

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

Price as of October, 31st 2015 denominated in EUR **0.1176** per share  
denominated in CZK **1.0372** per share



OCTOBER 2015

www.novagreenenergy.eu

## FUND

### BASIC INFORMATION:

<b>Fund structure:</b>	open ended qualified investors fund
<b>ISIN:</b>	CZ0008474053
<b>Inception:</b>	29th January 2013
<b>AUM:</b>	32.965 mil.EUR
<b>Strategy capacity:</b>	170 mil. EUR
<b>Base currency share class:</b>	EUR
<b>Available currency share classes:</b>	EUR, CZK
<b>Administrator:</b>	REDSIDE investiční společnost, a.s.

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

### PERFORMANCE:

as of October, 31st 2015:

<b>NAV</b>	<b>32,965,552 €</b>
<b>YTD RETURN</b>	<b>7,53% p.a.</b>
<b>Volatility</b>	<b>0.45%</b>
<b>Sharpe Ratio</b>	<b>8.45</b>

### FEES

<b>Up-front Fee:</b>	max. 2% (over 250 000 not applied)
<b>Management Fee:</b>	1.95%
<b>Performance Fee:</b>	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

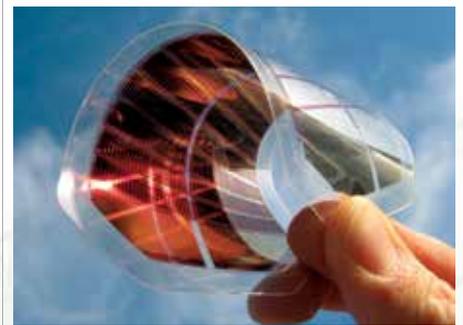
### REGIONAL FOCUS:

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 OCTOBER 31ST 2015

In October 2015, the Fund's performance was at + 0.51% month-to-month, with the Fund's whole year up-to-now result amounting to 7.53% p.a. by the end of October. At the same time, the expected year-long result is 8.34% p.a. of the net value-increase for its investors (the value increase after deducing the Fund's fees). The portfolio's performance was at the level of power-generating energy audits in October.

In October, the support to their economies was promised by both the President of the European Central Bank and the management of the Chinese Central Bank due to which there was an increase both in the prices of shares



and also in the prices of bonds. In fact, the yields of bonds decreased and they even got to minus values for secured bonds. The Chinese Central Bank reduced its rates and also the level of obligatory minimum reserves, which, moreover, has accelerated the growth in the prices of shares. As a result, it helped erase one half of the August's downswing. The in-land shares erased that downswing much slower than the shares in developed markets.

The amount of support to renewable sources for the next year is being discussed in the Czech Republic these days. We presume this situation will be solved soon which is also confirmed by independent legal analyses published up to now. The so-called notification of support to renewable energy sources from the European Commission, being mentioned in the discussions relating to the amount of the support, is asked for, according to analyses, for the assets that have been acquired since 2011. The Fund's assets are distributed regionally, and they are chosen so that the Fund's investors are in safety.

Concerning the Fund's performance, it completely fulfils its objective and has been growing in a steadily way.

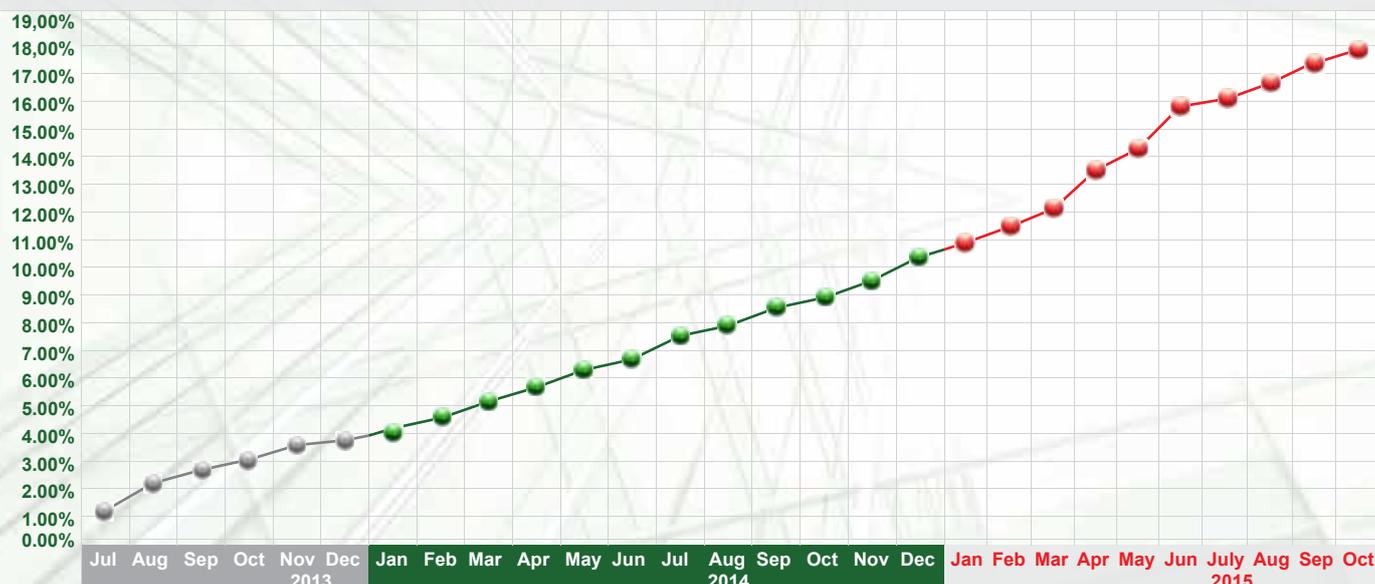
In September, the Prague Stock Exchange successfully enlisted the Fund's CZK-class of equity positions, preparing the enlistment of their EUR-class as for 15th December. The Fund's public tradability is positively seen mainly by corporate investors.

