

NGE

Nova Green Energy

STATUTE

of the Qualified Investors Fund

NOVA GREEN ENERGY, SICAV, a.s.

and its sub-fund

NOVA Green Energy – podfond 1

Definitions

For the purposes of this Statute, the below mentioned terms have the following meaning:

- a) "**AIFMD**" means DIRECTIVE 2011/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
- b) "**Auditor**" means an audit firm, as defined in Article 2.1 below, providing auditing services to the Fund;
- c) "**ČNB**" means the Czech National Bank.
- d) "**Depository**" means UniCredit Bank Czech Republic and Slovakia, a.s., as defined in Article 13.1 below performing the activities of the depository for the Fund (as defined below);
- e) "**Fund**" means **NOVA Green Energy, SICAV, a.s.**, an alternative investment fund as defined in Article 1.1 below;
- f) „**Sub-fund**“ means sub-fund **NOVA Green Energy – podfond 1**, which is a part of the Fund's assets separated in terms of book-keeping and assets;
- g) "**Investment Company**" means **REDSIDE investiční společnost, a.s.**, as defined in Article 3 below;
- h) "**CZK**" means the Czech crown, the currency of the Czech Republic;
- i) "**Decree**" means Governmental Decree no. 243/2013 Coll., on investments of investment funds and on methods of their management;
- j) "**Business Day**" means a day on which the banks are open for their ordinary activities in the Czech Republic;
- k) "**Participation**" means participation of the Fund and rights and obligations arising from such participation in a company within the meaning of Section 31 of the Business Corporations Act and in similar legal entities established under foreign laws, except for the participation in unlimited partnerships and participation of a general partner in limited partnerships;
- l) "**Act**" means Act No. 240/2013 Coll., on investment companies and investment funds, as amended.

NOVA Green Energy, SICAV, a.s., with its registered office at Praha 1 - Nové Město, V Celnici 1031/4, Postal Code 110 00, issues in accordance with the law this

Statute of the investment fund and its sub-fund (hereinafter „ Statute “):

PART ONE

FUND

1. Basic Information about the Fund

1.1 Details of the Fund:

- a) Name: **NOVA Green Energy, SICAV, a.s.**
- b) Abbreviated Name: NGE

1.2 An authorization to establish the Fund was originally given by the decision of ČNB on 29 January 2013, Ref. No. 2013/1333/570 relating to Sp/2012/816/571, that became legally enforceable on 29 January 2013. Details of the notice on registration of the Fund and the Sub-fund into the register maintained by the Czech National Bank: Notice of the Czech National Bank, Ref. No.: 2020/000821/CNB/570.

1.3 The Fund is recorded in the list of investment funds kept by the Czech National Bank within the meaning of Section 597 (1) letter a) of the Act.

1.4 The Fund is established for an indefinite period of time.

1.5 The Fund is a fund of qualified investors (an alternative investment fund) within the meaning of Section 95 (1) letter a) of the Act, which collects financial funds from qualified investors by issuance of investment shares and performs collective investments of the collected financial funds or assets valued by money on the basis of defined investment policy to the benefit of such qualified investors and also administers those assets.

1.6 Fund's website:

www.redsidefunds.com

The Fund, as a fund of qualified investors (alternative investment fund), publishes information on the website in accordance with its general notification and information obligation.

1.7 The legal status of the Fund and the legal relationships resulting from the investment contracts for the benefit of the Sub-fund are governed by Czech law. Settlement of disputes resulting from the investments contracts for the benefit of the Sub-fund falls within the jurisdiction of Czech courts.

1.8 The Fund does not utilize the services of prime broker.

1.9 The assets of the Fund and the Sub-fund are managed and administrated by REDSIDE investiční společnost, a.s., in accordance with § 9(1) of the Act.

The historical data concerning the Statute related matters of the Fund and the Sub-fund: The manager of the former open-end mutual fund has been changed from AVANT investiční společnost, a.s. to REDSIDE investiční společnost, a.s. along with the change of the manager, the depository was also changed from Československá obchodní banka, a.s. to Unicredit Bank Czech Republic and Slovakia, a.s. This change came into force on 1st November 2014.

With effect from 1 January 2020, the legal form of the fund has been changed from an open-end mutual fund to a joint stock company with variable capital with one sub-fund.

