the investment committee are held as needed. Voting takes place by acclamation or per rollam (also in the form of an email message), or by teleconference. In the event that a member of the investment committee does not present his opinion within the specified period during the per rollam vote, he shall be deemed to have abstained from voting. The activities of the investment committee are managed by an authorized member of the investment committee, usually a member proposed at the suggestion of all shareholders owning the founder shares of the Fund. Investment committee decides on its opinion by a simple majority of all members, the Manager is not bound by the opinion of the investment committee and is authorized in justified cases: (a) to decide on the implementation of the investment plan even in the case of a negative opinion of the investment committee, if he ensures that the decision on the implementation of the investment plan is not violated any generally binding legal regulation, the Statute or the obligation of professional care of the Manager is violated and is in accordance with the investment strategy of the Fund; (b) to decide on the rejection of the investment plan even in the case of a positive opinion of the investment committee.

The opinion of the supervisory board and/or investment committee of the Fund is either (i) yes, we support the proposed investment and/or divestment or (ii) yes, we support the proposed investment and/or divestment under the following conditions or (iii) no, we do not support the proposed investment and/or divestment, or (iv) we abstain from voting. Information on the composition of the Fund's investment committee and its changes will be provided by the Manager at the written request of the Fund's shareholder without undue delay.

After receiving the opinion of the supervisory board and/or the investment committee of the Fund (if established) and the decision of the Manager, the Manager is entitled to implement the relevant investment.

The decision-making of the supervisory board is governed by the Fund's Statute.

## **12 RULES FOR MANAGING THE FUND**

The Fund separates the assets and debts of the Investment fund capital from the Other fund capital in terms of accounting and property.

Assets of the Fund from investment activities are mainly assets that are covered by liabilities arising from the subscription of Investment shares.

Other fund capital is mainly considered to be funds obtained during the subscription of founder shares.

Only assets from this investment activity can be used to satisfy the creditor's or shareholder's claim against the Fund, which arose in connection with the investment activity. Assets from the investment activity of the Fund cannot be used to fulfill a debt that is not a debt from investment activity.

The General Meeting of the Fund (in which only the owners of the founder shares have the right to vote) can determine the criteria for the emergence of the right of the members of the supervisory board and the member of the board of directors to the payment of a share of the profit (royalty).

The General Meeting of the Fund (in which only the owners of the founder shares have the right to vote) can determine the criteria for the entitlement of members of the investment committee to the payment of remuneration by its decision.

The principles for managing the Fund's assets also follow from the Fund's articles of association.

## **12.1 RULES FOR THE PAYMENT OF PROFIT FROM INVESTMENT ACTIVITY**

Rules for payment from own resources:

- a) The Fund's economic result from investment activity arises as the difference between the income from investment activities carried out by the Fund and the costs of securing the Fund's investment activity.
- b) Income from the Fund's assets from investment activities shall be used to cover costs according to article 16 (except article 16.5), unless generally binding legal regulations, the Fund's articles of association or this Statute provide otherwise. If the management of the Fund from the investment activity during the accounting period ends in a profit (revenue excess over costs), the profit does not have to be used to pay out a share of the profit, but can be used for reinvestments aimed at increasing the assets of the Fund's investment activity. If the management of the Fund from investment activities during the accounting period ends in a loss (excess of costs over revenues), the resulting loss will be covered from the resources of the Fund from investment activities. Retained earnings from investment activities from previous years are preferentially used to cover the loss.
- c) In accordance with the provisions of the previous paragraph, the Fund's general meeting (with only the owners of the founder shares having the right to vote) can decide that the shareholders will be paid a share of the profit from the investment activity, based on the proposal of the Manager and after prior written notification to the supervisory board. The profit share of shareholders of different types of shares can have different amounts. A profit share on a certain type of Investment shares can be paid exclusively to the debit of the Investment fund capital of that type of Investment shares.
- d) The decisive day for exercising the right to share in the profit from investment activity is the decisive day for participation in the general meeting that decided on the distribution of the profit. The general meeting will decide on the due date of the profit share by means of a resolution on the distribution of profit, based on the proposal of the Manager. If the general meeting does not adjust the due date of the payment in the resolution, the profit share is due within 6 months from the day when the resolution of the general meeting on the distribution of the profit was adopted.
- e) A share of the profit from investment activity can also be paid in the form of an advance on a share of the profit after prior notification to the supervisory board.

## **12.2 USE OF PROFIT FROM OTHER FUND CAPITAL**

The provision and procedure in article 12.1 of this Statute shall be applied similarly to the use of profit arising from Other fund capital, but in this case prior notification to the supervisory board is not required. The profit that arose from Other fund capital is part of the fund capital attributable to founder shares. The share of the founder share in the profit corresponds to its share in Other fund capital. The right to vote on the decision to use the profit belongs only to the founder shares.

## **13 RULES FOR ACCEPTING AND PROVIDING LOANS AND ADVANCES**

A credit or loan with a maturity not exceeding 20 (twenty) years may be accepted on the account of the Fund and/or Real estate companies under conditions no worse than those corresponding to the market standard, but only on the condition that the limit specified in article 9.1 letter c) of this Statute, and at the same time the interest burden will take into account the rules of low capitalization and other possible restrictions established by legal regulations for tax deductibility of interest. A loan or a loan can be accepted on the account of the

Fund and/or the Real estate company, mainly for the purpose of effective management of the Fund's liquidity and financing of investments.

Assets of the Fund and/or Real estate companies can be used to secure a loan or loan received by the Fund and/or Real estate companies, provided that the provision of such security has a positive economic impact. The provision of collateral must be in accordance with the overall investment strategy of the Fund.

The Fund can also provide credits or loans to Real estate companies or to other persons. Credits or loans will be provided by the Fund with a maturity not exceeding 20 (twenty) years. The preferred condition for providing a loan or credit from the Fund's property to other persons will be the provision of adequate security (for example, a lien, promissory note, guarantor statement, etc.), however, this is not a mandatory condition.

If a credit or loan is provided to a Real estate company or another person in which the Fund has a stake enabling it to control this person, the Fund does not have to require this person to secure such a credit or loan precisely in view of the existence of a mutual relationship. The Fund may contractually subordinate claims from loans or loans granted to this person to the claim or claims of another creditor or creditors.

Unless it follows otherwise from other provisions of this Statute, the provisions of this article of the Statute shall also be applied appropriately in relation to other forms of financing of the Fund or Real estate companies, including the issuance or acquisition of debt securities.

## **14 RULES FOR CONCLUDING REPO TRADES AND DERIVATIVES**

The Fund can arrange a repo trade if its subject is the value defined in article 8.1.1 or 8.1.2 of this Statute and if the conditions of the repo trade are in accordance with the investment objectives of the Fund.

The conditions for negotiating a reverse repo trade must meet the requirements established by this Statute.

The Fund may enter into a derivative if:

- a) accepted for trading on one of the markets listed in §3 paragraph 1 letter a) Regulation;
- b) negotiated with an admissible counterparty in the sense of §6, paragraph 3 of the Regulation;
- c) agreed with a person in which the Fund has a stake enabling it to control that person;
- d) agreed with a business corporation that has a participation in the Fund; or
- e) agreed 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.

The Fund may negotiate a derivative solely for the purpose of making a profit, securing the value of the Fund's assets, reducing the Fund's risk or reducing costs related to the management of the Fund's assets.

The underlying asset of a derivative negotiated for the account of the Fund can only be:

- a) exchange rate;
- b) interest rate; or
- c) an asset owned by the Fund or a liability of the Fund.

## **15 INFORMATION ABOUT SECURITIES ISSUED BY THE FUND**

### **15.1 TYPES OF ISSUED SHARES**

The Fund issues the following types of individual shares:

- founder shares;
- Investment shares A;
- Investment shares B;

- Investment shares C;
- Investment shares D;
- Investment shares E;
- Investment shares F;
- Investment shares G;
- Investment shares X; and
- Investment shares Y.

## 15.2 ADMISSION TO TRADING ON A EUROPEAN REGULATED MARKET OR MULTILATERAL TRADING FACILITY

Founder shares and Investment shares are not accepted for trading on a regulated market or other public market, i.e. they are not listed on any official market.

## 15.3 SHAREHOLDER REGISTER

The shareholder of the Fund is registered in the list of shareholders. The data required by §264 of the Act on business corporations is entered into the list of shareholders. In the case of shares in the form of book-entry securities, the Fund's shares are also registered in the relevant asset accounts. The list of shareholders is not replaced with shares in book-entry form by the registration of book-entry securities within the meaning of Section 264 of the Act on business corporations, unless otherwise specified by law.

The Administrator keeps records of the owners of the shares in the list of shareholders.

## 15.4 RIGHTS ASSOCIATED WITH SHARES

Shareholders of the Fund have all the rights attached to the shares of the Fund which are granted to them by this Statute, the articles of association of the Fund and the Law on business corporations, unless otherwise provided by the articles of association of the Fund or the Law. The Fund's shareholders participate in the Investment fund capital according to the rules established by this Statute, the Fund's articles of association, the Act and the Act on business corporations. Each type of issued shares is assigned a certain part of the Investment fund capital, as follows from this Statute. All issued shares of a certain type represent an equal share of the respective part of the Investment fund capital attributable to the given type of shares.

The Fund does not provide any special benefits to shareholders.

## 15.5 TRANSFER OF SHARES

The rules for the transfer of founding and Investment shares are described in the Fund's articles of association, or this Statute.

## 15.6 FOUNDER SHARES

- 15.6.1 The registered capital is divided into 10 (ten) pieces of founder shares, each of which represents an equal share of the registered capital.
- 15.6.2 The value of the founder shares is expressed in Czech crowns (CZK).
- 15.6.3 Founder shares are one-piece shares and have the form of a book-entry securities and are registered in a name of a holder.
- 15.6.4 In accordance with the Act on business corporations, this Statute and the Fund's articles of association, the right of the shareholder as a partner to participate in the management of the Fund, its profit and in the liquidation balance upon liquidation of the Fund is associated with the founder shares. This right to share in the profit and liquidation balance arises only from the Other fund capital, i.e. from the Fund's management of assets that are not part of assets from investment activities.



- 15.6.5 The minimum initial investment of one shareholder in the founder shares of the Fund is the amount of CZK 1,000 (one thousand Czech crowns).
- 15.6.6 Founder shares remain founder shares that have been acquired by a person other than the owner of the founder shares, as none of these owners has used their preferential right to subscribe for new founder shares under the conditions specified in section. §161 of the Act or did not use his right of pre-emption according to §160 of the Act.
- 15.6.7 Owners of founder shares have, in particular:
- a) the right to a share of the Fund's profit from Other fund capital (dividend), approved by the Fund's general meeting, while only the owners of the founder shares have the right to vote, to be distributed in accordance with the Fund's articles of association and Statute;
  - b) the right to preferentially subscribe to new founder shares of the Fund when the subscribed capital of the Fund is increased, unless the general meeting of the Fund, whereby only the owners of founder shares have the right to vote, decides to exclude or limit the preferential right to subscribe to new founder shares;
  - c) the right to participate in the Fund's general meeting, to vote at it, to request and receive an explanation of matters relating to the Fund, and the right to make proposals and counterproposals at the Fund's general meeting;
  - d) the right of a qualified shareholder under Section 365 of the Act on business corporations to request the Fund's board of directors to convene an extraordinary general meeting of the Fund to discuss proposed matters;
  - e) the right to a share in the liquidation balance upon liquidation of the Fund with liquidation from the Other fund capital, while only the owners of the founder shares have the right to vote.