**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	0.1176	-	-	
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%	0.51%	-	-	8.34%

\* 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](http://www.redside.cz)

**Rudolf Vřešťál**  
 BoD Chairman  
 +420 222 500 757

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

**DISCLAIMER**

Source: This material is confidential and is intended solely for the use of the person or persons to whom it is given or sent and may not be reproduced, copied or given, in whole or in part, to any other person.

It is aimed at sophisticated, professional, eligible, institutional and/or qualified investors who have the knowledge and financial sophistication to understand and bear the risks associated with the investments described herein.

Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be solely relied on in making an investment or other decision. It is not an invitation to subscribe and is by way of information only. Shares are not available for sale in any state or jurisdiction in which such sale would be prohibited. Investors should only rely on the fund's offering documents when making a decision on whether to invest in the fund.

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.

Reference to a security is not a recommendation to buy or sell that security. Holdings and allocations are subject to change. Prices quoted refer to accumulation Shares unless otherwise stated. Historic data may be subject to restatement from time to time.



# There's Electricity Free of Charge in Texas at Night Thanks to Wind Power Stations

The concurrence of manufacturing, deregulatory and natural conditions encourages electricity suppliers in the American Texas to reduce the price of night tariffs to a minimum. Some households even have electricity completely free of charge after 9 p.m.

Even the clients of electricity suppliers doing their business activities in the Czech Republic are used to the so-called "per-day" and "per-night" tariffs. In fact, electricity is generally less expensive during later hours (but often also during the day, out of peak hours) so that companies motivate their clients to consume electricity. As a result, the majority of sources normally produce electricity also overnight and it has to be distributed as evenly as possible through the network towards its consumers. In reality, the power-making, (de) regulatory and geographical conditions brought the practice in the American Texas into its up-to-now extreme form - with the suppliers, like TXU Energy, offering electricity completely free of charge at night.

According to their explication given in an article published in the New York Times, it's mainly thanks to wind power plants currently producing

about 10% of power consumed in Texas because it's mainly windy at night and therefore, they produce more electricity overnight. At the same time, the Texan power-transmission system is quite autonomous and not so much interconnected with the rest of the USA. Regarding quite new still-elementary electricity-stocking technologies, the Texan overnight production must also be consumed in Texas at night.

That's why electricity suppliers somehow increase their tariffs during the day (in peak hours) and on the other hand, they offer less-expensive electricity after 9 p.m., or electricity being even free of charge, like from TXU Energy. Similar challenges must be faced by power-generating companies and electricity suppliers at more places all over the world.

Wind power plants and other renewable sources whose production is not uniform and can't be easily

regulated are nowadays much more important in Europe than in Texas, USA. According to specialists, the adjusting of prices according to the day or night is seen to be quite an old-fashioned model. One of the biggest challenges of the current power-generating industry is a total change of the functioning of the power market.

In the future, the prices should react immediately to the current offer of electricity in the network, not following the electricity suppliers' long-term price-lists. If adjusting one's behaviour to it, the electricity bill could be pushed down to its minimum. Some big companies have already been working like that. There are some companies in the USA having established their business -doing model on it. Prices of electricity are very high at the stock-exchange market with high power consumption and its small generation. If these companies reduce electricity consumption at that time, they will make money on it. A new aluminium plant is currently being built in Germany, and it will work on the same principle.

(Taken over and edited from [www.idnes.cz](http://www.idnes.cz))

## There's a New Giant Being Born in the Manufacture of Solar Cells

The Chinese industrial giant Tongwei Group Co. announced they were going to build a new plant for making solar cells with an annual capacity of 5 gigawatts (GW). The new plant will be established in the south-eastern Chinese Province Sechuan, with an investment of nearly one billion US dollars.

The new plant will manufacture high-performance solar cells and thanks to it, the company Tongwei will increase their production capacity of solar cells, which currently amounts to 2.4 GW. In addition to the new plant, Tongwei recently got some shareholding in the company Gintech Energy Corp. which is one of the biggest manufacturers of solar cells in Thai-wan. At present, Tongwei is one of the most important Chinese photovoltaic -project developers. The company is going to erect up to 10 GW of solar power plants in China in the upcoming 3 years.

The biggest worldwide manufacturer of solar cells is currently the Chinese company JA Solar, having their production capacity of 4 GW. If Tongwei finishes its new plant next year, it will become the biggest manufacturer of solar cells all over the world, with a production capacity of up to 7.4 GW. The Tongwei company's expansion is the consequence of concentrating production capacities in China. This tendency is going to continue and according to lots of analysts, it will force numerous small manufacturers of solar components to leave the market.



(Taken over and edited from [www.solarninovinky.cz](http://www.solarninovinky.cz))