By decision of the General Director of the Prague Stock Exchange of 12 October 2015 under reference no. B / 154/2015 / LM, the CZK class of units of the former fund ISIN: CZ0008474673 was admitted to trading on the Regulated Market of Prague Stock Exchange with effect from 19 October 2015. By decision of the General Director of the Prague Stock Exchange of 23.2. 2016 under reference no. B / 034/2016 / LM, the

Euro class of ISIN: CZ0008474053 was admitted to trading on the Regulated Market of the Prague Stock Exchange with effect from 29 February 2016. Due to the transformation of the legal form of the Fund (see above), both unit classes were as of 31 December 2019 delisted.

2. Details of the Auditor

2.1 Auditor-related details:

Name: **PricewaterhouseCoopers Audit, s.r.o.**, registered office: Hvězdova 1734/2c, Nusle, 140 00 Praha 4, Identification No.: 407 65 521. The Auditor is a company incorporated in the Companies Register kept with the Municipal Court in Prague, Section A, Insert 3637

2.2 Auditor is responsible for:

- a) verification of the Fund's and the Sub-fund's Financial Statement,
- b) Statement concerning the compliance of the Fund's and the Sub-fund's Annual Report with its Financial Statement.

3. Details of the Investment Company Managing the Assets of the Fund and the Sub-fund (Manager of Alternative Investment Funds)

3.1 Basic information

REDSIDE investiční společnost, a.s., Company Identification No. 242 44 601, with the registered office at Prague 1, Nové Město, V Celnici 1031/4, Postal Code 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 18362 (Hereinafter the "**Investment Company**"). The Investment Company is a manager and administrator of alternative investment funds (the „**AIFM**“) authorized to manage and administrate qualified investors funds (alternative investment funds or also the „**AIF**“) based on the authorisation granted by ČNB, authorized to exceed the relevant threshold pursuant to Article 3 of AIFMD.

3.2 Registered Capital

CZK 8 400 000 (in words: eight million four hundreds of thousand Czech crowns), 100% of the registered capital has been paid up.

3.3 Date of Incorporation

29 June 2012

3.4 Decision on authorization for taking up activities as an investment company (AIFM)

Decision of ČNB Ref. No. 2013/5063/570 dated 26 April 2013, which came into force on 29 April 2013.

3.5 List of directors or persons under Section 21 (5) of the Act, indicating their functions:

Rudolf Vřešťál, Chairman of the Board of Directors and Chief Financial Officer

Ing. Karel Krhovský, Member of the Board of Directors and Executive Director Ing.

Juraj Dvořák, Member of the Board of Directors and Sales Director

3.6 Involvement of leading persons in other companies:

Rudolf Vřešťál	company	position	Company No.
	ASB Accounting, s.r.o.	Managing Director	27215849
	ASB Prague, s.r.o.	Managing Director	47902728
	BAZ Czech, a.s.	Chairman of BoD	28204298
	RVR Czech, s.r.o.	Managing Director	24300136
	UnitedData a.s.	Vice-chairman of BoD	4201094

TC VENTURES, s.r.o.	Managing Director	25777581
White Express s.r.o.	Managing Director	4378059
Paříkova Property, s.r.o.	Managing Director	5481953
REDSIDE Investments a.s.		
RSFA, a.s.	Chairman of BoD	7187939
ARCA OPPORTUNITY, SICAV, a.s.	Chairman of BoD	08579440
NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	Authorized Representative	24199591
NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	Authorized Representative and Board Member	04331869
		04699017

Ing. Karel Krhovský

REDSIDE Investments a.s.	Member of BoD	7187939
KJU Czech, s.r.o.	Managing Director	08123853
RSFA, a.s.	Member of BoD	08579440
ARCA OPPORTUNITY, SICAV, a.s.	Authorized Representative	24199591
NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	Authorized Representative	04331869
NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	Authorized Representative and Board Member	04699017

Ing. Juraj Dvořák

Arca Capital Finance Group, a.s., odštěpný závod	Member of BoD	6093060
Deluvis Advisory CZ s.r.o.	Managing Director	5719127
DELUVIS CZ s.r.o.	Managing Director	4885473
Arca Capital Finance Group, a.s.	Member of BoD	50 108 361
Arca Investments, a.s.	Member of BoD	35 975 041
BHP Tatry, s. r. o.	Managing Director	45 948 879
BLUESIDE, a. s.	Member of Supervisory Board	50 045 539
DAMASK Consult s. r. o.	Managing Director	46 391 363
DAMASK Holding s. r. o.	Managing Director	47 017 490
Deluvis Advisory, s. r. o.	Managing Director	36 332 267
DELUVIS s. r. o.	procuration	35 798 998
Wiener Privat Bank	Member of Supervisory Board	
DIAMOND HOTELS SLOVAKIA, s.r.o.	Managing Director	35 838 833