## 15.7 INVESTMENT SHARES

- 15.7.1 Shares of the Fund that are not founder shares are Investment shares.
- 15.7.2 The value of Investment shares is expressed in euros (EUR) or in Czech crowns (CZK). Investments in the Fund, issues, exchanges, cancellations, redemptions, purchases and sales of Investment shares and any payment of a share of the profit are made mainly in euros (EUR) or in Czech crowns (CZK).
- 15.7.3 Investment shares are one-piece shares and have the form of a book-entry security.
- 15.7.4 Investment shares are associated with the right to redeem them at the request of their owner for the Fund's account under the conditions set forth in this Statute, the Fund's articles of association and the Law.
- 15.7.5 Investment shares expire upon redemption.
- 15.7.6 Investment shares may be issued by public tender.
- 15.7.7 Investment shares are registered in the relevant asset accounts. The Administrator maintains a list of the Fund's shareholders as a list of owners of book-entry securities issued by the Fund (Section 38(1)(h) of the Act).
- 15.7.8 The rights associated with Investment shares can be exercised from the day when these Investment shares were issued to the relevant asset account until the day when these Investment shares were canceled (written off from the relevant asset account). If the Investment share is not issued, an invitation to the general meeting is not sent to the person who subscribed for these Investment shares. If, in the period between the payment of the issue price of the Investment shares and the issuance of these Investment shares to the person who subscribed for these Investment shares, there is a change in the rights associated with the subscribed Investment shares, this person has the right to withdraw from the subscription agreement within 10 (ten)



Business days Investment shares, exclusively to the extent of the subscription of Investment shares, whose issue price has been repaid, but which have not yet been issued; otherwise the right of withdrawal expires. The withdrawal period begins on the day when the Fund delivers to the person who subscribed for the Investment shares a new complete text of the Fund's statutes containing a change in the rights associated with the Investment shares that such person subscribed for. The right of withdrawal must be exercised in accordance with the rules set out in the Fund's statutes; the right of withdrawal exercised in violation of these terms and conditions is disregarded. If, in the period between the payment of the issue price of the Investment shares and the decisive day for holding the Fund's general meeting, the relevant Investment shares are issued, the Fund will immediately send an additional invitation to the general meeting to the person who subscribed for the Investment shares and who was not a shareholder of the Fund until then.

- 15.7.9 Investment shares are not associated with voting rights, unless generally binding legal regulations, this Statute or the Fund's articles of association provide otherwise. The right of the shareholder as a partner to participate in the management of the Fund in accordance with the Law on business corporations, this Statute and the articles of association of the Fund is not associated with the Investment shares, unless otherwise stipulated by law, this Statute, or the articles of association of the Fund. In particular, Investment shares are associated with the shareholder's right to redeem them for the Fund's account, the right to participate in accordance with the Act, this Statute and the articles of association of the Fund in the profit from the Investment fund capital and in the liquidation balance from the Investment fund capital upon liquidation of the Fund.
- 15.7.10 For the purposes of this Statute, Investment shares means Investment shares A (hereinafter also referred to as "**IAA**"), Investment shares B (hereinafter also referred to as "**IAB**"), Investment shares C (hereinafter also referred to as "**IAC**"), Investment shares D (hereinafter also as "**IAD**"), Investment shares E (hereinafter also referred to as "**IAE**"), Investment shares F (hereinafter also referred to as "**IAF**"), Investment shares G (hereinafter also referred to as "**IAG**"), Investment shares X (hereinafter also referred to as "**IAX**") and Investment shares Y (hereinafter also referred to as "**IAY**").
- 15.7.11 IAAs represent a shareholder's share of the part of the Investment fund capital attributable to IAAs and have been assigned ISIN CZ0008043916. The currency of the IAA is stated in Euros (EUR).
- 15.7.12 IABs represent the shareholder's share of the part of the Investment fund capital attributable to IABs and have been assigned ISIN CZ0008043924. The currency of the IAB is stated in Euros (EUR).
- 15.7.13 IACs represent the shareholder's share of the part of the Investment fund capital attributable to IACs and have been assigned ISIN CZ0008043932. The currency of the IAC is stated in Euros (EUR).
- 15.7.14 IADs represent the shareholder's share of the part of the Investment fund capital attributable to IADs and have been assigned ISIN CZ0008045796. The currency of the IAD is stated in Euros (EUR).
- 15.7.15 IAEs represent the shareholder's share of the part of the Investment fund capital attributable to IAEs and have been assigned ISIN CZ0008048410. The currency of the IAE is stated in Euros (EUR).
- 15.7.16 IAFs represent the shareholder's share of the part of the Investment fund capital attributable to IAFs and have been assigned ISIN CZ0008052727. The currency of the IAF is stated in Euros (EUR).
- 15.7.17 IAGs represent the shareholder's share of the part of the Investment fund capital attributable to IAGs and have been assigned ISIN CZ0008052651. The currency of the IAG is stated in Czech crowns (CZK).
- 15.7.18 IAX represent the shareholder's share of the part of the Investment fund capital attributable to IAX and have been assigned ISIN CZ0008043940. The currency of the IAX is stated in Euros (EUR).
- 15.7.19 IAYs represent the shareholder's share of the part of the Investment fund capital attributable to IAYs and have been assigned ISIN CZ0008043957. The currency of the IAY is stated in Euros (EUR).

- 15.7.20 The minimum gross amount of the contractually promised investment (i.e. including the entry fee) of one investor (if he meets the conditions of §272, paragraph 1 or 2 of the Act) into the Fund is determined differently for individual types 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 an investor according to the Act for Investments in Investment shares D;
  - e) EUR 50,000 for investments in Investment shares E;
  - f) EUR 3,000,000 for investments in Investment Shares F;
  - g) CZK 1,000,000 for investments in Investment Shares G; and
  - h) EUR 1,000 or the minimum amount set for an investor according to the Act for investments in Investment shares X and Investment shares Y.

An increase in the contractually promised investment of one investor in the Fund is possible in the form of an addendum to the agreement on the commitment to subscribe Investment shares D, Investment shares X and Investment shares Y, but at least in the amount of EUR 10,000, and in other cases Investment shares A, Investment shares B and Investment shares C shares in the amount of at least EUR 50,000 and in the case of Investment shares G in the amount of at least CZK 250.000. The minimum increase in the contractually promised investment of one investor in the Fund in the form of an addendum to the agreement on the commitment to subscribe to Investment shares E and to Investment shares F is not specified.

The corresponding amount of the entry fee from the increase in the contractually promised investment will be charged to the investor and deducted at the first drawdown of his capital after the conclusion of the addendum, unless otherwise stipulated in the subscription commitment agreement.

Both monetary and non-monetary repayment of the deposit is allowed. In the case of repayment of the deposit through non-monetary payment, the conclusion of the follow-on contractual documentation may be a condition for the effectiveness of the contract on the subscription of Investment shares, which will regulate the terms of repayment of the non-monetary deposit, or special conditions and the method of settlement of the purchase of Investment shares.

- 15.7.21 The prior written consent of the board of directors of the Fund is necessary for the transfer of IAB, IAC, IAD, IAF and IAG. Prior written consent of the supervisory board is also required for the transfer of IAA. The prior written consent of the supervisory board is necessary for the transfer of IAX and IAY to the owner of the founder shares of the Fund and/or Investment shares; the transfer of IAX and IAY to another third party requires the prior written consent of the board of directors and the supervisory board of the Fund. IAEs are freely transferable without requiring the Administrator's consent. However, Investment shares can only be purchased contractually under the terms of the Act, the Fund's articles of association and this Statute.
- 15.7.22 An Investment share is transferable by contract and registration in the appropriate register. The transfer of Investment shares is effective against the Fund, if a change in the owner of the share is proven by a statement from the owner's account or by the date of delivery or acceptance of the statement from the share issue register pursuant to Act No. 256/2004 Coll., on business on the capital market.
- 15.7.23 In the event of a transfer of ownership of Investment shares, the acquirer is obliged to inform the Fund of the relevant change of ownership without undue delay.
- 15.7.24 Shareholders of the Fund have all the rights associated with the Investment shares granted to them by legal regulations, the articles of association and the Statute.

- 15.7.25 The condition for the issuance of Investment shares is the conclusion of a subscription commitment agreement.
- 15.7.26 To finance investments, the Manager can use the gradual drawdown of investors' capital into the Fund through the subscription of Investment shares by investors on the basis of concluded contracts on the commitment to subscribe to Investment shares. On the basis of concluded contracts on the obligation to subscribe to Investment shares, the Manager will determine the total amount of the respective capital drawdown, or then sub-investors whose capital will be drawn.
- 15.7.27 Owners of Investment shares have in particular:
- a) the right to be informed about the current value of the Investment share;
  - b) the right to redeem Investment shares under the conditions set by the Fund's articles of association and this Statute;
  - c) the right to a share of the Fund's profit from the Investment fund capital (dividend) approved by the Fund's general meeting, while only the owners of the founder shares have the right to vote, to be distributed under the conditions set by legal regulations, the Fund's articles of association and this Statute;
  - d) the right to exercise the right of pre-emption to the Investment shares of another shareholder in the case of an enforcement order by selling Investment shares or in the case of an execution order for the sale of Investment shares under the conditions of §283 paragraph 1 of the Act;
  - e) the right to share in the liquidation balance upon liquidation of the Fund with liquidation from the Investment fund capital;
  - f) the right to free provision of the current version of the Statute and the latest annual report in electronic form;
  - g) voting right, if provided for by law or the Fund's articles of association.

## 15.8 ISSUANCE OF INVESTMENT SHARES

- 15.8.1 The agreement on the commitment to subscribe for Investment shares obliges the investor, through successive sub-investments, to subscribe for Investment shares issued by the Fund for an amount up to the amount of the total promised investment after deducting any bank fees associated with the crediting or conversion of the received payment and the subsequent deduction of the entry fee to which the investor in the contract obliged. Subscription of Investment shares takes place based on calls for performance by the Fund during the subscription period and in the manner specified in article 15.8.2 of this Statute.
- 15.8.2 The Fund is entitled to invite investors to subscribe for Investment shares, whereby each investor is first obliged to subscribe for Investment shares in the amount of their minimal investment according to the Act and this Statute and to pay the full amount of the entry fee, unless otherwise stipulated in the subscription commitment agreement. If the Fund does not specify otherwise, after the subscription of Investment shares in the amount of the minimal investments of all investors, further subscriptions of Investment shares are carried out according to the following principles:
- a) sub-investments (further subscriptions) by investors will be implemented in such a way that the same or similar ratio of invested capital is achieved for each investor in relation to the total amount of the final volume of investment in which the Investment shares are committed to be subscribed (after deducting any bank fees associated with by crediting or converting the received payment and then deducting the input fee); the order and ratio of drawn capital shall be determined by the Fund at its discretion;

- b) the minimum amount of the additional subscription of a partial investor in case of IAA, IAB, IAC, IAD, IAE, IAF, IAX a IAY is at least EUR 10,000, or the remaining part of the contractually promised investment of the given investor, if this amount is lower than EUR 10,000.
- c) the minimum amount of the additional subscription for each investor in case of IAG is at least CZK 250.000, or the remaining part of the contractually promised investment of the given investor, if this amount is lower than CZK 250.000.

In the event that the investor does not pay the corresponding issue price of the Investment shares according to the call for performance even within an additional period of 10 (ten) Business days after the Fund has sent the repeated call for performance, with the futile expiration of this additional period, his obligation to further subscriptions according to the agreement on the commitment to subscription of Investment shares expires and the Fund may demand payment of a contractual penalty from the investor up to the amount of the total entry fee regarding his total contractually promised investment.

15.8.3 In the event that the amount of investment paid up to date by a shareholder whose commitment to further subscriptions of Investment shares has lapsed according to article 15.8.2 (i.e. when the investor has not paid the corresponding issue rate of Investment shares according to the call for performance even upon repeated request), corresponds to another type of Investment shares defined in article 15.7.20 of this Statute, the Fund will decide on the exchange of Investment shares of this shareholder for the number of Investment shares of a type which, according to article 15.7.20 of this Statute, corresponds to the amount of the investment paid up to now, with the fact that the current value of the Investment share for the purpose of the exchange will be determined to the nearest future date of determination of the Net present value following the date of termination of the obligation to further subscriptions or on the date of termination of the obligation to further subscriptions, if such day is the determination of the Net present value; the exchange will always take into account (deduct) the difference between the entry fee paid and any higher entry fee that the shareholder would be required to pay in the case of Investment shares exchanged for shares originally owned by him, and other costs related to the exchange and redistribution factors. Neither the paid entry fee nor the redistribution factors are returned to the investor in whole or in part when the type of Investment shares is changed. The shareholder shall provide the Fund with all necessary cooperation to enable carrying out the exchange of the Investment shares. If the shareholder does not provide the necessary cooperation, the Fund is entitled to issue a unilateral instruction to cancel the Investment shares that are to be the subject of exchange in the relevant register of book-entry securities and to issue new Investment shares to the shareholder's asset account.

