

NOVA Green Energy, Open-Ended Fund of REDSIDE investiční společnost, a.s.

Price as of September, 30th 2015 denominated in EUR **0,1170** per share
denominated in CZK **1,0319** per share



SEPTEMBER 2015

www.novagreenenergy.eu

FUND

BASIC INFORMATION:

| | |
|--|-------------------------------------|
| Fund structure: | open ended qualified investors fund |
| ISIN: | CZ0008474053 |
| Inception: | 29th January 2013 |
| AUM: | 32.785 mil.EUR |
| Strategy capacity: | 170 mil. EUR |
| Base currency share class: | EUR |
| Available currency share classes: | EUR, CZK |
| Administrator: | REDSIDE investiční společnost, a.s. |

| | |
|--------------------------------------|--|
| Custodian: | UniCredit Bank Czech Republic and Slovakia, a.s. |
| General advisor: | Arca Capital Slovakia, a.s. |
| Minimum Initial subscription: | EUR 125,000 |
| Additional subscription: | EUR 10 000 |
| Dealing day: | First working day in a month |
| Subscriptions: | monthly |
| Redemptions: | Quarterly, 90 days period of notice |
| Lock-up period: | 12 months |
| Target return: | 8-9 % p.a. net of fees |

PERFORMANCE:

as of September, 30th 2015:

| | |
|---------------------|---------------------|
| NAV | 32,785,027 € |
| YTD RETURN | 7,02% p.a. |
| Volatility | 0.45% |
| Sharpe Ratio | 8.45 |

FEES

| | |
|-------------------------|------------------------------------|
| Up-front Fee: | max. 2% (over 250 000 not applied) |
| Management Fee: | 1.95% |
| Performance Fee: | 30% over 10% threshold |

INVESTMENT INSTRUMENTS:

equity, subordinated debt

INVESTMENT GOAL:

To generate stable and sustainable above average return via investments into renewable energy projects with long term power purchase contracts, using reliable technology and strong supplier guarantees

REGIONAL FOCUS:

Central and Eastern Europe

PRIMARY INVESTMENT FOCUS

Renewable energy projects

- photovoltaic plants
- small hydro plants
- waste-to-energy
- electricity and heat cogeneration
- biogas plants
- biomass plants



MANAGER COMMENTARY AS OF SEPTEMBER 30TH 2015

In September 2015, the Fund's performance was +0.7 % month-to-month, with the Fund's whole year up-to-now result amounting to 7.02% p.a. of a total net value increase in the end of September. At the same time, the expected year-long result is 8.36 % p.a. of the net value-increase for its investors (the value increase after deducting the Fund's fees). The portfolio's performance was at the level of power-producing energy audits in September.

In addition, September was further influenced by concerns about the Chinese economy's evolution. The volatility in the world's stock markets has continued



due to clearance sales. The event on the front burner was the FED's meeting in the USA. The American Central Bank left interest rates without any change referring to the global economy's stagnating rate. By the end of September, European markets were strongly influenced by the scandal of the biggest German car factory Volkswagen concerning their frauds with measuring emissions. In addition to some drop in stock markets in September, with for example VW shares having dropped by 42%, there was even another increase in the markets of government's bonds and an increase in the commodity prices (the price for crude oil dropped by 11%).

The Czech financial market was positively influenced by having published the GDP year-to-year growth for the 2nd quarter, amounting to 4.6%. Expecting the Czech crown's value increase, investors started to buy the Czech currency, which implied CNB interventions amounting to tens of billions. The reason was to keep the exchange rate above 27 CZK/EUR, which is a minimum exchange rate where CNB wants to let the Czech crown out. The positive news on GDP also strengthened the interest in Czech government's bonds.

Without respect to the events both in the world's and home markets, the Fund's performance has been growing in a stable way, which shows that the Fund is a well stable investment objective, being quite independent of divergences in capital markets.

The Fund's being listed at the Prague Stock Exchange was finally confirmed in September. This will increase its attractiveness for corporate investors because of the Fund's becoming public-negotiable in October.

FUND PERFORMANCE *

| | | year | Jan | Feb | Mar | Apr | May | Jun | July | Aug | Sep | Oct | Nov | Dec | yearly ** |
|-------------|---|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| share price | € | 2013 | - | - | - | - | - | 0.0991 | 0.1001 | 0.1011 | 0.1017 | 0.1020 | 0.1025 | 0.1029 | |
| | | 2014 | 0.1033 | 0.1037 | 0.1042 | 0.1048 | 0.1050 | 0.1059 | 0.1065 | 0.1071 | 0.1078 | 0.1081 | 0.1088 | 0.1091 | |
| | | 2015 | 0.1098 | 0.1105 | 0.1110 | 0.1128 | 0.1133 | 0.1153 | 0.1153 | 0.1163 | 0.1170 | - | - | - | |
| performance | % | 2013 | - | - | - | - | - | - | 1.01% | 1.00% | 0.59% | 0.29% | 0.49% | 0.49% | 7.67% |
| | | 2014 | 0.39% | 0.39% | 0.48% | 0.58% | 0.57% | 0.47% | 0.57% | 0.56% | 0.65% | 0.28% | 0.65% | 0.91% | 6.50% |
| | | 2015 | 0.64% | 0.63% | 0.45% | 1.62% | 0.44 % | 1.77% | 0.26% | 0.61% | 0.70% | - | - | - | 8.36% |