- 3.7 The Investment Company is recorded in the list kept by ČNB within the meaning of Section 596 letter a) of the Act.
- 3.8 The Investment Company is authorized to exceed the relevant threshold.
- 3.9 The Investment Company's activities in relation to the Fund and the Sub-fund:
- a) Management of the Sub-fund's asset:
 - a. Administration of the Sub-fund's assets including investments on the Sub-fund's account;

- b. Management of risks relating to investing.
- b) Fund's and Sub-fund's administration, in particular:
- a. Keeping the Fund's and the Sub-fund's books;
 - b. Ensuring legal services;
 - c. Compliance and internal audit;
 - d. Settlement of complaints and claims by the investors of the Sub-fund;
 - e. Evaluation of the Sub-fund's property and debts;
 - f. Calculation of the current value of the Fund's investment shares;
 - g. Ensuring fulfilment of the obligations relating to taxes, fees or other similar monetary fulfilments;
 - h. Keeping the list of fund-holders issued by the Fund;
 - i. Distribution and payment of revenues from the Sub-fund's assets;
 - j. Ensuring issue and purchase of investment shares issued by the Fund;
 - k. Elaboration and updates of the Sub-fund's Annual Report;
 - l. Elaboration of the Sub-fund's promotional notice;
 - m. Publication and provision of data and documents to the Sub-fund's investors and other persons;
 - n. Notification of data and provision of documents to ČNB or to a supervisory authority of another Member State;
 - o. Performing other activities relating to management of values owned by the Sub-fund;
 - p. Distribution and payment of monetary fulfilments in relation to dissolution of the Sub-fund;
 - q. Keeping records on issue and purchase of investment shares issued by the Fund;
 - r. Soliciting investors in the Sub-fund;
 - s. The implementation and evaluation of test of suitability within the meaning of Section 15h ZPKT and implementing legislation (in particular Decree No. 303 / 2010.) with investor interested in investing in the amount of at least 1.000.000, - CZK, but below the 125.000 EUR.
- 3.10 The Investment Company may outsource above mentioned activities regarding administration of the Sub-fund in compliance with § 50 of the Act.
- 3.11 The list of other alternative investment funds fully managed and administrated by the Investment Company:
- ARCA OPPORTUNITY, SICAV, a.s., whose registered office is at V Celnici 1031/4, Nové - Město, 110 00 Praha 1, Id. No.: 241 99 591;
 - NOVA Hotels otevřený podílový fond REDSIDE investiční společnost, a. s., whose registered office is at V Celnici 1031/4, Nové Město, 110 00 Praha 1;
 - NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s., whose registered office is at V Celnici 1031/4, Nové Město, 110 00 Praha 1, Id. No. 043 31 869;
 - NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s., whose registered office is at V Celnici 1031/4, Nové Město, 110 00 Praha 1, Id. No. 046 99 017.
- 3.12 Contracts closed within the meaning of Section 50 et seq. of the Act:
- Contract for the commissioning of particular activities with another person which includes the administration of the investment fund:

- The contract is concluded by and between the Administrator and the **Arca Brokerage House o.c.p. a.s.** (Authorized Person) with registered office at Plynárenská 7 / A, Bratislava 824 63, Slovak Republic, IČO: 358 71 211, registered in the Commercial Register kept by the District Court Bratislava I, insert number 3228 / B, who is authorized to provide investment services and ancillary services on the basis of a decision to grant a license to do so issued by the Financial Market Authority No. GRUFT - 054/2003 / OCP and a decision issued by the National Bank of Slovakia.
- Activities carried out by an Authorized Person include:
 - o dealing with complaints and warranty claims from investors;
 - o managing of the list of owners of investment shares;
 - o distribution and disbursement of returns generated by Sub-fund assets;
 - o providing the necessary information and documents to investors;
 - o implementing and evaluation of the so-called suitability test;
 - o offering of an investment into the Sub-fund.
- Contract for provision of internal audit activities
 - The contract is concluded by and between the Administrator and **Complex, s.r.o.**, IČO: 271 81 537, with registered office at Mánesova 881/27, 12000 Praha 2, registered in the Commercial Register kept at the Municipal Court in Prague, Section C, File 102501, which is authorized to carry out the internal audit activities.
- Contract for provision of accounting services, tax records keeping and services related to settlement of transactions
 - The contract is concluded by and between the Administrator and **ASB Accounting, s.r.o.**, IČO: 272 15 849, with registered office at Celnice 1031/4, 11000 Prague 1, registered in the Commercial Register kept at the Municipal Court in Prague, Section C, Insert 105100
 - Activities carried out by ASB Accounting, s.r.o. include:
 - o Book-keeping for the Administrator, kept separately for each of the investment funds,
 - o Preparation of regular statutory financial statements and regular reports for management and accounting purposes,
 - o Calculation of VAT.
 - o Administrative support.
- Ensuring performance of the valuation function of the Sub-fund's assets is performed by:
 - MBM-Hopet, s.r.o., Company Identification No.: 26685434, with registered office at Freyova 82/27, Vysočany, 190 00 Praha 9, registered at Municipal court in Prague, Sp. zn. C 87224.
- Contracts of authorization to perform an activity, which include other administration of the investment fund – offering investments into the Sub-fund:
 - Contracts of cooperation with investment intermediaries concluded between Administrator and the individual investment intermediaries.

3.13 Depository-related details:

UniCredit Bank Czech Republic and Slovakia, a.s., Identification No: 64948242, registered office: Praha 4 - Michle, Želetavská 1525/1, Postal Code 14092, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 3608.

3.14 Description of the roles and responsibilities of the depository

Depository is entitled to:

- a) hold in custody the Fund and Sub-fund's assets, if its nature so permits;

- b) establish and maintain cash accounts and record movements of all funds belonging to the assets of the Fund and the Sub-fund;
- c) to record, if its nature so permits, or to check the state of the Fund's or the Sub-fund's assets other than those referred in (a) and (b) above.
- 3.15 Data relating to persons whom the depository delegated the performance of certain activities.
No depository activities shall be entrusted, not even partly, to any third party.
- 3.16 Administrator's interaction
Communication with the depository of the Fund and the Sub-fund takes place through an administrator who ensures the fulfilment of the relevant obligations of the Fund and the Sub-fund towards the depository in accordance with the Depository Agreement.
- 3.17 FUND'S SHARES-RELATED DETAILS
The Fund issues investment shares for each sub-fund as no-par value shares, i.e. shares that have no nominal value.
- Founder shares**
- 3.18 Founder shares of the Fund are shares subscribed by the Fund's founders; the founder shares shall remain those which were subscribed by a person other than the owner of the founder shares, since none of these owners exercised their pre-emptive right laid down in Article 160 of the Act, and the founder shares acquired by a person other than the owner of the founder shares, since none of these owners exercised their preferential right to subscribe new founder shares laid down in Article 161 of the Act. The founder shares carry the right to a profit share (dividend) and liquidations surplus share only in relation to the Fund's assets and the management of its assets not included in any sub-fund. Any other shares of the Fund are investment shares.
- 3.19 The founder shares confer no special rights.
- Investment shares**
- 3.20 Investment shares are issued as no-par value shares. The Fund will not issue investment shares other than to the Sub-Fund. Investment shares are issued as book-entered securities. Two classes of investment shares are issued to the Sub-Fund: growth investment shares A and dividend investment shares A. Investment shares issued to the Sub-fund carry the right to a profit share in case of dividend shares A and a liquidation surplus share upon the dissolving of the Sub-fund in case of both classes of shares. The investment share is also associated with the right to buy back the investment shares at the request of its owner on the account of the Sub-fund. When investment shares are bought back, they cease to exist.
- 3.21 Investment shares grant their holder voting right only in cases established in the Articles of Association or in cases where the law so provides, i.e. especially if the law within the meaning of Section 162 (2) of the Act on Investment Companies requires voting at the General Meeting by classes of shares. In this case the holder of non-voting share is entitled to vote. Each share that carries a voting right, shall confer the right to one vote.
- 3.22 The transferability of investment shares shall be subject to approval of the statutory director, who shall grant the shareholder with a consent to the transfer based on a written request. The statutory director is obliged to provide the consent to transfer of investment shares if the acquirer of the investment shares meets all the requirements for the shareholder as a qualified investor set out in this Statute as well as in generally binding legal regulations. The consent to transfer of investment shares between the existing shareholders is issued immediately without the need for checking. The investment shares may be pledged only with the prior written consent of the statutory director based on the written request of the shareholder. The provisions on restrictions of the transferability and pledging of shares shall only apply until investment shares are admitted to trading on the European regulated market; with effect from the date of admission of the shares to trading on the European regulated market, the shares are unlimitedly transferable and the approval of the statutory director is not required for their pledging.
- 3.23 The Fund issues following classes of investment shares to the Sub-fund:

