

January 2014

FUND Description

Investment strategy:	equity, sub-debt
Investment objective:	aims to generate consistent yearly returns through investing into the projects with long term off-take agreements, proven technology and strong contractor guarantees
Primary investment focus:	renewable energy projects <ul style="list-style-type: none"> - PV solar plants - Wind farms - Small hydro power plants - Waste-to-energy facilities - Combined heat & power production - Biogas power plants - Biomass facilities
Region Focus:	CEE

FUND Facts

Fund type	open-end fund
Currency classes	EUR class is available
Base currency of the class	EUR
Inception date of the fund	29th January 2013
ISIN	CZ0008474053
Fund size	20,58 mil.EUR
Strategy capacity	EUR 170 m
Minimum subscription	EUR 125,000
Subsequent minimum subscriptions	EUR 10,000
Dealing day	First business day of each month
Subscriptions	monthly
Redemptions	quarterly with 90 days notice
Investment manager and sponsor fees*	1.95%
Data sources	AVANT investiční společnost a.s.
*Excludes administration and custodian fee - please see Prospectus for further details on fees.	
A performance fee of 30% above IRR 11% net of fees is levied on the appreciation of the Net Asset Value of the fund adjusted for	

Manager commentary as at 31st January 2014

Portfolio:

January Portfolio Performance of the fund has achieved positive 0,39% m-t-m result. Although we are in the winter times, when the free cash flow plan of the projects (mainly solar PV plants due to lower irradiation in winter) achieves nearly to zero cash backs from SPVs to the FOND, we have reached positive revaluation of the investor's money. Similar results will appear in February and from March the yield curve will attack 8-9% p.a. planned yield.

The fund has finalized all transaction steps with the 7 MW solar PV Plant and is above to become a 100% shareholder. Beside the 7 MW solar, an acquisition of 1 MW of biomass plant in Slovakia has started, senior loan in fully drawn, i.e. since 2Q 2014 the excess cash is expected to flow into the fund.

The fund has started to acquire 10 MWP photovoltaic plant in Romania, with positive due diligence results.

Just like in previous months, the fund has achieved a positive return in January and it's on the best way to achieve its performance target for the year.

Investors:

The Fund negotiates with 3 German financial groups an Lol on the entry, each amounting to 2 - 4 mil.EUR investment.

Beside that management of the funds succeeded in starting selling the fund to the retail clients as there was an ongoing demand from the retail sales chains on selling the product to their clients. We start as of 1.2.2014 with the Salve Investments and Deluvis (former AWD) chains. Ongoing talks are being held with the Top 5 chains in Czech and Slovak republic.

The funds cash reserve exceeds the planned 1 mil. EUR.

Fund performance

	as of	30.6.2013	31.7.2013	31.8.2013	30.9.2013	31.10.2013	30.11.2013	31.12.2013	31.1.2014
share price	EUR	0,0991	0,1001	0,1011	0,1017	0,1020	0,1025	0,1029	0,1033
monthly performance	%		1,01%	1,00%	0,59%	0,29%	0,49%	0,39%	0,39%
quarterly performance	%				2,62%			1,18%	
yearly performance*	%							7,67%	

* recalculated to 12 months basis

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The price of Shares may go down as well as up and the price will depend on fluctuations in financial markets outside NOVA fund's control, as a result an investor may not get back the amount invested. Past performance is not indicative of future performance.

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In 2013, solar boom ended in Slovakia. Capacity of photovoltaic power plants did not grow last year.

Regulatory Office for Network Industries issued more than 1,980 decisions on the price of electricity for determining the additional charge for regulated entities that generate electricity from solar energy. The total installed capacity of such devices is more than 540 MW. It is shown in the data of the Regulatory Office at 31 December 2013, however, the Office states that the results are not yet complete.

According to the latest data of the Office, 537 MW solar power plants with generation of 607,825 MWh of electricity are connected to the distribution system. It results from the data collected by Energy-portal.sk from the Regulatory Office for Network Industries. However, data for 2013 are not yet complete. This means that the capacity of installed photovoltaic power plants has stabilized, compared with 2012 it is almost at the same level.

