

**BASIC INFORMATION:**

**Fund structure:** open ended mutual qualified investors fund

**ISIN:** CZ0008474053  
CZ0008474673

**Inception:** 29th January 2013

**AUM:** 37.839 mil. EUR  
1.022.429 mil. CZK

**Strategy capacity:** 170 mil. EUR  
4.68 billion CZK

**Available currency share classes:** EUR, CZK

**Base currency share class:** CZK

**Administrator:** REDSIDE investiční společnost, a.s.

**Depository:** UniCredit Bank Czech Republic and Slovakia, a.s.

**General advisor:** Arca Capital Slovakia, a.s.

**Minimum initial subscription:** 40,000 EUR  
1,000,000 CZK

**Additional subscription:** 10,000 EUR  
250,000 CZK

**Dealing day:** last 10 working days in a month

**Subscriptions:** monthly

**Redemptions:** monthly

**Target return:** 8-9 % p.a. net of fees

**PERFORMANCE:**

AS OF SEPTEMBER, 30TH 2016:

**NAV:** 37,839,720 €  
**NAV:** 1,022,429,243 CZK  
**YTD return:** 4.54 %

**FEES**

**Up-front Fee:** max. 3% (over 250,000 EUR not applied)

**Management Fee:** 1.95%

**Performance Fee:** 30% over 10% threshold

**FUND**



**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 2016**

Since the beginning of the year 2016, the Fund reached + 4.54% appreciation, and as of the start of his operation in June 2013 the Fund assessed the financial resources of the investors by + 25.43%. Over the period of September 2016 the appreciation grew by +0.24%. The total value of the appreciation in September was affected by the non-interest bearing cash reserve at the fund account. Performance of the fund gets on his long predicted level at the end of the year. The excess of the reserve fund will be used to purchase assets and financing banks should release the excess cash held at accounts of the plants for this purpose.

Portfolio performance in September was at the level of an energy audit. Fund's NAV grew by more than 1 mil. EUR by the end of the year is predicted further growth. Towards the end of the year will be completed the purchase of almost 9 MW photovoltaic and biogas units for the portfolio of the Fund within the region of Czech and Slovak Republics.

In September there was a meeting of both American central banks and the European Central Bank. As fundamental for further developments in the markets showed the second mentioned. ECB officials have stated that they did not discuss the extension of the existing level of quantitative easing beyond the horizon the following March. They also opened the topic, what rate with they will reduce the bond purchases. At present the European Central Bank purchases each month on the secondary market bonds worth about 80 billion euros. Bond prices are artificially pushed up this way. Bond yields of some went up in response to meeting (and their prices have gone down) as the investors expect reduced demand for such bonds by the central banks. Decline of the ten-year government bonds, which was a record and bonds scored a negative evaluation, was halt in September. According to the statement of the CNB Governor Mr. Jiri Rusnok, the CNB's intervention should stop in the second half of 2017.

The stock markets have not experienced any significant deflection. Followed subject are problems in Deutsche Bank, Germany's largest bank and fourth largest European bank, where the US Department of Justice calls for a fine of USD 14 billion for settlement of allegations for the sale of mortgage securities prior the financial crisis. The US government blames this and the other investigated banks for providing investors with misleading information about the quality of these securities. According to the latest reports, negotiations are underway for reduction of the fine down to USD 5.4 billion. This event was preceded by scandals of DB manipulations with the rates and with the money laundering in Russia.

