

February 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	20,662 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 28th February 2014

Portfolio:

Portfolio Performance in February of the fund has achieved positive 0,39% m-t-m result.

As declared in January's reporting, despite the free cash flow plan of the renewable 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. For March we foresee the yield curve to start attacking 8-9% p.a. planned yield.

Acquisition of the 1MW biomass plan in Slovakia continues and is planned to get into the fund in 05/2014 with free cash flow flowing to the fund in 2Q/2014. The fund has finalized all transaction steps with the 7 MW solar PV Plant and is above to become a 100% shareholder. Beside the projects being acquired above, we have started due diligence on 3,7 MW solar plant in Czech republic. Just like in previous months, the fund has achieved a positive return in February and it's on the best way to achieve is performance target for the year.

Investors:

Sale of the shares of the fund to retail clients continues, higher inflows are planned to be received in March 2014. As of 1.2.2014 we have started retail distribution with the Salve Investments and Deluvis (former AWD) chains. Ongoing talks are being held with the Top 5 chains in Czech and Slovak republic. Next retail chains are planned to start listing the Fond to their retail clients within 6-8 weeks, due to the technical issues related to the initial start of the fund sale process to their clients.

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	28.2.2014
share price	EUR	0,0991	0,1001	0,1011	0,1017	0,1020	0,1025	0,1029	0,1033	0,1037
monthly performance	%		1,01%	1,00%	0,59%	0,29%	0,49%	0,39%	0,39%	0,39%
quarterly performance	%				2,62%			1,18%		
yearly performance*	%							7,55%		

* 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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United Energy Market of EU

United Energy Market was accepted by EU via series of legislative measures the aim of that is to liberalize and merge European energy markets. Creation of a truly united energy market is one of the EU's political priorities. Its existence is a strategic tool that aims to give consumers and businesses the choice between different suppliers of electricity or natural gas, at affordable prices. The liberalization should open the market for new players, including small

producers that could increase the share of renewable resources in the energy mix. Creation of a united European energy market, however, is not just a matter of legislative - it is necessary to invest into the infrastructure that will link national markets and will enable to increase the volume of cross-border flows. Truly integrated market will strengthen diversification of energy sources and supply transport routes in the EU and thus also the security of supply.

Electricity production from biogas in the Czech Republic grew annually by almost 60 percent

According to the Czech Biogas Association, total electricity production from biogas in the Czech Republic grew annually by almost 60 percent. Nevertheless, a substantial part of waste that is used as source material for biogas production (excluding purposefully grown agricultural products) in the Czech Republic is not used as energy and often ends up in landfills. At present, the total biogas production in Europe is about 14 billion cubic meters of natural gas equivalent. In 2030 it could reach 18 to 20 billion cubic meters, which is about three percent of European consumption of natural gas and biomethane could replace at least 10 percent of the total fuel consumption of all vehicles using the gas.

Amount of electricity produced from biogas across Europe today exceeds 44 percent of electricity production in the Temelín nuclear power plant. Today, in the Czech Republic there is 500 biogas plants with a total installed capacity of 400 MW in operation. The vast majority of them is located within the premises of agricultural farms, exceptionally in urban areas (e.g. Písek). The largest cogeneration plant in the Czech Republic using biogas runs in Velký Karlov, near Znojmo, with power of 2.7 megawatts.

„Biomethane can be used as efficient and flexible as natural gas, both for transport and for heat and electricity production. It's practically the only renewable source - except water - which can operate in peak and semi-peak mode,“ said yesterday at the opening of the 9th year of BIOGAS conference in České Budějovice, Jan Ruml, the Executive Director of the Czech Gas Association. Conference speakers include Ladislav Havel from the Czech Ministry of Industry and Trade, who said: „Biogas belongs among promoted EU resources and the Czech Republic as a member state must fulfill obligations.“

„Act No. 165 of 2012 determined the support in the form of green bonus is determined by the Office at the most in the value of 1,700 CZK per megawatt-hour of the heat. Due to 1,700 CZK per megawatt-hour, the annual income of biogas plants exceeds the amount of 200 million CZK,“ added Jan Ruml. For newly constructed sources support this year ended in January. Whether the economic situation of biogas plants in our country will be favoured

again, it will be decided so called the major amendment of the Energy Act, which will be discussed in the second half of 2014.“

Should the support at the biogas production plants was conditioned by mostly processing of waste from animal agricultural production and also food and biodegradable municipal waste, conditioned to use energy at the place of its creation, biogas plants for farmers, country and citizens would be positive, the landfills would be reduced, and it is in the interest of the whole society,“ says Jan Ruml.

At present, the total biogas production in Europe is about 14 billion cubic meters of natural gas equivalent. In mid-2013, biomethane was used in 14 European countries in more than 230 CHP (Combined Heat and Power) to biomethane with a total capacity of 800 million cubic meters. „By 2018 Italy plans to invest 1.4 to 2 billion Euros into biogas plants, to build 500 new CNG filling stations and to increase the number of CNG vehicles by 70 to 90 thousand. Also in Germany, biomethane is quite commonly mixed into the natural gas and is used by more than 96 thousand CNG vehicles; vehicles using biomethane are already driving in 12 European countries,“ says Jiří Šimek, Deputy Chairman of the Czech Gas Association Council.

In December 2013, within a three-year project Green Gas Grids, a draft plan of biomethane in Europe (European biomethane Roadmap) has been prepared, which highlights the key conditions for dynamic growth biomethane industry. „If the necessary measures will be adopted, biomethane production in Europe in 2030 could reach 18 to 20 billion cubic meters, which is about three percent of European consumption of natural gas and biomethane could replace at least 10 percent of the total fuel consumption of all vehicles using the gas. Whether this scenario becomes a reality, it is not a technical matter, but basically, if only the competent people will be willing to provide political support,“ is stated in the material. According to estimates by the German government, in Germany, for example, biogas could supply up to 17 billion kWh of electricity per year. This way the electricity could supply up to 4.4 million households and the heat up to 1.1 million households.