15.8.4 The Fund issues Investment Shares for the current value of the Investment Shares, always announced retroactively for the period in which the Fund's account is credited with the amount of money. For the monetary amount received on the Fund's account, the nearest lower whole number of Investment Shares is issued, calculated as an integer part of the share of the invested amount of a specific withdrawal (after deducting any bank fees associated with the crediting or conversion of the received payment and deduction of the entry fee) and the current value of the Investment Shares valid for the relevant decisive day. In the event of incomplete payment of the due issue price agreed in the subscription commitment agreement, the subscription commitment agreement remains valid and effective, and Investment Shares can be issued at least in the amount corresponding to the payment, if the minimum investment requirements according to the Act and the Articles of Association are met. If the investor pays the issue rate according to the relevant call for partial investment in multiple payments, the decisive day for the settlement of the subscription is determined according to the date of crediting of the last payment. The amount credited to the Fund's account in EUR in the case of IAA, IAB, IAC, IAD, IAE, IAF, IAX and IAY subscriptions is considered to be the amount of money credited to the Fund's account, or in CZK in the case of an IAG subscription, unless otherwise specified. If the amount for the subscription of Investment Shares is sent to the Fund's account and at the same time the specific withdrawal was payable in EUR in the case of IAA, IAB, IAC, IAD, IAE, IAF, IAX and IAY, or in CZK currency

in the case of IAG, the amount credited to the Fund's account is considered to be the amount in EUR currency, or in CZK converted from the received amount credited to the Fund's account at the relevant exchange rate of this other currency against EUR, or CZK. In the case of the CZK currency, when the CZK currency is not the exclusive currency of the given class of investment shares, such exchange rate is the EUR/CZK rate announced by the Czech National Bank on the Day of crediting the amount of money to the Fund's account. An amount converted from another currency to the EUR currency, or CZK and credited to the Fund's account in EUR, or CZK. In the event that a specific withdrawal was payable in a currency other than EUR, or CZK, the amount credited to the Fund's account in the sense of the first sentence of this paragraph is considered to be the amount in EUR, or CZK converted from the received amount credited to the Fund's account held in another currency at the relevant exchange rate of this other currency against EUR, or CZK. In the case of the CZK currency, when the CZK currency is not the exclusive currency of the given class of investment shares, such exchange rate is the EUR/CZK exchange rate announced by the Czech National Bank on the Day of crediting the amount of money to the Fund's account maintained in CZK. In the case of other currencies, such exchange rate is the exchange rate of such currency against the EUR currency, or CZK declared by the European Central Bank on the day of crediting the amount to the Fund's account held in such currency. The difference (the rest of the amount received), for which the entire next Investment Share of the Fund cannot be issued, is the income of the Fund's Investment Fund Capital (a method of settling arrears or overpayments).

15.8.5 The entrance fee is:

- 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 - 2 % of the total contractually promised investment in case of IAF;
- g) 0 - 3 % of the total contractually promised investment in case of IAG;
- h) 0 % of the total contractually promised investment in the case of IAX; and
- i) 0 % of the total contractually promised investment in case of IAY.

15.8.6 The entry fee is the income of the Fund (Investment fund capital) and is applied as a deduction from the total gross amount of the contractually promised investment.

15.8.7 A public call for the conclusion of IAY subscription commitment contracts can be issued and a commitment contract for the subscription of these Investment shares can be concluded only in the period up to and including 12/31/2021. It is not permitted to issue new IAYs by the Fund after 30 June 2022. Any amendment to this article is subject to the prior written consent of all shareholders owning IAY.

15.8.8 The current value of Investment shares is determined from the fund capital of the Fund attributable to individual types of Investment shares according to articles 15.8.10 to 15.8.12 of this Statute and determined at the end of the relevant period. The NAV determination period begins on the day following the day for which the last current value of the Investment shares was determined and usually ends on the last day of the same calendar month. In usual cases, the NAV determination period is the calendar month and the date of determination of the current value of the Investment shares is the last calendar day of the relevant calendar month. Exceptionally, the NAV determination period may be shorter than a calendar month, especially in cases where the Fund is a participant in a conversion according to the relevant legal regulations or in the event of an extraordinary determination of the current value of Investment shares. Until the end of the calendar month the month in which the subscription of any type of Investment shares began (hereinafter referred to as the "**Initial period**"), IAA, IAB, IAC, IAD, IAE and IAX are subscribed at an initial offering price of EUR 10 (ten euros) for one Investment share and IAY are subscribed for an initial issue price of EUR 1 (one euro) for one Investment

share, IAF are subscribed for an initial issue price of EUR 100 (one hundred euros) per Investment share and IAG are subscribed for an initial issue price of CZK 100 (one hundred Czech crowns) per Investment share. Provided that no Investment shares of the relevant class were subscribed during the Initial period, the initial offering price of Investment shares of the class, the subscription of which was subsequently started only after the end of the Initial period, is in the case of IAA, IAB, IAC, IAD, IAE and IAX EUR 10 (ten euros) per Investment share, EUR 1 (one euro) in the case of IAY, in the case of IAF EUR 100 (one hundred euros) and in the case of IAG CZK 100 (one hundred Czech crowns), but this 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 previous sentences do not affect the rules for the distribution of Investment fund capital between individual types of Investment shares.

15.8.9 In the event of a retroactive correction of the current value of the Investment share, the difference in the amount of the identified differences relating to the number of issued Investment shares may be compensated from the Investment fund capital. If a shareholder was issued a higher number of Investment shares than corresponds to the number that should have been issued to him based on the corrected current value of the Investment share, the Fund will decide to cancel the relevant number of Investment shares in the amount of the detected difference without compensation. In the case of deeded Investment shares, the shareholder is obliged to provide the Fund with immediate cooperation in the return of canceled Investment shares. The company is not liable for damages that arise as a result of a shareholder's delay in providing cooperation in the return of Investment shares. In the case of booked Investment shares, 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 asset account. If a shareholder was issued with a lower number of Investment shares than corresponds to the number that should be issued to him based on the corrected current value of the Investment share, the shareholder will be additionally issued the appropriate number of Investment shares in the amount of the determined difference. In the event of a correction of the current value of the Investment share, which represents in absolute value 0.5% or less (unless the law provides otherwise) of the corrected current value of the Investment share or as a result of which only negligible damage was caused and the purposefully incurred costs related to its compensation would clearly exceed the amount of her compensation, differences in the number of issued Investment shares will not be compensated, unless the Fund decides otherwise, and the supervisory board must be informed of this decision in writing without undue delay.

15.8.10 The differences in the parts of the fund capital attributable to different types of Investment shares are a reflection of the application of different parameters and the method of calculating the so-called redistribution factors. Redistribution factor 1 is settled periodically, each calendar month simultaneously with the determination of the current value of IAA, IAB, IAC, IAD, IAG or IAX. Redistribution factor 2 is billed to the investor on an occasional basis, always for the NAV determination period, which falls on the decisive day for determining the current value of IAA, IAB, IAC, IAD or IAG which are to be the subject of redemption. Redistribution factor 3 is settled periodically, each calendar month at the same time as the current IAE value is determined. Redistribution factor 4 is settled periodically, each calendar month at the same time as the current IAF value is determined.

Redistribution factor 1 (hereinafter referred to as "**RF1**") is determined based on the relative profitability of each individual class IAA, IAB, IAC, IAD, IAG and IAX. The amount corresponding to the value of RF1 is settled in each NAV determination period in favor of the part of the Investment fund capital attributable to IAY and to the currently unissued IAY, which, according to the rules defined in article 15.8.12, already participate in the economic result (and simultaneously to the debit of the part of the Investment fund capital attributable to on IAA, IAB, IAC, IAD, IAG or IAX).



Redistribution factor 2 (hereinafter referred to as "**RF2**") is determined based on the length of time the investor has held the relevant Investment share, it is applied to the redemption of IAA, IAB, IAC, IAD and IAG and the amount corresponding to the value of RF2 is settled in favor of the part of the Investment fund capital attributable to IAY.

Redistribution factor 3 (hereinafter referred to as "**RF3**") is determined based on the relative profitability of the IAE class as a whole. The amount corresponding to the value of RF3 is settled in each NAV determination period in favor of the part of the Investment fund capital attributable to IAY and to the currently unissued IAY, which, according to the rules defined in article 15.8.12, already participate in the economic result (and simultaneously to the debit of the part of the Investment fund capital attributable at IAE).

Redistribution factor 4 (hereinafter referred to as "**RF4**") is determined based on the relative profitability of the IAF class as a whole. The amount corresponding to the value of RF4 is accounted for in each relevant period in favor of the part of the Investment Fund Capital attributable to IAY and to the currently unissued IAY, which, according to the rules defined in Article 15.8.12, already participate in the economic result (and concurrently to the debit of the part of the Investment Fund Capital attributable to at the IAF).

The calculation of the values of the redistribution factors is always based on the status as of the last day of the relevant period, which in the case of periodic settlement of RF1, RF3 and RF4 is the calendar month or as of the relevant day for determining the current value of Investment shares that are to be the subject of exchange, cancellation, transfer, redemption, purchase or sale , in the case of occasional settlement RF2 (hereinafter referred to as "**Decisive day for calculation**").

#### 15.8.11 Calculation of redistribution factors

##### **Calculation of the amount $RF1_t$ ( $\delta RF1_t$ )**

**$RF1_t$**  means the total amount to be settled based on the status on the Decisive day for calculation.

The amount of  $RF1_t$  as of the Decisive day for calculation is determined based on the method of internal return percentage of the total volume of all investments in IAA, IAB, IAC, IAD, IAG or IAX (hereinafter referred to as "**IRR<sub>t</sub>**").

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

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

**NAV<sub>t</sub>** means the total value of investors' investment in investment classes IAA, IAB, IAC, IAD, IAG, or IAX on the Decisive Day for calculation, i.e. the current value of all IAA, IAB, IAC, IAD, IAG or IAX on the Decisive day for calculation or the current value of the liquidation balance attributable to all IAA, IAB, IAC, IAD, IAG or IAX on the date decisive for the determination of the liquidation balance in case of liquidation of the Fund before settlement of the unpaid part of RF1.

**$CF_k$**  means the amount of *the k-th* change in the amount of the total investment in IAA, IAB, IAC, IAD, IAG or IAX during the duration of the investment in the Fund, the value of transferred, exchanged, canceled, redeemed, bought or sold Investment shares, the amount of paid profit shares or advances on profit share or liquidation balance to all investors.

**$h$**  means a benchmark (so-called hurdle rate) for the internal return percentage of the total volume 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 %
IAG	0 %
IAX	0 %

**NAV<sub>t</sub>** means the comparative value of the investment of all investors in IAA, IAB, IAC, IAD, IAG or IAX *k* Decisive day for calculation if the internal rate of return (IRR) of the investment with identical amounts and timing  $CF_k$ , *k* and *p* corresponds to the value *h*.

**K** means the total number of changes in the amount of the total volume of all investments in Investment shares of the same type.

**k** means the order of change in the amount of the total volume of all investments in Investment shares of the same type.

**p** means the number of calendar months between the last change in the amount of the total investment volume in Investment shares of the same type and the Decisive day for calculation.

All investments increasing the total volume of funds invested in IAA, IAB, IAC, IAD, IAG or for the purposes of calculating IRR<sub>t</sub> and NAV<sub>t</sub> IAX are calculated after deducting any entry or other fees.

In the case of a transfer of Investment shares, the amount of  $CF_k$  both the transferor and the transferee are set at the current value of the transferred Investment shares at the end of the calendar month in which the last request out of all possible requests for approval of the transfer of Investment shares was submitted, unless the Fund stipulates in a specific otherwise with the consent of the transferor and the transferee. In such a case, the decisive day for calculation for the purposes of determining RF1 is the last day of the calendar month in which the last request out of all possible requests for approval for the transfer of Investment shares was submitted.

All divestments reducing the total amount of funds invested in IAA, IAB, IAC, IAD, IAG or for the purposes of calculating IRR<sub>t</sub> and NAV<sub>t</sub> IAX are calculated before deduction of any taxes, output or other fees and redistribution factors.

Date of change in the investment volume for the purposes of calculating IRR<sub>t</sub> and NAV<sub>t</sub>:

- a) IRR<sub>t</sub> and NAV<sub>t</sub>, invested funds credited to the Fund's bank account are considered 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 stipulates otherwise in a specific case.
- b) In the case of the transfer of Investment shares, for the purposes of calculating IRR<sub>t</sub> and NAV<sub>t</sub> (for both the transferor and the acquirer), the transfer of Investment shares is considered to have taken place at the end of the calendar month in which the last request of all possible requests for approval of the transfer of Investment shares was submitted, does not stipulate - if the Fund in a specific case with the consent of the transferor and the transferee otherwise.
- c) The profit share and the advance on the profit share or liquidation balance (in the part in which the paid advance on the profit share is not counted), for the purposes of calculating the IRR<sub>t</sub> and NAV<sub>t</sub>,



are considered to have been paid on the last day of the calendar month in which they were paid, unless the Fund stipulates otherwise in a specific case.

