



NMM

Nova Money Market

Annual Report 2017

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. and it's Sub-Funds

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REPORT OF THE STATUTORY DIRECTOR OF NOVA MONEY MARKET, INVESTIČNÍ FOND S PROMĚNNÝM ZÁKLADNÍM KAPITÁLEM, A.S.

Dear shareholders and business partners,

In the beginning of 2017, two new sub-funds launched their investment activity: NOVA Money Market - Sub-Fund 3 and Sub-Fund 4. Both sub-funds are focused on providing funds to investment projects where we see sense and added value for you, our investor, and the shareholder.

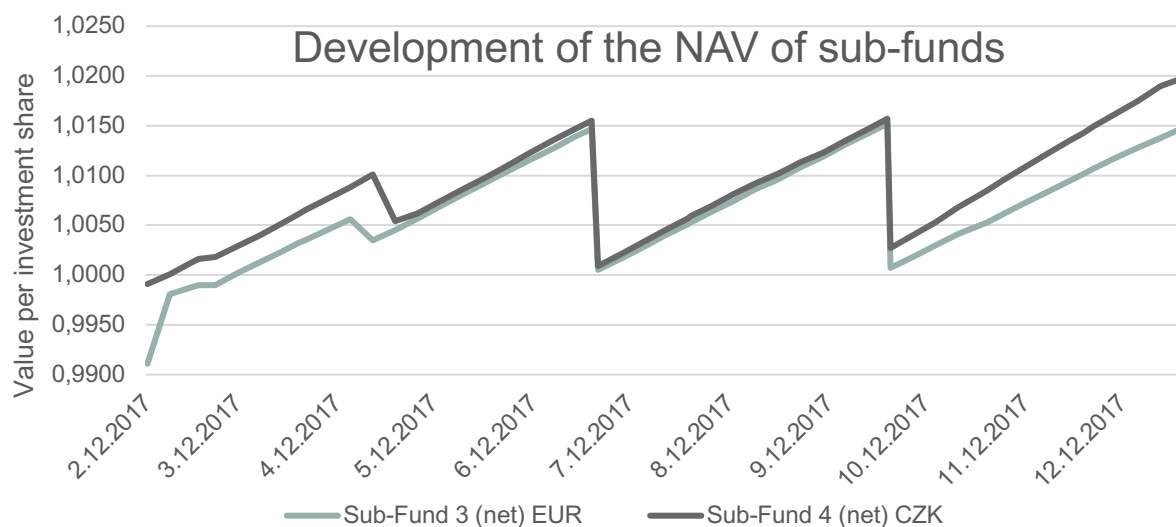
The sub-funds provided invested to refinance real estate projects, finance acquisitions of overdue loan and consumer loan portfolios.

Over the course of the year, both sub-funds grew to a final EUR 3.2 million (Sub-Fund 3) and CZK 310.7 million (Sub-Fund 4).

The first sub-fund's receivables were paid as early as at the beginning of 2018, and the sub-funds reinvested these appreciated financial means further.

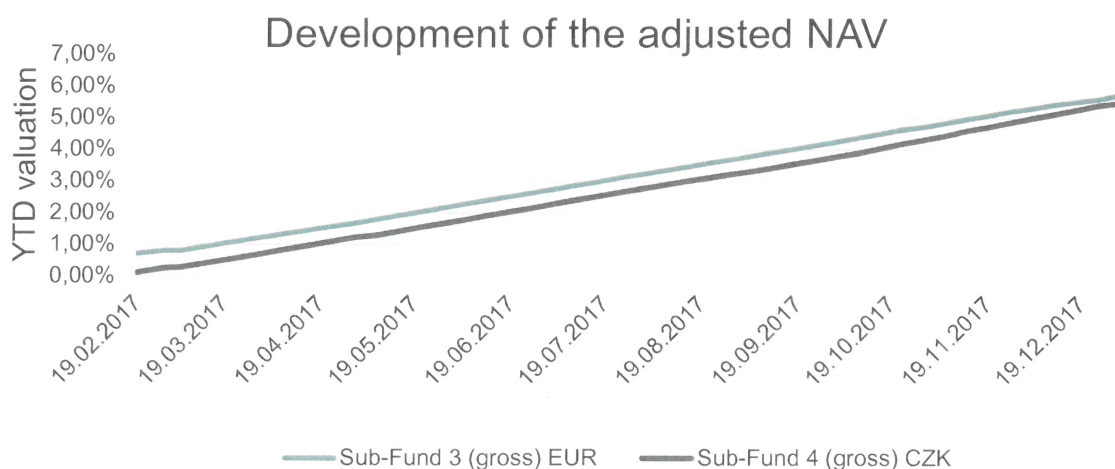
Sub-funds 3 and 4 are characterized by their quarterly dividend advance payments, which at the end of the year are settled against the audited net result. The investor, therefore, obtains return during the year with a pay-out ratio of about 95% of the interim profit.

The following chart shows the typical NAV development, reflecting a decrease in NAVs at each pay-out to shareholders.



Both sub-funds started their investment strategy in mid-February 2017, with a 6-month yield of 2.94% (Sub-Fund 3) and 3.18% (Sub-Fund 4) at the end of 2017.

The NAV adjusted for quarterly dividend advance payments, thus a gross appreciation, is shown in the chart below with YTD returns of 5.73% (Sub-Fund 3) and 5.48% (Sub-Fund 4). The sub-funds successfully converged to the set target of 6% p.a.



In the following year, we expect a further increase in invested funds from both new and existing shareholders. We will continue to use the invested funds in accordance with the investment strategy of the sub-funds to maximize added value for the shareholders.

In Prague, 26 April 2018

Rudolf Vřešťál

Chairman of the Board of Directors
REDSIDE investiční společnost, a.s.

Ing. Karel Krhovský

Member of the Board of Directors
REDSIDE investiční společnost, a.s.

PROFILE OF NOVA MONEY MARKET, INVESTMENT FUND

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2017 to 31 December 2017. This section of the Annual Report contains information on the administrative center of the investment fund. The information on individual sub-funds is set out in the other parts of this Annual Report.

1. Key information on the investment fund

Name:	NOVA Money Market, investiční fond s proměnným základním kapitálem a.s.
Short name:	NOVA Money Market
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Company identification No.:	046 99 017
Tax identification number:	CZ 046 99 017
Registered capital:	CZK 2,000,000, 100% fully paid
Shares:	20 pcs of founder's registered shares in paper form
Net assets:	CZK 1,829,000

- 1.1. The license to establish an investment fund with variable registered capital was granted by the CNB's announcement dated 14 January 2016, reference No. 2016/005203/CNB/570, which came into force on 20 January 2016.
- 1.2. The Fund is registered in the list of investment funds with legal personality maintained by the CNB pursuant to Section 597 (a) of the Act No 240/2013 Coll.
- 1.3. The Fund is established for an indefinite period.

Business activity:

The Fund is a fund of qualified investors within the meaning of Section 95 (1) (a) of the Act which may, in accordance with its Articles of Association, create separate sub-funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial means from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or things whose value can be expressed in monetary terms on the basis of a defined investment strategy of the Sub-Fund for the benefit of these qualified investors.

Bodies of the company (according to the extract from the Commercial Register):

Members of the Board of Directors and the Management Board as at 31 December 2017

Statutory Director
REDSIDE investiční společnost, a.s.

Authorised Representative

Rudolf Vřešťál

since 20 January 2016

Authorised Representative

Radek Široký

since 20 January 2016

Board of Directors

Chairman of the Board Rastislav Velič

since 20 January 2016

Member of the Board Rudolf Vřešťál

since 20 January 2016

Member of the Board Radek Široký

since 20 January 2016

2. Information on changes in the facts recorded in the Commercial Register which took place during the decisive period.

There were no changes in the Commercial Register during the decisive period.

3. Information on the investment company managing the investment fund

Basic information:

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

Share capital:

CZK 8,400,000; 100% of the sharecapital fully paid.

Date of establishment:

29. 6. 2012

Decision to grant a license:

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013.

The investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

4. Information on facts with significant influence on the activity of the Fund
4.1. Main factors which affected the financial result of Fund:

A true and fair view of the economic activities of the Fund is provided in the annual financial statements and notes to financial statements for the period from 1 January 2017 to 31 December 2017.

Economic activities of the Fund resulted in 2017 in a loss of CZK 95,000. The loss of the Fund was realized due to operating expenses of the investment fund. The most significant expense item was an audit fee of CZK 91,000.

5. Information on the person who had a qualified ownership interests in the Fund

Name	Company identification No.	Number of shares	Share in the Fund (%)
REDSIDE investiční společnost, a.s.	242 44 601	20	100
Total		20	100

There was no change in the period under review.

6. Information on the persons in which Fund had a qualified ownership interests

In the reporting period, NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. did not have a qualified ownership interests in any person.

7. Persons acting in concert with Fund

The Fund did not act in concert with any person in the reporting period.

8. Information on the depositary

Name: Česká spořitelna, a.s.
Registered office: Olbrachtova 1929/62, Prague 4, 140 00
Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

9. Information on all securities dealers who have acted as securities dealers for the Fund

In the decisive period, a securities dealer of the investment company was Arca Brokerage House, o. c. p., a.s., with the registered office at Plynářská 7/A, Bratislava 824 63, Slovak Republic, company identification No.: 35 871 211, registered in the Commercial Register maintained by the District Court of Bratislava I, Insert No.: 3228/B, pursuant to the Delegation Agreement dated 3 April 2017 in accordance with the provisions of Section 50 of the Act No. 240/2013 Coll., On Investment Companies and Investment Funds, as amended.

10. Information on all monetary and non-monetary considerations received during the decisive period by the members of the Statutory Body and the Management Board

Members of the Statutory Body and Management Board did not receive any consideration from NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

11. Information on the number of Fund investment shares that are owned by the members of the Statutory Body and the Management Board

Members of the statutory body and management Board do not own any fund's shares.

12. Information on litigations or arbitrations the Fund participated or participates in during the decisive period.

The Fund was not involved in any litigation or arbitration during the decisive period.

13. A person who provides safekeeping or other custody of the assets of the Fund

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

14. Information on the average number of employees of the Fund

, The Fund did not employ any employees, in the decisive period.

15. Investments in research and development

The Fund did not undertake any research and development activities in the past accounting period.

16. Information on environmental and labor-law activities

The Fund did not develop any activities in this area in the past accounting period.

17. Information on whether the accounting entity has an organizational unit abroad

The Fund does not have an organizational unit abroad.

18. Fund's capital

Fund's capital per 1 investment share as at 31. 12. 2017

Fund's equity	CZK 1,829,000
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Number of issued investment shares	20 pcs
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Fund's equity per 1 share	CZK 91,450
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In accordance with the Act on Accounting, this Annual Report also includes the financial statements, including the notes to the financial statements, the Audit Report and the Report on Relations between Related Parties.

PROFILE OF NOVA MONEY MARKET – SUB FUND 1

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2017 to 31 December 2017. This part of the Annual Report contains information on the administrative unit NOVA Money Market - Sub-Fund 1.

1. Basic information on Sub-Fund 1

Name:	NOVA Money Market – Sub-Fund 1
NID:	75159741
Short name:	NMM – SF1
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Shares:	registered investment shares in book-entry form without a nominal value
Net assets:	CZK 33,041,000

- 1.1. NOVA Money Market – Sub-Fund 1 (hereinafter referred to as the "Sub-Fund 1") is managed and administered by REDSIDE investiční společnost, a.s., with Sub-Fund 1 being established on the basis of the announcement of the Czech National Bank under ref. No. 2016/010654/CNB/570 dated 26 January 2016, which came into force on 25 January 2016.
- 1.2. Sub-Fund 1 is registered in the list of investment funds without legal personality maintained by the CNB pursuant to Section 597 (b) of Act No. 240/2013 Coll.
- 1.3. Sub-Fund 1 is established for an indefinite period

Business activity:

The Fund is a fund of qualified investors within the meaning of Section 95 (1) (a) of the Act which may, in accordance with its Articles of Association, create separate sub-funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial means from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or things whose value can be expressed in monetary terms on the basis of a defined investment strategy of the Sub-Fund for the benefit of these qualified investors.

Authorities of the company (according to the extract from the Commercial Register):

Members of the Board of Directors and the Management Board as at 31 December 2017

Statutory Director**REDSIDE investiční společnost, a.s.**

Authorised Representative

Rudolf Vřešťál

since 20 January 2016

Authorised Representative

Radek Široký

since 20 January 2016

Management Board

Chairman of the Management Board

Rastislav Velič

since 20 January 2016

Member of the Management Board

Rudolf Vřešťál

since 20 January 2016

Member of the Management Board

Radek Široký

since 20 January 2016

2. Information on changes in the facts recorded in the Commercial Register which took place during the decisive period.

There were no changes in the Commercial Register during the decisive period.

3. Information on the investment company managing the investment fund

Basic information:

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

Registered capital:

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment:

29. 6. 2012

Decision to grant a license:

Decision of the CNB ref. No. 2013/5063/570 dated 29 April 2013, which came into force on 29 April 2013.

The investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

4. Information on facts with significant influence on the activity of Sub-Fund 1**4.1. Main factors which affected the financial result of Sub-Fund 1:**

A true and fair view of the economic activities of the Sub-Fund is provided in the annual financial statements for the period from 1 January 2017 to 31 December 2017.

Economic activities of Sub-Fund 1 ended in 2017 with a loss of CZK 1,834,000. The loss of Sub-Fund 1 was realized mainly due to the management fees. The most significant income item consisted of interest income on credits and loans amounting to CZK 2,832,000.

5. Information on the person who had a qualified ownership interests in the Sub-Fund 1

In the reporting period, no person had a qualified ownership interests in the accounting unit.

6. Information on the persons in which Sub-Fund 1 had a qualified ownership interests

In the reporting period, Sub-Fund 1 did not have a qualified ownership interests in any person.

7. Persons acting in concert with Sub-Fund 1

In the reporting period Sub-Fund 1 did not act in concert with any person.

8. Information on the depositary

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

9. Information on all securities dealers who have acted as securities dealers for Sub-Fund 1

In the decisive period, no person acted as a securities dealer for Sub-Fund 1.

10. Information on all monetary and non-monetary considerations received during the decisive period by the members of the Statutory Body and the Management Board

Members of the Statutory Body and Management Board did not receive any consideration from Sub-Fund 1.

11. Information on the number of Sub-Fund 1 investment shares that are owned by the members of the Statutory Body and the Management Board

Members of the statutory body and management Board do not own any Sub-Fund's shares.

12. Information on litigations or arbitrations the NOVA Money Market - Sub-Fund 1 participated or participates in during the decisive period.

The Sub-Fund 1 was not involved in any litigation or arbitration during the decisive period.

13. A person who arranges for the safekeeping or other custody of the assets of the Sub-Fund 1

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

14. Information on the average number of employees of the Sub-Fund 1

The Sub-Fund 1 did not employ any employees, in the decisive period,

15. Investments in research and development

The Sub-Fund 1 did not undertake any research and development activities in the past accounting period.

16. Information on environmental and labor-law activities

The Sub-Fund 1 did not develop any activities in this area in the past accounting period.

17. Information on whether the accounting entity has an organizational unit abroad

The Sub-Fund 1 does not have an organizational unit abroad.

18. Fund's capital of the Sub-Fund 1

Fund's capital per 1 investment share as at 31. 12. 2017

Fund's capital	CZK 33,041,000
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Number of issued investment shares	1,500,000 pcs
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Fund's capital per 1 share	CZK 22.0270
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In accordance with the Act on Accounting, this Annual Report also includes the financial statements, including the notes to the financial statements, the Audit Report and the Report on Relations between Related Parties.

PROFILE OF NOVA MONEY MARKET – SUB FUND 2

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2017 to 31 December 2017. This part of the Annual Report contains information on the administrative unit NOVA Money Market - Sub-Fund 2.

1. Basic information on Sub-Fund 2

Name:	NOVA Money Market – Sub-Fund 2
NID:	75159759
Short name:	NMM – SF2
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Shares:	registered investment shares in book-entry form without a nominal value
Net assets:	CZK 15,980,000

- 1.1. NOVA Money Market – Sub-Fund 2 (hereinafter referred to as the "Sub-Fund 2") is managed and administered by REDSIDE investiční společnost, a.s., with Sub-Fund 2 being established on the basis of the announcement of the Czech National Bank under ref. No. 2016/010654/CNB/570 dated 26 January 2016, which came into force on 25 January 2016.
- 1.2. Sub-Fund 2 is registered in the list of investment funds without legal personality maintained by the CNB pursuant to Section 597 (b) of Act No. 240/2013 Coll.
- 1.3. Sub-Fund 2 is established for an indefinite period

Business activity:

The Fund is a fund of qualified investors within the meaning of Section 95 (1) (a) of the Act which may, in accordance with its Articles of Association, create separate sub-funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial means from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or things whose value can be expressed in monetary terms on the basis of a defined investment strategy of the Sub-Fund for the benefit of these qualified investors.

Authorities of the company (according to the extract from the Commercial Register):

Members of the Board of Directors and the Management Board as at 31 December 2017

Statutory Director**REDSIDE investiční společnost, a.s.**

Authorised Representative

Rudolf Vřešťál

since 20 January 2016

Authorised Representative

Radek Široký

since 20 January 2016

Management Board

Chairman of the Management Board

Rastislav Velič

since 20 January 2016

Member of the Management Board

Rudolf Vřešťál

since 20 January 2016

Member of the Management Board

Radek Široký

since 20 January 2016

2. Information on changes in the facts recorded in the Commercial Register which took place during the decisive period.

There were no changes in the Commercial Register during the decisive period.

3. Information on the investment company managing the investment fund

Basic information:

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

Registered capital:

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment:

29. 6. 2012

Decision to grant a license:

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013.

The investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

4. Information on facts with significant influence on the activity of Sub-Fund 2**4.1. Main factors which affected the financial result of Sub-Fund 2:**

A true and fair view of the economic activities of the Sub-Fund is provided in the annual financial statements for the period from 1 January 2017 to 31 December 2017.

Economic activities of Sub-Fund 2 resulted in 2017 in a loss of CZK 2,447,000. The loss of Sub-Fund 2 was realized mainly due to the management fees. The most significant income item consisted of interest income on credits and loans.

5. Information on the person who had a qualified ownership interests in the Sub-Fund 2

In the reporting period, no person had a qualified ownership interests in the accounting unit.

6. Information on the persons in which Sub-Fund 2 had a qualified ownership interests

In the reporting period, Sub-Fund 2 did not have a qualified ownership interests in any person.

7. Persons acting in concert with Sub-Fund 2

In the reporting period Sub-Fund 2 did not act in concert with any person.

8. Information on the depositary

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

9. Information on all securities dealers who have acted as securities dealers for Sub-Fund 2

In the decisive period, no person acted as a securities dealer for Sub-Fund 2.

10. Information on all monetary and non-monetary considerations received during the decisive period by the members of the Statutory Body and the Management Board

Members of the Statutory Body and Management Board did not receive any consideration from Sub-Fund 2.

11. Information on the number of Sub-Fund 2 investment shares that are owned by the members of the Statutory Body and the Management Board

Members of the statutory body and management Board do not own any Sub-Fund's shares.

12. Information on litigations or arbitrations the NOVA Money Market - Sub-Fund 2 participated or participates in during the decisive period.

The Sub-Fund 2 was not involved in any litigation or arbitration during the decisive period.

13. A person who arranges for the safekeeping or other custody of the assets of the Sub-Fund 2

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

14. Information on the average number of employees of the Sub-Fund 2

In the decisive period, Sub-Fund 2 did not employ any employees.

15. Investments in research and development

The Sub-Fund 2 did not undertake any research and development activities in the past accounting period.

16. Information on environmental and labor-law activities

The Sub-Fund 2 did not develop any activities in this area in the past accounting period.

17. Information on whether the accounting entity has an organizational unit abroad

The Sub-Fund 2 does not have an organizational unit abroad.