a) "The dividend investment share A" issued for NOVA Green Energy - podfond 1, is a share with special rights, whereas all issued dividend investment shares A create the same class of shares. The following rights are linked to dividend investment shares A:

i. the right to a share in profits of NOVA Green Energy - podfond 1, at an amount determined as the ratio of all dividend investment shares A issued as of the relevant date for participation at the general meeting deciding about the profit distribution, to the total number of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued as of the relevant day for participation at the general meeting, which decides on profit distribution. Among dividend investment shares A, the share in profits, which is approved by the general meeting for distribution and is attributable to dividend investment shares A in accordance with Articles of Association, is divided in proportion to the number of issued dividend investment shares A;

ii. the right to a share in liquidation balance upon the dissolving of NOVA Green Energy – podfond 1, with its liquidation at an amount to be determined as a proportion of the total liquidation balance of all issued dividend investment shares A as at the date of liquidation of NOVA Green Energy - podfond 1, to the total value of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued as of the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1, (a) the value of all issued dividend investment shares A as of the date on which it was decided upon the liquidation of the NOVA Green Energy – podfond 1, is determined as the multiplication of the current value of dividend investment share A as determined in the Article 33 of the Articles of Association, as at the date on which it was decided upon the liquidation of the NOVA Green Energy – podfond 1, and the number of all issued dividend investment shares A as at the date on which it was decided upon the liquidation of the NOVA Green Energy – podfond 1, and (b) the total value of all investment shares A (i.e.: both dividend investment shares A and growth investment shares A) issued as at the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1, is calculated as the sum of the current value of dividend investment share A as determined in the Article 33, as at the date on which it was decided upon liquidation of the NOVA Green Energy – podfond 1, and the number of all issued dividend investment shares A as at the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1, and the present value of growth investment shares A as determined in Article 33, as at the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1, and the number of all issued growth investment shares A as at the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1. Among dividend investment shares A, the amount determined (a share in liquidation balance attributable to dividend investment shares A) is divided in proportion to the number of issued dividend investment shares A;

iii. the right to buy back the shares at the request of its owner to the account of NOVA Green Energy - podfond 1, whereas the current value of the redeemed investment share being determined on the basis of the formula set out in Articles 33.2 and 33.3 of the Articles of Association;

iv. the voting rights only in cases, where the Statute and the Articles of Association so provide or in cases, where the law so provides, i.e. especially within the meaning of Section 162 (2) of the Act on Investment Companies, which requires voting at the general meeting according to the classes of shares.

The dividend investment shares A will be issued as book-entred securities;

b) "The growth investment share A" issued for NOVA Green Energy - podfond 1, is a share with special rights, with all issued growth investment shares A being of one class. The following rights are linked to growth investment shares A:

i. the right to share in liquidation balance upon the dissolving of the NOVA Green Energy – podfond 1, with liquidation, at an amount to be determined as a proportion of the total liquidation balance of all issued growth investment shares A as at the date of liquidation of NOVA Green Energy - podfond 1, to the total value of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued at the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1, (a) the value of all issued growth investment shares A as at the date on which it was decided upon the liquidation of the NOVA Green Energy – podfond 1, is determined as the multiplication of the current value of growth investment share A as determined in Article 33 of the Articles of Association, as at the date on which it was decided upon liquidation of NOVA Green Energy – podfond 1, and the number of all issued growth investment shares A as at the date on which it was decided upon