- d) In the event of termination of the investor's investment (with the exception of the transfer of Investment shares), the amount for the purposes of calculating  $IRR_t$  and  $NAVh_t$  is considered to have been paid on the Decisive day for calculation, unless the Fund stipulates otherwise in a specific case.

In the event that it is not possible to apply the internal rate of return method for the purposes of calculating  $IRR_t$  and  $NAVh_t$  (e.g. due to the non-standard course of cash flows associated with the total volume of all investments in IAA, IAB, IAC, IAD, IAG respectively IAX ) in the form above, a suitable modification of the calculation procedure respecting the internal return percentage method or a similar calculation procedure using another method, e.g. the modified internal return percentage method or the modified Dietz method, can be used for the calculation.

$$RF1_t = \max\{(NAV_t - NAVh_t) * X; 0\}$$

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

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 %
IAG	$IRR_t \geq 0\%$	20 %
IAX	$IRR_t \geq 0\%$	0 %

Determination of the amount of RF1 to be settled is determined on the basis of the amount of  $RF1_t$  on the Decisive day for calculation and the total aggregate amount of all  $RF1_t$  settled no later than the Decisive day for calculation (hereinafter referred to as "**RF1<sub>t-1</sub>**"):

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

Settlement of the positive amount  $\delta RF1_t$  will be realized by reducing the part of the Investment fund capital attributable to IAA, IAB, IAC, IAD, IAG or IAX and on the as yet unpublished IAA, IAB, IAC, IAD, IAG or IAX, which, according to the rules defined in article 15.8.12, already participate in the economic result.

For the purposes of calculating  $IRR_t$  and  $NAVh_t$  the clearing of a positive amount  $\delta RF1_t$  is considered  $CF_k$  reducing the total volume of all investments in the relevant class of Investment shares.

The amount corresponding to the positive amount  $\delta RF1_t$  will be redistributed in favor of the part of the Investment fund capital attributable to IAY according to the rules set by this Statute. The redistribution will take place against the part of the Investment fund capital attributable to IAA, IAB, IAC, IAD, IAG or IAX and on

the yet unpublished IAA, IAB, IAC, IAD, IAG or IAX, which, according to the rules defined in article 15.8.12, already participate in the economic result.

The settlement of the negative amount  $\delta RF1_t$  will be realized according to the Fund's decision, provided that the IAA has already been issued on the date of posting or funds have been credited to the Fund's account for subscribing to the IAA, with the fact that the decisive day for the issuance of the IAA precedes or is equal to the date of posting the negative amount  $\delta RF1_t$ . Posting a negative amount  $\delta RF1_t$  will take place by increasing the part of the Investment fund capital attributable to the IAA and to the as yet unissued IAA, which, according to the rules defined in article 15.8.12, already participate in the economic result.

For the purposes of calculating  $IRR_t$  and  $NAVh_t$ , the settlement of a negative amount  $\delta RF1_t$  is considered  $CF_k$  to increase the value of the respective investor's investment.

The amount corresponding to the negative amount will be redistributed to the debit of the part of the Investment fund capital attributable to IAY according to the rules set by this Statute, the Fund's articles of association or the effective agreement of the shareholders owning IAY.

### Calculation of the amount $RF2_t$

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

$RF2_{jt}$  means the individual  $RF2$   $j$ -th IAA, IAB, IAC, IAD and IAG that was the subject of redemption and for which the Decisive day for Calculation (i.e., the day on which the current value of the Investment share eligible for redemption is determined) was no later than the last day of the NAV determination period ( $t$ ).

$J$  means the number of IAA, IAB, IAC, IAD and IAG that were subject to redemption and for which the Decisive day for calculation (i.e., the day on which the current value of the Investment share eligible for redemption is determined) was the last day of the NAV determination period ( $t$ ) at the latest.

The individual  $RF2$  IAA, IAB, IAC, IAD and IAG is settled on the Decisive day for calculation, i.e., the day on which the current value of the Investment share eligible for redemption is determined.

If the request for the redemption of Investment share  $j$  was submitted by the shareholder in the sixth (6th) and any subsequent year from the date decisive for determining the issue price of the given Investment share  $j$ , then  $RF2_{jt} = 0$ ; this does not apply in the case of IAD, where if the request for the redemption of IAD  $j$  was submitted by the shareholder after the first eleven (11) months and any subsequent month from the date decisive for determining the issue price of IAD  $j$ , then  $RF2_{jt} =$  the current value of the redeemed Investment share after taking into account  $\delta RF1_t * 0.01$ .

If the request for the redemption of Investment share  $j$  was submitted by the shareholder in the fifth (5th) and any previous year from the decisive date for determining the issue price of the given Investment share  $j$ , or in the case of the request for the redemption of IAD  $j$  in the first eleven (11) months from the decisive date for determining the issue rate IAD  $j$ , then it applies.

Type of Investment shares	$RF2_{jt}$
IAA, IAB, IAC, IAD, IAG	the current value of the purchased Investment share after considering $\delta RF1_t * Y$

$Y$  stands for the  $RF2$  coefficient determined according to the length of the period during which the investor's investment in the  $j$ -th IAA, IAB, IAC or IAG that is the subject of redemption lasts, the length of the period

being determined by the number of whole quarters that have passed between the decisive date for determining the issue rate of the  $j$ -th IAA, IAB, IAC or IAG and the Decisive date for the calculation of RF2 of this Investment share (hereinafter referred to as "**Investment duration<sub>j</sub>**").

$$Y = \max\{90\% - 4,5\% * \text{Investment duration}_j; 0\}$$

In the case of IAD Y, the coefficient RF2 is determined according to the length of the period during which the investor's investment in the  $j$ -th IAD, which is the subject of redemption, lasts, while the length of the period is determined by the number of whole months that have passed between the decisive day for determining the issue rate of the  $j$ -th IAD and the Decisive day for the calculation of the RF2 IAD (hereinafter referred to as "**Duration of the investment IAD<sub>j</sub>**").

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

### Calculation of the amount of RF3<sub>t</sub> ( $\delta RF3_t$ )

**RF3<sub>t</sub>** means the total amount to be booked based on the status on the Decisive day for calculation.

The amount of RF3<sub>t</sub> as of the Decisive day for calculation is determined based on the internal rate of return method of the total volume of all investments in IAE (hereinafter referred to as "**IRR<sub>t</sub>**").

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

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

**NAV<sub>t</sub>** means the total investment value of all investors on the Decisive day for calculation, i.e., the current value of the IAE on the Decisive day for calculation or the current value of the liquidation balance attributable to all IAEs on the date decisive for determining the liquidation balance in the event of liquidation of the Fund before settlement of the unpaid part of RF3.

**NAVh<sub>t</sub>** means the comparative value of the investment of all investors in IAE on the Decisive Date for calculation. NAVh<sub>t</sub> represents the sum of all funds invested in IAE.

**CF<sub>k</sub>** means the amount of the  $k$ -th change in the amount of the total investment in IAE during the duration of the investment in the Fund (the acquisition of IAE by transfer from other investors is also considered to be a contribution), the value of transferred, exchanged, canceled, redeemed, purchased or sold Investment shares, amount of profit shares paid out or advances on profit share or liquidation balance 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.

All investments increasing the total amount of funds invested in IAE are calculated for the purposes of calculating IRR<sub>t</sub> and NAVh<sub>t</sub> after deducting any input or other fees and costs.

IRR<sub>t</sub> and NAVh<sub>t</sub>, all divestitures reducing the total volume of funds invested in IAE are calculated before deducting any taxes, output or other fees and costs, and redistribution factors.

Date of change in the investment volume for the purposes of calculating IRR<sub>t</sub> and NAVh<sub>t</sub>:

- a)  $IRR_t$  and  $NAV_{h_t}$ , invested funds credited to the Fund's bank account are considered 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 stipulates otherwise in a specific case.
- b) In the case of the transfer of IAE, for the purposes of calculating  $IRR_t$  and  $NAV_{h_t}$  (for both the transferor and the acquirer), the transfer of Investment shares is considered to have taken place at the end of the calendar month in which the last request of all possible requests for the transfer of Investment shares was submitted, unless the Fund stipulates in in a specific case with the consent of both the transferor and the transferee otherwise.
- c) The profit share and the advance on the profit share or liquidation balance (in the part in which the paid advance on the profit share is not counted), for the purposes of calculating the  $IRR_t$  and  $NAV_{h_t}$  are considered to have been paid on the last day of the calendar month in which they were paid, unless the Fund stipulates otherwise in a specific case.
- d) In the event of termination of the investor's investment (except for the transfer of Investment shares), the amount for the purposes of calculating  $IRR_t$  and  $NAV_{h_t}$  is considered to have been paid on the Decisive day for calculation, unless the Fund stipulates otherwise in a specific case.

In the event that it is not possible to apply the internal rate of return method for the purposes of calculating  $IRR_t$  and  $NAV_{h_t}$  (e.g. due to the non-standard course of cash flows associated with total investments in IAE) in the form above, a suitable modification of the calculation procedure respecting the internal rate of return method can be used for the calculation percentage or a similar calculation procedure using another method, e.g. the modified internal rate of return method or the modified Dietz method.

$$RF3_t = \max \{ (NAV_t - NAV_{h_t}) * 20 \% ; 0 \}$$

Determination of the amount of  $RF3$  to be settled is determined on the basis of the amount of  $RF3_t$  on the Deciding day for calculation and the total aggregate amount of all  $RF3_t$  settled no later than the Decisive day for calculation (hereinafter referred to as " $RF3_{t-1}$ "):

Type of Investment shares	$\delta RF3_t$
IAE	$\max\{RF3_t - RF3_{t-1}; 0\}$

The positive amount from the accounting,  $\delta RF3_t$  according to the Fund's decision, will be realized by reducing the part of the Investment fund capital attributable to IAE and to IAE not yet issued, which, according to the rules defined in article 15.8.12, already participate in the economic result.

Clearing the positive amount  $\delta RF3_t$  for the purposes of calculating  $IRR_t$  and  $NAV_{h_t}$  is considered  $CF_k$  reducing the total volume of all investments in IAE.

The amount corresponding to the positive amount  $\delta RF3_t$  will be redistributed in favor of the part of the Investment fund capital attributable to IAY according to the rules set by this Statute. The redistribution will take place by debiting the part of the Investment fund capital attributable to IAEs and to IAEs not yet issued, which, according to the rules defined in article 15.8.12, already participate in the economic result.

#### Calculation of the amount of $RF4_t$ ( $\delta RF4_t$ )

$RF4_t$  means the total amount to be settled based on the status of the Determination Date for calculation.

The amount of  $RF4_t$  as of the Decisive Day for calculation is determined based on the internal rate of return method of the total investment volume in the IAF (hereinafter referred to as " $IRR_t$ ").

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

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

**NAV<sub>t</sub>** means the total value of the investment of all investors in the IAF investment class on the Determination Date for Calculation, i.e. the current value of the IAF on the Determination Date for Calculation or the current value of the liquidation balance attributable to all IAFs on the date decisive for the determination of the liquidation balance in the event of liquidation of the Fund before settlement of outstanding part of RF4.

**CF<sub>k</sub>** means the amount of the k-th change in the amount of the total investment in the IAF during the duration of the investment in the Fund (the acquisition of the IAF by transfer from other investors is also considered to be a contribution), the value of transferred, exchanged, canceled, redeemed, purchased or sold Investment Shares, the amount of paid profit shares or advances on profit share or liquidation balance to all investors.

**h** means the comparative value (so-called hurdle rate) for the internal rate of return of the total volume of all investments in the relevant class of investment shares.

Type of Investment shares	<i>h</i>
IAF	4 %

**NAV<sub>h,t</sub>** means the comparative value of the investment of all investors in the IAF on the Decisive Day for calculation in the event that the internal rate of return of the investment (IRR) with identical amounts and timing of CF<sub>k</sub>, k and p corresponds to the value of h.

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

**k** means the order of change in the amount of the total volume of all investments in Investment Shares of the same type.