18. Fund's capital of the Sub-Fund 2

Fund's capital per 1 investment share as at 31. 12. 2017

Fund's capital CZK 15,980,000

Number of issued investment shares 22,000,000 pcs

Fund's capital per 1 share CZK 0.7264

NMM**Nova Money Market**

In accordance with the Act on Accounting, this Annual Report also includes the financial statements, including the notes to the financial statements, the Audit Report and the Report on Relations between Related Parties.

PROFILE OF NOVA MONEY MARKET – SUB FUND 3

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2017 to 31 December 2017. This part of the Annual Report contains information on the administrative unit NOVA Money Market - Sub-Fund 3.

1. Basic information on Sub-Fund 3

Name:	NOVA Money Market – Sub-Fund 3
NID:	75159911
Short name:	NMM – SF3
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Shares:	registered investment shares in book-entry form without a nominal value
Net assets:	CZK 85,011,000

- 1.1. NOVA Money Market – Sub-Fund 3 (hereinafter referred to as the "Sub-Fund 3") is managed and administered by REDSIDE investiční společnost, a.s., with Sub-Fund 3 being established on the basis of the announcement of the Czech National Bank under ref. No. 2016/108417/CNB/570 dated 19 September 2016, which came into force on 15 September 2016.
- 1.2. Sub-Fund 3 is registered in the list of investment funds without legal personality maintained by the CNB pursuant to Section 597 (b) of Act No. 240/2013 Coll.
- 1.3. Sub-Fund 3 is established for an indefinite period

Business activity:

The Fund is a fund of qualified investors within the meaning of Section 95 (1) (a) of the Act which may, in accordance with its Articles of Association, create separate sub-funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial means from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or things whose value can be expressed in monetary terms on the basis of a defined investment strategy of the Sub-Fund for the benefit of these qualified investors.

Authorities of the company (according to the extract from the Commercial Register):

Members of the Board of Directors and the Management Board as at 31 December 2017

Statutory Director**REDSIDE investiční společnost, a.s.**

Authorised Representative

Rudolf Vřešťál

since 20 January 2016

Authorised Representative

Radek Široký

since 20 January 2016

Management Board

Chairman of the Management Board

Rastislav Velič

since 20 January 2016

Member of the Management Board

Rudolf Vřešťál

since 20 January 2016

Member of the Management Board

Radek Široký

since 20 January 2016

2. Information on changes in the facts recorded in the Commercial Register which took place during the decisive period.

There were no changes in the Commercial Register during the decisive period.

3. Information on the investment company managing the investment fund

Basic information:

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

Registered capital:

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment:

29. 6. 2012

Decision to grant a license:

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013.

The investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

4. Information on facts with significant influence on the activity of Sub-Fund 3

4.1. Main factors which affected the financial result of Sub-Fund 3:

A true and comprehensive view of the economic activities of the Sub-Fund is provided in the annual financial statements for the period from 1 January 2017 to 31 December 2017.

Economic activities of Sub-Fund 3 ended in 2017 with a profit of CZK 3,844,000. The profit of Sub-Fund 3 was realized mainly by interest income. The most significant operating expense item were the management fees.

5. Information on the person who had a qualified ownership interests in the Sub-Fund 3

In the reporting period, no person had a qualified ownership interests in the accounting unit.

6. Information on the persons in which Sub-Fund 3 had a qualified ownership interests

In the reporting period, Sub-Fund 3 did not have a qualified ownership interests in any person.

7. Persons acting in concert with Sub-Fund 3

In the reporting period Sub-Fund 3 did not act in concert with any person.

8. Information on the depositary

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

9. Information on all securities dealers who have acted as securities dealers for Sub-Fund 3

In the decisive period, a securities dealer of the investment company was Arca Brokerage House, o. c. p., a.s., with the registered office at Plynářská 7/A, Bratislava 824 63, Slovak Republic, company identification No.: 35 871 211, registered in the Commercial Register

maintained by the District Court Bratislava I, Insert No.: 3228/B, pursuant to the Delegation Agreement dated 18 January 2017 in accordance with the provisions of Section 50 of Act No. 240/2013 Coll., On Investment Companies and Investment Funds, as amended.

10. Information on all monetary and non-monetary considerations received during the decisive period by the members of the Statutory Body and the Management Board

Members of the Statutory Body and Management Board did not receive any consideration from Sub-Fund 3.

11. Information on the number of Sub-Fund 3 investment shares that are owned by the members of the Statutory Body and the Management Board

Members of the statutory body and management Board do not own any Sub-Fund's shares.

12. Information on litigations or arbitrations the NOVA Money Market - Sub-Fund 3 participated or participates in during the decisive period.

The Sub-Fund 3 was not involved in any litigation or arbitration during the decisive period.

13. A person who arranges for the safekeeping or other custody of the assets of the Sub-Fund 3

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

14. Information on the average number of employees of the Sub-Fund 3

In the decisive period, Sub-Fund 3 did not employ any employees.

15. Investments in research and development

The Sub-Fund 3 did not undertake any research and development activities in the past accounting period.

16. Information on environmental and labor-law activities

The Sub-Fund 3 did not develop any activities in this area in the past accounting period.

17. Information on whether the accounting entity has an organizational unit abroad

The Sub-Fund 3 does not have an organizational unit abroad.

18. Fund's capital of the Sub-Fund 3

Fund's capital per 1 investment share as at 31. 12. 2017

Fund's capital	CZK 85,011,000
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Number of issued investment shares	3,182,040 pcs
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Fund's capital per 1 share	CZK 26.7160
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In accordance with the Act on Accounting, this Annual Report also includes the financial statements, including the notes to the financial statements, the Audit Report and the Report on Relations between Related Parties.

PROFILE OF NOVA MONEY MARKET – SUB FUND 4

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2017 to 31 December 2017. This part of the Annual Report contains information on the administrative unit NOVA Money Market - Sub-Fund 4.

1. Basic information on Sub-Fund 4

Name:	NOVA Money Market – Sub-Fund 4
NID:	75159929
Short name:	NMM – SF4
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Shares:	registered investment shares in book-entry form without a nominal value
Net assets:	CZK 310,675,000

- 1.1. NOVA Money Market – Sub-Fund 4 (hereinafter referred to as the "Sub-Fund 4") is managed and administered by REDSIDE investiční společnost, a.s., with Sub-Fund 4 being established on the basis of the announcement of the Czech National Bank under ref. No. 2016/108417/CNB/570 dated 19 September 2016, which came into force on 15 September 2016.
- 1.2. Sub-Fund 4 is registered in the list of investment funds without legal personality maintained by the CNB pursuant to Section 597 (b) of Act No. 240/2013 Coll.
- 1.3. Sub-Fund 4 is established for an indefinite period

Business activity:

The Fund is a fund of qualified investors within the meaning of Section 95 (1) (a) of the Act which may, in accordance with its Articles of Association, create separate sub-funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial means from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or things whose value can be expressed in monetary terms on the basis of a defined investment strategy of the Sub-Fund for the benefit of these qualified investors.

Authorities of the company (according to the extract from the Commercial Register):

Members of the Board of Directors and the Management Board as at 31 December 2017

Statutory Director	REDSIDE investiční společnost, a.s.	
Authorised Representative	Rudolf Vřešťál	since 20 January 2016
Authorised Representative	Radek Široký	since 20 January 2016

Management Board		
Chairman of the Management Board	Rastislav Velič	since 20 January 2016
Member of the Management Board	Rudolf Vřešťál	since 20 January 2016
Member of the Management Board	Radek Široký	since 20 January 2016

2. Information on changes in the facts recorded in the Commercial Register which took place during the decisive period.

There were no changes in the Commercial Register during the decisive period.

3. Information on the investment company managing the investment fund

Basic information: **REDSIDE investiční společnost, a.s.**, identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

Registered capital: CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment: 29. 6. 2012

Decision to grant a license:

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013.

The investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

4. Information on facts with significant influence on the activity of Sub-Fund 4**4.1. Main factors which affected the financial result of Sub-Fund 4:**

A true and comprehensive view of the economic activities of the Sub-Fund is provided in the annual financial statements for the period from 1 January 2017 to 31 December 2017.

Economic activities of Sub-Fund 4 ended in 2017 with a profit of CZK 11,144,000. The profit of Sub-Fund 4 was realized mainly by interest income. The most significant operating expense item were the management fees.

5. Information on the person who had a qualified ownership interests in the Sub-Fund 4

In the reporting period, no person had a qualified ownership interests in the accounting unit.

6. Information on the persons in which Sub-Fund 4 had a qualified ownership interests

In the reporting period, Sub-Fund 4 did not have a qualified ownership interests in any person.

7. Persons acting in concert with Sub-Fund 4

In the reporting period Sub-Fund 4 did not act in concert with any person.

8. Information on the depositary

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

9. Information on all securities dealers who have acted as securities dealers for Sub-Fund 4

In the decisive period, a securities dealer of the investment company was Arca Brokerage House, o. c. p., a.s., with the registered office at Plynářská 7/A, Bratislava 824 63, Slovak Republic, company identification No.: 35 871 211, registered in the Commercial Register maintained by the District Court Bratislava I, Insert No.: 3228/B, pursuant to the Delegation Agreement dated 18 January 2017 in accordance with the provisions of Section 50 of Act No. 240/2013 Coll., On Investment Companies and Investment Funds, as amended.

10. Information on all monetary and non-monetary considerations received during the decisive period by the members of the Statutory Body and the Management Board

Members of the Statutory Body and Management Board did not receive any consideration from Sub-Fund 4.

11. Information on the number of Sub-Fund 4 investment shares that are owned by the members of the Statutory Body and the Management Board

Members of the statutory body and management Board do not own any Sub-Fund's shares.

12. Information on litigations or arbitrations the NOVA Money Market - Sub-Fund 4 participated or participates in during the decisive period.

The Sub-Fund 4 was not involved in any litigation or arbitration during the decisive period.

13. A person who arranges for the safekeeping or other custody of the assets of the Sub-Fund 4

Name: Česká spořitelna, a.s.

Registered office: Olbrachtova 1929/62, Prague 4, 140 00

Company identification No.: 452 44 782

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 1171.

14. Information on the average number of employees of the Sub-Fund 4

In the decisive period, Sub-Fund 4 did not employ any employees.

15. Investments in research and development

The Sub-Fund 4 did not undertake any research and development activities in the past accounting period.

16. Information on environmental and labor-law activities

The Sub-Fund 4 did not develop any activities in this area in the past accounting period.

17. Information on whether the accounting entity has an organizational unit abroad

The Sub-Fund 4 does not have an organizational unit abroad.

18. Fund's capital of the Sub-Fund 4

Fund's capital per 1 investment share as at 31. 12. 2017	
Fund's capital	CZK 310,675,000
Number of issued investment shares	297,880,134 pcs
Fund's capital per 1 share	CZK 1.0430

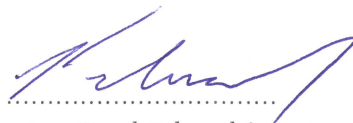
In accordance with the Act on Accounting, this Annual Report also includes the financial statements, including the notes to the financial statements, the Audit Report and the Report on Relations between Related Parties.

In Prague 26 April 2018



Rudolf Vřešťál

Chairman of the Board of Directors
REDSIDE investiční společnost, a.s.



Ing. Karel Krhovský

Member of the Board of Directors
REDSIDE investiční společnost, a.s.



Independent auditor's report

to the shareholder of NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

Opinion

We have audited the accompanying financial statements of NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s., with its registered office at V Celnici 1031/4, Nové Město, Praha 1 ("the Fund") prepared in accordance with Czech Accounting Standards, which comprise the statement of financial position as at 31 December 2017, the statements of income and changes in equity for the year then ended, and notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2017 and of its financial performance for the year then ended in accordance with Czech Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors of REDSIDE investiční společnost, a.s. is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Fund obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. for the Financial Statements

The Board of Directors of REDSIDE investiční společnost, a.s., is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
T: +420 251 151 111, F: +420 251 156 111, www.pwc.com/cz

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Evidence No 021.



**Shareholder of NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
Independent auditor's report**

In preparing the financial statements, the Board of Directors of REDSIDE investiční společnost, a.s., is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of REDSIDE investiční společnost, a.s. is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of REDSIDE investiční společnost, a.s..
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 April 2018


represented by partner



Petr Kříž
Statutory Auditor, Evidence No. 1140

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Financial statements as at 31 December 2017

Company identification No.: 046 99 017

Business activity: An activity of a fund of qualified investors pursuant to the provisions of Section 95 (I) (a) of Act No. 240/2013 Coll. On Investment Companies and Investment Funds

The date of preparation of the financial statements: 26 April 2018

BALANCE SHEET

As at 31 December 2017

In thousands of CZK	Item	31.12.2017	31.12.2016
ASSETS			
3	Receivables from banks - repayable on demand	1,920	1,684
4	Receivables from clients		
	of which:		
	a) repayable on demand	-	-
	b) other receivables	-	310
11	Other assets	18	3
Total assets		1,938	1,997
LIABILITIES			
4	Other liabilities	109	73
8	Share capital – paid up	2,000	2,000
14	Accumulated losses brought forward from previous years	(76)	-
15	Loss for the accounting period	(95)	(76)
Total liabilities		1,938	1,997

In thousands of CZK	Item	31.12.2017	31.12.2016
OFF-BALANCE SHEET ITEMS			
Off-balance sheet assets			
8	Assets under management	1,829	1,924

The accompanying notes are an integral part of these financial statements.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Financial statements as at 31 December 2017

INCOME STATEMENT

For period from 1 January 2017 to 31 December 2017

In thousands of CZK		Item	2017	2016
5	Fee and commission expenses		(2)	(2)
9	Administrative expenses	5	(93)	(73)
	of which:		-	-
	a) personnel expenses		-	-
	b) other administrative expenses		(93)	(73)
19	Loss for the accounting period on ordinary activities before taxation		(95)	(76)
23	Income tax		-	-
24	Loss for the accounting period		(95)	(76)

STATEMENT OF CHANGES IN EQUITY

For period from 20 January 2016 to 31 December 2017

In thousands of CZK	Share capital	Accumulated losses	Loss	Total
Balance as at 20.1.2016	2,000	0	0	2,000
Net loss for the accounting period	0	0	-76	-76
Balance as at 31.12.2016	2,000	0	-76	1,924
Loss transfer to accumulated losses	0	-76	-76	0
Net loss for the accounting period	0	0	-95	-95
Balance as at 31.12.2017	2,000	-76	-95	1,829

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

Establishment and characteristic of the Fund

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. (hereinafter referred to as the "Investment Fund" or "Fund") is managed and administered by REDSIDE investiční společnost, a.s. the Fund being established on the basis of the announcement of the Czech National Bank ref. No. 2016/005203/CNB/570 dated 14 January 2016, which came into force on 20 January 2016.

The Fund was created in accordance with Act No. 240/2013 Coll., On Investment Companies and Investment Funds (hereinafter referred to as the "Act").

In particular, funds are covered by Section 165 of the Act, where the investment fund may create sub-funds as a separate accounting and proprietary units provided that the Articles of Association allow this. The Sub-Fund has its own investment strategy.

The Sub-Fund has no legal personality, the Sub-Fund's assets are managed and administered by an investment company. The Sub-Fund itself has no employees. All the administration associated with the business activity is provided by the investment company.

The Sub-Fund is established for an indefinite period.

Fund strategy

The Fund has been set-up in the form of a joint stock company with variable registered capital. The Fund's main business function is to be the umbrella for its sub-funds, which make investments in line with their individual investment strategies based on their Statute.

The Fund is an umbrella fund for sub-funds, which invest into financial instruments and are separate accounting units.

Founder's shares

The Fund was established by company REDSIDE investiční společnost, a.s. with 20 pcs of ordinary registered shares with a nominal value of CZK 100 tns each. All shares are owned by the investment company.

Established sub-funds

Investment Fund administrates:

- NOVA Money Market - Sub-Fund 1, NID: 75159741
- NOVA Money Market - Sub-Fund 2, NID: 75159759
- NOVA Money Market - Sub-Fund 3, NID: 75159911
- NOVA Money Market - Sub-Fund 4, NID: 75159929

Organizational structure

The Fund is managed by the investment company.

Basic information on the investment company

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362 (hereinafter referred to as the "Investment company").

Registered capital

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment

29. 6. 2012

Decision to grant a license

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013. The investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act.

The activities of the investment company in relation to the Fund:

- management of the Fund's assets;
- wealth management of the Fund, including investing in the Fund's account;
- investment risk management;
- administration of the Fund, mainly;
- bookkeeping for the Fund;
- providing legal services;
- ensuring compliance;
- dealing with complaints from Fund investors;
- valuating the Fund's assets and liabilities;
- calculating the current value of the Sub-fund's investment;
- ensuring compliance with duties, taxes or other similar financial dues;
- maintaining a list of owners of investment shares issued by the Fund;
- distributing and paying out proceeds from the Fund's assets;
- ensuring the issue and repurchase of investment shares issued by the Fund;
- preparing and updating the Fund's annual report;
- preparing the Fund's promotional material;
- publishing, disclosing and supplying data and documents to Fund's shareholders and other persons;
- reporting data and providing documents to the Czech National Bank or the supervisory authority of another Member State;
- performing other activities related to the management of the Fund's assets;
- distributing and paying out cash benefits in connection with the cancellation of the Fund;
- keeping records on the issue and repurchase of investment shares issued by the Fund;
- offering investments in the Fund.

Business activity of the investment company

- Activity of an investment company pursuant to Act, carried out pursuant to the license of the Czech National Bank dated 26 April 2013.

Members of the Board of Directors and the Supervisory Board as at 31 December 2017

Board of Directors

Chairman of the Board of Directors	Rudolf Vřešťál	since 29 June 2012
Member of the Board of Directors	Ing. Radek Široký	since 10 June 2014
Member of the Board of Directors	Ing. Juraj Dvořák	since 31 July 2014

Supervisory Board

Chairman of the Supervisory Board	Petra Rychnovská	since 29 June 2013
Member of the Supervisory Board	Ing. Petr Studnička	since 10 June 2014
Member of the Supervisory Board	Karel Krhovský	since 30 June 2016

Company representation

The Board of Directors governs the Company. It is represented by the Chairman and one member of the Board of Directors.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Notes to Financial statements as at 31 December 2017

Shareholders and Shares

At the end of the reporting period, the main shareholder was:

RVR Czech, s.r.o., company identification No.: 24 300 136, Prague 1, V Celnici 1031/4, postcode 110 00

The shareholder owns 84 pcs of ordinary registered shares in paper form with a nominal value of CZK 100,000

Changes in the Commercial Register

There was no change in the Commercial Register in the reporting period.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements containing the balance sheet, income statement, statement of changes in equity and accompanying notes were prepared on the basis of the accounting records kept in accordance with

- Accounting Act No. 563/1991 Coll.,
- Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic,
- Czech Accounting Standards for Financial Institutions issued by the Ministry of Finance of the Czech Republic.

The order and identification of the items of the financial statements and the content definition of items are in accordance with Decree No. 501/2002 Coll.

Balance sheet date: 31 December 2017

Date of preparation of the financial statements: 26 April 2018

Accounting period: 1 January 2017 to 31 December 2017

Prior accounting period: 20 January 2016 to 31 December 2016

The Board asserts that the Fund has sufficient resources for its activities in the foreseeable future and therefore these financial statements are prepared under the going concern assumption.

All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund were prepared in accordance with the following important accounting policies:

(a) The date of transaction recognition

Depending on the type of transaction, they are recorded on the date of payment or receipt of currency, the date of purchase or sale of foreign currency, foreign exchange, or securities, the payment date, the negotiation day and the day of settlement of a trade with securities, foreign exchange, options or other derivatives, the date of issue or acceptance of the guarantee or the loan commitment, the day of taking over the values into custody.

Financial assets and liabilities are recognized when the Fund becomes a contractual party of the transaction, that is, at the trade date.

The Fund shall derecognize a financial asset or part thereof in the balance sheet if it loses control of the contractual rights to that financial asset or part thereof. The Fund will lose that control if it exercises the rights to the benefits defined by the contract, these rights cease to exist or it waives these rights.

