

AOC

# Arca Opportunity CEE

## EQUITY FUND SICAV, a.s.

Price as of February 28, 2018:

0.9754 CZK

### BASIC INFORMATION:

<b>Fund structure:</b>	Investment fund with variable registered capital SICAV
<b>ISIN:</b>	CZ0008042926
<b>Inception:</b>	January 01, 2018 for an indefinite period of time
<b>Issued security:</b>	Investment ordinary shares in certificated form
<b>Base currency unit class:</b>	CZK
<b>Fund manager:</b>	REDSIDE, Fund Management
<b>Depository:</b>	UniCredit Bank
<b>Auditor:</b>	KPMG Audit
<b>Supervisory authority:</b>	Czech National Bank
<b>Minimum initial subscription:</b>	EUR 125,000 / CZK 1,000,000
<b>Subscriptions/Redemptions:</b>	monthly

### PERFORMANCE:

AS OF FEBRUARY 28, 2018

<b>NAV:</b>	NA
<b>LAST MONTH RETURN:</b>	-2.46 %
<b>6 MONTH RETURN:</b>	-2.46 %
<b>12 MONTH RETURN:</b>	-2.46 %
<b>YTD RETURN:</b>	-2.46 %

### FEES:

#### Entry fee:

3 %

#### Exit fee:

0 %

#### Management fee:

1.6 %

#### Performance fee:

25 % of the fund's appreciation exceeding the 5-year Czech government bond yield increased by 5 percentage points

### INVESTMENT STRATEGY

The fund represents the easiest way how to invest within the rapidly growing Central and Eastern European countries. Its fund managers employ a strongly pro-active and opportunistic approach that will deliver exceptional risk adjusted return with limited market exposure. The fund generally holds between 10-15 of our very best regional ideas with a recognizable catalyst which we anticipate will unlock value in the future.

### INVESTMENT OBJECTIVE

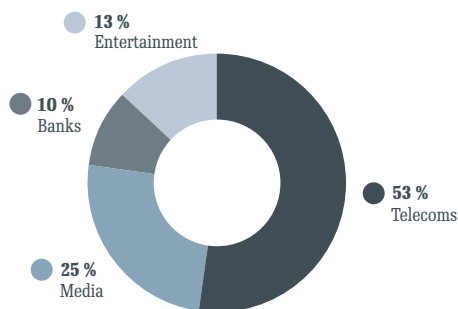
The objective of the fund is to ensure stable value growth for shareholders while maintaining an adequate level of risk. The minimum target level of the Fund's performance should be 5 percentage points higher than the five-year government bond yield.

### MANAGEMENT COMMENTARY:

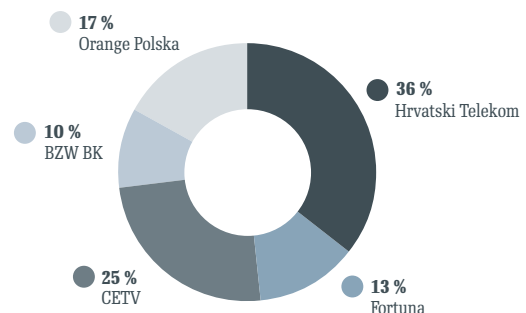
Equity markets slumped in February as a reaction to gradually tightening monetary policies and threat of US new tariffs imposition. We saw equities lower across the markets headed by Poland (-7.5 %) and followed by CECEEUR (-5.4%), EU (-5.4%) and US (-3.9%). The Fund dropped by 2.46% only due to higher share of defensive positions. The main contributor to Fund's negative performance was Polish Orange (-7%). Following the decline, we purchased Polish banks Bank Zachodni and Bank Pekao as the first has strong exposure into Polish retail & corporate segment and the latter has been hammered

by the rumours regarding potential take-over of Alior Bank (if this happens, Bank Pekao will have to cancel paying the dividend for at least two years but would become the Polish number one bank trading with 20% discount to regional peers). Our increase in banking exposure stems primarily from the fact that banking sector is expected to benefit from monetary policy normalization and still extremely low cost of risk. We also increased our position in CETV as assets divestments in Croatia and Slovenia should lower the indebtedness significantly and boost strong cash flow generation.

### SECTORAL COMPOSITION



### PORTFOLIO STRUCTURE



### CONTACTS

REDSIDE investiční společnost, a.s., V Celnici 1031/4, 110 00 Praha 1, +420 222 500 757, [www.redsidefunds.com](http://www.redsidefunds.com)

### DISCLAIMER:

The investment is intended exclusively for persons fulfilling the definition of a qualified investor in compliance with Section 272 of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended. In the case of an investment ranging from CZK 1,000,000 to EUR 125,000, the Investment Manager evaluates the suitability of the investment on behalf of the Fund manager. The return on the investment is not guaranteed; detailed information is provided in the fund's statute, which is available at the registered Fund manager's office.