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

All investments increasing the total amount of funds invested in IAF are calculated for the purposes of calculating IRR<sub>t</sub> and NAV<sub>h,t</sub> after deducting any input and/or other fees.

In the case of the transfer of Investment Shares, the amount of CF<sub>k</sub> for both the transferor and the transferee is set at the current value of the transferred Investment Shares at the end of the calendar month in which the last request out of all possible requests for approval for the transfer of Investment Shares was submitted, unless the Fund stipulates in a specific case otherwise with the consent of the transferor and the transferee. In such a case, the decisive day for calculation for the purposes of determining RF4 is the last day of the calendar month in which the last request out of all possible requests for approval for the transfer of Investment Shares was submitted.

Date of change in the investment volume for the purposes of calculating IRR<sub>t</sub> and NAV<sub>h,t</sub>:

a) For the purposes of calculating IRR<sub>t</sub> and NAV<sub>h,t</sub>, invested funds credited to the Fund's bank account are considered 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 stipulates otherwise in a specific case.

b) In the case of the transfer of Investment Shares, for the purposes of calculating IRR<sub>t</sub> and NAV<sub>ht</sub> (for both the transferor and the acquirer), the transfer of Investment Shares is considered to have taken place at the end of the calendar month in which the last request out of all possible requests for approval of the transfer of Investment Shares was submitted, does not stipulate - if the Fund in a specific case with the consent of the transferor and the transferee otherwise.

c) Profit share and advance on profit share or liquidation balance (in the part in which it is not counted on paid advance on profit share), for the purposes of calculating IRR<sub>t</sub> and NAV<sub>ht</sub>, are considered to have been paid on the last day of the calendar month in which they were paid, unless the Fund stipulates otherwise in a specific case.

d) In the event of termination of the investor's investment (with the exception of the transfer of Investment Shares), the amount for the purposes of calculating IRR<sub>t</sub> and NAV<sub>ht</sub> is considered to have been paid on the Decisive Day for calculation, unless the Fund stipulates otherwise in a specific case.

In the event that it is not possible to apply the internal rate of return method for the purposes of calculating IRR<sub>t</sub> and NAV<sub>ht</sub> (e.g. due to the non-standard flow of cash flows associated with the total volume of all investments in IAF) in the form above, a suitable modification of the calculation procedure respecting the internal rate of return method can be used for the calculation percentage or a similar calculation procedure using another method, e.g. the modified internal rate of return method or the modified Dietz method.

$$RF1_t = \max\{(NAV_t - NAV_{h_t}) * X; 0\}$$

X means the coefficient RF1 determined on the basis of the calculated amount of IRR<sub>t</sub>:

Type of Investment shares	IRR <sub>t</sub>	X
IAF	4 % < IRR <sub>t</sub> < 10 %	15 %
IAF	IRR <sub>t</sub> ≥ 10 %	20 %

Determination of the amount of RF4 to be settled is determined on the basis of the amount of RF4<sub>t</sub> as of the Decisive Day for calculation and the total aggregate amount of all RF4<sub>t</sub> cleared no later than the Decisive Day for calculation (hereinafter referred to as „RF4<sub>t-1</sub>“):

Type of Investment shares	δRF4 <sub>t</sub>
IAF	max{RF4 <sub>t</sub> - RF4 <sub>t-1</sub> ; 0}

The settlement of the positive amount δRF4<sub>t</sub> will, according to the Fund's decision, be realized by reducing the part of the Investment Fund Capital attributable to IAF and to the IAF not yet issued, which, according to the rules defined in Article 15.8.12, already participate in the economic result.

The settlement of the positive amount δRF4<sub>t</sub> is considered as CF<sub>k</sub> reducing the total volume of all investments in the relevant class of Investment Shares for the purposes of calculating IRR<sub>t</sub> and NAV<sub>ht</sub>.

The amount corresponding to the positive amount of δRF4<sub>t</sub> will be redistributed in favor of the part of the Investment Fund capital attributable to IAY according to the rules set by this Statute. The redistribution will take place by debiting the part of the Investment Fund capital attributable to the IAF and to the IAF not yet issued, which, according to the rules defined in Article 15.8.12, already participate in the economic result.

15.8.12 The part of the Investment fund capital attributable to the n-th type of Investment shares determined for the last day of the relevant period (t) (hereinafter referred to as "FK IAnt", for a specific type of Investment shares

issued by the Fund then "FK IAA<sub>t</sub>", "FK IAB<sub>t</sub>", "FK IAC<sub>t</sub>", "FK IAD<sub>t</sub>", "FK IAE<sub>t</sub>", „FK IAF<sub>t</sub>“, „FK IAG<sub>t</sub>“, "FK IAX<sub>t</sub>" or "FK IAY<sub>t</sub>") is determined by the following relationship:

The part of the Investment fund capital attributable to the  $n$ -th type of Investment shares determined for the last day of the previous decision period ( $t-1$ ) (hereinafter referred to as "**FK IA<sub>nt-1</sub>**", for a specific type of Investment shares issued by the Fund then "**FK IAA<sub>t-1</sub>**", "**FK IAB<sub>t-1</sub>**", "**FK IAC<sub>t-1</sub>**", "**FK IAD<sub>t-1</sub>**", "**FK IAE<sub>t-1</sub>**", „**FK IAF<sub>t-1</sub>**“, „**FK IAG<sub>t-1</sub>**“, "**FK IAX<sub>t-1</sub>**" or "**FK IAY<sub>t-1</sub>**")

- a) (+/-) part of the sum of the economic result of the relevant period after taxation and changes in the valuation difference of assets settled in the relevant period to the credit or debit of the Investment fund capital, or other changes in the Investment fund capital, which mean a change in the Investment fund capital, if they are not the changes mentioned in letter b) to c) of this article 15.8.12, whereby the total amount will be allocated proportionally to the part of the Investment fund capital attributable to individual types of Investment shares in the ratio of the Investment fund capital attributable to individual types of Investment shares increased by the amount corresponding to the subscribed and not yet issued Investment shares of the given kinds;
- b) (+) sum of cash and monetary values for which Investment shares of the  $n$ -th type were issued in the relevant period, i.e. after deduction of any entry fees and costs, and sum of cash and monetary values that were acquired in the relevant period in favor of the part of the Investment fund capital attributable to the  $n$ th type of Investment shares, not by subscribing to Investment shares (e.g. additional payment outside the share capital, settlement of the amount  $\delta RF1_t$ , etc.);
- c) (-) dividend before taxation flowing to the owners of the  $n$ -th type of Investment shares, or other payments by debit of the part of the Investment fund capital attributable to the  $n$ -th type of Investment shares, for which the relevant payment date falls on the relevant period;
- d) (+/-) part  $RF1_t$  settled in the relevant period to the credit or debit of FK IAY<sub>t</sub>;
- e) (+/-) the amount of  $RF2_t$  booked in the relevant period in favor of FK IAY<sub>t</sub> when buying back IAA, IAB, IAC, IAD or IAG;
- f) (+/-) part of  $RF3_t$  settled in the relevant period in favor of FK IAY<sub>t</sub>;
- g) (+/-) part of  $RF4_t$  settled in the relevant period in favor of FK IAY<sub>t</sub>;

In the event that they are not on the last day of the calendar month decisive for determining the current value of the Investment shares (or another day, if something else follows from the Statute or Fund's the articles of association), which are to be the subject of transfer, exchange, cancellation, redemption, purchase or sale, issued Investment shares Y,  $RF1$ ,  $RF2$ ,  $RF3$  and  $RF4$  are not applied.

15.8.13 The current value of the Investment share is rounded down to four decimal places. The current value of the Investment share will not be published.

15.8.14 Investment shares are issued to the investor within 60 (sixty) Business days from the date of determination of the current Investment share rate for the period in which the Fund's account was credited with the amount of money. In justified cases (especially when an expert revaluation of the Fund's assets is taking place or the conditions for an expert revaluation have occurred), this period can be extended to 100 (one hundred) Business days. Issuance of Investment shares will take place by crediting the shares to the relevant asset account.

## 15.9 REDEMPTION OF INVESTMENT SHARES

15.9.1 Redemption of Investment shares takes place on the basis of a request for the redemption of Investment shares, which the shareholder delivers to the Fund.

15.9.2 The minimum value of an individual request to buy back Investment shares is EUR 20,000 (twenty thousand euros) in the case of IAA, IAB, IAC, IAD, IAE, IAF, IAX and IAY and CZK 500,000 (five hundred thousand Czech crowns) in the case of IAG. The value of Investment shares owned by one shareholder of the Fund may not fall



below the threshold of the minimum investment of a qualified investor established by the Act through the purchase of Investment shares.

15.9.3 A request for redemption of Investment shares may be made:

- a) in writing by personal delivery at the Administrator's headquarters no later than the last Valuation Day according to the schedule of the Administrator's business day;
- b) in writing with an officially verified signature of the shareholder through a postal service operator (including courier services); or
- c) through electronic communication from the email address that was provided by the shareholder when investing in the company, or that the shareholder confirms in one of the ways listed in this article.

15.9.4 A request to buyback Investment shares can be submitted at any time. However, Investment shares are not redeemed for the first 3 (three) years from the date of the Fund's creation. Redemption requests submitted during the period according to the second sentence will be treated as if they were submitted on the first Business day following the end of the period of the first 3 (three) years from the Fund's creation. The Fund is obligated to buy back IAA, IAB, IAC, IAE, IAF, IAG, IAX and IAY from shareholders no later than 24 (twenty-four) months after the end of the calendar month in which it received the shareholder's request to buy back the Investment shares. The fund is obligated to buy back the IAD from the shareholders no later than 3 weeks after determining the value of the IAD for the calendar month in which it received the shareholder's request to buy back the IAD. The request for the redemption of IAE can be submitted at any time. However, IAEs cannot be redeemed until 04/30/2027. Redemption requests submitted during the period according to the previous sentence will be treated as if they had been submitted on the first Business day following 04/30/2027. A request to buy back IAF and/or IAG can be submitted at any time. However, IAF and IAG will not be redeemed until 31/03/2028. Redemption requests submitted during the period according to the previous sentence will be treated as if they had been submitted on the first Business Day following 03/31/2028.

15.9.5 When Investment shares are redeemed, it is always considered that the Investment shares acquired by the shareholder at the latest are the first to be redeemed.

15.9.6 Investment shares A, Investment shares B and Investment shares C, Investment shares D, Investment shares E Investment shares F and Investment shares G are redeemed at the Net present value, which is determined as:

the current value of the Investment share determined retroactively for the period in which the Fund received a request to buyback the Investment share ( $NAV_t$  for the relevant Investment share) adjusted by

- (+/-) redistribution factor 1 of the relevant class of Investment shares ( $\delta RF1_t$ ) and
- (-) redistribution factor 2 of the respective class of Investment shares;
- (-) redistribution factor 3 of Investment shares E;
- (-) redistribution factor 4 of Investment shares F.

whereby the obligation to buy back the Investment share for its Net present value and the redistribution factors are settled in the relevant period that immediately follows the relevant period in which the Fund received the request to redeem the Investment share.

15.9.7 Investment share X is redeemed for the Net present value, which is determined as:

the present value of IAX determined retroactively for the period in which the Fund received the request to redeem IAX ( $NAV_t$  on IAX) adjusted by

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



whereby the commitment to redeem IAX for its Net present value and redistribution factors are settled in the relevant period immediately following the relevant period in which the Fund received the request to redeem IAX.

15.9.8 Investment share Y is redeemed for the Net present value, which is determined as:

the present value of IAY determined retroactively for the period in which the Fund received the request for the redemption of IAY ( $NAV_t$  on IAY) adjusted by

(+/-) redistribution factor 1 attributed to the Investment shares Y;

(+) redistribution factor 2 attributed to the Investment share Y;

(+) redistribution factor 3 attributed to the Investment shares Y;

(+) redistribution factor 4 attributed to the Investment shares Y.

whereby the obligation to redeem the IAY at its Net present value and the redistribution factor 3 are settled in the relevant period immediately following the relevant period in which the Fund received the request to redeem the IAY.

15.9.9 Payment of funds corresponding to the sum of the Net present values of the Investment shares to be redeemed shall be by wire transfer to the payment account of the shareholder specified in the list of shareholders or in the application for the redemption of Investment shares.