If the financial liability or part thereof ceases to exist (e.g. by fulfilling or cancelling the obligation defined in the contract or if the obligation defined in the contract expires), the accounting entity will no longer recognize the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

(b) Receivables

Receivables initially incurred by the Fund are measured at their nominal value less allowances (except for receivables held for trading, see below). Bad debts are written off when they become barred by the statute of limitation, respectively at the end of the administrative proceedings.

Ceded receivables are recognized at the acquisition date at cost, including direct transaction costs (e.g. expert opinions, legal costs).

Trade receivables

Trade receivables are reviewed based on recoverability. On this basis, the Fund determines loss on impairment for individual receivables. If the Fund does not directly write-off a portion of the receivable corresponding to the impairment loss, it forms an allowance for this part of the receivable. Allowances are recognized in "Depreciation/amortization, creation and use of provisions and allowances for receivables and guarantees" item in the income statement. Allowances are recorded in the analytical records for the purpose of calculating the tax liability.

The tax-deductible part of the total allowances for the loss on receivables for the accounting period is calculated according to the Section 8 ("Allowances for receivables to debtors") of the Act No. 593/1992 Coll., On Provisions for Determining the Income Tax Base, as amended.

Write-offs of bad debts are included under "Write-offs, creation and use of allowances and provisions for receivables and guarantees" in the income statement. In the case of a write-off of a receivable for which an allowance has been set aside in full, the same amount is written-off in the same allowance item of the income statement. Revenues from previously written-off loans are recognized in the income statement in the item "Release of allowances and provisions for receivables and guarantees, income from previously written-off receivables".

Receivables held for trading

Receivables that the Fund acquired and holds for trading are measured at fair value. Changes in fair value are recognized under "Profit or loss on financial operations" (if the Fund owns such assets).

(c) Creation of provisions

Provision represents probable fulfillment of an obligation, with uncertain timing and amount. The provision is charged to the expenses at the best estimate of the resource outflow necessary to settle the existing obligation.

Provision is recognized if the following criteria are met:

- a) There is an obligation (legal or constructive) existing as a result of past events;
- b) It is probable or certain that the fulfillment will occur and that it will require an outflow of resources representing economic benefits; where "probable" means a probability of more than 50%;
- c) The amount of such fulfillment can be reliably estimated.

(d) Foreign currency translation

Transactions denominated in a foreign currency are recognized in local currency, translated at the exchange rate published by the Czech National Bank on the date of the transaction or on the date of the accounting event.

Financial assets and liabilities denominated in a foreign currency are translated into the domestic currency at the rate published by the Czech National Bank as at the balance sheet date. The resulting profit or loss on the translation of assets and liabilities denominated in a foreign currency, other than equity investments in foreign currency and receivables from subordinated loans, is recognized in the profit and loss statement as "Profit or loss on financial operations".

(e) Value added tax

The Fund is registered as Value Added Tax ("VAT") payer since 7.12.2017.

(f) Taxation

Current tax

The tax base for income tax is calculated from the financial result for the current accounting period before taxation by adding non-deductible expenses, deducting income that is not subject to income tax, and adjusting for tax rebates and possible credits.

Deferred tax

Deferred tax is based on all temporary differences between the carrying amount and the tax value of assets and liabilities using the expected tax rate applicable for the subsequent period. A deferred tax receivable is recognized only if there is no doubt about its future recoverability in subsequent accounting periods.

Deferred tax from revaluation differences reported in equity is also recorded under equity.

(g) Personnel expenses, pensions and social fund

The Fund has no employees.

(h) Related parties

Related parties of the Fund are defined in accordance with IAS 24 (Related Party Disclosures) as follows:

a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) controls or jointly controls the reporting accounting entity;
- (ii) has significant influence in the reporting accounting entity; or
- (iii) is a member of the key management of the reporting accounting entity or its parent company.

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) the entity and the reporting entity are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity;
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in letter a) point i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transactions mean the transfer of resources, services or obligations between the reporting accounting entity and the related party, regardless of whether the price is charged.

(i) Items from a different accounting period and changes in accounting policies

Items from an accounting period other than to which they relate based on tax and accounting rules, and changes in accounting policies are recognized as income or expense in the profit and loss statement in the current period, except for the correction of material errors in the income and expenses of previous periods that are recognized in the item "Retained earnings or accumulated losses" in the Fund's balance sheet.

4. CHANGES IN ACCOUNTING POLICIES

No changes in accounting policies were made in the accounting period from 1 January 2017 to 31 December 2017.

5. ADMINISTRATIVE EXPENSES

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 20.1.2016 to 31.12.2016
Audit expenses	91	73
Other (expert opinions, translations, marketing)	2	-
Other administrative expenses	93	73
Total	93	73

The Fund didn't pay any administration fee to the managing Investment Company. Fees for management and other administrative expenses are invoiced directly to sub-funds.

6. RELATED PARTY TRANSACTIONS

In thousands of CZK	31.12.2017	31.12.2016
Assets		
Receivables from non-credit institutions	-	310

In 2016 provided NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. an interest free loan to NOVA MONEY MARKET - Sub-Fund 1 in the amount of CZK 100,000 and to NOVA MONEY MARKET - Sub-Fund 2 in the amount of CZK 210,000. Both loans were fully repaid during 2017, therefore the Fund has no balances of related party transactions at 31.12.2017.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Notes to Financial statements as at 31 December 2017

7. RECEIVABLES FROM BANKS

In thousands of CZK	31.12.2017	31.12.2016
Current accounts	1,920	1,684
Net receivables from banks	1,920	1,684

8. RECEIVABLES FROM CLIENTS

In thousands of CZK	31.12.2017	31.12.2016
Loans provided	-	310
Net receivables from clients	-	310

9. OTHER ASSETS

In thousands of CZK	31.12.2017	31.12.2016
Other receivables/debtors	18	3
Total	18	3

10. OTHER LIABILITIES

In thousands of CZK	31.12.2017	31.12.2016
Other payables/creditors	18	-
Estimated payables	91	73
Total	109	73

11. SHARE CAPITAL

Registered share capital of the Fund is CZK 2,000 ths. The Fund issued 20 pcs of registered common shares in paper form.

The single shareholder is REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, 110 00.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Notes to Financial statements as at 31 December 2017

12. ACCUMULATED LOSSES FROM PREVIOUS YEARS

The Fund proposes the allocation of the loss incurred in 2017 as follows:

In thousands of CZK	Loss	Accumulated losses from previous years	Total
Balance as at 31. 12. 2016	-	(76)	-
Loss for the period 31. 1. 2017 – 31. 12. 2017	(95)	-	(95)
Proposal for settlement of the loss for period ended 31.12. 2017:			
Transfer to accumulated losses	95	(95)	95
	-	(171)	(76)

Settlement of loss for the year 2016

In thousands of CZK	Loss	Accumulated losses from previous years	Total
Balance as at 20. 1. 2016	-	-	-
Loss for period from 20.1.2016 to 31.12.2016	(76)	-	(76)
Settlement of loss for period ended 31.12. 2016:			
Transfer to accumulated losses	76	(76)	0
	-	(76)	(76)

13. INCOME TAX

Tax payable for the current accounting period

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 20.1.2016 to 31.12.2016
Current loss before taxation	(95)	(76)
Tax base	-	-
Tax calculated at the rate of 5%	-	-

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Notes to Financial statements as at 31 December 2017

14. ASSETS UNDER MANAGEMENT

In thousands of CZK	31.12.2017	31.12.2016
Cash	1,920	1,684
Receivables from non-credit institutions	-	310
Other assets	18	3
Other liabilities	(109)	(73)
Total	1,829	1,924

15. FINANCIAL INSTRUMENTS

(a) Market risk

The Fund is exposed to market risk as a result of its general investment strategy in accordance with its statute. The Fund acquires funds from the shareholders and invests them through direct or indirect investments in debt securities, money market instruments, including bills of exchange, term deposits and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives.

The value of the assets to which the Fund invests may rise or fall depending on changes in the economic conditions, interest rates, and the way the assets are perceived by the market.

(b) Liquidity risk

The liquidity risk arises from the way the Fund finances its activities and manages their position. In view of the assessment of the degree of this risk and the overall financial position of the accounting entity during the reporting period 2017, the liquidity risk was not assessed as material and no extraordinary measures were taken.

Residual maturity of the Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2017						
Receivables from banks	1,920	-	-	-	-	1,920
Other assets	-	18	-	-	-	18
Total	1,920	18	-	-	-	1,938
Other liabilities	-	109	-	-	-	109
Share capital	-	-	-	-	1,829	1,829
Total	-	109	-	-	1,938	1,938
Gap	1,920	(91)			(1,829)	0
Cumulative gap	1,920	1,829	1,829	1,829	0	0

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Notes to Financial statements as at 31 December 2017

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2016						
Receivables from banks	1,684	-	-	-	-	1,684
Receivables from non-credit institutions	310	-	-	-	-	310
Other assets	3	-	-	-	-	3
Total	1,997	-	-	-	-	1,997
Other liabilities	-	73	-	-	-	73
Share capital	-	-	-	-	1,924	1,924
Total	-	73	-	-	1,924	1,997
Gap	1,997	(73)	-	-	(1,924)	-
Cumulative gap	1,997	1,924	1,924	1,924	-	-

The above tables represent the residual maturity of the accounting values of individual financial instruments, not all the cash flows arising from these instruments.

(c) Interest rate risk

The Fund records no interest-sensitive receivables from non-credit institutions at 31.12.2017.

(d) Currency risk

The Fund is not exposed to currency risk. All assets and liabilities are denominated in CZK.

(e) Credit risk

The Fund is exposed to credit risk due to its business activity, lending, hedging, and investment activities. Credit risks associated with the Fund's business and investment activities are managed through the Fund's market risk management methods and tools.

Collateral assessment

In the case of collateral for receivables from loans, the Fund considers as an acceptable collateral the following collaterals:

- cash;
- securities;
- creditworthy claims;
- bank guarantee;
- third-party creditworthy guarantee;
- properties;
- machinery and equipment.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
V Celnici 1031/4, Nové Město, 110 00 Prague 1
Notes to Financial statements as at 31 December 2017

(f) Operational, legal and other risks

The management of operational, legal and other risks is regulated by the Fund's Statute and internal regulations. Due to the nature of the business, which is collective investment in accordance with the Act, all Fund's investments must be executed in accordance with the applicable Fund's Statute and subject to the control by the depositary of the Fund, which was, in 2017, Česká spořitelna, a.s., on the basis of the Depositary Agreement.

16. SUBSEQUENT EVENTS

On 13 February 2018 following changes were recorded in the commercial register:

Member of the Board of Directors resigned: Ing. Radek Široký on 1 January 2018

Member of the Board of Directors took the office: Ing. Karel Krhovský from 1 January 2018

Member of the Supervisory Board resigned: Ing. Karel Krhovský on 1 January 2018

Member of the Supervisory Board took the office: Ing. Šárka Burgetová from 1 January 2018

At the time of the preparation of the financial statements, the management of the Investment Company is not aware of any other significant subsequent events that would affect the financial statements as at 31 December 2017.

The financial statements were prepared on: 26 April 2018	 RESIDE investiční společnost, a.s. V Celnici 1031/4, 110 00 Praha 1 Č: 24244601 DIČ: CZ24244601 Rudolf Vřešťál Authorised Representative	Person responsible for accounting Name and signature:  Karel Krhovský Authorised Representative	Person responsible for the financial statements Name and signature:  Rudolf Vřešťál Authorised Representative
		tel.: 222 500 768	tel.: 224 931 360

Independent auditor's report

to the shareholder of sub-fund NOVA Money Market – sub-fund 1 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

Opinion

We have audited the accompanying financial statements of sub-fund Nova Money Market – sub-fund 1 („the Sub-fund“) of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. with its registered office at V Celnici 1031/4, Nové Město, Praha 1 (“the Fund”) prepared in accordance with Czech Accounting Standards, which comprise the statement of financial position as at 31 December 2017, the statements of income and changes in equity for the year then ended, and notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Sub-fund as at 31 December 2017 and of its financial performance for the year then ended in accordance with Czech Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Sub-fund in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors of REDSIDE investiční společnost, a.s. is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Sub-fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Sub-fund obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. for the Financial Statements

The Board of Directors of REDSIDE investiční společnost, a.s., is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary

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T: +420 251 151 111, F: +420 251 156 111, www.pwc.com/cz

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Shareholders of sub-fund NOVA Money Market – sub-fund 1 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
Independent auditor's report

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of REDSIDE investiční společnost, a.s., is responsible for assessing the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Sub-fund or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of REDSIDE investiční společnost, a.s. is responsible for overseeing the Sub-fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of REDSIDE investiční společnost, a.s..
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 April 2018


represented by partner



Petr Kříž
Statutory Auditor, Evidence No. 1140

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
NOVA Money Market – Sub-Fund 1
V Celnici 1031/4, Nové Město, 110 00 Praha 1
Financial statements as at 31 December 2017

Company identification No.: 751 59 741

Business activity: An activity of a fund of qualified investors pursuant to the provisions of Section 95 (I) (a) of Act No. 240/2013 Coll. On Investment Companies and Investment Funds

The date of preparation of the financial statements: 26 April 2018

BALANCE SHEET

As at 31 December 2017

In thousands of CZK	Item	31.12.2017	31.12.2016
ASSETS			
3 Receivables from banks - repayable on demand	10	13,437	13,463
4 Receivables from clients, of which:	11	20,652	24,808
<i>a) repayable on demand</i>		-	-
<i>b) other receivables</i>		20,652	24,808
Total assets		34,089	38,271
LIABILITIES			
2 Liabilities to clients, of which:	12	-	100
<i>a) repayable on demand</i>		-	-
<i>b) other liabilities</i>		-	100
4 Other liabilities	13	1,048	1,074
9 Share premium		-	7
12 Capital reserve	14	38,310	40,530
13 Revaluation reserve from assets and liabilities	14	(102)	(107)
14 Accumulated losses brought forward from previous years		(3,333)	-
15 Loss for the accounting period		(1,834)	(3,333)
Total liabilities		34,089	38,271

In thousands of CZK	Item	31.12.2017	31.12.2016
OFF-BALANCE SHEET ITEMS			
Off-balance sheet assets			
Assets under management	17	33,041	37,097

The accompanying notes are an integral part of these financial statements.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
NOVA Money Market – Sub-Fund 1
V Celnici 1031/4, Nové Město, 110 00 Praha 1
Financial statements as at 31 December 2017

INCOME STATEMENT

For period from 1 January 2017 till 31 December 2017

In thousands of CZK	Item	2017	2016
1 Interest income and similar income	5	2,783	778
7 Other operating income		49	-
5 Fee and commission expenses	6	(2)	(2)
6 Profit or loss on financial operations	7	259	(24)
9 Administrative expenses of which:	8	(4,923)	(4,090)
<i>a) personnel expenses</i>		-	-
<i>b) other administrative expenses</i>		(4,923)	(4,090)
19 Loss for the accounting period on ordinary activities before taxation		(1,834)	(3,338)
23 Income tax		-	5
24 Loss for the accounting period		(1,834)	(3,333)

STATEMENT OF CHANGES IN EQUITY

For period from 25 January 2016 till 31 December 2017

In thousands of CZK	Capital funds	Revaluation reserve	Accumulated losses	Loss	Total
Balance as at 25.1.2016	-	-	-	-	-
Currency and revaluation differences not included in net loss	-	(107)	-	-	(107)
Loss for the accounting period	-	-	-	(3,333)	(3,333)
Issued investment shares	40,537	-	-	-	40,537
Balance as at 31.12.2016	40,537	(107)	-	(3,333)	37,097
Loss transfer to retained earnings	-	-	(3,333)	3,333	-
Currency and revaluation differences not included in net loss	(2,227)	5	-	-	(2,222)
Loss for the accounting period	-	-	-	(1,834)	(1,834)
Balance as at 31.12.2017	38,310	(102)	(3,333)	(1,834)	33,041

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

Establishment and characterization of the Sub-Fund

NOVA Money Market - Sub-Fund 1 (hereinafter referred to as the "Sub-Fund" or "Sub-Fund 1") is managed and administered by REDSIDE investiční společnost, a.s. the Sub-Fund being established on the basis of the announcement of the Czech National Bank ref. No. 2016/010654/CNB/570 dated 26 January 2016, which came into force on 25 January 2016.

The Sub-Fund was created in accordance with Act No. 240/2013 Coll., On Investment Companies and Investment Funds (hereinafter referred to as the "Act"). In particular, sub-funds are covered by Section 165 of the Act, where the investment fund - NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. - may create sub-funds as a separate accounting and proprietary units provided that the Articles of Association allow this. The Sub-Fund has its own investment strategy.

The Sub-Fund has no legal personality, the Sub-Fund's assets are managed and administered by the investment company. The Sub-Fund itself has no employees. All administration associated with the business activity is provided by the investment company.

The Sub-Fund is established for an indefinite period.

Sub-Fund's strategy

The investment objective of the Sub-Fund is to achieve a stable asset appreciation above the long-term interest rate level through long-term investments in receivables, debt securities, money market instruments, including bills of exchange, term deposits and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. If short-term investments are economically viable for the Sub-Fund, the Sub-Fund is authorized also to make short-term investments.

Investment shares

Issuance of the Sub-Fund's investment shares commenced on 8 September 2016, with ISIN CZ0008042033 at a nominal value of EUR 1. The Sub-Fund's Depositary is Česká spořitelna, a.s. As at 31 December 2017, 1,500,000 pcs of investment shares in book-entry form were subscribed.

Organizational structure

The sub-fund is managed by an investment company.

Basic information on the investment company

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362 (hereinafter referred to as the "Investment company").

Registered capital

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment

29 June 2012

Decision to grant a license

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013. The investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act.

The activities of the Investment company in relation to the Sub-Fund:

- management of the Sub-Fund's assets;
- wealth management of the Sub-Fund, including investing in the Sub-Fund's account;
- investment risk management;
- administration of the Sub-Fund, mainly;
- bookkeeping for the Sub-Fund;
- providing legal services;
- ensuring compliance;
- dealing with complaints from Sub-Fund investors;
- valuating the Sub-Fund's assets and liabilities,
- calculating the current value of the Sub-Fund's investment;
- ensuring compliance with duties, taxes or other similar financial performances;
- maintaining a list of owners of investment shares issued by the Sub-Fund;
- distributing and paying out proceeds from the Sub-Fund's assets
- ensuring the issue and repurchase of investment shares issued by the Sub-Fund;
- preparing and updating the Sub-Fund's annual report;
- preparing the Sub-Fund's promotional material;
- publishing, disclosing and supplying data and documents to Sub-Fund's shareholders and other persons;
- reporting data and providing documents to the Czech National Bank or the supervisory authority of another Member State;
- performing other activities related to the management of the Sub-Fund's assets;
- distributing and paying out cash benefits in connection with the cancellation of the Sub-Fund;
- keeping records on the issue and repurchase of investment shares issued by the Sub-Fund;
- offering investments in the Sub-Fund.

Business activity of the Investment company

- Activity of an investment company pursuant to Act, carried out pursuant to the license of the Czech National Bank dated 26 April 2013.

Members of the Board of Directors and the Supervisory Board as at 31 December 2017

Board of Directors

Chairman of the Board of Directors	Rudolf Vřešťál	since 29 June 2012
Member of the Board of Directors	Ing. Radek Široký	since 10 June 2014
Member of the Board of Directors	Ing. Juraj Dvořák	since 31 July 2014

Supervisory Board

Chairman of the Supervisory Board	Petra Rychnovská	since 29 June 2013
Member of the Supervisory Board	Ing. Petr Studnička	since 10 June 2014
Member of the Supervisory Board	Karel Krhový	since 30 June 2016

Company representation

The Board of Directors governs the Company. It is represented by the Chairman and one member of the Board of Directors.