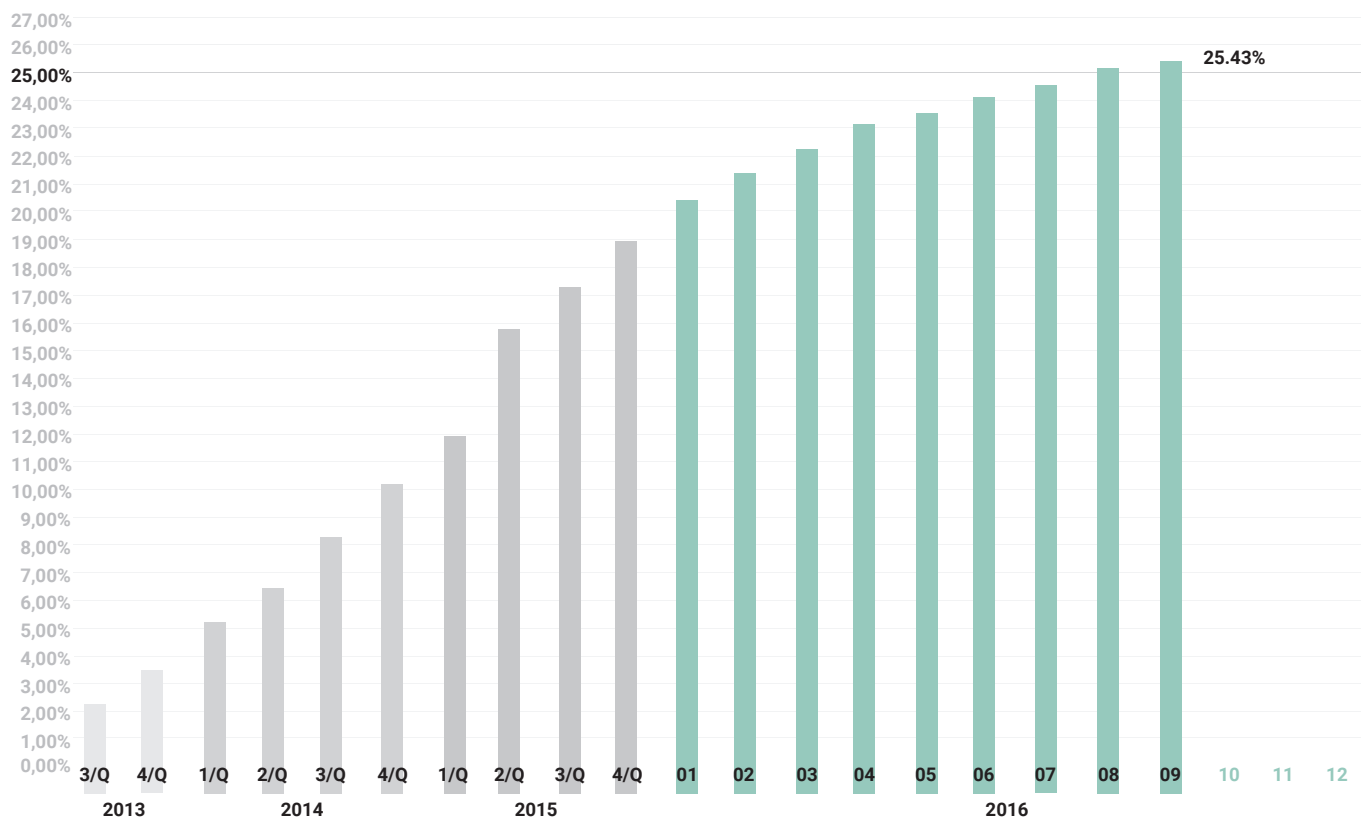
**Fund's financial results demonstrate steady performance that is not affected by the performance and development of the domestic and global financial markets. The Fund is with its focus suitable instrument for the preservation and value growth for the conservative investors with a longer investment horizon.**

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	0,1156	0,1163	0,1170	0,1176	0,1182	0,1189	
	2016	0,1193	0,1199	0,1204	0,1215	0,1221	0,1227	0,1233	0,1240	0,1243				
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%	0,60%	0,51%	0,51%	0,59%	8,98% ****
	2016	0,34%	0,50%	0,42%	0,91%	0,49%	0,49%	0,49%	0,57%	0,24%				5,30%

\*net of Sponsor and Investment manager fees, \*\*annualized performance, \*\*\*Fund's performance in 2014 does not reflect revaluation of assets for the year 2014 upwards. Audited fund's performance for 2014 is 7.71% p.a.  
\*\*\*\*Fund's performance in 2015 comprises revaluation of assets for the year 2014. Audited fund's performance for 2015 is 8.2% p.a.