15.9.10 In the event of a retroactive adjustment of the Net present value of Investment shares, the Fund's assets may be used to offset the difference in the amount determined for the redeemed Investment shares. If a shareholder has been paid a higher amount for redeemed Investment shares than corresponds to the amount that should have been paid to him based on the corrected Net present value of the Investment share, the shareholder is not obliged to return the relevant difference in amounts, if this difference was accepted in good faith. In the event that the shareholder does not demonstrate good faith, the Fund is obliged to compensate the relevant difference in amounts by returning part of the funds for the purchase of Investment shares, or, if the relevant shareholder owns other Investment shares, the Fund may decide to cancel the corresponding number of Investment shares in the shareholder's possession. In the case of deeded Investment shares, the shareholder is obliged to provide the Fund with immediate cooperation in the return of canceled Investment shares. The Fund is not liable for damages that arise as a result of the shareholder's delay in providing cooperation in the return of registered Investment shares. If a shareholder was paid a lower amount for the repurchased Investment shares than corresponds to the amount that should have been paid to him based on the corrected Net present value of the Investment share, this shareholder will be compensated without undue delay with an additional payment for the redeemed Investment shares in the amount of the determined difference. In the event of a correction of the Net present value of the Investment share, which represents in absolute value 0.5% or less (unless the Law provides otherwise) of the corrected Net present value of the Investment share, or as a result of which only negligible damage was caused and purposefully incurred costs related to its compensation would clearly exceed the amount of her compensation, the differences in the number of redeemed Investment shares will not be compensated, unless the Fund decides otherwise, and the supervisory board must be informed of this decision in writing without undue delay.

15.9.11 Redistribution factor 2 related to the redemption of IAA, IAB, IAC, IAD and IAG is the income of the part of the Investment fund capital attributable to IAY.

## **15.10 SUSPENSION OF ISSUE OR REDEMPTION OF INVESTMENT SHARES**

15.10.1 In the event of reaching the lower or upper limit of the Investment fund capital specified in article 15.10.4 of this Statute, the Fund shall without undue delay take effective measures to remedy the situation in accordance with §163, paragraph 4 of the Act.

- 15.10.2 The Fund is entitled to suspend the issuance or redemption of Investment shares for a period of no longer than 2 (two) years, and only if it is necessary to protect the rights or legally protected interests of shareholders.
- 15.10.3 The reason for suspending the issuance or redemption of Investment shares may be, in particular:
- a) reaching the upper or lower limit of the Investment fund capital spread determined by this Statute;
  - b) operational reasons in the preparation of any financial statement of the Fund;
  - c) insufficient liquidity of the Fund;
  - d) significant movements in the value of the Fund's assets;
  - e) protection of the common interest of the Fund's shareholders, consisting, for example, in the fact that it was decided to liquidate the Fund;
  - f) potential damage to the interest of shareholders who remain in the Fund;
  - g) termination of the Depositary agreement.
- 15.10.4 If the amount of Investment fund capital falls to the lower limit of the range, to an amount corresponding to EUR 20,000,000 (twenty million euros) and below, the Fund may suspend the redemption of Investment shares. If the amount of Investment fund capital reaches the upper limit of the range, the amount corresponding to EUR 400,000,000 (four hundred million euros) and higher, the Fund may suspend the issuance of Investment shares. Section 163, paragraph 3 of the Act applies to the determination of the date of resumption of issuance or redemption of Investment shares.

### **15.11 BUYING INVESTMENT SHARES**

- 15.11.1 If the Fund has sufficient financial resources, it may, with the prior written consent of the supervisory board, decide to re-purchase Investment shares for the Fund's account under the conditions set out below:
- a) The Fund sets the upper and lower limit of the amount designated for the purchase of Investment shares;
  - b) The Fund will address the Fund's investors with the offer to purchase Investment shares in the same form, while it may determine that the purchase offer will concern all investors, only investors in IAB, IAC, IAD, IAE, IAF and IAG or only investors in IAX and IAY or only investors in IAY;
  - c) In the event that the total demand from the Fund's investors exceeds the upper limit of the amount intended for the purchase of Investment shares, the Fund will determine a ratio in which all investors who requested the purchase of Investment shares will be satisfied;
  - d) In the event that the total demand from the Fund's investors does not exceed the lower limit of the amount intended for the purchase of Investment shares, the Fund may decide to cancel the purchase of Investment shares;
  - e) The purchase price for the purchase of Investment shares will always be equal to the Net present value of the Investment share for the period in which the day on which the request for the purchase of Investment shares was received by the Fund falls, while the Fund may set the date and other procedural requirements of the purchase in the offer;
  - f) If the IAY purchase offer is not accepted by all owners of these Investment shares, the purchase offer cannot be implemented against the shareholders owning IAY.
- 15.11.2 Investment shares expire by re-purchase.
- 15.11.3 When re-purchasing Investment shares, it is always considered that the Investment shares acquired by the shareholder at the latest are the first to be purchased.
- 15.11.4 Consideration for the re-purchase pursuant to article 15.11.1 of this Statute shall be paid to the shareholder within thirty (30) Business days from the date of writing off the Investment shares from the relevant asset account, by transfer to the payment account of the shareholder listed in the list of shareholders. The Manager

is entitled to extend the due date of consideration or part of it in the event that the Fund's potential liability results from the contract for the purchase of property value.

## **15.12 DIVESTMENT OF INVESTMENT SHARES**

- 15.12.1 In the event that the Fund has sufficient financial resources and the Fund does not make a decision in accordance with article 15.11.1, the Fund may, with the prior written consent of the supervisory board, send an invitation to the owners of the Investment shares, by sending which the purchase contract becomes effective for the owner of the Investment shares to whom the invitation is addressed, undertakes to transfer the ownership right to its Investment shares, namely in the number of pieces or the gross amount specified in the call to the Fund, and the Fund undertakes to pay the purchase price for them, which will be determined in accordance with article 15.12.2 of this Statute.
- 15.12.2 The call according to article 15.12.1 of this Statute may be repeated and may include all Investment shares owned by the shareholder. In the call to each shareholder, the Fund will determine:
- a) whether the sale will concern all investors, or only investors in IAB, IAC, IAD, IAE, IAF and IAG or only investors in IAX and IAY or only investors in IAY, or investors who have given preliminary consent to the sale of Investment shares;
  - b) in a non-discriminatory manner, the number of Investment shares or the gross amount that will be sold within the relevant call;
  - c) the calculated purchase price will always be equal to the Net present value of the Investment shares for the period in which the day on which the call was sent to the shareholders pursuant to this article 15.12.1 falls.
- 15.12.3 Investment shares expire after divestment.
- 15.12.4 When Investment shares are sold, it is always considered that the Investment shares first acquired by the shareholder are the first to be sold.
- 15.12.5 The shareholder shall provide the Fund with all necessary cooperation to be able to sell off the Investment shares in accordance with article 15.12.1 of this Statute in fact and in accordance with the Fund's articles of association. If the shareholder does not provide the necessary cooperation, the Fund is entitled to unilaterally issue an instruction to cancel the Investment shares that are to be the subject of sale, in the relevant register of book-entry securities.
- 15.12.6 Consideration for the sale pursuant to article 15.12.1 of this Statute shall be paid to the shareholder within 30 (thirty) Business days from the date of writing off the Investment shares from the relevant asset account, by transfer to the payment account of the shareholder listed in the list of shareholders. The Fund is entitled to extend the due date of the consideration or part of it in the event that the Fund's potential liability results from the call to sell off the asset value.
- 15.12.7 A non-discriminatory method is considered to be in particular such differences arising during the sale of Investment shares, the cause of which are different points in time when the relevant shareholder entered the Fund or different issue rates of the Investment shares of individual shareholders, even if they were Investment shares of the same type.

## **15.13 COMMON PROVISIONS FOR THE PURCHASE AND SALE OF INVESTMENT SHARES**

- 15.13.1 If, in relation to the Fund, an extraordinary revaluation of assets and/or debts, an audit of financial statements or other activities that may affect the calculation of the present value of the Investment share in the future, the Fund is entitled to extend the deadline for the final payment of the purchase price up to 120 (one hundred and twenty) Business days from the date of writing off the Investment shares from the relevant asset account,

while at the same time, with the prior written consent of the supervisory board, it may decide on the payment of an advance on the purchase price in an amount determined according to the latest known Net present value of the Investment share.

15.13.2 In the event of a retroactive correction of the Net present value of Investment shares, the difference in the amount of the determined differences in amounts for Investment shares purchased or sold can be compensated from the Fund's assets. If a shareholder was paid a higher amount for purchased or sold Investment shares than corresponds to the amount that should have been paid to him based on the corrected Net present value of the Investment share, the shareholder is not obliged to return the relevant difference in amounts, if this difference was accepted in good faith. In the event that the shareholder does not demonstrate good faith, the Fund is obliged to compensate the relevant difference in amounts by returning part of the funds for the purchase or sale of Investment shares, or, if the relevant shareholder owns other Investment shares, the Fund may decide to cancel the corresponding number of Investment shares owned by the shareholder. In the case of deeded Investment shares, the shareholder is obliged to provide the Fund with immediate cooperation in returning canceled Investment shares. The Fund is not liable for damages that arise as a result of the shareholder's delay in providing cooperation in the return of registered Investment shares. If a shareholder was paid a lower amount for purchased or sold Investment shares than corresponds to the amount that should have been paid to him based on the corrected Net present value of the Investment share, this shareholder will be compensated without undue delay with an additional payment for the purchased or sold Investment shares in the amount of the determined difference. In the event of a correction of the Net present value of the Investment share, which represents in absolute value 0.5 % or less (unless the Law provides otherwise) of the corrected Net present value of the Investment share, or as a result of which only negligible damage was caused and purposefully incurred costs related to its compensation would clearly exceed the amount of her compensation, the differences in the number of purchased or sold Investment shares will not be compensated, unless the Fund decides otherwise, and the supervisory board must be informed of this decision in writing without undue delay.

## 16 INFORMATION ON FEES, COSTS AND THE TOTAL COST OF THE FUND

### 16.1 PAYMENT TO THE MANAGER AND ADMINISTRATOR

Payment to the Investment company for property management and Fund administration is paid from the Fund's assets related to the Fund's investment activity and amounts to:

- a) 0.4% p.a. of the Fund's assets from a volume of up to CZK 600,000,000 (including) but at least CZK 100,000 per month; and
- b) 0.2% p.a. of the Fund's assets from a volume above CZK 600,000,000 up to CZK 10,000,000,000 (inclusive); and
- c) 0.03% p.a. of the Fund's assets from a volume of over CZK 10,000,000,000.

The fee is paid based on the issued invoice on a monthly basis. The amount of the monthly remuneration determined according to points a) and b) mentioned above is limited to a maximum amount of CZK 500,000 per month. The payment of the Investment company does not include other costs related to property management and administration of the Fund paid from the Investment fund capital.

The Investment company is also entitled to the following payments:

- a) CZK 2,000 for each subscription, transfer or purchase of Investment shares, or a capital call followed by the issue of Investment shares that took place in a given month. At the same time in case of:
  - a. the necessary application of enhanced identification and control to the investor according to Act No. 253/2008 Coll. or

- b. when the investor is a legal entity based in a country other than the Czech Republic; this amount will be increased to CZK 5,000.

The amount is payable monthly on the basis of an invoice issued by the Investment company;

- b) 0% p.a. of the value of Investment shares in the form of a book-entry security for keeping their records;
- c) CZK 10,000 for processing the valuation of each 1 (one) Real estate company owned by the Fund, if this valuation is processed directly by the Administrator, regardless of whether the Administrator, when processing the valuation, is based on an expert opinion prepared by a third party for the valuation of the property value (in particular real estate) in the assets of the valued Real estate company;
- d) 100% of the entry fee according to the relevant Agreement on the subscription of Investment shares, if the Investment company mediated the conclusion of the relevant Agreement on the subscription of Investment shares;
- e) 0.8% p.a. of the fair value of ongoing investments from authorized investors (according to the current value of Investment shares), which were mediated by an Investment company, while this cost is calculated (evaluated) for each calendar month; for the purposes of calculating costs for a given calendar month, the value of the relevant Investment shares at the end of the previous calendar month is used.
- f) CZK 3,500 for each started hour of consultancy (prior written consent of the supervisory board required);
- g) Payment for offering investments in the Fund according to a special contract.

For the purposes of this article, a Real estate company is considered a corporation according to the provisions of §100, paragraph 3 of the Act.