Shareholders and Shares

At the end of the reporting period, the main shareholder was:

RVR Czech, s.r.o., company identification No.: 24 300 136, Prague 1, V Celnici 1031/4, postcode 110 00

The shareholders own 84 pcs of ordinary registered shares in paper form with a nominal value of CZK 100,000

Changes in the Commercial Register

There was no change in the Commercial Register in the reporting period.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements containing the balance sheet, income statement, statement of changes in equity and accompanying notes were prepared on the basis of the accounting records kept in accordance with

- Accounting Act No. 563/1991 Coll.,
- Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic,
- Czech Accounting Standards for Financial Institutions issued by the Ministry of Finance of the Czech Republic.

The order and identification of the items of the financial statements and the content definition of items are in accordance with Decree No. 501/2002 Coll.

The financial statements were prepared on the accrual basis for expenses and income and historical cost, except for selected financial instruments at fair value.

The financial statements are prepared under the going concern assumption in continuing the business and that there is no evidence to limit it or prevent it from continuing in the foreseeable future.

These financial statements are unconsolidated.

Balance sheet date: 31 December 2017

Date of preparation of the financial statements: 26 April 2018

Accounting period: 1 January 2017 to 31 December 2017

Prior accounting period: 25 January 2016 to 31 December 2016

All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sub-Fund were prepared in accordance with the following important accounting policies:

(a) The date of transaction recognition

Depending on the type of transaction, they are recorded on the date of payment or receipt of currency, the date of purchase or sale of foreign currency, foreign exchange, or securities, the payment date, the negotiation day and the day of settlement of a trade with securities, foreign exchange, options or other derivatives, the date of issue or acceptance of the guarantee or the loan commitment, the day of taking over the values into custody.

Financial assets and liabilities are recognized when the Fund becomes a contractual party of the transaction, that is, at the trade date.

The Fund shall derecognize a financial asset or part thereof in the balance sheet if it loses control of the contractual rights to that financial asset or part thereof. The Fund will lose that control if it exercises the rights to the benefits defined by the contract, these rights cease to exist or it waives these rights.

If the financial liability or part thereof ceases to exist (e.g. by fulfilling or cancelling the obligation defined in the contract or if the obligation defined in the contract expires), the accounting entity will no longer recognize the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

(b) Receivables

Receivables initially incurred by the Sub-Fund are measured at their nominal value less allowances (except for receivables held for trading, see below). Bad debts are written off when they become barred by the statute of limitation, respectively at the end of the administrative proceedings.

Ceded receivables are recognized at the acquisition date at cost, including direct transaction costs (e.g. expert opinions, legal costs).

Trade receivables

Trade receivables are reviewed based on recoverability. On this basis, the Fund determines loss on impairment for individual receivables. If the Sub-Fund does not directly write-off a portion of the receivable corresponding to the impairment loss, it forms an allowance for this part of the receivable. Allowances are recognized in "Depreciation/amortization, creation and use of provisions and allowances for receivables and guarantees" item in the income statement. Allowances are recorded in the analytical records for the purpose of calculating the tax liability.

The tax-deductible part of the total allowances for the loss on receivables for the accounting period is calculated according to the Section 8 ("Allowances for receivables to debtors") of the Act No. 593/1992 Coll., On Provisions for Determining the Income Tax Base, as amended.

Write-offs of bad debts are included under "Write-offs, creation and use of allowances and provisions for receivables and guarantees" in the income statement. In the case of a write-off of a receivable for which an allowance has been set aside in full, the same amount is written-off in the same allowance item of the income statement. Revenues from previously written-off loans are recognized in the income statement in the item "Release of allowances and provisions for receivables and guarantees, income from previously written-off receivables".

Receivables held for trading

Receivables that the Sub-Fund acquired and holds for trading are measured at fair value. Changes in fair value are recognized under "Profit or loss on financial operations" (if the Sub-Fund owns such assets).

(c) Creation of provisions

Provision represents probable fulfillment of an obligation, with uncertain timing and amount. The provision is charged to the expenses at the best estimate of the resource outflow necessary to settle the existing obligation.

Provision is recognized if the following criteria are met:

- a) There is an obligation (legal or constructive) existing as a result of past events;
- b) It is probable or certain that the fulfillment will occur and that it will require an outflow of resources representing economic benefits; where "probable" means a probability of more than 50%;
- c) The amount of such fulfillment can be reliably estimated.

(d) Foreign currency translation

Transactions denominated in a foreign currency are recognised in local currency, translated at the exchange rate published by the Czech National Bank on the date of the transaction or on the date of the accounting event.

Financial assets and liabilities denominated in a foreign currency are translated into the domestic currency at the rate published by the Czech National Bank as at the balance sheet date. The resulting profit or loss on the translation of assets and liabilities denominated in a foreign currency, other than equity investments in foreign currency and receivables from subordinated loans, is recognized in the profit and loss statement as "Profit or loss on financial operations".

(e) Value added tax

The Sub-Fund is not registered as Value Added Tax ("VAT") payer.

(f) Taxation

Current tax

The tax base for income tax is calculated from the financial result for the current accounting period before taxation by adding non-deductible expenses, deducting income that is not subject to income tax, and adjusting for tax rebates and possible credits.

Deferred tax

Deferred tax is based on all temporary differences between the carrying amount and the tax value of assets and obligations using the expected tax rate applicable for the subsequent period. A deferred tax receivable is recognized only if there is no doubt about its future recoverability in subsequent accounting periods. Deferred tax from revaluation differences reported in equity is also recorded under equity.

(g) Leasing

The Sub-Fund does have any property under financial or operating leases.

(h) Personnel expenses, pensions and social fund

The Sub-Fund has no employees.

(i) Related parties

Related parties of the Sub-Fund are defined in accordance with IAS 24 (Related Party Disclosures) as follows:

a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) controls or jointly controls the reporting accounting entity;
- (ii) has significant influence in the reporting accounting entity; or
- (iii) is a member of the key management of the reporting accounting entity or its parent company.

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) the entity and the reporting entity are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity;
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);

- (vii) A person identified in letter a) point i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transactions mean the transfer of resources, services or obligations between the reporting accounting entity and the related party, regardless of whether the price is charged.

(j) Items from a different accounting period and changes in accounting policies

Items from an accounting period other than to which they relate based on tax and accounting rules, and changes in accounting policies are recognized as income or expense in the profit and loss statement in the current period, except for the correction of material errors in the income and expenses of previous periods that are recognized in the item "Retained earnings or accumulated losses" in the Sub-Fund's balance sheet.

4. CHANGES IN ACCOUNTING POLICIES

No changes in accounting policies were made in the accounting period from 1 January 2017 to 31 December 2017.

5. INTEREST INCOME

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Interest and similar income		
- on loans	2,783	778
- other	49	-
Total	2,832	778
Interest and similar expense	-	-
Net interest income	2,832	778

6. FEE AND COMMISSION INCOME AND EXPENSE

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Fee and commission expenses	(2)	-
Other	-	(2)
Total	(2)	(2)

7. PROFIT OR LOSS ON FINANCIAL OPERATIONS

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Foreign exchange gains	2,228	-
Foreign exchange losses	(1,969)	(24)
Total	259	(24)

8. ADMINISTRATIVE EXPENSES

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Management fees of the Sub-Fund	3,600	3,300
Depositary and custody fees	293	205
Audit, legal and tax advice fees	145	145
Debt management costs	665	184
VAT in respect of an identified person	143	38
Other (expert opinions, translations, marketing)	77	218
Other administrative expenses	4,923	4,090
Total	4,923	4,090

The Sub-Fund is managed by REDSIDE investiční společnost, a.s., to which it pays management fees, these fees being calculated in accordance with the Statutory Director Contract. The remuneration is set at 1.3% of the Sub-Fund's equity per year +30% of the achieved IRR above 10%. The minimum management fee is CZK 300,000.

Management fees, as well as other administrative expenses, are invoiced to the Sub-Fund.

The Sub-Fund had no employees in the given accounting period.

9. RELATED PARTY TRANSACTIONS

In thousands of CZK	31.12.2017	31.12.2016
<u>Liabilities</u>		
Liabilities to non-credit institutions	-	100

In 2016 NOVA MONEY MARKET - Sub-Fund 1 received an interest free loan from NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. in the amount of CZK 100,000, which was repaid in March 2017.

10. RECEIVABLES FROM BANKS

In thousands of CZK	31.12.2017	31.12.2016
Current accounts (nostro accounts)	13,437	13,463
Net receivables from banks	13,437	13,463

11. RECEIVABLES FROM NON-CREDIT INSTITUTIONS

Loan receivables

In thousands of CZK	31.12.2017	31.12.2016
Receivables from ceded loans held for trading	20,607	24,632
- fair value adjustment	(102)	(107)
Receivables from an agent for uncollected instalments	147	283
Net receivables from non-credit institutions	20,652	24,808

Under the Act and under the Statute, the Sub-Fund is required to have the Sub-Fund assets annually revaluated at fair value.

12. LIABILITIES TO NON-CREDIT INSTITUTIONS

Loan liabilities

In thousands of CZK	31.12.2017	31.12.2016
Payables on loans (including interest and exchange rate revaluation)	-	100
Net liabilities to non-credit institutions	-	100

13. OTHER LIABILITIES

In thousands of CZK	31.12.2017	31.12.2016
Trade payables and other creditors	300	385
Estimated payables	738	663
Payables – value added tax	10	26
Total	1,048	1,074

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14. EQUITY

In thousands of CZK	31.12.2017	31.12.2016
Capital funds consisting of 1 500 000 pcs of investment shares	38,310	40,530

The Sub-Fund's capital funds consist of investment shares. In the decisive period, the Sub-Fund issued 1,500,000 pcs of investment shares.

The current value of the Sub-Fund's investment share is determined from the equity of the Sub-Fund, for the relevant calendar month, as at the last day of the previous calendar month.

The revaluation differences recognized in equity can be analyzed as follows:

In thousands of CZK	31.12.2017	31.12.2016
Revaluation differences - assets and liabilities (revaluation of receivables from clients)	102	107
Total	102	107

15. ACCUMULATED LOSSES FROM PREVIOUS YEARS

The Fund proposes the allocation of the loss incurred in the period 1 January 2017 to 31 December 2017 as follows:

In thousands of CZK	Loss	Accumulated losses from previous years	Total
Balance as at 31 December 2016	-	(3,333)	(3,333)
Loss for the period 1.1. 2017 to 31. 12. 2017	(1,834)	-	(1,834)
Proposal for settlement of the loss for 2017:			
Transfer to accumulated losses	1,834	(1,834)	-
	-	(5,167)	(5,167)

Settlement of loss for the year 2016

In thousands of CZK	Loss	Accumulated losses from previous years	Total
Balance as at 25 January 2016	-	-	-
Loss for the period 25.1. 2016 to 31. 12. 2016	(3,333)	-	(3,333)
Settlement of the loss for 2016:			
Transfer to accumulated losses	3,333	(3,333)	-
	-	(3,333)	(3,333)

16. INCOME TAX AND DEFERRED TAX ASSET

(a) Tax payable for the current accounting period

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Current loss before taxation	(1,834)	(3,333)
Tax base	-	-
Tax calculated at the rate of 5%	-	-

The deferred tax asset from incurred tax loss was not recognized because its realization is unlikely.

17. ASSETS UNDER MANAGEMENT

In thousands of CZK	31.12.2017	31.12.2016
Cash	13,437	13,463
Receivables from non-credit institutions	20,652	24,808
Payables to clients	-	(100)
Other liabilities	(1,048)	(1,074)
Total	33,041	37,097

18. FINANCIAL INSTRUMENTS

(a) Market risk

The Sub-Fund is exposed to market risk as a result of its general investment strategy in accordance with its statute. The Sub-Fund acquires funds from the shareholders and invests them through direct or indirect investments in receivables, debt securities, money market instruments, including deposit bills of exchange and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. The value of the assets to which the Sub-Fund invests may rise or fall depending on changes in the economic conditions, interest rates, and the way the assets are perceived by the market.

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(b) Liquidity risk

The liquidity risk arises from the way the Sub-Fund finances its activities and manages its position. In view of the assessment of the degree of this risk and the overall financial position of the entity during the reporting period 2017, the liquidity risk was not assessed as material and no extraordinary measures were taken.

Residual maturity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2017						
Receivables from banks	13,437	-	-	-	-	13,437
Receivables from non-credit institutions	147	20,505	-	-	-	20,652
Total	13,584	20,505	-	-	-	34,089
Other liabilities	300	748	-	-	-	1,048
Equity	-	-	-	-	33,041	33,041
Total	300	748	-	-	33,041	34,089
Gap	13,284	19,757	-	-	(33,041)	-
Cumulative gap	13,284	33,041	33,041	33,041	-	-

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2016						
Receivables from banks	13,463	-	-	-	-	13,463
Receivables from other non-credit institutions	283	24,525	-	-	-	24,808
Total	13,746	24,525	-	-	-	38,271
Other liabilities	400	774	-	-	-	1,174
Equity	-	-	-	-	37,097	37,097
Total	400	774	-	-	37,097	38,271
Gap	13,346	23,751	-	-	(37,097)	-
Cumulative gap	13,346	37,097	37,097	37,097	-	-

The above tables represent the residual maturity of the accounting values of individual financial instruments, not all the cash flows arising from these instruments.

(c) Interest rate risk

The Sub-Fund records fixed interest-bearing debts from other credit institutions in the amount of CZK 20,652,000. The Sub-Fund is not exposed to interest rate risk as a result of volatility in interest rates.

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(d) Currency risk

The currency risk means that the value of assets and liabilities may be affected by a change in the foreign exchange rate. Discrepancies on the assets and liabilities side may affect cash flows.

Foreign currency position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
As at 31 December 2017			
Receivables from banks	10,041	3,396	13,437
Receivables from non-credit institutions	20,652	-	20,652
Total	30,693	3,396	34,089
Other liabilities	-	1,048	1,048
Total	-	1,048	1,048
Net foreign exchange position	30,693	2,348	33,041
As at 31 December 2016			
Receivables from banks	12,219	1,244	13,463
Receivables from non-credit institutions	24,808	-	24,808
Total	37,027	1,244	38,271
Other liabilities	61	1,113	1,174
Total	61	1,113	1,174
Net foreign exchange position	36,966	131	37 097

(e) Credit risk

The Sub-Fund is exposed to credit risk due to its business activity, lending, hedging, and investment activities. Credit risks associated with the Sub-Fund's business and investment activities are managed through the Sub-Fund's market risk management methods and tools. Receivables from non-credit institutions are secured by a lien on property and guarantor's statements.

Collateral assessment

In the case of collateral for receivables from loans, the Sub-Fund considers as an acceptable collateral the following collaterals:

- cash;
- securities;
- creditworthy claims;
- bank guarantee;
- third-party creditworthy guarantee;
- properties;
- machinery and equipment.

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(f) Operational, legal and other risks

The management of operational, legal and other risks is regulated by the Sub-Fund's Statute and internal regulations. Due to the nature of the business, which is collective investment in accordance with the Act, all Sub-Fund's investments must be executed in accordance with the applicable Sub-Fund's Statute and subject to the control by the depositary of the Sub-Fund, which was, in 2017, Česká spořitelna, a.s., on the basis of a Depositary Agreement.

19. SUBSEQUENT EVENTS

On 13 February 2018 following changes were recorded into commercial register:

Member of the Board of Directors resigned: Ing. Radek Široký on 1 January 2018

Member of the Board of Directors took the office: Ing. Karel Krhovský from 1 January 2018

Member of the Supervisory Board resigned: Ing. Karel Krhovský on 1 January 2018

Member of the Supervisory Board took the office: Ing. Šárka Burgetová from 1 January 2018

At the time of the preparation of the financial statements, the management of the Investment company is not aware of any other significant subsequent events that would affect the financial statements as at 31 December 2017.

The financial statements were prepared on: 26 April 2018	Stamp and signature  Rudolf Vřešťál Authorised Representative  Karel Krhovský Authorised Representative	Person responsible for accounting Name and signature:  Karel Krhovský Authorised Representative tel.: 222 500 768	Person responsible for the financial statements Name and signature:  Rudolf Vřešťál Authorised Representative tel.: 224 931 360

Independent auditor's report

to the shareholder of sub-fund NOVA Money Market – sub-fund 2 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

Opinion

We have audited the accompanying financial statements of sub-fund Nova Money Market – sub-fund 2 („the Sub-fund“) of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. with its registered office at V Celnici 1031/4, Nové Město, Praha 1 („the Fund“) prepared in accordance with Czech Accounting Standards, which comprise the statement of financial position as at 31 December 2017, the statements of income and changes in equity for the year then ended, and notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Sub-fund as at 31 December 2017 and of its financial performance for the year then ended in accordance with Czech Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Sub-fund in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors of REDSIDE investiční společnost, a.s. is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Sub-fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Sub-fund obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. for the Financial Statements

The Board of Directors of REDSIDE investiční společnost, a.s., is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary

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**Shareholders of sub-fund NOVA Money Market – sub-fund 2 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
Independent auditor's report**

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of REDSIDE investiční společnost, a.s., is responsible for assessing the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Sub-fund or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of REDSIDE investiční společnost, a.s. is responsible for overseeing the Sub-fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of REDSIDE investiční společnost, a.s..
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 April 2018


represented by partner



Petr Kříž

Statutory Auditor, Evidence No. 1140

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Company identification No.: 751 59 759

Business activity: An activity of a fund of qualified investors pursuant to the provisions of Section 95 (I) (a) of Act No. 240/2013 Coll. On Investment Companies and Investment Funds

The date of preparation of the financial statements: 26 April 2018

BALANCE SHEET

As at 31 December 2017

In thousands of CZK	Item	31.12.2017	31.12.2016
ASSETS			
3 Receivables from banks - repayable on demand	8	461	82
4 Receivables from clients, of which:	9	20,501	-
<i>a) repayable on demand</i>		-	-
<i>b) other receivables</i>		20,501	-
Total assets		20,962	82
LIABILITIES			
Liabilities to clients, of which:		-	210
<i>a) repayable on demand</i>		-	-
<i>b) other liabilities</i>		-	210
4 Other liabilities	10	4,982	3,445
12 Capital funds	11	22,000	-
14 Accumulated losses brought forward from previous years		(3,573)	-
15 Loss for the accounting period		(2,447)	(3,573)
Total liabilities		20,962	82
OFF-BALANCE SHEET ITEMS			
Off-balance sheet assets			
8 Assets under management	14	15,980	(3,573)

The accompanying notes are an integral part of these financial statements.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
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INCOME STATEMENT

For period from 1 January 2017 till 31 December 2017

In thousands of CZK	Item	2017	2016
1	Interest and similar income	2,014	-
5	Fee and commission expenses	(4)	-
6	Profit or loss on financial operations	5	(5)
9	Administrative expenses	6	(3,568)
19	Loss for the accounting period on ordinary activities before taxation	(2,447)	(3,573)
23	Income tax	13	-
24	Loss for the accounting period	(2,447)	(3,573)

STATEMENT OF CHANGES IN EQUITY

For period from 25 January 2016 till 31 December 2017

In thousands of CZK	Capital funds	Accumulated losses	Loss	Total
Balance as at 25.1.2016	-	-	-	-
Loss for the accounting period	-	-	(3,573)	(3,573)
Balance as at 31.12.2016	-	-	(3,573)	(3,573)
Loss transfer to retained earnings	-	(3,573)	3,573	-
Issued investment shares	22,000	-	-	22,000
Loss for the accounting period	-	-	(2,447)	(2,447)
Balance as at 31.12.2017	22,000	(3,573)	(2,447)	15,980

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

Establishment and characterization of the Sub-Fund

NOVA Money Market - Sub-Fund 2 (hereinafter referred to as the "Sub-Fund" or "Sub-Fund 2") is managed and administered by REDSIDE investiční společnost, a.s. the Sub-Fund being established on the basis of the announcement of the Czech National Bank ref. No. 2016/010654/CNB/570 dated 26 January 2016, which came into force on 25 January 2016.

The Sub-Fund was created in accordance with Act No. 240/2013 Coll., On Investment Companies and Investment Funds (hereinafter referred to as the "Act"). In particular, sub-funds are covered by Section 165 of the Act, where the investment fund - NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. - may create sub-funds as a separate accounting and proprietary units provided that the Articles of Association allow this. The Sub-Fund has its own investment strategy.