FUND PERFORMANCE - CUMULATIVE - NOT ANNUALIZED



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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.**

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.



## Installed Capacities of Renewable Power Resources Sharply Increasing

The World Energy Council published in London its Report on the World Power Engineering's Evolution in the Last Decade. It says that the most growing market involves renewable energy resources supported by high investments in that sector. The overall output of power plants using renewable resources almost doubled in 2006 - 2015, getting to 1985 Giga-Watts.

Renewable energy resources got to their important milestone last year. As for the power installed, they surpassed coal and became the biggest energy resource in the world, claimed the International Energy Agency (IEA) in its last study.

Last year, the newly installed capacity of renewable energy resources outstripped the newly installed capacity of fossil-burning power plants altogether. The newly installed power of the projects relating to renewable energy resources amounted to record-breaking 153 Giga-Watts (GW) last year. In reality, the majority thereof consisted of wind and solar projects. Renewable energy took up 55% in the total newly-installed power-generating facilities. Nevertheless, renewable resources have been falling behind in real production of electricity so far.

The growth in renewable energy resources is supported by changes in local policies of some countries, like the USA, China, Mexico and India, and by a really rapid drop in that energy-production costs, which shall then support developing renewable resources from now on. "We can witness transformation of global power markets being led by renewable resources," said Fatih Birol, IEA General Manager.

IEA expects the share of renewable resources in the production of electricity to further grow, getting to 28% in 2021. At that time, the supplies of electricity generated from renewable resources should be at the same level like the current electricity production in the USA and the EU altogether. The total capacity of renewable resources has to increase by 2021 by 42%, i.e. by 825 GW, which is by 13% more than the IEA estimate of last year.

According to IEA, the leader in expanding renewable energy resources is China which takes up almost 40% in the total growth. In 2021, almost one third of the whole installed capacity of solar power plants and water power plants will be situated on Chinese seacoast.

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

## THE LARGEST SOLAR POWER PLANT BEING MADE IN BRAZIL

The Italian power company Enel Green Power started executing of the biggest solar projects in Brazil, constructing a giant power plant called "Nova Olinda" with a capacity of 292 MW.

Brazil reckons on cooperation with Enel Green Power (EGP) to be a key issue. The company already delivered one larger solar power plant to Brazil before, specifically 11MW of Fontes Solar equipment. In addition, the company gets strongly involved in constructing the Ituverava power plant.

As a matter of fact, the latter should be the second one in size after finishing Nova Olinda. But considering its expected output of 254 MW, the Ituverava power plant cannot be thought to be a small piece of work. Thanks to those projects, EGP will actually get to a leading position in generating solar power in Brazil.

In reality, EGP was getting ready for a long time for that investment. The thing is that the Piauí region where the whole piece of work shall be erected is a really faraway and the local traffic infrastructure is in a very poor condition. For that reason, some part of building materials was transported to the construction site in "alternative ways". The Nova Olinda power plant

by the village of Ribeira do Pauí will cover a square area of 690 hectares which shall involve more than 690 GWh of a whole-year electricity production. At the same time, the whole facility shall be terminated in the first half of 2017.

### Supplying electricity to 300,000 households

"For us, it's a clear way to the Brazilian power market," admits Carlo Zorzolo, manager for constructing the solar farm from the Enel Green Power company. "Nevertheless, it's logical. The Brazilian Government has established attractive and clearly structured development conditions. For us, it's stands for good investment, accessible technology and being reputed as a key partner in such a project."

The fully functional solar farm Nova Olinda is expected to produce such power quantities to be enough to supply electricity to 300,000 Brazilian households. The Enel Green Power company has already been bound by lots of investments in South America so far. EGP has already invested approx. 600 million dollars in Brazilian solar farms named Horizonte MP (103 MW), Lapa (158 MW) and Leilao de Reserva. As a result, Nova Olinda involves investing some other 300 million in that sector.

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