## 16.2 DEPOSITARY FEE

The payment for the performance of the activities of the Depositary, its amount, method of calculation and maturity are specified in the depositary contract. The amount of the payment is:

- 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 higher than EUR 150,000,000 and lower than EUR 225,000,000; and
- c) CZK 115,000 per month, if the Fund's assets are higher than EUR 225,000,000

+ VAT for each month started and is paid from the Investment fund capital. During the first six (6) calendar months from the issuance of the Depositary's first report, the Depositary's remuneration is reduced to two-thirds.

## 16.3 ADDITIONAL COSTS

Other costs that arise or may arise in connection with the management of the Fund and the implementation of the administration, paid from the Investment fund capital, are, in addition to the direct costs of the acquisition of property values in which the Fund invests according to the Statute, in particular:

- a) costs arising in connection with the acquisition, management and monetization of property values in which the Fund invests according to the Statute (especially costs of analyses, studies, due diligence, project management, coordination, audits, expert opinions, brokerage or commission fees or premiums, etc.);
- b) costs of promotion of the Fund in relation to the public and qualified investors;
- c) costs of offering investments in the Fund; marketing and public relations costs;

- d) costs for obtaining and maintaining investments in the Fund, in particular costs for mediating the subscription of Investment shares (fundraising) or costs for the distribution of Investment shares;
- e) costs of valuation of assets and liabilities of the Fund;
- f) interest on accepted loans and borrowings and similar costs, including brokerage fees arising in connection with the management of the Fund's assets;
- g) interest from bonds and similar costs resulting from the issue of other securities issued by the Fund in connection with the management of the Fund's assets;
- h) fees for keeping accounts and handling funds and investment instruments;
- i) payment for safekeeping and management of securities or book-entry securities owned by the Fund;
- j) payment for safekeeping of the Fund's assets transferred to third parties for safekeeping;
- k) fees associated with the issuance, redemption, exchange or cancellation of securities or book-entry securities issued by the Fund;
- l) costs for custody and administration of securities or book-entry securities issued by the Fund;
- m) insurance costs of the Fund, insurance costs of the Fund's statutory and control bodies;
- n) remuneration of employees and members of the Fund's bodies, or members of the Fund's investment committee;
- o) costs arising in connection with the payment of profit share, including advances, and similar payments;
- p) costs of informing investors;
- q) hedging costs or instruments to reduce risks, hedging the value of the Fund's assets;
- r) the costs of establishing, establishing and starting the activity of the Fund;
- s) costs of termination of activity and liquidation of the Fund;
- t) costs associated with the conversion of the Fund;
- u) audit costs of the Fund;
- v) costs of legal, tax, accounting and other specialized consulting services;
- w) taxes and similar payments;
- x) notary, court and administrative fees and similar payments; and
- y) costs associated with the normal operation of the Fund.

#### 16.4 COSTS IN CORPORATIONS

The costs mentioned above according to article 16.4 of this Statute may also be incurred in Corporations owned or acquired by the Fund. In such a case, they may be paid from the assets of the relevant Corporation, but for the purposes of informing the Fund's investors, these costs are included in the Fund's cost limit according to article 16.5 of this Statute.

#### 16.5 AVERAGE COSTS

The average costs of managing the Fund's assets for 5 (five) consecutive accounting periods (excluding intra-group interest and interest paid to third parties, including their possible collateral, excluding the Fund's income tax paid and excluding the costs of mediating the subscription of Investment shares) paid of the Investment Fund capital is a maximum of 4% p.a. from the value of the Investment fund capital, the minimum expected costs are EUR 200,000 p.a.

This average cost of managing the Fund's assets includes the Expert advisor's fee. The remuneration of the Expert advisor is paid monthly from 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 that has begun, and then a variable payment of 1.5% p.a. from the value of the Fund's total assets from investment activity reduced by the Fund's interest-bearing foreign resources from investment activity as of the last day of the month for which the payment is made. The amount of remuneration of the Expert advisor defined in this article already includes any value added tax, if the Expert advisor is the payer and such remuneration is not exempt from value added tax.

## 16.6 COLLECTED FEES, DEDUCTIONS AND REDISTRIBUTION FACTORS

Selected fees, deductions and redistribution factors charged to the investor before the investment is made or upon the issue, cancellation, exchange, transfer, redemption, purchase or sale of Investment shares:

<b>Entry fee</b>									
	Type of Investment shares								
	A	B	C	D	E	F	G	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 - 2 % 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
<b>Redistribution factor 1 (for IAA, IAB, IAC, IAD, IAG and IAX)</b>									
Investment class yield	For Investment shares A								
6 % < IRR <sub>t</sub> < 12 %	15 % of the appreciation above the yield corresponding to 6% p.a.*								
IRR <sub>t</sub> ≥ 12 %	20 % of the appreciation above the yield corresponding to 6% p.a.*								
Investment class yield	For Investment shares B, Investment shares C, Investment shares D, Investment shares G and Investment shares X								
	IAB	IAC	IAD	IAG	IAX				
0 < IRR <sub>t</sub> ≤ 4 %	0 %	20 %	25 %	20 %	0 %				
4 % < IRR <sub>t</sub> < 10 %	15% of the appreciation above the yield corresponding to 4% p.a.**	20 %	25 %	20 %	0 %				
IRR <sub>t</sub> ≥ 10 %	20% of the appreciation above the yield corresponding to 4% p.a.**	20 %	25 %	20 %	0 %				
<b>Redistribution factor 2 (for IAA, IAB, IAC, IAD and IAG)</b>									
Length of holding of the relevant Investment share	Type of Investment shares								
	IAA	IAB	IAC	IAG					
Investment shares are not redeemable until	Do 26. 3. 2022							Do 31. 12. 2027	
1st to 5th year	current value of the repurchased Investment share after taking into account RF1 * (0.9 – 0.045 * number of whole quarters between the decisive day for determining the issue price of the relevant Investment share and the decisive day for calculating RF2)								
6th and next year	0 %								
Length of holding of the relevant	Type of Investment shares								
	IAD								



Investment share	
The first 11 months	the current value of the repurchased Investment share after taking into account RF1 * (0.9 – 0.0742 * the number of whole months between the decisive day for determining the issue price of the relevant Investment share and the decisive day for calculating RF2)
After the first 11 months	current value of the Investment shares being bought back after taking into account RF1 * 1%
<b>Redistribution factor 3 (for IAE)</b>	
Investment grade yield	Type of Investment share
	IAE
0 % < IRR <sub>t</sub>	20 %
<b>Redistribution factor 4 (for IAF)</b>	
Investment grade yield	Type of Investment share
	IAF
0 < IRR <sub>t</sub> ≤ 4 %	0 %
4 % < IRR <sub>t</sub> < 10 %	15 % of the appreciation above the yield corresponding to 4% p.a.*
IRR <sub>t</sub> ≥ 10 %	20 % of the appreciation above the yield corresponding to 4% p.a.*

\* Comparative value of the class of Investment shares with identical cash flows and yield corresponding to 6% p.a. will be determined by the procedure specified in article 15.8.11 of this Statute.

\*\* Comparative value of the class of Investment shares with identical cash flows and yield corresponding to 4 % p.a. will be determined by the procedure specified in article 15.8.11 of this Statute.

## 17 OTHER NECESSARY INFORMATION FOR INVESTORS NECESSARY TO ASSESS THE INVESTMENT

### 17.1 INFORMATION ABOUT THE STATUTE

The information provided in this Statute is updated continuously, but at least once a year after the end of the accounting period. The Manager monitors whether or not there is a need to update the Statute.

Changes to the Statute are not subject to prior approval by the CNB. However, the Manager shall notify the CNB of any change to the Statute and provide it with a new version of the Statute.

In the relevant passages of the Statute, the exchange rate declared by the Czech National Bank for the relevant period is always used for the conversion between CZK and EUR.

The decisive language of the Statute is Czech. The statute can be translated into other languages. If in such a case there is a conflict between different language versions, the version in the Czech language, approved by the Manager, will be decisive.

Changes to this Statute (including changes to the investment strategy) are decided by the Manager with the prior written consent of the supervisory board. The Manager may update the information contained in this Statute without the prior consent of the supervisory board, while he is obliged to inform the supervisory board in writing in advance of each update.

In the event that, during the assessment of a certain legal case, an express provision of this Statute conflicts with an express provision of the Fund's statutes, this legal case will be assessed according to the Fund's statutes.

## 17.2 PROVISION OF INFORMATION AND RULES OF COMMUNICATION

Each subscriber of Investment shares must have:

- a) prior to the conclusion of the subscription contract, the current version of the Fund's articles of association will be provided electronically upon request free of charge; and
- b) this Statute in its current version and the latest annual report provided electronically upon request free of charge.

Each underwriter may submit the documents referred to in article 17.2 letter a) and b) the amount of this Statute to be obtained at the headquarters of the Fund.

The rules of shareholder communication in relation to the Fund, the Manager or the Administrator, as well as the information obligation of the shareholder in relation to these persons, are regulated in particular by the Fund's articles of association.

## 17.3 CANCELLATION AND TRANSFORMATION OF THE FUND

The fund is established for an indefinite period. This does not prevent the Fund from being canceled at any time in accordance with the Fund's statutes or from the Manager deciding on purchases or sales of Investment shares, even repeatedly, under the conditions specified in this Statute and Fund's articles of association.

The procedure for the cancellation or conversion of the Fund, as well as the rights of shareholders in the event of cancellation or conversion of the Fund, are governed by generally binding legal regulations, in particular the Act, the Act on business corporations and the Act on conversions, as well as the Fund's articles of association.

If necessary, additional information can be obtained at the Fund's headquarters.

## 17.4 TAX REGIME

Information about the tax system that applies to the Fund:

- a) taxation of the Fund and its shareholders is subject to the tax regulations of the Czech Republic, in particular Act No. 586/1992 Coll., on income taxes, as amended. The fund is a basic investment fund, the income of which is currently subject to income tax of 5%;
- b) if income flows from the sale of Investment shares to a tax non-resident in the Czech Republic, in cases determined by generally binding legal regulations, the Czech buyer is obliged to deduct income tax from the purchase price of the security in the amount according to applicable legal regulations;
- c) the profit share paid by the Fund from the Fund's assets is generally subject to a 15% or 35% withholding tax. The withholding tax rate may be limited by an international double taxation treaty to which the Czech Republic is bound;
- d) a share of the profit paid to a legal entity may be exempt from taxation if the conditions established by law are met;
- e) the investor taxation regime is generally dependent on the investor's state of tax residence and proof of actual ownership of income. The investor is obliged to provide the Fund, or to the Administrator, cooperation in determining and proving the state of his tax residence and his actual ownership of income in the sense of Act No. 586/1992 Coll., on income taxes, as amended, and the relevant double taxation avoidance agreement in accordance with the Fund's articles of association;
- f) the taxation regime of individual investors income or profits depends on the applicable tax regulations, which may not be the same for every investor, and therefore, in the event that an investor is unsure about the taxation regime that applies to him, he should seek the services of a tax advisor. The investor is obliged to report a change of his tax domicile to the Administrator immediately after this change

occurs. If the Administrator does not have up-to-date information about the investor's domicile, he may deny this investor performance.

The Administrator is responsible for the fulfillment of obligations related to taxes, fees and other similar monetary payments. If, after the liquidation of the Fund, the owners of the Investment shares of the Fund return the benefits received in order to satisfy a debt that was part of the Fund's assets, the Administrator will take without undue delay all reasonable steps to request a refund of part of the tax on the grounds that the benefits actually received by the shareholders are after the return parts of the fulfillment now lower. Any tax refund will be paid to the former shareholders in the same proportion and under the same conditions as the performance to which the tax refund relates.

## 17.5 INFORMATION ABOUT THE FUND PERFORMANCE

The Administrator is obliged to send the Fund's annual report to the CNB no later than 4 (four) months after the end of the Fund's accounting period. The Manager and the Administrator are obliged to submit to the CNB a report of the fund of qualified investors in accordance with §5 paragraph 1 letter c) Decree 267/2020 Coll., on the reporting of data by the Manager and Administrator of the investment fund and foreign investment fund of the Czech National Bank.

Informing shareholders of the Fund

Type of information provided	Frequency and/or deadline for providing information	Method of providing information
The current version of the Fund's articles of association and the Statute	On request	In paper form or electronically by e-mail
Annual Report	On request	Documentary form, electronically by e-mail or the Fund's website
Data on the current value of the Investment share	Monthly	Electronically by email

The shareholder is responsible for the correctness of the provided contact data for electronic communication in the manner specified in the Fund's articles of association.