The Sub-Fund has no legal personality, the Sub-Fund's assets are managed and administered by an investment company. The Sub-Fund itself has no employees. All administration associated with the business activity is provided by the investment company.

The Sub-Fund is established for an indefinite period.

Sub-Fund strategy

The investment objective of the Sub-Fund is to achieve a stable asset appreciation above the long-term interest rate level through long-term investments in receivables, debt securities, money market instruments, including bills of exchange, term deposits and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. If short-term investments are economically viable for the Sub-Fund, the Sub-Fund is authorized also to make short-term investments.

Investment shares

Issuance of the Sub-Fund's investment shares commenced on 4 February 2016 with ISIN CZ0008042041. Investment shares in volume of 22,000,000 pcs were issued till 31 December 2017.

Organizational structure

The sub-fund is managed by an investment company.

Basic information on the investment company

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362 (hereinafter referred to as the "Investment company").

Registered capital

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment

29 June 2012

Decision to grant a license

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013.

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The Investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act.

The activities of the Investment company in relation to the Sub-Fund:

- Management of the Sub-Fund's assets;
- Wealth management of the Sub-Fund, including investing in the Sub-Fund's account;
- Investment risk management;
- Administration of the Sub-Fund, mainly;
- Bookkeeping for the Sub-Fund;
- Providing legal services;
- Ensuring compliance;
- Dealing with complaints from Sub-Fund investors;
- Valuating the Sub-Fund's assets and liabilities;
- Calculating the current value of the Sub-Fund's investment;
- Ensuring compliance with duties, taxes or other similar financial performances;
- Maintaining a list of owners of investment shares issued by the Sub-Fund;
- Distributing and paying out proceeds from the Sub-Fund's assets;
- Ensuring the issue and repurchase of investment shares issued by the Sub-Fund;
- Preparing and updating the Sub-Fund's annual report;
- Preparing the Sub-Fund's promotional material;
- Publishing, disclosing and supplying data and documents to Sub-Fund's shareholders and other persons;
- Reporting data and providing documents to the Czech National Bank or the supervisory authority of another Member State;
- Performing other activities related to the management of the Sub-Fund's assets;
- Distributing and paying out cash benefits in connection with the cancellation of the Sub-Fund;
- Keeping records on the issue and repurchase of investment shares issued by the Sub-Fund;
- Offering investments in the Sub-Fund.

Business activity of the Investment company

- Activity of an investment company pursuant to Act, carried out pursuant to the licence of the Czech National Bank dated 26 April 2013, which came into force on 29 April 2013.

Members of the Board of Directors and the Supervisory Board as at 31 December 2017

Board of Directors

Chairman of the Board of Directors	Rudolf Vřešťál	since 29 June 2012
Member of the Board of Directors	Ing. Radek Široký	since 10 June 2014
Member of the Board of Directors	Ing. Juraj Dvořák	since 31 July 2014

Supervisory Board

Chairman of the Supervisory Board	Petra Rychnovská	since 29 June 2013
Member of the Supervisory Board	Ing. Petr Studnička	since 10 June 2014
Member of the Supervisory Board	Karel Krhovský	since 30 June 2016

Company representation

The Board of Directors governs the Company. It is represented by the Chairman and one member of the Board of Directors.

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Shareholders and Shares

At the end of the reporting period, the main shareholder was:

RVR Czech, s.r.o., company identification No.: 243 00 136, Prague 1, V Celnici 1031/4, postcode 110 00.

The shareholders own 84 pcs of ordinary registered shares in paper form with a nominal value of CZK 100,000

Changes in the Commercial Register

There was no change in the Commercial Register in the reporting period.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements containing the balance sheet, income statement, statement of changes in equity and accompanying notes were prepared on the basis of the accounting records kept in accordance with

- Accounting Act No. 563/1991 Coll.;
- Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic;
- Czech Accounting Standards for Financial Institutions issued by the Ministry of Finance of the Czech Republic.

The order and identification of the items of the financial statements and the content definition of items are in accordance with Decree No. 501/2002 Coll.

The financial statements were prepared on the accrual basis for expenses and income and historical cost, except for selected financial instruments at fair value.

The financial statements are prepared under the going concern assumption as there is no evidence to limit it or prevent it from continuing in the foreseeable future.

These financial statements are unconsolidated.

Balance sheet date: 31 December 2017

Date of preparation of the financial statements: 26 April 2018

Accounting period: 1 January 2017 to 31 December 2017

Prior accounting period: 25 January 2016 to 31 December 2016

All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sub-Fund were prepared in accordance with the following important accounting policies:

(a) The date of transaction recognition

Depending on the type of transaction, they are recorded on the date of payment or receipt of currency, the date of purchase or sale of foreign currency, foreign exchange, or securities, the payment date, the negotiation day and the day of settlement of a trade with securities, foreign exchange, options or other derivatives, the date of issue or acceptance of the guarantee or the loan commitment, the day of taking over the values into custody.

Financial assets and liabilities are recognized when the Sub-Fund becomes a contractual party of the transaction, that is, at the trade date.

The Sub-Fund shall derecognize a financial asset or part thereof in the balance sheet if it loses control of the contractual rights to that financial asset or part thereof. The Fund will lose that control if it exercises the rights to the benefits defined by the contract, these rights cease to exist or it waives these rights.

If the financial liability or part thereof ceases to exist (e.g. by fulfilling or cancelling the obligation defined in the contract or if the obligation defined in the contract expires), the accounting entity will no longer recognize the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

(b) Receivables

Receivables initially incurred by the Sub-Fund are measured at their nominal value less allowances (except for receivables held for trading, see below). Bad debts are written off when they become barred by the statute of limitation, respectively at the end of the administrative proceedings.

Ceded receivables are recognized at the acquisition date at cost, including direct transaction costs (e.g. expert opinions, legal costs).

Trade receivables

Trade receivables are reviewed based on recoverability. On this basis, the Sub-Fund determines loss on impairment for individual receivables. If the Sub-Fund does not directly write-off a portion of the receivable corresponding to the impairment loss, it forms an allowance for this part of the receivable. Allowances are recognized in "Depreciation/amortization, creation and use of provisions and allowances for receivables and guarantees" item in the income statement. Allowances are recorded in the analytical records for the purpose of calculating the tax liability.

The tax-deductible part of the total allowances for the loss on receivables for the accounting period is calculated according to the Section 8 ("Allowances for receivables to debtors") of the Act No. 593/1992 Coll., On Provisions for Determining the Income Tax Base, as amended.

Write-offs of bad debts are included under "Write-offs, creation and use of allowances and provisions for receivables and guarantees" in the income statement. In the case of a write-off of a receivable for which an allowance has been set aside in full, the same amount is written-off in the same allowance item of the income statement. Revenues from previously written-off loans are recognized in the income statement in the item "Release of allowances and provisions for receivables and guarantees, income from previously written-off receivables".

Receivables held for trading

Receivables that the Sub-Fund acquired and holds for trading are measured at fair value. Changes in fair value are recognized under "Profit or loss on financial operations" (if the Sub-Fund owns such assets).

(c) Creation of provisions

Provision represents probable fulfillment of an obligation, with uncertain timing and amount. The provision is charged to the expenses at the best estimate of the resource outflow necessary to settle the existing obligation.

Provision is recognized if the following criteria are met:

- a) There is an obligation (legal or constructive) existing as a result of past events;
- b) It is probable or certain that the fulfillment will occur and that it will require an outflow of resources representing economic benefits; where "probable" means a probability of more than 50%;
- c) The amount of such fulfillment can be reliably estimated.

(d) Foreign currency translation

Transactions denominated in a foreign currency are recognized in local currency, translated at the exchange rate published by the Czech National Bank on the date of the transaction or on the date of the accounting event.

Financial assets and liabilities denominated in a foreign currency are translated into the domestic currency at the rate published by the Czech National Bank as at the balance sheet date. The resulting profit or loss on the translation of assets and liabilities denominated in a foreign currency, other than equity investments in foreign currency and receivables from subordinated loans, is recognized in the profit and loss statement as "Profit or loss on financial operations".

(e) Value added tax

The Sub-Fund is not registered as Value Added Tax ("VAT") payer.

(f) Taxation

Current tax

The tax base for income tax is calculated from the financial result for the current accounting period before taxation by adding non-deductible expenses, deducting income that is not subject to income tax, and adjusting for tax rebates and possible credits.

Deferred tax

Deferred tax is based on all temporary differences between the carrying amount and the tax value of assets and obligations using the expected tax rate applicable for the subsequent period. A deferred tax receivable is recognized only if there is no doubt about its future recoverability in subsequent accounting periods. Deferred tax from revaluation differences reported in equity is also recorded under equity.

(g) Leasing

The Sub-Fund does not have any property under financial or operating leases.

(h) Personnel expenses, pensions and social fund

The Sub-Fund has no employees.

(i) Related parties

Related parties of the Sub-Fund are defined in accordance with IAS 24 (Related Party Disclosures) as follows:

a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) controls or jointly controls the reporting accounting entity;
- (ii) has significant influence in the reporting accounting entity; or
- (iii) is a member of the key management of the reporting accounting entity or its parent company.

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) the entity and the reporting entity are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity;
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);

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- (vii) A person identified in letter a) point i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transactions mean the transfer of resources, services or obligations between the reporting accounting entity and the related party, regardless of whether the price is charged.

(j) Items from a different accounting period and changes in accounting policies

Items from an accounting period other than to which they relate based on tax and accounting rules, and changes in accounting policies are recognized as income or expense in the profit and loss statement in the current period, except for the correction of material errors in the income and expenses of previous periods that are recognized in the item "Retained earnings or accumulated losses" in the Sub-Fund's balance sheet.

4. CHANGES IN ACCOUNTING POLICIES

No changes in accounting policies were made in the accounting period from 1 January 2017 to 31 December 2017.

5. PROFIT OR LOSS ON FINANCIAL OPERATIONS

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Foreign exchange losses	-	(5)
Total	-	(5)

6. ADMINISTRATIVE EXPENSES

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Management fees of the Sub-Fund	3,600	3,300
Depositary and custody fees	299	195
Audit, legal and tax advice fees	73	73
VAT in respect of an identified person	84	-
Other (expert opinions, translations, marketing)	401	-
Total	4,457	3,568

The Sub-Fund is managed by REDSIDE investiční společnost, a.s., to which it pays management fees, these fees being calculated in accordance with the Statutory Director Contract. The remuneration is set at 1.3% of the Sub-Fund's equity per year +30% of the achieved IRR above 10%. The minimum management fee is CZK 300,000.

Management fees, as well as other administrative expenses, are invoiced to the Sub-Fund.

The Sub-Fund had no employees in the given accounting period.

7. RELATED PARTY TRANSACTIONS

In thousands of CZK	31.12.2017	31.12.2016
Liabilities		
Liabilities to non-credit institutions	-	210

In 2016 NOVA MONEY MARKET - Sub-Fund 2 received an interest free loan from NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. in the amount of CZK 210,000. In March 2017 Sub-Fund received another interest free loan in amount of CZK 200,000. In May 2017 the Sub-Fund repaid both loans in a total amount of CZK 410,000 and on 31 December 2017 Sub-Fund doesn't recognize any related party balances.

8. RECEIVABLES FROM BANKS

In thousands of CZK	31.12.2017	31.12.2016
Current accounts (nostro accounts)	461	82
Net receivables from banks	461	82

9. RECEIVABLES FROM NON-CREDIT INSTITUTIONS

In thousands of CZK	31.12.2017	31.12.2016
Receivables from ceded loans held from trading	20,501	-
Net receivables from non-credit institutions	20,501	-

Under Act and under the Statute, the Sub-Fund is required to have the Sub-Fund assets annually revaluated at fair value.

10. OTHER LIABILITIES

In thousands of CZK	31.12.2017	31.12.2016
Trade payables and other creditors	4,524	3,073
Estimated payables	447	372
Payables – value added tax	11	-
Total	4,982	3,445

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11. EQUITY

In thousands of CZK	31.12.2017	31.12.2016
Capital funds consisting of 22,000, 000 pcs of investment shares	22,000	-
Total	22,000	-

The Sub-Fund's capital funds consist of investment shares. In the decisive period, the Sub-Fund issued 22,000,000 pcs of investment shares in CZK.

The current value of the Sub-Fund's investment share is determined from the equity of the Sub-Fund, for the relevant calendar month, as at the last day of the previous calendar month.

12. ACCUMULATED LOSSES FROM PREVIOUS YEARS

The Fund proposes the allocation of the loss incurred in 2017 as follows:

In thousands of CZK	Loss	Accumulated losses from previous years	Total
Balance as at 31 December 2016	-	(3,573)	(3,573)
Loss for the period 1.1. 2017 to 31. 12. 2017	(2,447)	-	(2,447)
Proposal for settlement of the loss for 2017:			
Transfer to accumulated losses	2,447	(2,447)	-
	-	(6,020)	(6,020)

Settlement of loss for the year 2016

In thousands of CZK	Loss	Accumulated losses from previous years	Total
Balance as at 25 January 2016	-	-	-
Loss for the period 25.1. 2016 to 31. 12. 2016	(3,573)	-	(3,573)
Settlement of the loss for 2016:			
Transfer to accumulated losses	3,573	(3,573)	-
	-	(3,573)	(3,573)

13. INCOME TAX

(a) Tax payable for the current accounting period

In thousands of CZK	Period from 1.1.2017 to 31.12.2017	Period from 25.1.2016 to 31.12.2016
Current loss before taxation	(2,447)	(3,573)
Tax base	-	-
Tax calculated at the rate of 5%	-	-

The deferred tax asset from incurred tax loss was not recognized because its realization is unlikely.

14. ASSETS UNDER MANAGEMENT

In thousands of CZK	31.12.2017	31.12.2016
Cash	461	82
Receivables from non-credit institutions	20,501	-
Payables to clients	-	(210)
Other liabilities	(4,982)	(3,445)
Total	15,980	(3,573)

15. FINANCIAL INSTRUMENTS

(a) Market risk

The Sub-Fund is exposed to market risk as a result of its general investment strategy in accordance with its statute. The Sub-Fund acquires funds from the shareholders and invests them through direct or indirect investments in receivables, debt securities, money market instruments, including deposit bills of exchange and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. The value of the assets to which the Sub-Fund invests may rise or fall depending on changes in the economic conditions, interest rates, and the way the assets are perceived by the market.

(b) Liquidity risk

The liquidity risk arises from the way the Sub-Fund finances its activities and manages its positions. In view of the assessment of the degree of this risk and the overall financial position of the accounting entity during the reporting period 2017, the liquidity risk was not assessed as material and no extraordinary measures were taken.

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Residual maturity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2017						
Receivables from banks	461	-	-	-	-	461
Receivables from clients	246	20,255	-	-	-	20,501
Total	706	20,255	-	-	-	20,962
Other liabilities	600	1,382	3,000	-	-	4,982
Equity	-	-	-	-	15,980	15,980
Total	600	1,382	3,000	-	15,980	20,962
Gap	107	18,873	(3,000)	-	(15,980)	-
Cumulative gap	107	18,980	15,980	15,980	-	-

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2016						
Receivables from banks	82	-	-	-	-	82
Total	82	-	-	-	-	82
Other liabilities	1,110	2,545	-	-	-	3,655
Equity	-	-	-	-	(3,573)	(3,573)
Total	1,110	2,545	-	-	(3,573)	82
Gap	(1,028)	(2,545)	-	-	3,573	-
Cumulative gap	(1,028)	(3,573)	(3,573)	(3,573)	-	-

The above tables represent the residual maturity of the accounting values of individual financial instruments, not all the cash flows arising from these instruments.

(c) Interest rate risk

The Sub-Fund is not exposed to interest rate risk.

(d) Currency risk

The currency risk means that the value of assets and liabilities may be affected by a change in the foreign exchange rate. Discrepancies on the assets and liabilities side may affect cash flows.

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Foreign currency position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
As at 31 December 2017			
Receivables from banks	5	456	461
Total	5	456	461
Other liabilities	-	4,982	4,982
Total	-	4,982	4,982
Net foreign exchange position	5	(4,526)	(4,521)
As at 31 December 2016			
Receivables from banks	5	77	82
Total	5	77	82
Other liabilities	-	3,655	3,655
Total	-	3,655	3,655
Net foreign exchange position	5	(3,578)	(3,573)

(e) Credit risk

The Sub-Fund is exposed to credit risk due to its business activity, lending, hedging, and investment activities. Credit risks associated with the Sub-Fund's business and investment activities are managed through the Sub-Fund's market risk management methods and tools. Receivables are secured by a lien on receivables and promissory note.

Collateral assessment

In the case of collateral for receivables from loans, the Sub-Fund considers as an acceptable collateral the following collaterals:

- Cash;
- Securities;
- Creditworthy claims;
- Bank guarantee;
- Third-party creditworthy guarantee;
- Properties;
- Machinery and equipment.

(f) Operational, legal and other risks

The management of operational, legal and other risks is regulated by the Sub-Fund's Statute and internal regulations. Due to the nature of the business, which is collective investment in accordance with the Act, all Sub-Fund's investments must be executed in accordance with the applicable Sub-Fund's Statute and subject to the control by the depositary of the Sub-Fund, which was, in 2017, Česká spořitelna, a.s., on the basis of the Depositary Agreement.

16. SUBSEQUENT EVENTS

On 13 February 2018 following changes were recorded into commercial register:
 Member of the Board of Directors resigned: Ing. Radek Široký on 1 January 2018
 Member of the Board of Directors took the office: Ing. Karel Krhovský from 1 January 2018

Member of the Supervisory Board resigned: Ing. Karel Krhovský on 1 January 2018
 Member of the Supervisory Board took the office: Ing. Šárka Burgetová from 1 January 2018

At the time of the preparation of the financial statements, the management of the Investment company is not aware of any other significant subsequent events that would affect the financial statements as at 31 December 2017.

The financial statements were prepared on: 26 April 2018	<div data-bbox="582 750 821 884"> </div> <div data-bbox="518 884 782 940"> Rudolf Vřešťál Authorised Representative </div> <div data-bbox="518 963 782 1075"> Karel Krhovský Authorised Representative </div>	<div data-bbox="829 770 1101 828"> Person responsible for accounting </div> <div data-bbox="829 907 1101 940"> Name and signature: </div> <div data-bbox="829 963 1101 1075"> Karel Krhovský Authorised Representative tel.: 222 500 768 </div>	<div data-bbox="1141 770 1420 828"> Person responsible for the financial statements </div> <div data-bbox="1141 907 1420 940"> Name and signature: </div> <div data-bbox="1141 963 1420 1075"> Rudolf Vřešťál Authorised Representative tel.: 224 931 360 </div>
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Independent auditor's report

to the shareholder of sub-fund NOVA Money Market – sub-fund 3 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

Opinion

We have audited the accompanying financial statements of sub-fund Nova Money Market – sub-fund 3 („the Sub-fund“) of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. with its registered office at V Celnici 1031/4, Nové Město, Praha 1 („the Fund“) prepared in accordance with Czech Accounting Standards, which comprise the statement of financial position as at 31 December 2017, the statements of income and changes in equity for the year then ended, and notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Sub-fund as at 31 December 2017 and of its financial performance for the year then ended in accordance with Czech Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Sub-fund in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors of REDSIDE investiční společnost, a.s. is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Sub-fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Sub-fund obtained in the audit, on whether the other information contains any material misstatement of fact.

Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. for the Financial Statements

The Board of Directors of REDSIDE investiční společnost, a.s., is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary



Shareholders of sub-fund NOVA Money Market – sub-fund 3 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
Independent auditor's report

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of REDSIDE investiční společnost, a.s., is responsible for assessing the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Sub-fund or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of REDSIDE investiční společnost, a.s. is responsible for overseeing the Sub-fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of REDSIDE investiční společnost, a.s..
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 April 2018

represented by partner

Petr Kříž

Statutory Auditor, Evidence No. 1140

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V Celnici 1031/4, Nové Město, 110 00 Prague 1
Financial Statements as at 31 December 2017

Company identification No.: 751 59 911

Business activity: An activity of a fund of qualified investors pursuant to the provisions of Section 95 (I) (a) of Act No. 240/2013 Coll. On Investment Companies and Investment Fund

The date of preparation of the financial statements: 26 April 2018

BALANCE SHEET

As at 31 December 2017

In thousands of CZK	Item	31. 12. 2017	31. 12. 2016
ASSETS			
3 Receivables from banks - repayable on demand	6	8,923	-
4 Receivables from clients, of which:	7	76,957	-
<i>a) repayable on demand</i>		-	-
<i>b) other receivables</i>		76,957	-
11 Other assets	8	2,537	-
Total assets		88,417	-
LIABILITIES			
4 Other liabilities	10	3,204	84
6 Tax provisions		202	-
12 Capital funds	11	81,251	-
14 Accumulated losses brought forward from previous years		(84)	-
15 Profit or loss for the accounting period		3,844	(84)
Total liabilities		88,417	-

In thousands of CZK	Item	31.12.2017	31.12.2016
OFF-BALANCE SHEET ITEMS			
Off-balance sheet assets			
8 Assets under management	14	85,011	(84)

The accompanying notes are an integral part of these financial statements.

INCOME STATEMENT

For period from 1 January 2017 till 31 December 2017

In thousands of CZK	Item	2017	2016
1	Interest income - loans	5,559	-
5	Fee and commission expenses	(9)	-
6	Loss on financial operations	(28)	-
9	Administrative expenses - other administrative expenses	5 (1,476)	(84)
19 Profit or loss for the accounting period on ordinary activities before taxation		4,046	(84)
23	Income tax	(202)	-
24 Profit or loss for the accounting period		3,844	(84)

STATEMENT OF CHANGES IN EQUITY

For period from 15 September 2017 till 31 December 2017

In thousands of CZK	Capital funds	Accumulated losses	Profit (loss)	Total
Balance as at 15. 9. 2016	-	-	-	-
Loss for the accounting period	-	-	(84)	(84)
Balance as at 31. 12. 2016	-	-	(84)	(84)
Loss transfer to accumulated losses	-	(84)	84	-
Issued investment shares	81,251	-	-	81,251
Profit for the accounting period	-	-	3,844	3,844
Balance as at 31. 12. 2017	81,251	(84)	3,844	85,011

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

Establishment and characterization of the Sub-Fund

NOVA Money Market - Sub-Fund 3 (hereinafter referred to as the “Sub-Fund” or “Sub-Fund 3”) is managed and administered by REDSIDE investiční společnost, a.s. the Sub-Fund being established on the basis of the announcement of the Czech National Bank ref. No. 2016/108417/CNB/570 dated 19 September 2016, which came into force on 15 September 2016.

The Sub-Fund was created in accordance with Act No. 240/2013 Coll., On Investment Companies and Investment Funds (hereinafter referred to as the “Act”). In particular, sub-funds are covered by Section 165 of the Act, where the investment fund - NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. - may create sub-funds as a separate accounting and proprietary units provided that the Articles of Association allow this. The Sub-Fund has its own investment strategy.

The Sub-Fund has no legal personality, the Sub-Fund’s assets are managed and administered by an investment company. The Sub-Fund itself has no employees. All the administration associated with the business activity is provided by the investment company.

The Sub-Fund is established for an indefinite period.

Sub-Fund strategy

The investment objective of the Sub-Fund is to achieve a stable asset appreciation above the long-term interest rate level through long-term investments in receivables, debt securities, money market instruments, including bills of exchange, term deposits and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. If short-term investments are economically viable for the Sub-Fund, the Sub-Fund is authorized also to make short-term investments.

Investment shares

Issuance of the Sub-Fund’s investment shares commenced on 9 September 2016 under ISIN CZ0008042280. Until 31 December 2017 were issued investment shares in volume of 3 182 040 pcs.

Organizational structure

The sub-fund is managed by an investment company.

Basic information on the investment company

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362 (hereinafter referred to as the “Investment company”).

Registered capital

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment

29 June 2012

Decision to grant a license

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013.

The Investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act.

The activities of the Investment company in relation to the Sub-Fund:

- Management of the Sub-Fund's assets;
- Wealth management of the Sub-Fund, including investing in the Sub-Fund's account;
- Investment risk management;
- Administration of the Sub-Fund, mainly;
- Bookkeeping for the Sub-Fund;
- Providing legal services;
- Ensuring compliance;
- Dealing with complaints from Sub-Fund investors;
- Valuating the Sub-Fund's assets and liabilities,
- Calculating the current value of the Sub-Fund's investment;
- Ensuring compliance with duties, taxes or other similar financial performances;
- Maintaining a list of owners of investment shares issued by the Sub-Fund;
- Distributing and paying out proceeds from the Sub-Fund's assets;
- Ensuring the issue and repurchase of investment shares issued by the Sub-Fund;
- Preparing and updating the Sub-Fund's annual report;
- Preparing the Sub-Fund's promotional material;
- Publishing, disclosing and supplying data and documents to Sub-Fund's shareholders and other persons;
- Reporting data and providing documents to the Czech National Bank or the supervisory authority of another Member State;
- Performing other activities related to the management of the Sub-Fund's assets;
- Distributing and paying out cash benefits in connection with the cancellation of the Sub-Fund;
- Keeping records on the issue and repurchase of investment shares issued by the Sub-Fund;
- Offering investments in the Sub-Fund.

Business activity of the Investment company

- Activity of an investment company pursuant to the Act, carried out pursuant to the license of the Czech National Bank dated 26 April 2013, which came into force on 29 April 2013.

Members of the Board of Directors and the Supervisory Board as at 31 December 2017

Board of Directors

Chairman of the Board of Directors	Rudolf Vřešťál	since 29 June 2012
Member of the Board of Directors	Ing. Radek Široký	since 10 June 2014
Member of the Board of Directors	Ing. Juraj Dvořák	since 31 July 2014

Supervisory Board

Chairman of the Supervisory Board	Petra Rychnovská	since 29 June 2013
Member of the Supervisory Board	Ing. Petr Studnička	since 10 June 2014
Member of the Supervisory Board	Karel Krhovský	since 30 June 2016

Company representation

The Board of Directors governs the Company. It is represented by the Chairman and one member of the Board of Directors.

Shareholders and Shares

At the end of the reporting period, the main shareholder was:

RVR Czech, s.r.o., company identification No.: 24 300 136, Prague 1, V Celnici 1031/4, postcode 110 00

The shareholders own 84 pcs of ordinary registered shares in paper form with a nominal value of CZK 100,000.

Changes in the Commercial Register

There was no change in the Commercial Register in the reporting period.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements containing the balance sheet, income statement, statement of changes in equity and accompanying notes were prepared on the basis of the accounting records kept in accordance with

- Accounting Act No. 563/1991 Coll.;
- Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic;
- Czech Accounting Standards for Financial Institutions issued by the Ministry of Finance of the Czech Republic.

The order and identification of the items of the financial statements and the content definition of items are in accordance with Decree No. 501/2002 Coll.

The financial statements were prepared on the accrual basis for expenses and income and historical cost, except for selected financial instruments at fair value.

The financial statements are prepared under the going concern assumption as there is no evidence to limit it or prevent it from continuing in the foreseeable future.

These financial statements are unconsolidated.

Balance sheet date: 31 December 2017

Date of preparation of the financial statements: 26 April 2018

Accounting period: 1 January 2017 to 31 December 2017

Prior accounting period: 15 September 2016 to 31 December 2016

All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sub-Fund were prepared in accordance with the following important accounting policies:

(a) The date of transaction recognition

Depending on the type of transaction, they are recorded on the date of payment or receipt of currency, the date of purchase or sale of foreign currency, foreign exchange, or securities, the payment date, the negotiation day and the day of settlement of a trade with securities, foreign exchange, options or other derivatives, the date of issue or acceptance of the guarantee or the loan commitment, the day of taking over the values into custody.

Financial assets and liabilities are recognized when the Sub-Fund becomes a contractual party of the transaction, that is, at the trade date.

The Sub-Fund shall derecognize a financial asset or part thereof in the balance sheet if it loses control of the contractual rights to that financial asset or part thereof. The Sub-Fund will lose that control if it exercises the rights to the benefits defined by the contract, these rights cease to exist or it waives these rights.

If the financial liability or part thereof ceases to exist (e.g. by fulfilling or cancelling the obligation defined in the contract or if the obligation defined in the contract expires), the accounting entity will no longer recognize the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

(b) Receivables

Receivables initially incurred by the Sub-Fund are measured at their nominal value less allowances (except for receivables held for trading, see below). Bad debts are written off when they become barred by the statute of limitation, respectively at the end of the administrative proceedings.

Ceded receivables are recognized at the acquisition date at cost, including direct transaction costs (e.g. expert opinions, legal costs).

Trade receivables

Trade receivables are reviewed based on recoverability. On this basis, the Fund determines loss on impairment for individual receivables. If the Sub-Fund does not directly write-off a portion of the receivable corresponding to the impairment loss, it forms an allowance for this part of the receivable. Allowances are recognized in "Depreciation/amortization, creation and use of provisions and allowances for receivables and guarantees" item in the income statement. Allowances are recorded in the analytical records for the purpose of calculating the tax liability.

The tax-deductible part of the total allowances for the loss on receivables for the accounting period is calculated according to the Section 8 ("Allowances for receivables to debtors") of the Act No. 593/1992 Coll., On Provisions for Determining the Income Tax Base, as amended.

Write-offs of bad debts are included under "Write-offs, creation and use of allowances and provisions for receivables and guarantees" in the income statement. In the case of a write-off of a receivable for which an allowance has been set aside in full, the same amount is written-off in the same allowance item of the income statement. Revenues from previously written-off loans are recognized in the income statement in the item "Release of allowances and provisions for receivables and guarantees, income from previously written-off receivables".

Receivables held for trading

Receivables that the Sub-Fund acquired and holds for trading are measured at fair value. Changes in fair value are recognized under “Profit or loss on financial operations” (if the Sub-Fund owns such assets).

(c) Creation of provisions

Provision represents probable fulfillment of an obligation, with uncertain timing and amount. The provision is charged to the expenses at the best estimate of the resource outflow necessary to settle the existing obligation.

Provision is recognized if the following criteria are met:

- a) There is an obligation (legal or constructive) existing as a result of past events;
- b) It is probable or certain that the fulfillment will occur and that it will require an outflow of resources representing economic benefits; where "probable" means a probability of more than 50%;
- c) The amount of such fulfillment can be reliably estimated.

(d) Foreign currency translation

Transactions denominated in a foreign currency are recognized in local currency, translated at the exchange rate published by the Czech National Bank on the date of the transaction or on the date of the accounting event.

Financial assets and liabilities denominated in a foreign currency are translated into the domestic currency at the rate published by the Czech National Bank as at the balance sheet date. The resulting profit or loss on the translation of assets and liabilities denominated in a foreign currency, other than equity investments in foreign currency and receivables from subordinated loans, is recognized in the profit and loss statement as “Profit or loss on financial operations”.

(e) Value added tax

The Sub-Fund is not registered as Value Added Tax (“VAT”) payer.

(f) Taxation

Current tax

The tax base for income tax is calculated from the financial result for the current accounting period before taxation by adding non-deductible expenses, deducting income that is not subject to income tax, and adjusting for tax rebates and possible credits.

Deferred tax

Deferred tax is based on all temporary differences between the carrying amount and the tax value of assets and obligations using the expected tax rate applicable for the subsequent period. A deferred tax receivable is recognized only if there is no doubt about its future recoverability in subsequent accounting periods. Deferred tax from revaluation differences reported in equity is also recorded under equity.

(g) Leasing

The Sub-Fund does not have any property under financial or operating leases.

(h) Personnel expenses, pensions and social fund

The Sub-Fund has no employees.

(i) Related parties

Related parties of the Sub-Fund are defined in accordance with IAS 24 (Related Party Disclosures) as follows:

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) controls or jointly controls the reporting accounting entity;
 - (ii) has significant influence in the reporting accounting entity; or
 - (iii) is a member of the key management of the reporting accounting entity or its parent company.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) the entity and the reporting entity are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity;
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in letter a) point i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transactions mean the transfer of resources, services or obligations between the reporting accounting entity and the related party, regardless of whether the price is charged.

(j) Items from a different accounting period and changes in accounting policies

Items from an accounting period other than to which they relate based on tax and accounting rules, and changes in accounting policies are recognized as income or expense in the profit and loss statement in the current period, except for the correction of material errors in the income and expenses of previous periods that are recognized in the item "Retained earnings or accumulated losses" in the Sub-Fund's balance sheet.

4. CHANGES IN ACCOUNTING POLICIES

No changes in accounting policies were made in the accounting period from 1 January 2017 to 31 December 2017.

5. ADMINISTRATIVE EXPENSES

In thousands of CZK	Period from 1. 1. 2017 to 31. 12. 2017	Period from 15. 9. 2016 to 31. 12. 2016
Management fees of the Sub-Fund	910	-
Depositary and custody fees	358	2
Audit, legal and tax advice fees	154	73
Other (expert opinions, translations, marketing)	54	9
Total	1,476	84

The Sub-Fund is managed by REDSIDE investiční společnost, a.s., to which it pays management fees, these fees being calculated in accordance with the Statutory Director Contract. The remuneration is set at 1.3% of the Sub-Fund's equity per year +30% of the achieved IRR above 10%. The minimum management fee is not set and invoicing takes place from the day when investment strategy is fulfilled.

Management fees, as well as other administrative expenses, are invoiced to the Sub-Fund.

The Sub-Fund had no employees in the given accounting period.

6. RECEIVABLES FROM BANKS

In thousands of CZK	31. 12. 2017	31. 12. 2016
Current accounts	8,923	-
Net receivables from banks	8,923	-

7. RECEIVABLES FROM NON-CREDIT INSTITUTIONS

In thousands of CZK	31. 12. 2017	31. 12. 2016
Receivables from loans (held for trading)	76,957	-
Net receivables from non-credit institutions	76,957	-

Under Act and under the Statute, the Sub-Fund is required to have the Sub-Fund assets annually revalued at fair value.

8. OTHER ASSETS

In thousands of CZK	31. 12. 2017	31. 12. 2016
Advances paid on dividends	2,159	-
Withholding tax on dividends	378	-
Total	2,537	-

The investment company decided to pay advance dividend payments and paid these advances on a quarterly basis. These advances will be settled against the profit for 2017.

9. RELATED PARTY TRANSACTIONS

There were following transactions between NOVA Money Market – Sub-Fund 3 and related parties in current and prior period:

In thousands of CZK	2017	2016
Expenses		
Administration fee - REDSIDE investiční společnost a.s	910	-
Total	910	-
The Sub-Fund has the following related party balances		
Trade payables – REDSIDE investiční společnost a.s.	86	-
Total	86	-

10. OTHER LIABILITIES

In thousands of CZK	31. 12. 2017	31. 12. 2016
Received advances on investment shares	2,809	-
Estimated payables	309	73
Trade payables and other creditors	86	11
Total	3,204	84

11. EQUITY

In thousands of CZK	31. 12. 2017	31. 12. 2016
Capital funds consisting of 3,182,949 pcs of investment shares	81,251	-

The capital funds of Sub-fund consist of investment shares without nominal value. The current value of investment share of Sub-Fund is determined from Sub-Fund's equity, for the relevant week, as of the last day of the previous week.

12. RETAINED EARNING OR ACCUMULATED LOSSES FROM PREVIOUS YEARS

The Fund proposes the allocation of the profit incurred in 2017 as follows:

In thousands of CZK	Profit	Retained earnings or accumulated losses from previous years	Total
Balance as at 31 December 2016	-	(84)	(84)
Profit for the period 1.1. 2017 to 31. 12. 2017	3,844	-	3,844
Proposal for settlement of the profit for the period ended 31.12.2017:			
Settlement of advances paid on dividends (including withholding tax)	(2,537)	-	(2,537)
Settlement of accumulated losses	(84)	84	-
Transfer to retained earnings	(1,223)	1,223	-
	-	1,223	1,223

Settlement of loss for the year 2016

In thousands of CZK	Profit/Loss	Retained earnings or accumulated losses from previous years	Total
Balance as at 15 September 2016	-	-	-
Loss for the period from 15.9.2016 to 31.12.2016	(84)	-	(84)
Settlement of loss for the period from 15. 9. 2016 to 31. 12. 2016			
Transfer to accumulated losses	84	(84)	-
	-	(84)	(84)

13. INCOME TAX

(a) Tax payable for the current accounting period

In thousands of CZK	2017	2016
Current profit or loss before taxation	4 046	(84)
Tax base	4 046	-
Tax calculated at the rate of 5%	202	-

(b) Income tax

In thousands of CZK	2017	2016
Tax payable for the current accounting period/creation of provision	202	-
Total	202	-

The Sub-Fund does not have any deferred tax as at 31. 12. 2017.

14. ASSETS UNDER MANAGEMENT

In thousands of CZK	31.12.2017	31.12.2016
Cash	8,923	-
Receivables from non-credit institutions	76,957	-
Other assets	2,537	-
Other liabilities	(3,204)	(84)
Tax provisions	(202)	-
Total	85,011	(84)

15. FINANCIAL INSTRUMENTS

(a) Market risk

The Sub-Fund is exposed to market risk as a result of its general investment strategy in accordance with its statute. The Sub-Fund acquires funds from the shareholders and invests them through direct or indirect investments in receivables, debt securities, money market instruments, including deposit bills of exchange and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. The value of the assets to which the Sub-Fund invests may rise or fall depending on changes in the economic conditions, interest rates, and the way the assets are perceived by the market.

(b) Liquidity risk

The liquidity risk arises from the way the Sub-Fund finances its activities and manages their position. In view of the assessment of the degree of this risk and the overall financial position of the accounting entity during the reporting period 2017, the liquidity risk was not assessed as material and no extraordinary measures were taken.

Residual maturity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31. 12. 2017						
Receivables from banks	8,923	-	-	-	-	8,923
Receivables from clients	-	-	76,957	-	-	76,957
Other assets	2,159	-	-	-	-	2,159
Total	11,082	-	76,957	-	-	88,039
Other liabilities	2,826	202	-	-	-	3,028
Equity	-	-	-	-	85,011	85,011
Total	2,826	202	-	-	85,011	88,039
Gap	8,256	(202)	76,957	-	(85,011)	-
Cumulative gap	8,256	8,054	85,011	85,011	-	-

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31. 12. 2016						
Receivables from banks	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	-	-	-	-	-	-
Other liabilities	11	73	-	-	-	84
Equity	-	-	-	-	(84)	(84)
Total	11	73	-	-	(84)	-
Gap	(11)	(73)	-	-	84	-
Cumulative gap	(11)	(84)	(84)	(84)	-	-

The above tables represent the residual maturity of the accounting values of individual financial instruments, not all the cash flows arising from these instruments.

(c) Interest rate risk

The Sub-Fund is not exposed to interest rate risk, as loans provided have fixed rate.

(d) Currency risk

The currency risk means that the value of assets and liabilities may be affected by a change in the foreign exchange rate. Discrepancies on the assets and liabilities side may affect cash flows.

Foreign currency position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
As at 31. 12. 2017			
Receivables from banks	8,606	317	8,923
Receivables from clients	76,957	-	76,957
Other assets	-	2,537	2,537
Total	85,563	2,476	88,417
Other liabilities	-	3,204	3,204
Tax provisions	-	202	202
Total	-	3,028	3,406
Net foreign exchange position	85,563	(552)	85,011

As at 31 December 2016 Sub-Fund had no open foreign currency positions.

(e) Credit risk

The Sub-Fund is exposed to credit risk due to its business activity, lending, hedging, and investment activities. Credit risks associated with the Sub-Fund's business and investment activities are managed through the Sub-Fund's market risk management methods and tools. Receivables from clients are not secured.