liquidation of NOVA Green Energy – podfond 1, and (b) the total value of all investment shares A (i.e.: both dividend investment shares A and growth investment shares A) issued as at the date on which it was decided upon the liquidation of NOVA Green Energy – podfond 1, is calculated as the sum of the current value of dividend investment share A as determined in the Article 33, as at the date on which it was decided upon liquidation of NOVA Green Energy – podfond 1, and the number of all issued dividend investment shares A as at the date on which it was decided upon liquidation of NOVA Green Energy - podfond 1, and the current value of growth investment shares A as determined in Article 33, as at the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1, and the number of all issued growth investment shares A as at the date on which it was decided upon the liquidation of NOVA Green Energy - podfond 1. Among dividend investment shares A, the amount determined (a share in liquidation balance attributable to dividend investment share A) is divided in proportion to the number of issued dividend investment shares A;

ii. the right to buy back the shares at the request of its owner on the account of NOVA Green Energy - podfond 1, whereas the current value of the redeemed investment share being determined on the basis of the formula set out in Articles 33.2 and 33.3 of the Articles of Association;

iii. the voting rights only in cases, where the Statute and the Articles of Association so provide or in cases, where the law so provides, i.e. especially within the meaning of Section 162 (2) of the Act on Investment Companies, which requires voting at the general meeting according to the classes of shares.

The growth investment shares A will be issued as book-entered securities. The growth investment shares A are not linked with the right to receive a share in profits, and the value of unpaid profit is reflected in the current value of growth investment shares A.

The growth rate of the performance of both classes of investment shares A, i.e. dividend and growth investment shares A, is the same and even.

Admission to trading or being listed on the European regulated market or admission to trading in MOS

- 3.24 The Fund's shares are not admitted to trading on a regulated market, i.e. they are not listed on any (or any other European) regulated market, nor are they admitted to trading in any multilateral trading venue. The admission of investment shares to trading on a regulated market is expected no later than three years after the formation of the SICAV.
- 3.25 Investment shares are book-entered registered securities.
- 3.26 The value of the founder share is stated in CZK.
- 3.27 Investment shares may be issued in various currency classes, in particular as CZK class and Euro class. The currency class of the shares means that the issue price of such shares is paid in the relevant currency in which the investment share is issued and all the Fund's payments (share in profits, amount at which the shares are redeemed, etc.) are paid in the relevant currency, in which the investment share is issued.
- 3.28 The Sub-fund's investment shares, which are issued as book-entered securities and are held by the Sub-fund's shareholders, who are responsible for their custody through one of the CDCP participants or through the follow-up register to the CDCP's register kept by the Investment Company in cooperation with ČSOB.
- 3.29 The Fund keeps a list of the Fund's and the Sub-fund's shareholders in accordance with Section 264 of the Business Corporations Act.
- 3.30 A person participating in the Fund's and the Sub-fund's assets is entitled to exercise the rights of a shareholder as a shareholder, as well as in the case of founder shares from the date of their subscription, and in the case of investment shares, from the date of issue of the investment shares.
- 3.31 The shareholders of the Fund participate in the assets of the Fund in proportion to the number of shares held by them. Owners of issued investment shares for a particular sub-fund participate in the assets of the sub-fund (the share capital of that sub-fund) in proportion to the number of investment shares held by them.
- 3.32 The following rights are linked to the shares of the Fund and its sub-funds:

- a) to participate in the management of the Fund or the sub-fund in accordance with generally binding legal regulations, the Articles of Association and this Statute;
 - b) to a share in profits of the Fund, respectively the relevant sub-fund, in the case of dividend investment shares;
 - c) to a share in liquidation upon dissolving of the Fund, respectively the relevant sub-fund;
 - d) provision of the Statute of the Fund and Sub-Fund and the latest annual report free of charge to the shareholder, if requested by the shareholder.
- 3.33 The documents laid down in point (d) above are published on the Sub-fund's website at www.redsidefunds.com and are also available to the investor, respectively subscriber, in accordance with paragraph 15.3. of this Statute.
- 3.34 The above overview of rights is without prejudice to any other rights of the Fund's and the Sub-fund's shareholders given under generally binding legal regulations.
- 3.35 As a further proof of ownership of the Fund's shares or its Sub-fund, the Fund shall issue to the Fund's or its Sub-fund shareholder through the Administrator an extract from the list of shareholders stating the number of shares issued, the subscription date and the total number of shares held by the shareholder as of the date of the statement. In case of investment shares of the Sub-fund, the Sub-fund's information shall also be included in the statement. The statement is issued at the request of the shareholder.
- 3.36 The Fund's Articles of Association shall be provided to the investor upon its request in accordance with the procedure described in paragraph 15.3. of this Statute.
- 3.37 Shares of the Sub-Fund intended for qualified investors may be offered to the public as this Fund is listed in a register kept by the ČNB. Only a qualified investor can become an investor, and this must be explicitly pointed out in the public bidding process.