Photovoltaics: Up to 50 thousand Slovak roofs will convert to power plants

By 2020, in Slovakia more than 50 thousand houses should exist with their own source of energy from the sun. According to Pavol Šimon, deputy director of the Slovak Photovoltaic Industry Association, at present the source is used by about 1,200 Slovak households.

Mr. Šimon says that the significant increase in the number of houses supplied with their own source of solar energy, will be possible because of the amendment to the act on the promotion of renewable energy sources, which took effect since the beginning of this year.

“The Act introduces the term of a small photovoltaic source with capacity up to 10 kilowatts. And most important thing is that the owner of this source is not considered an entrepreneur,” explains Pavel Šimon. “This means that owners of a small source is spared of any heavy administrative burden, but on the other hand they can not sell excess electricity to the grid for supported and therefore discounted price. In any case, we expect that thanks to this change, the use of solar energy will be open for a wide range of consumers.”

Since the next year, the Slovakian Photovoltaic Industry Association expects that installations of such supplies will be able to use the support from the European Union.

“We assume that when this option will be relevant, the number of installations will grow much faster. This year, about one thousand should occur, but since next year it will be several times more,” stated Pavel Šimon.

The Association argues that in the Czech Republic

currently about 20 thousand roof installations exist. In 2013 the number of them increased by about 10 thousand, i.e. ten times more than in Slovakia. In Australia, the number of solar resources on the roofs increased over the past year from one to double.

Photovoltaics say that last year the worldwide largest increase from all the forms of energy was recorded just for solar resources, thus constitute the fastest growing segment of the energy sector.

In the beginning in 2013, the overall capacity of photovoltaic sources around the world exceeded the level of 100 thousand megawatts. Each year, its increase is approximately further 35 thousand megawatts, the amount equivalent to about eighty nuclear reactors with capacity as facilities in Jaslovské Bohunice and Mochovce.

“According to theoretical calculations, if every second roof in Slovakia had its own photovoltaic source, it would be enough to cover the electricity consumption of the whole country,” adds Pavel Šimon. “Of course, this is only a theoretical assumption, but very demonstratively shows how high potential is presented by solar energy. It is also confirmed that the right places for photovoltaic sources are mainly rooftops, not green areas in nature.”

The amendment of the act, which came into force, would give the green light to green energy, in this case it means to solar energy.



In Slovakia, more than 75 biogas plants are installed

According to incomplete data of the Regulatory Office, last year only six new biogas plants were installed in Slovakia, the total capacity of these facilities has increased by about 14 MW.

In Slovakia, more than 75 biogas plants with total capacity of 75.35 MW are installed generating 590,520 MWh of electricity. It results from the data collected by Energy-portal.sk from the Regulatory Office for Network Industries. However, data for 2013 are not yet complete.



The largest plant for generation of biogas energy is operated in the area of Badín by KOMPALA from Banská Bystrica. The capacity of the facility is 7.03 MW. The second is Alternative Energy, company from Bratislava, that operates 2.83 MW facility in Bošany.

Biogas plants use dominantly stations with capacity of about 1 MW, installed in 54 of 75 biogas plants. Another sixteen biogas plants has individual capacity from 0.5 to 0.9 MW.

Hydropower plants in SR

List of hydropower plants in SR.

Slovak market with hydropower grows. In the market primarily small hydropower plants are successful. The Regulatory Office for Network Industries (URSO - Úrad pre reguláciu sieťových odvetví) issues on an annual basis the decision on the price of electricity for the determination of additional charge for regulated entities. Hydropower plants constitute the most significant market share of renewable energy in Slovakia. In 2010 the Office issued decisions to more than 30 hydropower stations and about 200 small hydropower

stations. Here you can find the list of hydropower plants in Slovakia. The list is not an official document of the Ministry of Environment, we provide it just for basic orientation in the market with hydropower in Slovakia.

The most important operator of hydropower plants in Slovakia is Slovenské elektrárne, a.s. with an installed capacity of 2,399 MW and an annual production of 3,939 GWh of electricity (source: RONI authorization). Slovenské elektrárne is the only operator of large-scale hydropower plants (LHP) in SR, they operate also three small hydropower plants (SHP).