Collateral assessment

In the case of collateral for receivables from loans, the Sub-Fund considers as an acceptable collateral the following collaterals:

- cash;
- securities;
- creditworthy claims;
- bank guarantee;
- third-party creditworthy guarantee;
- properties;
- machinery and equipment.

(f) Operational, legal and other risks

The management of operational, legal and other risks is regulated by the Sub-Fund's Statute and internal regulations. Due to the nature of the business, which is collective investment in accordance with the Act, as amended, all Sub-Fund's investments must be executed in accordance with the applicable Sub-Fund's Statute and subject to the control by the depositary of the Sub-Fund, which was, in 2017, Česká spořitelna, a.s., on the basis of the Depositary Agreement.

16. SUBSEQUENT EVENTS

On 13 February 2018 following changes were recorded into commercial register:

Member of the Board of Directors resigned: Ing. Radek Široký on 1 January 2018

Member of the Board of Directors took the office: Ing. Karel Krhovský from 1 January 2018

Member of the Supervisory Board resigned: Ing. Karel Krhovský on 1 January 2018

Member of the Supervisory Board took the office: Ing. Šárka Burgetová from 1 January 2018

At the time of the preparation of the financial statements, the management of the Investment company is not aware of any other significant subsequent events that would affect the financial statements as at 31 December 2017.

The financial statements were prepared on: 26 April 2018	 <p>Stamp and signature REDSIDE investiční společnost, a.s. V Celnici 1031/4, 110 00 Praha 1 IC: 24244601 DIČ: CZ24244601 Rudolf Vřešťál Authorised Representative Karel Krhovský Authorised Representative</p>	Person responsible for accounting Name and signature:	Person responsible for the financial statements Name and signature:
		 Karel Krhovský Authorised Representative tel.: 222 500 768	 Rudolf Vřešťál Authorised Representative tel.: 224 931 360

Independent auditor's report

to the shareholder of sub-fund NOVA Money Market – sub-fund 4 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

Opinion

We have audited the accompanying financial statements of sub-fund Nova Money Market – sub-fund 4 („the Sub-fund“) of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. with its registered office at V Celnici 1031/4, Nové Město, Praha 1 („the Fund“) prepared in accordance with Czech Accounting Standards, which comprise the statement of financial position as at 31 December 2017, the statements of income and changes in equity for the year then ended, and notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Sub-fund as at 31 December 2017 and of its financial performance for the year then ended in accordance with Czech Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Sub-fund in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors of REDSIDE investiční společnost, a.s. is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Sub-fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Sub-fund obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. for the Financial Statements

The Board of Directors of REDSIDE investiční společnost, a.s., is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary

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PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Evidence No 021.



Shareholders of sub-fund NOVA Money Market – sub-fund 4 of fund NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
Independent auditor's report

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of REDSIDE investiční společnost, a.s., is responsible for assessing the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Sub-fund or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of REDSIDE investiční společnost, a.s. is responsible for overseeing the Sub-fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of REDSIDE investiční společnost, a.s..
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and Supervisory Board of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 April 2018


represented by partner



Petr Kříž

Statutory Auditor, Evidence No. 1140

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Financial Statements as at 31 December 2017

Company identification No.: 751 59 929

Business activity: An activity of a fund of qualified investors pursuant to the provisions of Section 95 (I) (a) of Act No. 240/2013 Coll. On Investment Companies and Investment Funds

The date of preparation of the financial statements: 26 April 2018

BALANCE SHEET

As at 31 December 2017

In thousands of CZK	Item	31. 12. 2017	31. 12. 2016
ASSETS			
3 Receivables from banks - repayable on demand	7	13,740	-
4 Receivables from clients, of which:	8	299,701	-
<i>a) repayable on demand</i>		-	-
<i>b) other receivables</i>		299,701	-
11 Other assets	9	6,900	-
Total assets		320,341	-
LIABILITIES			
4 Other liabilities	10	9,079	74
6 Tax provisions		587	-
12 Capital funds	11	299,605	-
14 Accumulated losses brought forward from previous years		(74)	-
15 Profit or loss for the accounting period		11,144	(74)
Total liabilities		320,341	-

In thousands of CZK	Item	31. 12. 2017	31. 12. 2016
OFF-BALANCE SHEET ITEMS			
Off-balance sheet assets			
8 Assets under management	14	310,675	(74)

The accompanying notes are an integral part of these financial statements.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.**NOVA Money Market – Sub-Fund 4****V Celnici 1031/4, Nové Město, 110 00 Prague 1****Financial Statements as at 31 December 2017**

INCOME STATEMENT

For period from 1 January 2017 till 31 December 2017

In thousands of CZK	Item	2017	2016
1 Interest income and similar income		14,753	-
5 Fee and commission expenses		(1)	-
6 Profit or loss on financial operations		1	-
9 Other administrative expenses	5	(3,022)	(74)
19 Profit or loss for the accounting period on ordinary activities before taxation		11,731	(74)
23 Income tax	13	(587)	-
24 Profit or loss for the accounting period		11,144	(74)

STATEMENT OF CHANGES IN EQUITY

For period from 1 January 2017 till 31 December 2017

In thousands of CZK	Capital funds	Accumulated losses	Profit/loss	Total
Balance as at 15. 9. 2016	-	-	-	-
Loss for the accounting period	-	-	(74)	(74)
Balance as at 31.12.2016	-	-	(74)	(74)
Loss transfer to retained earnings	-	(74)	74	-
Issued investment shares	299,605	-	-	299,605
Profit for the accounting period	-	-	11,144	11,144
Balance as at 31.12.2017	299,605	(74)	11,144	310,675

The accompanying notes are an integral part of these financial statements.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Notes to Financial Statements as at 31 December 2017

1. GENERAL INFORMATION

Establishment and characterization of the Sub-Fund

NOVA Money Market - Sub-Fund 4 (hereinafter referred to as the "Sub-Fund" or "Sub-Fund 4") is managed and administered by REDSIDE investiční společnost, a.s., the Sub-Fund being established on the basis of the announcement of the Czech National Bank ref. No. 2016/108417/CNB/570 dated 19 September 2016, which came into force on 15 September 2016.

The Sub-Fund was created in accordance with Act No. 240/2013 Coll., On Investment Companies and Investment Funds (hereinafter referred to as the "Act"). In particular, sub-funds are covered by Section 165 of the Act, where the investment fund - NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. - may create sub-funds as a separate accounting and proprietary units provided that the Articles of Association allow this. The Sub-Fund has its own investment strategy.

The Sub-Fund has no legal personality, the Sub-Fund's assets are managed and administered by an investment company. The Sub-Fund itself has no employees. All the administration associated with the business activity is provided by the investment company.

The Sub-Fund is established for an indefinite period.

Sub-Fund strategy

The investment objective of the Sub-Fund is to achieve a stable asset appreciation above the long-term interest rate level through long-term investments in receivables, debt securities, money market instruments, including bills of exchange, term deposits and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. If short-term investments are economically viable for the Sub-Fund, the Sub-Fund is authorized also to make short-term investments.

Investment shares

Issuance of the Sub-Fund's investment shares commenced on 9 September 2016 under ISIN CZ0008042298. Investment shares in volume of 297,880,134 pcs were issued till 31 December 2017.

Organizational structure

The sub-fund is managed by the Investment company.

Basic information on the Investment company

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362 (hereinafter referred to as the "Investment company").

Registered capital

CZK 8,400,000; 100% of the registered capital fully paid.

Date of establishment

29 June 2012

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Notes to Financial Statements as at 31 December 2017

Decision to grant a license

Decision of the CNB ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013. The Investment company is registered in the list of investment companies maintained by the CNB pursuant to Section 596 (a) of the Act.

The activities of the Investment company in relation to the Sub-Fund:

- Management of the Sub-Fund's assets;
- Wealth management of the Sub-Fund, including investing in the Sub-Fund's account;
- Investment risk management;
- Administration of the Sub-Fund, mainly;
- Bookkeeping for the Sub-Fund;
- Providing legal services;
- Ensuring compliance;
- Dealing with complaints from Sub-Fund investors;
- Valuating the Sub-Fund's assets and liabilities,
- Calculating the current value of the Sub-Fund's investment;
- Ensuring compliance with duties, taxes or other similar financial performances;
- Maintaining a list of owners of investment shares issued by the Sub-Fund;
- Distributing and paying out proceeds from the Sub-Fund's assets
- Ensuring the issue and repurchase of investment shares issued by the Sub-Fund;
- Preparing and updating the Sub-Fund's annual report;
- Preparing the Sub-Fund's promotional material;
- Publishing, disclosing and supplying data and documents to Sub-Fund's shareholders and other persons;
- Reporting data and providing documents to the Czech National Bank or the supervisory authority of another Member State;
- Performing other activities related to the management of the Sub-Fund's assets;
- Distributing and paying out cash benefits in connection with the cancellation of the Sub-Fund;
- Keeping records on the issue and repurchase of investment shares issued by the Sub-Fund;
- Offering investments in the Sub-Fund.

Business activity of the Investment company

- Activity of an investment company pursuant to the Act, carried out pursuant to the license of the Czech National Bank dated 26 April 2013, which came into force on 29 April 2013.

Members of the Board of Directors and the Supervisory Board as at 31 December 2017

Board of Directors

Chairman of the Board of Directors	Rudolf Vřešťál	since 29 June 2012
Member of the Board of Directors	Ing. Radek Široký	since 10 June 2014
Member of the Board of Directors	Ing. Juraj Dvořák	since 31 July 2014

Supervisory Board

Chairman of the Supervisory Board	Petra Rychnovská	since 29 June 2013
Member of the Supervisory Board	Ing. Petr Studnička	since 10 June 2014
Member of the Supervisory Board	Karel Krhovský	since 30 June 2016

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Notes to Financial Statements as at 31 December 2017

Company representation

The Board of Directors governs the Company. It is represented by the Chairman and one member of the Board of Directors.

Shareholders and Shares

At the end of the reporting period, the main shareholder was:

RVR Czech, s.r.o., company identification No.: 24 300 136, Prague 1, V Celnici 1031/4, postcode 110 00.

The shareholders own 84 pcs of ordinary registered shares in paper form with a nominal value of CZK 100,000

Changes in the Commercial Register

There was no change in the Commercial Register in the reporting period.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements containing the balance sheet, income statement, statement of changes in equity and accompanying notes were prepared on the basis of the accounting records kept in accordance with

- Accounting Act No. 563/1991 Coll.,
- Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic,
- Czech Accounting Standards for Financial Institutions issued by the Ministry of Finance of the Czech Republic.

The order and identification of the items of the financial statements and the content definition of items are in accordance with Decree No. 501/2002 Coll.

The financial statements were prepared on the accrual basis for expenses and income and historical cost, except for selected financial instruments at fair value.

The financial statements are prepared under the going concern assumption as there is no evidence to limit it or prevent it from continuing in the foreseeable future.

These financial statements are unconsolidated.

Balance sheet date: 31 December 2017

Date of preparation of the financial statements: 26 April 2018

Accounting period: 1 January 2017 to 31 December 2017

Prior accounting period: 15 September 2016 to 31 December 2016

All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sub-Fund were prepared in accordance with the following important accounting policies:

(a) The date of transaction recognition

Depending on the type of transaction, they are recorded on the date of payment or receipt of currency, the date of purchase or sale of foreign currency, foreign exchange, or securities, the payment date, the negotiation day and the day of settlement of a trade with securities, foreign exchange, options or other derivatives, the date of issue or acceptance of the guarantee or the loan commitment, the day of taking over the values into custody.

Financial assets and liabilities are recognized when the Sub-Fund becomes a contractual party of the transaction, that is, at the trade date.

The Sub-Fund shall derecognize a financial asset or part thereof in the balance sheet if it loses control of the contractual rights to that financial asset or part thereof. The Sub-Fund will lose that control if it exercises the rights to the benefits defined by the contract, these rights cease to exist or it waives these rights.

If the financial liability or part thereof ceases to exist (e.g. by fulfilling or cancelling the obligation defined in the contract or if the obligation defined in the contract expires), the accounting entity will no longer recognize the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

(b) Receivables

Receivables initially incurred by the Fund are measured at their nominal value less allowances (except for receivables held for trading, see below). Bad debts are written off when they become barred by the statute of limitation, respectively at the end of the administrative proceedings.

Ceded receivables are recognized at the acquisition date at cost, including direct transaction costs (e.g. expert opinions, legal costs).

Trade receivables

Trade receivables are reviewed based on recoverability. On this basis, the Fund determines loss on impairment for individual receivables. If the Fund does not directly write-off a portion of the receivable corresponding to the impairment loss, it forms an allowance for this part of the receivable. Allowances are recognized in "Depreciation/amortization, creation and use of provisions and allowances for receivables and guarantees" item in the income statement. Allowances are recorded in the analytical records for the purpose of calculating the tax liability.

The tax-deductible part of the total allowances for the loss on receivables for the accounting period is calculated according to the Section 8 ("Allowances for receivables to debtors") of the Act No. 593/1992 Coll., On Provisions for Determining the Income Tax Base, as amended.

Write-offs of bad debts are included under "Write-offs, creation and use of allowances and provisions for receivables and guarantees" in the income statement. In the case of a write-off of a receivable for which an allowance has been set aside in full, the same amount is written-off in the same allowance item of the income statement. Revenues from previously written-off loans are recognized in the income statement in the item "Release of allowances and provisions for receivables and guarantees, income from previously written-off receivables".

Receivables held for trading

Receivables that the Sub-Fund acquired and holds for trading are measured at fair value. Changes in fair value are recognized under “Profit or loss on financial operations” (if the Sub-Fund owns such assets).

(c) Creation of provisions

Provision represents probable fulfillment of an obligation, with uncertain timing and amount. The provision is charged to the expenses at the best estimate of the resource outflow necessary to settle the existing obligation.

Provision is recognized if the following criteria are met:

- a) There is an obligation (legal or constructive) existing as a result of past events;
- b) It is probable or certain that the fulfillment will occur and that it will require an outflow of resources representing economic benefits; where "probable" means a probability of more than 50%;
- c) The amount of such fulfillment can be reliably estimated.

(d) Foreign currency translation

Transactions denominated in a foreign currency are recognized in local currency, translated at the exchange rate published by the Czech National Bank on the date of the transaction or on the date of the accounting event.

Financial assets and liabilities denominated in a foreign currency are translated into the domestic currency at the rate published by the Czech National Bank as at the balance sheet date. The resulting profit or loss on the translation of assets and liabilities denominated in a foreign currency, other than equity investments in foreign currency and receivables from subordinated loans, is recognized in the profit and loss statement as “Profit or loss on financial operations”.

(e) Value added tax

The Sub-Fund is not registered as Value Added Tax (“VAT”) payer.

(f) Taxation

Current tax

The tax base for income tax is calculated from the financial result for the current accounting period before taxation by adding non-deductible expenses, deducting income that is not subject to income tax, and adjusting for tax rebates and possible credits.

Deferred tax

Deferred tax is based on all temporary differences between the carrying amount and the tax value of assets and obligations using the expected tax rate applicable for the subsequent period. A deferred tax receivable is recognised only if there is no doubt about its future recoverability in subsequent accounting periods. Deferred tax from revaluation differences reported in equity is also recorded under equity.

(g) Leasing

The Sub-Fund does have any property under financial or operating leases.

(h) Personnel expenses, pensions and social fund

The Sub-Fund has no employees.

(i) Related parties

Related parties of the Sub-Fund are defined in accordance with IAS 24 (Related Party Disclosures) as follows:

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) controls or jointly controls the reporting accounting entity;
 - (ii) has significant influence in the reporting accounting entity; or
 - (iii) is a member of the key management of the reporting accounting entity or its parent company.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) the entity and the reporting entity are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity;
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in letter a) point i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transactions mean the transfer of resources, services or obligations between the reporting accounting entity and the related party, regardless of whether the price is charged.

(j) Items from a different accounting period and changes in accounting policies

Items from an accounting period other than to which they relate based on tax and accounting rules, and changes in accounting policies are recognized as income or expense in the profit and loss statement in the current period, except for the correction of material errors in the income and expenses of previous periods that are recognized in the item "Retained earnings or accumulated losses" in the Sub-Fund's balance sheet.

4. CHANGES IN ACCOUNTING POLICIES

No changes in accounting policies were made in the accounting period from 1 January 2017 to 31 December 2017.

5. ADMINISTRATIVE EXPENSES

In thousands of CZK	Period from 1. 1. 2017 to 31. 12. 2017	Period from 15. 9. 2016 to 31. 12. 2016
Management fees of the Sub-Fund	2,357	-
Depositary and custody fees	455	2
Audit, legal and tax advice fees	157	72
Other (expert opinions, translations, marketing)	53	-
Total	3,022	74

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Notes to Financial Statements as at 31 December 2017

The Sub-Fund is managed by REDSIDE investiční společnost, a.s., to which it pays management fees, these fees being calculated in accordance with the Statutory Director Contract. The remuneration is set at 1.3% of the Sub-Fund's equity per year +30% of the achieved IRR above 10%. The minimum management fee is not set and invoicing takes place from the day when investment strategy is fulfilled.

Management fees, as well as other administrative expenses, are invoiced to the Sub-Fund.

The Sub-Fund had no employees in the given accounting period.

6. RELATED PARTY TRANSACTIONS

The Sub-Fund had no related party transactions in 2017 and 2016.

7. RECEIVABLES FROM BANKS

In thousands of CZK	31. 12. 2017	31. 12. 2016
Current accounts (nostro accounts)	13,740	-
Net receivables from banks	13,740	-

8. RECEIVABLES TO NON-CREDIT INSTITUTIONS

In thousands of CZK	31. 12. 2017	31. 12. 2016
Receivables from loans (held for trading)	299,701	-
Net payables to non-banking entities	299,701	-

Under Act and under the Statute, the Sub-Fund is required to have the Sub-Fund assets annually revalued at fair value.

9. OTHER ASSETS

In thousands of CZK	31. 12. 2017	31. 12. 2016
Advances paid on dividends	6 298	-
Withholding tax on dividends	602	-
Total	6 900	-

The Investment company decided to pay advance dividend payments and paid these advances on a quarterly basis. These advances will be settled against the profit for 2017.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.**NOVA Money Market – Sub-Fund 4****V Celnici 1031/4, Nové Město, 110 00 Prague 1****Notes to Financial Statements as at 31 December 2017****10. OTHER LIABILITIES**

In thousands of CZK	31. 12. 2017	31. 12. 2016
Trade payables and other creditors	267	2
Advances received	8,259	-
Estimated payables	553	72
Total	9,079	74

11. EQUITY

In thousands of CZK	31. 12. 2017	31. 12. 2016
Capital funds consisting of 297,880,134 pcs of investment shares	299,605	-

The Sub-Fund's capital funds consist of investment shares. In the decisive period, the Sub-Fund issued 297,880,134 pcs of investment shares in CZK without nominal value.

The current value of the Sub-Fund's investment share is determined from the equity of the Sub-Fund, for the relevant week, as at the last day of the previous week.

12. RETAINED EARNING FROM PREVIOUS YEARS

The Fund proposes the allocation of the profit incurred in 2017 as follows:

In thousands of CZK	Profit/Loss	Retained earnings or accumulated losses from previous years	Total
Balance as at 31 December 2016	-	(74)	(74)
Profit for the period 1.1. 2017 to 31. 12. 2017	11,144	-	11,144
Proposal for settlement of the profit for the period ended 31.12.2017:			
Settlement of advances paid on dividends (including withholding tax)	(6,900)	-	(6,900)
Settlement of accumulated losses	(74)	74	-
Transfer to retained earnings	(4,170)	4,170	-
	-	4,170	4,170

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Notes to Financial Statements as at 31 December 2017

Settlement of loss for the year 2016

In thousands of CZK	Loss	Retained earnings or accumulated losses from previous years	Total
Balance as at 15. 9. 2016	-	-	-
Loss for period from 15. 9. 2016 to 31.12.2016	(74)	-	(74)
Proposal for the settlement of the loss for 2016:			
Transfer to accumulated losses	74	(74)	-
	0	(74)	(74)

13. INCOME TAX

(a) Tax payable for the current accounting period

In thousands of CZK	2017	2016
Current profit or loss before taxation	11,731	(74)
Tax base	11,731	-
Tax calculated at the rate of 5%	587	-

The Sub-Fund did not have any deferred tax as at 31. 12. 2017.