PART TWO

SUB-FUND

4. BASIC INFORMATION ABOUT THE SUB-FUND

Details of the Sub-fund

Name of the Sub-fund: **NOVA Green Energy – podfond 1** (hereinafter the “**Sub-fund**”)

The Sub-fund is a part of the Fund's assets separated in terms of book-keeping and assets.

5. Investment Objectives of the Sub-fund

- 5.1 The Investment objective of the Sub-fund is to constantly increase the value of financial means invested by the investor of the Sub-fund, particularly by making direct or indirect investments in new projects and business plan development specifically in the sector of renewable energy with a focus on the segment of small and medium enterprises working in the field of the electricity and heat production mainly from renewable resources (photovoltaic energy, energy from wind, hydro and biomass, biogas stations and other) while the revenues from the investment will be generated from interests from the loans provided to the project companies owned by the Sub-fund and by a share in profit achieved from the projects and business plans. The portion of profit made from the Sub-fund portfolio will be further reinvested in line with the investment objective mentioned in the previous sentence, and might be paid in the form of a dividend to its shareholders. As an additional investment, the Sub-fund may invest using both domestic and foreign financial investment instruments.

6. Investment Policy of the Sub-fund

6.1 Regarding the risk of asset types, in which the Fund predominantly invests, the Fund is a capital unprotected special fund of qualified investors with focus on both direct and indirect investments in new projects and business plan development, particularly in the energy sector specializing in the segment of small and medium enterprises working in the field of the electrical energy production mainly from renewable resources of energy (photovoltaic energy, energy from wind, hydro and biomass, biogas stations and other).

6.2 The investment activity of the Sub-fund will focus on the following assets:

- a) Ownership interests in companies, the line of business of which includes production of electrical energy or heat from renewable resources, operation or maintenance of electrical energy resources (solar and wind power plants, hydro power plants, co-generation power plants, energy production units of heat and/or electricity from biomass, bio-fuels, natural gas and conventional and other resources of energy) or provision of energy-related services.
- b) Investments under management of related buildings and property, preparatory work for construction development and installation of technologies, design activities in investment development, construction development, the making of works, manufacture of related material, or fitting out. In addition, the Fund may acquire ownership interests in companies, the prevailing line of business of which is the acquisition of ownership interests in companies specified in the previous sentence or their direct funding. When selecting suitable companies acquired as the assets of the Sub-fund, the Investment Company shall take into consideration particularly the conditions for the state-support of renewable resources in the territory of the country, in which the company conducts its activities, existing results of the company, and further regulatory and market environment, quality of suppliers of technologies and guarantees, purchasing prices for outputs (electricity, heat and so on), political and exchange rate risk.
- c) The Fund may also finance energy projects within newly formed business corporations in which the project is only in the initial phase of development, either directly or indirectly through the parent company.
- d) The ownership interests pledged as a lien or by liabilities e.g. arising from bank funding (in particular by project, senior, mezzanine and junior financing) may be acquired as assets of the Sub-fund only if such operation yields an economic benefit (i.e. if the cost of acquisition corresponds to the existence of the property right in question, respectively). At the same time, with regard to the existing interest being the assets of the Sub-fund, these may be pledged by third party rights only if the above-mentioned conditions are met. Decisions concerning the establishment of the lien or right of first refusal over the companies being the assets of the Sub-fund are taken by the Investment Company. Third party may arise under law, upon the decision of the court of government authority.

When selecting suitable companies/ownership interests, the Sub-fund shall take into consideration the financial results of the company, the amount of equity, the level of indebtedness of the company, value and quality of fixed assets and experience of the company management.

- e) Provisions of credit facilities and loans (while respecting rules given in Article 10) to companies specified in the letter a) and c) above, the projects of which give reasonable grounds for higher increase of value of the financial means invested, or to companies, which provide credit facilities and loans, in particular to the companies specified in the letter a) above, the projects and business plans of which give reasonable grounds for higher increase of value of the financial means invested.

When selecting suitable companies/debtors the Investment Company shall take into account financial results of the company, the amount of equity capital, the level of indebtedness of the company, value and quality of fixed assets and experience of the company management, maturity and interest rate of the credit facility or loan.