* net of Sponsor and Investment manager fees
 ** annualized performance

FUND PERFORMANCE - CUMULATIVE AS OF 7/2013 – NOT ANNUALIZED

CONTACT DETAILS DEALING

REDSIDE investiční společnost, a.s.
 V Celnici 1031/4
 110 00 Praha 1
 +420 222 500 757
www.redside.cz

Rudolf Vřešťál
 BoD Chairman
 +420 222 500 757

Ing. Juraj Dvořák
 Investment Committee Chairman
 +421 905 666 369

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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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Fossil fuels have been losing their cost advantage compared to renewable sources

(Taken over and modified from www.solarninovinky.cz)

According to the analysts of the International Energetic Agency, (IEA), the production prices of electricity from renewable sources (the Sun, wind, etc.) have markedly reduced for the last 5 years and they have considerably reduced the cost advantage of current fossil fuels and also nuclear power plants because of having got to an "acceptable" power-generation limit.

As being stated by IEA, the average cost of producing 1MWh of fossil and nuclear sources is approx. 100 USD this year for "only" 200 USD with renewable sources, which is much less compared to 500 USD in 2010. Different prices of electricity generated of renewable sources are well apparent depending on the place. The price

of 1MWh of solar energy in Belgium is approx. 312 USD compared 167 USD in Spain. IEA statistics show the cost of generating energy from traditional fossil fuels having slightly increased for the last 5 years; while the costs of nuclear sources have been stagnating, having got to the level which was there 5 years ago. The cost of energy

made from different power-generating sources will further change in the future. In fact, the average cost of coal sources will further increase mainly due to the more and more advanced requests on reducing total emissions, the cost of making power from renewable sources will further go on decreasing. By 2025, the average cost of solar sources should more markedly get under the limit of 100 USD per MWh. That's why the renewable energy costs should get under that limit within already 5 years in the regions with sufficient and strong sunshine.

700 GW: the green power - generation sector expecting a big boom; the photovoltaics will dominate

The installed power output generated worldwide, using renewable sources, will increase by 2020 by almost 700 GW compared to the present status. It's stated in the current report of the International Energetic Agency (IEA) from the beginning of October. According to IEA, renewable sources will make up the majority of newly installed sources in the world and the photovoltaics will become the second most frequently installed power source in the world by 2020.

In 2013, the investment in renewable sources included 301 billion dollars and IEA is expecting another investment growth in that area. The main reason of the future boom in using renewable sources is the decreasing prices of new technologies and also a big boom in underdeveloped countries that will try to cover their increasing electricity consumptions. According to IEA, the biggest boom of the power-generating industry using renewable

sources will be there in China taking up nearly 40% of the totally newly installed capacities amounting to 700GW. It will be followed by other countries, like the EU and the USA. Other important markets will be in India, Brazil and the Near East countries. In compliance with IEA estimates, the installed output of electricity generated from renewable sources will increase by 700MW by 2020, namely from 22%

(in 2013) to 26% (in 2020). At the same time, the photovoltaics will be very important and will become the second largest newly-installed source of generated power (after the wind power engineering).

(Taken over and modified from www.solarninovinky.cz)



The Government is coming back to support solar panels, contributing nearly 100,000 CZK to those who will have installed solar panels on roofs of their houses

The households may get a subsidy on solar panels on houses to be drawn from the new programme called the Green Light to the Savings. The real amount of the contribution to those households will depend on how much energy will be generated from their panels. It can be up to a hundred thousand crowns. The government wants to give up to 27 billion Czech crowns by 2021 to support solar installations or thermal insulation, namely more than half a billion of the amount by the end of this year.

A modified version of the long-term programme called the Green Light to the Savings started in October: every household will be able to get a subsidy going up to a hundred thousand crowns to install photovoltaic panels on their dwelling or house. The contribution will depend on the power generated by such a facility using solar panels. The government's intention is to give almost 27 billion Czech crowns by 2021 to support solar panels or thermal insulations, with the total amount of more than half a billion crowns till the end of this year. The electricity made by the households in that way can be used by them for their own needs. No special licence will be needed anymore for such small solar power plants with an output of up to 10 kilowatts – a simple revision and confirmation from a power-distributing company will be enough for the households to show up they are connected to the network.

(Taken over and modified from www.ihned.cz)