14. ASSETS UNDER MANAGEMENT

In thousands of CZK	31. 12. 2017	31. 12. 2016
Cash	13,740	-
Receivables from client	299,701	-
Other assets	6,900	-
Other liabilities	(9,079)	(74)
Provisions	(587)	-
Total	310,675	(74)

15. FINANCIAL INSTRUMENTS

(a) Market risk

The Sub-Fund is exposed to market risk as a result of its general investment strategy in accordance with its statute. The Sub-Fund acquires funds from the shareholders and invests them through direct or indirect investments in receivables, debt securities, money market instruments, including deposit bills of exchange and other financial instruments issued by collective investment funds, repurchase agreements and financial derivatives. The value of the assets to which the Sub-Fund invests may rise or fall depending on changes in the economic conditions, interest rates, and the way the assets are perceived by the market.

(b) Liquidity risk

The liquidity risk arises from the way the Sub-Fund finances its activities and manages their position. In view of the assessment of the degree of this risk and the overall financial position of the entity during the reporting period 2017, the liquidity risk was not assessed as material and no extraordinary measures were taken.

Residual maturity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2017						
Receivables from banks	13,740	-	-	-	-	13,740
Receivables from non-credit institutions	-	-	299,701	-	-	299,701
Other assets	-	6,298	-	-	-	6,298
Total	13,740	6,298	299,701	-	-	319,739
Other liabilities	8,477	-	-	-	-	8,477
Tax provisions	-	587	-	-	-	587
Equity	-	-	-	-	310,675	310,675
Total	8,477	587	-	-	310,675	319,739
Gap	5,263	5,711	299,701	-	(310,675)	-
Cumulative gap	5,263	10,974	310,675	310,675	-	-

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Notes to Financial Statements as at 31 December 2017

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2016						
Receivables from banks	-	-	-	-	-	-
Total	-	-	-	-	-	-
Other liabilities	2	72	-	-	-	74
Equity	-	-	-	-	(74)	(74)
Total	2	72	-	-	(74)	-
Gap	(2)	(72)	-	-	74	-
Cumulative gap	(2)	(74)	(74)	(74)	-	-

The above tables represent the residual maturity of the accounting values of individual financial instruments, not all the cash flows arising from these instruments.

(c) Interest rate risk

The Sub-Fund is not exposed to interest rate risk, as loans provided have fixed rate.

(d) Currency risk

The Sub-Fund is not significantly exposed to currency risk.

Foreign currency position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
As at 31 December 2017			
Receivables from banks	17	13,723	13,740
Receivables from non-credit institutions	0	299,701	299,701
Paid advances for dividends	0	6,298	6,298
Total	17	319,722	319,739
Other liabilities	0	8,478	8,478
Tax provisions	0	587	587
Total	0	9,065	9,065
Net foreign exchange position	17	310,657	310,674

As at 31 December 2016, the Sub-Fund had no open foreign currency positions.

(e) Credit risk

The Sub-Fund is exposed to credit risk due to its business activity, lending, hedging, and investment activities. Credit risks associated with the Sub-Fund's business and investment activities are managed through the Sub-Fund's market risk management methods and tools. Receivables from clients are not secured.

Collateral assessment

In the case of collateral for receivables from loans, the Sub-Fund considers as an acceptable collateral the following collaterals:

- cash;
- securities;
- creditworthy claims;
- bank guarantee;
- third-party creditworthy guarantee;
- properties;
- machinery and equipment.

(f) Operational, legal and other risks

The management of operational, legal and other risks is regulated by the Sub-Fund's Statute and internal regulations. Due to the nature of the business, which is collective investment in accordance with the Act, as amended, all Sub-Fund's investments must be executed in accordance with the applicable Sub-Fund's Statute and subject to the control by the depositary of the Sub-Fund, which was, in 2017, Česká spořitelna, a.s., on the basis of a Depositary Agreement.

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

NOVA Money Market – Sub-Fund 4

V Celnici 1031/4, Nové Město, 110 00 Prague 1

Notes to Financial Statements as at 31 December 2017

16. SUBSEQUENT EVENTS

On 13 February 2018 following changes were recorded into commercial register:

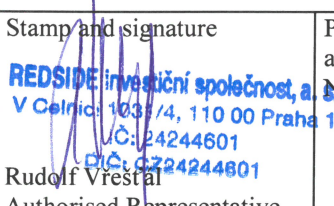
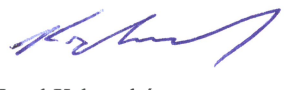
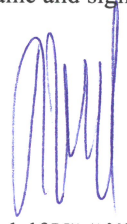
Member of the Board of Directors resigned: Ing. Radek Široký on 1 January 2018

Member of the Board of Directors took the office: Ing. Karel Krhovský from 1 January 2018

Member of the Supervisory Board resigned: Ing. Karel Krhovský on 1 January 2018

Member of the Supervisory Board took the office: Ing. Šárka Burgetová from 1 January 2018

At the time of the preparation of the financial statements, the management of the Investment company is not aware of any other significant subsequent events that would affect the financial statements as at 31 December 2017.

The financial statements were prepared on: 26 April 2018	 Stamp: REDSIDE investiční společnost, a.s. V Celnici 1031/4, 110 00 Praha 1 IČ: 24244601 DIČ: CZ24244601 Rudolf Vřešťál Authorised Representative	Person responsible for accounting Name and signature:	Person responsible for the financial statements Name and signature:
		 Karel Krhovský Authorised Representative tel.: 222 500 768	 Rudolf Vřešťál Authorised Representative tel.: 224 931 360



NMM

Nova Money Market

Report on relations

Report on relations

between the Controlling Party and the Controlled Party and between the Controlled Party and the Parties Controlled by the same Controlling Party pursuant to Section 82 of Act No. 90/2012 Coll., the Business Corporations Act, as amended

I. Introductory provisions

1. The relevant period

This report is prepared for the accounting period from 1 January 2017 to 31 December 2017 (hereinafter referred to as **"the reporting period"** or **"reference period"**).

2. Company name and registered office

NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s., with its registered office at Prague 1 - Nové Město, V Celnici 1031/4, Postal Code 110 00, Company ID: 046 99 017, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 21276 (hereinafter referred to as **„NOVA Money Market“** or **"Controlled Party"**).

3. Statutory body

The statutory body of the Company at the end of the reporting period was statutory director:

REDSIDE investiční společnost, a.s., with its registered office at Prague 1 - Nové Město, V Celnici 1031/4, Postal Code 110 00, Company ID: 242 44 601, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362 (hereinafter referred to as **"REDSIDE investiční společnost, a.s."** or **„Controlling party“**)

in the exercise of the functions represented by the authorised representatives:

Rudolf Vřešťál, born 22.2.1977, Prague 3, Žižkov, Prokopova 2849 / 2a, Postal Code 130 00 - Chairman of the Board of Directors.

Ing. Radek Široký, born 1.10.1975, Před oborou 100, Hájek, 104 00 Prague 10 - Member of the Board of Directors.

whereas each of the authorized representative is authorized to act for the statutory director separately.

4. Shareholders and Shares

At the end of the reporting period, the only shareholder was:

REDSIDE investiční společnost, a.s. - a shareholder owning 20 pieces of ordinary registered shares in paper form.

II. Related parties

1. Controlling Parties

REDSIDE investiční společnost, a.s.

This relationship is considered as the relationship between the Controlling and the Controlled Party, given that REDSIDE investiční společnost, a.s. was the sole shareholder of NOVA Money Market in the reporting period.

RVR Czech, s.r.o., with its registered office in Prague 1, V Celnici 1031/4, Postal Code 110 00, Company ID: 243 00 136, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 194393 (hereinafter referred to as **„RVR Czech, s.r.o.“**)

The legal reason for considering the relationship as the relationship between the Controlling and the Controlled Party is that RVR Czech, s.r.o. was the majority shareholder of REDSIDE investiční společnost, a.s. in the reference period and could through REDSIDE investiční společnost, a.s. exercise an indirect influence on the controlling party.

Rudolf Vřešťál, born 22.2.1977, Prague 3, Žižkov, Prokopova 2849/2a, Postal Code 130 00 (hereinafter referred to as "**Rudolf Vřešťál**").

This relationship is considered as the relationship between the Controlling and the Controlled Party, given that Rudolf Vřešťál was the sole shareholder of RVR Czech, s.r.o. in the reporting period and through RVR Czech, s.r.o. could have an indirect influence on the Controlled Party.

2. Parties Controlled by the same Controlling Party (also referred to as "Related Parties")

Related parties in the reporting period were:

BAZ Czech, a.s., with its registered office in Prague 1, V Celnici 1031/4, 110 00, Company ID: 282 04 298, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 13047 (hereinafter "**BAZ Czech, a.s.**")

The relationship between the Controlled Party and BAZ Czech, a.s. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that Rudolf Vřešťál as a Controlling Party owned 50% of the shares in BAZ Czech, a.s. in the reference period.

BFD Czech, a.s., with its registered office in Prague 1, Karolíny Světlé 303, Postal Code 110 00, Company ID: 276 17 947, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 11234 (hereinafter „**BFD Czech, a.s.**“)

The relationship between the Controlled Party and BFD Czech, a.s. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that Rudolf Vřešťál as a Controlling Party owned 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on ASB Prague, s.r.o., which owns 100 % of shares of BFD Czech, a.s.

ASB Poland Sp. z o.o., with its registered office at Złota 59, Warsaw, Republic of Poland, KRS number: 0000296560 (hereinafter referred to as "**ASB Poland Sp. z o.o.**")

The relationship between the Controlled Party and ASB Poland Sp. z o.o. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that Rudolf Vřešťál as a Controlling Party owned 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on ASB Poland Sp. z o.o., whose sole shareholder was BAZ Czech, a.s. in the reference period.

ASB Poland SC Sp. z o.o., with its registered office at Złota 59, Warsaw, Republic of Poland, KRS number: 0000300061 (hereinafter referred to as "**ASB Poland SC Sp. z o.o.**")

The relationship between the Controlled Party and ASB Poland SC Sp. z o.o. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that Rudolf Vřešťál as a Controlling Party owned 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on ASB Poland SC Sp. z o.o., whose majority shareholder was BAZ Czech, a.s. in the reference period.

ASB Prague, s.r.o., with its registered office at V Celnici 1031/4, Prague 1, Postal Code 110 00, Company ID: 479 02 728, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 54606 (hereinafter referred to as "**ASB Prague, s.r.o.**")

The relationship between the Controlled Party and ASB Prague, s.r.o. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that during the reference period the only shareholder of ASB Prague, s.r.o. was BAZ Czech, a.s., whereas Rudolf Vřešťál as a Controlling Party owned 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on ASB Prague, s.r.o.

ASB Accounting, s.r.o., with its registered office at V Celnici 1031/4, Prague 1, Postal Code 110 00, Company ID: 272 15 849, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 105100 (hereinafter referred to as "**ASB Accounting, s.r.o.**")

The relationship between the Controlled Party and ASB Accounting, s.r.o. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that during the reference period the only shareholder of ASB Accounting, s.r.o. was BAZ Czech, a.s., whereas Rudolf Vřešťál as a Controlling Party held 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on ASB Accounting, s.r.o.

ASB Slovakia, s.r.o., with its registered office in Laurinská 18, 811 01 Bratislava, Company ID: 366 65 061, registered in the Commercial Register maintained by the District Court Bratislava I, Section Sro, Insert 41924 / B (hereinafter referred to as "**ASB Slovakia, s.r.o.**")

The relationship between the Controlled Party and ASB Slovakia, s.r.o. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that BAZ Czech, a.s. was a majority shareholder of ASB Slovakia, s.r.o. in the reference period, whereas Rudolf Vřešťál as a Controlling Party held 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on ASB Slovakia, s.r.o.

ASB Czech SC, s.r.o., with its registered office at V Celnici 1031/4, Prague 1, Postal Code 110 00, Company ID: 242 01 235, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 188113 (hereinafter referred to as "**ASB Czech SC, s.r.o.**")

The relationship between the Controlled Party and ASB Czech SC, s.r.o. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that during the reference period the only shareholder of ASB Czech SC, s.r.o. was BAZ Czech, a.s., whereas Rudolf Vřešťál as a Controlling Party held 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on ASB Czech SC, s.r.o.

Paříkova Property, s.r.o., with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, Company ID: 054 81 953, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 264411 (hereinafter referred to as "**Paříkova Property**").

The relationship between the Controlled Party and Paříkova Property is considered as a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that during the reference period a shareholder of Paříkova Property was BAZ Czech, a.s., whereas Rudolf Vřešťál as a Controlling Party owned 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on Paříkova Property.

ARCA OPPORTUNITY, SICAV, a.s., with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, Company ID: 241 99 591, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 17785 (hereinafter referred to "**ARCA OPPORTUNITY**")

The relationship between the Controlled Party and ARCA OPPORTUNITY is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, due to

the fact that the Controlled Party is a member of the key management of ARCA OPPORTUNITY, specifically the only member of the Board of Directors.

NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s., with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, Company ID: 043 31 869, maintained by the Municipal Court in Prague, Section B, Insert 20886 (hereinafter referred to as "**NOVA Real Estate**")

The relationship between a Controlled Party and NOVA Real Estate is considered to be a relationship between a Controlled Party and a Party Controlled by the same Controlling Party, given that the Controlling Party is the sole shareholder owning 100% of the NOVA Real Estate shares and Rudolf Vřešťál is the sole shareholder of RVR Czech, s.r.o. RVR Czech, s.r.o. could also exercise indirect influence over NOVA Real Estate through the Controlling Party.

NOVA Green Energy, otevřený podílový fond, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1 (hereinafter referred to as "**NOVA Green Energy**")

The relationship between the Controlled Party and NOVA Green Energy is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party in view of the fact that the Controlled Party is a member of the key management of NOVA Green Energy, as the Fund Manager and Administrator.

NOVA Hotels, otevřený podílový fond, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1 (hereinafter referred to as "**NOVA Hotels**")

The relationship between the Controlled Party and NOVA Hotels is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party in view of the fact that the Controlled Party is a member of the key management of NOVA Hotels, as the Fund Manager and Administrator.

VIRTUS INVEST, SICAV, a.s. with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, Company ID: 053 02 587 (hereinafter referred to as "**VIRTUS INVEST**")

The relationship between the Controlled Party and VIRTUS INVEST is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that the Controlling Party is a member of the key management of VIRTUS INVEST, as a member of the Board of Directors. This relationship was in force until 11. 12. 2017, when the Controlling party was removed from the position of member of the Board of Directors.

Hunter ASB s.r.o., with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, Company ID: 030 62 252 registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, File 226847 (hereinafter referred to as "**Hunter ASB s.r.o.**")

The relationship between the Controlled Party and Hunter ASB s.r.o. is considered to be a relationship between the Controlled Party and a Party Controlled by the same Controlling Party, given that during the reference period a shareholder of Hunter ASB s.r.o. was BAZ Czech, a.s. with a 50% business share, whereas Rudolf Vřešťál as a Controlling Party held 50% of the shares in BAZ Czech, a.s. in the reference period and as a Controlling Party could also exercise indirect influence on Hunter ASB s.r.o.

3. Relationship between the Controlling Parties and the Controlled Party

a) Capital connection

The Controlling Party REDSIDE investiční společnost, a.s. owns 100% of the Controlled Party shares, RVR Czech, s.r.o. owns 90.48% of the REDSIDE investiční společnost, a.s. shares and Rudolf Vřešťál owns 100% of the shares in RVR Czech, s.r.o.

b) Personal connection

The Controlled Party and the Controlling Party are also connected personally, whereas Rudolf Vřešťál is an authorised representative of the statutory director REDSIDE investiční společnost, a.s. in the Controlled Party, Chairman of the Board of Directors of REDSIDE investiční společnost, a.s. and an Executive and the sole shareholder in RVR Czech, s.r.o.

III. The role of the Controlled party

The Controlled party was in the reporting period the object of direct control of the Controlling party REDSIDE investiční společnost, a.s., whereas the Controlled Party carries out the activities of the fund of qualified investors according to the provisions § 95 paragraph. 1 a) of law no 240/2013 Coll., on investment companies and investment funds, as amended.

IV. The method and means of control

The Controlling Party REDSIDE investiční společnost, a.s. owned 100% of the Controlled Party shares in the reporting period.

The Controlling Party RVR Czech, s.r.o. owned majority of shares of the REDSIDE investiční společnost, a.s. in the reporting period and through REDSIDE investiční společnost, a.s could have an indirect influence on the Controlled Party.

The Controlling Party Rudolf Vřešťál was in the reporting period sole shareholder of the RVR Czech, s.r.o. and through RVR Czech, s.r.o. and REDSIDE investiční společnost, a.s. could have an indirect influence on the Controlled Party.

V. Contracts and Agreements concluded between the Controlled Party and the Controlling Parties or the Related Parties, and provided performance

In the reporting period, the following contracts were effective between the Controlling Parties and the Controlled Party or between the Controlled Party and the Related Parties:

- Contract on the performance of the function of the individual statutory body as of 20. 1. 2016, as amended, between the Controlled Party as a Fund and Controlled Party as individual statutory body;
- Agreement on the provision of accounting services and the keeping of tax records of 1.1.2015 between the Controlled Party as the client and ASB Accounting, s.r.o. (a Related Party) as the contractor;
- Amendment No.1 dated 1.10.2015 to the agreement on the provision of accounting services and the keeping of tax records of 1.1.2015 between the Controlled Party as the client and ASB Accounting, s.r.o.
- Agreement on the provision of accounting services, the keeping of tax records and services related to the settlement of trades of 9.5.2013 between the Controlled Party as the client and ASB Accounting, s.r.o. (a Related Party) as the contractor;

- Sub-lease agreement dated 9.5.2013 between the Controlled Party and ASB Prague, s.r.o. (a Related Party); the agreement was terminated on 30. 11. 2017;
- Amendment No.1 to the Sub-lease agreement of 9.5.2013 between the Controlled Party and ASB Prague, s.r.o. (a Related Party); terminated along with sub-lease agreement on 30. 11. 2017.

During the reporting period, no previously concluded contracts between the Controlled Party and the Controlling Parties or Related Parties were terminated.

VI. Legal acts made in the reporting period that were made at the instigation of or in the interest of the Controlling Parties or the Related Parties, if such an act concerned assets exceeding 10% of the company's equity of Controlled Parties ascertained according to the latest financial statements

In the reference period, the Controlled Party did not, at the instigation or in the interest of the Controlling Parties or the Related Parties, carry out any transactions in respect of assets that exceed 10% of the Company's Controlled capital, as determined by the latest financial statements.

VII. Confidentiality of information

In the context of relevant persons, such information and documents forming part of the business confidence of the Controlling Parties, the Controlled Parties and the Related Parties, as well as any trade information that could, itself or in connection with other materials of a confidence nature, cause harm to any from relevant persons.

The Report of the Statutory Body does not contain specific detailed content of the Contracts and Agreements with respect to the fact that such data are considered confidential in the business of participating parties.


VIII. Conclusion

1. In the reference period the Controlled Party has not been subjected to any material or financial detriment by the Controlling Parties or the Related Parties as a result of contractual relations with the Controlling Parties or the Related Parties or any other legal acts or other actions taken or received in the interest or at the instigation of the Controlling Parties or the Related Parties.

2. The Board of Directors of the Controlled Party acting with due managerial care hereby declares, that only the Controlling Parties and other related parties mentioned in point II of this report are known to the Board.

3. The Board of Directors of the Controlled Party further declares that this report is to the best of its knowledge and belief true and that it did not conceal any essential facts which are known to it and which, by law, should be the content of this report.

Prague, 26 April 2018



REDSIDE investiční společnost, a.s.,

Statutory director

Rudolf Vřešťál, authorised representative

Appendix 1. Property relations – a graphic representation