## 17.6 DETAILS ABOUT THE SUPERVISORY AUTHORITY OF THE INVESTMENT COMPANY AND THE FUND AND NOTICES

The supervisory authority of the Investment company and the Fund is the Czech National Bank:

Name: Czech National Bank  
Address: Na Příkopě 28, 115 03, Prague 1  
Phone: +420 224 411 111  
CNB website: <http://www.cnb.cz>  
Email: [podatelna@cnb.cz](mailto:podatelna@cnb.cz)

The Fund Manager warns investors that registration in the list of investment funds maintained by the CNB and CNB supervision are not a guarantee of return on investment or the performance of the Fund, they cannot rule out the possibility of a violation of legal obligations, the Fund's statutes or the Statute by the Fund, the Manager, the Administrator, the Depositary or any other person, and they do not guarantee that any damage caused by such breach will be compensated.

## 17.7 CONTACT POINT

Contact point where additional information can be obtained if needed:

Name: Winstor investiční společnost a.s.

Address: Jungmannova 745/24, Nové Město, 110 00 Prague 1

Phone: +420 212 249 649

Website of the Investment company: <https://www.winstor.cz/>

Email: [info@winstor.cz](mailto:info@winstor.cz)

## 17.8 FINAL PROVISIONS

The courts of the Czech Republic are competent to resolve disputes arising from the subscription commitment agreement in connection with the investor's investment in the Fund, unless otherwise stipulated by the subscription commitment agreement or a mandatory provision of the law. The governing law for the contractual obligation relationship in connection with the investor's investment in the Fund is the legal order of the Czech Republic, unless otherwise stipulated by the contract or a mandatory provision of the law.

In Prague on August 1, 2024



---

Ing. et Ing. Rostislav Plíva, Ph.D.  
Authorized representative of the board member  
Winstor investiční společnost a.s.

## ANNEX NO. 1 PRECONTRACTUAL INFORMATION ON INVESTMENTS ACCORDING TO ARTICLE 8 OF THE SFDR

**Product name:** ARETE INDUSTRIAL SICAV **Legal entity** [315700R9IHF2HRNBAM23](#)  
**identifier:** a.s.

### Environmental and/or social characteristics

#### Sustainable Investment

means an investment in economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

#### The EU Taxonomy

is a classification system laid down in the Regulation (EU) 2020/852

establishing the list of **environmentally sustainable economic**

**activities.** The Regulation does not

establish a list of socially sustainable economic activities.

The Sustainable Investments with an environmental object may be aligned with the Taxonomy or not.

#### Does this financial product have a sustainable investment objective?

YES

NO

It will make a minimum **sustainable investment with an environmental objective:** \_\_\_%

Into economic activities that qualify as environmentally sustainable under the EU Taxonomy

Into economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

**It promotes environmental/social (E/S) characteristics** and without having sustainable investments as its objective, it will have a minimum proportion of \_\_\_% of sustainable investments with:

an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

an investment with an environmental objective

It promotes E/S characteristics, but **will not make any sustainable investments**

#### What environmental or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics.

Regarding environmental characteristics the Fund promotes:

- reducing energy intensity, increasing the efficiency of use of energy sources, use of energy from renewable sources;
- reducing greenhouse gas emissions;
- reducing waste production and promoting circular economy; and
- promoting biodiversity.

**Principal Adverse Impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights and anti-corruption and anti-bribery matters.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial products are attained.

Regarding social characteristics the Fund promotes:

- a. health, safety and wellbeing of employees and tenants; and
- b. supporting local communities.

The Fund also focuses on the application of good governance policies, including in relation to its suppliers.

The above environmental and social characteristics are specified in more detail in Annex No. 1 of the ESG strategy. No reference benchmark has been set in order to achieve environmental and social characteristics.

● ***What sustainability indicators are used to measure the attainment of each of the individual environmental or social characteristics promoted by this financial product?***

With respect to environmental and social characteristics, sustainability indicators reflecting particularities of the above promoted characteristics are used.

Regarding environmental characteristics, especially the following is monitored:

- c. share of BREEAM-certification buildings in portfolio;
- d. share of installed solar panels on buildings roofs;
- e. share of electricity consumption produced from fossil fuels in all buildings in the Fund's portfolio;
- f. amount of direct CO<sub>2</sub> greenhouse gas emissions;
- g. amount of newly planted trees;
- h. share of projects in protected areas or with endangered animal species; and
- i. share of recycled waste from building construction.

Regarding social characteristics, especially the following is monitored:

- j. results of meetings with building tenants;
- k. result of tenant satisfaction surveys; and
- l. results of employee satisfaction surveys.

More detailed information on all sustainability indicators used, including the methodology, is contained in Annex No. 1 of the ESG strategy.

● ***What are the objectives of the sustainable investments to be partially carried out by the financial product and how these sustainable investments contribute to such objectives?***

The product does not intend to carry out sustainable investments.

● ***How the sustainable investments, to be partially carried out by the financial product, do not significantly harm any environmental or social objective of the sustainable investments.***

The product does not intend to carry out sustainable investments.

How the indicators of adverse impacts have been taken into account towards sustainability factors?

N/A

How the sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

*The EU Taxonomy establishes the „do not significant harm“ principle according to which, investments that are in compliance with the Taxonomy should not significantly harm objectives of the EU Taxonomy and is accompanied by specific EU criteria.*

The „do not significant harm“ principle applies only to those investments underlying the financial products that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial products do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental and social objectives.*



#### **Investment strategy**

means guidance for investment decision-making process based on factors such as investment objectives and risk tolerance.

#### **Good governance practices**

include proper management structures, employee relations, remuneration of employees and tax compliance.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

**What investment strategy does this financial product apply?**

The Fund's intention is a permanent appreciation of investors' funds invested through direct investments into Real estate, indirect investments into Real estate via participation in Real estate companies and provision of loans to Real estate companies. In accordance with its investment strategy, the Fund invests into Real estate and Real estate companies at least 49% of its assets. The Fund thus enables investors to participate in the development of the real estate market and income from Real estate in the Fund's assets and dividends from Real estate companies in which the Fund has a share.

The Fund focuses exclusively on investments in high-quality production and logistics real estate with a stable yield and supplements them with new construction activity to increase the overall yield. The Fund stably manages and develops owned real estate with an aim of sustainable increasing yield.



***What are the binding elements of the investment's strategy used for the selection of the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Considering that the Fund is a product according to article 8 of the SFDR, it also performs an analysis of compliance with the ESG strategy for each investment. Therefore, the Fund assesses potential sustainability risks associated with the investment and finds out whether the investment is compliant with the ESG indicators designated by the Fund to promote each of the environmental and social characteristics. The investment can only be implemented if it is compliant with the ESG strategy, i.e. if it does not lead to a breach of the established ESG indicators.

Each ESG indicators, including the methodology, is specified in Annex No. 1 of the ESG strategy.

- ***What is the committed minimum rate to reduce scope of investments considered prior to the application of this investment strategy?***

There is no minimum rate.

- ***What is the policy to assess good governance practices of the investee companies?***

When identifying a suitable investment and its implementation, the Fund takes into account whether the company in which it is invested complies with the procedures of proper corporate governance. If the Fund does not have internal information on compliance with proper administration and management, it obtains information on compliance with these procedures from publicly available sources.

Furthermore, through the policy of involvement, the Fund acts on Real estate and possibly other companies in which it has an equity stake so that these companies reflect the established ESG indicators in their decisions and the Fund is thus able to fulfill its ESG strategy. The company's fund has an equity stake in which, through the exercise of its voting rights and active dialogue, regarding sustainability. If a certain company is not willing to dialogue, it can be a reason for ending the investment.

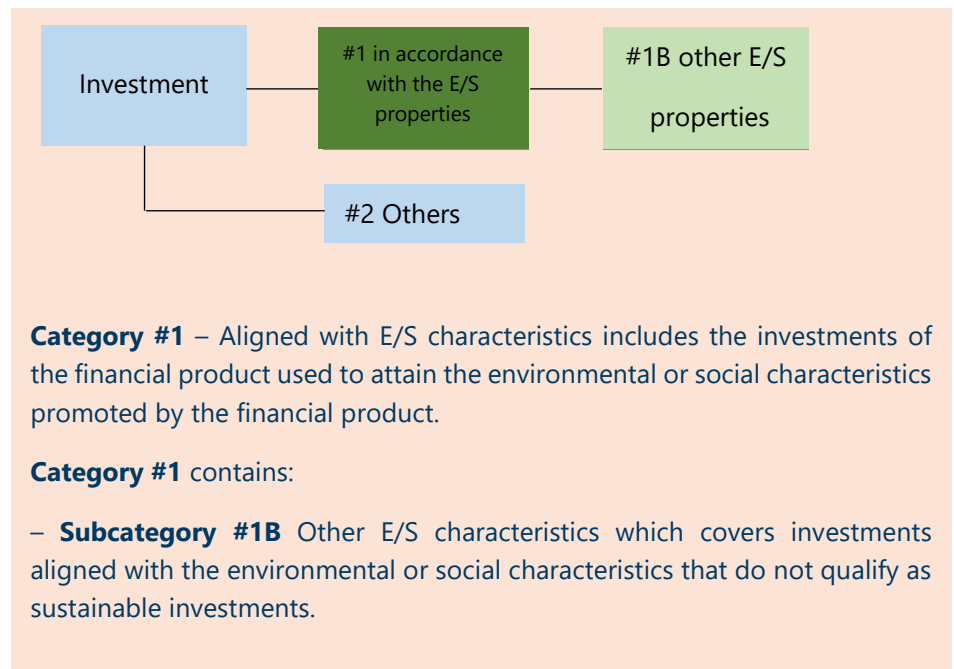
***What is the asset allocation planned for this financial product?***

The Fund has no upper or lower limit for investments promoting the environmental and social characteristics.

**Asset allocation**  
describes the share of investment into specific assets.



In terms of compliance with the environmental and social characteristics, the Fund's investments are divided into the following categories:



Taxonomy-aligned activities are expressed as a share of:

- **operational expenditures** (OPEX) reflecting green operational activities of investee companies

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditures** (CAPEX) reflecting green investments made by investee companies which is relevant for a transition to a green economy



***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivates are not used to promote the environmental or social characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The product does not intend to carry out sustainable investments.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and at the same time have greenhouse gas emissions levels corresponding to the best performance.

**Sustainable investments** are investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities according to the EU Regulation 2020/852.



**Does the financial product invest in fossil fuels and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes

In fossil gas       In nuclear energy

No



**What is the minimum share of investments in transitional and enabling activities?**

The product does not intend to carry out investments in transitional and/or enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The product does not intend to carry out investments in transitional and/or enabling activities.



**What is the minimum share of socially sustainable investments?**

The product does not intend to carry out sustainable investments.



**What investments are included under „#2 Other“, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund monitors the established environmental and social characteristics primarily in relation to investments in main assets – i.e. Real estate, Real estate companies and loans or other financing provided to these companies. The item "#2 Other" includes other assets and additional assets in which the Fund may invest in accordance with its Statute and for which environmental and social characteristics are not taken into account, or they do not follow minimum environmental and/or social guarantees. These assets include, for example, investment securities, securities issued by an investment fund or a foreign investment fund, participations in Corporations (other than Real estate), money market instruments, financial derivatives, cash, or claims for the payment of funds, or credits and loans provided by the Fund.



**Is there designated a specific index as a reference benchmark to find out whether this financial product is compliant with the environmental and/or social characteristics that it promotes?**

<sup>1</sup> Activities related to fossil gas and/or nuclear energy will comply with the EU taxonomy only in case that they will contribute to limiting climate change ("climate change mitigation") and do not significantly harm any objective of the EU taxonomy – see explanatory note on the left. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU taxonomy are set out in the Commission Delegated Regulation (EU) 2022/1214.

For the time being, there is not set such index for ESG area.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A.

- ***How does the designated index differ from a relevant broad market index?***

N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.

#### **Where can I find more product specific information online?**

On the websites of the Fund Manager (see the link below) where are i.a. publicly available the following documents:

- The Prospectus of the Fund
- Key-Information Document
- ESG strategy

**More product-specific information can be found on the website:**

<https://www.arete.eu/cs/arete-industrial>

**Reference benchmarks** are indexes to measure whether the financial product achieves the environmental or social characteristics that promotes.