- f) Deposits in banks or foreign banks.
- g) Bonds issued by companies specified in letter a) and c) above.
- h) Money market instruments.

- i) Publicly traded and non-traded corporate bonds of creditworthy financial groups and financial institutions.
 - j) Investing in modern technologies and energy services such as accumulation, aggregation and community energy.
 - k) Publicly traded shares of so-called “green” companies.
 - l) Renewable energy investment funds within the European market.
- 6.3 When managing the assets of the Sub-fund methods and tools specified in Part Five Chapter II. of the Government Regulation No. 243/2013 Coll., on Investments of Investment Funds and their Management Methods may be used.
- 6.4 Limits for risk mitigation and distribution are specified in Article 7 of this Statute.
- 6.5 The Sub-fund notes that investments may bring an increased risk despite the fact that the Sub-fund makes investment in line with principles laid down by the Statute and legal regulations and that the individual risks related to the investments given above are specified in the risk profile of the Sub-fund (Article 8) and the Key Information Communication (KID) published on the Investment company website.
- 6.6 The Sub-fund will neither carry out repo operations nor lend securities. The Fund shall not make short deals.
- 6.7 The Sub-fund has no intention to follow or actively replicate any particular index or indicator (benchmark).
- 6.8 The Sub-fund is not the so-called capital protected fund. Return of investments or of any part of it or incomes from such investments are not guaranteed. In relation to the Sub-fund's activities, no security or guarantee by third parties will be provided to the investors for the purpose of their protection.
- 6.9 The Sub-fund is authorized to accept credit or lease. The Sub-fund is authorized to use the property to provide credit loans. Detailed definition of the rules and limits are defined in Article 10 of this Statute.
- 6.10 The Sub-fund is only authorized to utilize its assets to make a donation, to secure the loan of another person or to pay a debt not relating to the Fund's economy if such use brings a positive economic impact to the Sub-fund.
- 6.11 Investments in the Sub-fund are mainly suitable for qualified investors with some experience in the field of alternative investments. The Investor should have mid-term to long-term time horizon of the investment. The Investor should be able to accept even a prolonged term of negative development of the value of the investment shares of the Sub-fund (see KID of the Fund and its Sub-fund).
- 6.12 The experience of potential investors will be verified using the questionnaire of the Investment Company, if required by Section 272 of the Act. The questionnaire in question shall review the experience of potential investors with investments in assets that are in the focus of the Sub-fund's investment policy.
- 6.13 When managing the assets of the Sub-fund, the advantage of the leverage effect at the level of the assets of its subsidiaries (SPVs) owned by the Sub-fund could be taken by borrowing and lending from financial institutions and banks. The limits of the leverage ratio at SPVs asset level are set at a maximum of 85% of the value of the equity in the relevant SPV, i.e. the project value. The risks associated with the use of the leverage effect are, in particular, an increase in interest rates on a loan or a possible fall in the value of the underlying asset of a loan and the related obligation to supplement the potential decrease with equity.

7. Limits for risk mitigation and distribution

- 7.1 The basic limits for risk mitigation and distribution are the following:
- a) The value of participation of the Sub-fund in one company may amount to max. 35% of the value of the Sub-funds' assets in the time of acquisition. The value of participation of the Sub-fund in other investment fund may amount to max. 20% of the value of assets of the Sub-fund.
- The maximum limit for investments made in all companies may amount up to 100 % of the value of assets of the Sub-fund.

The maximum limit for investments in all other investment funds may amount up to 20% of the value of assets of the Sub-fund, and no exceptions from the obligation to keep investment limits under Article 7.2 letter a) hereof shall apply.

- b) The amount of principal of loans provided to one debtor (one collective investment fund) or bonds issued by a single issuer may amount up to 35% of the value of assets of the Sub-fund.
- c) The investments that the Fund intends to make must be assessed by an analysis of the economic profitability (the amount of the investment including the future cost of investment, the risk adjusted return, investment horizon) in accordance with the Section 22 of the Act on Investment Companies and Investment Funds. The analysis of the economic profitability is prepared by the board of the Investment Company.
- d) The ratio of liquid assets will usually be lower than 10% and may only temporarily reach higher values, typically after the sale of major assets from the assets of the Sub-fund. A portion of liquid asset of the Sub-fund is invested in the short-term perspective in:
 - (i) current deposits or term deposits with maturity not exceeding 3 months, if these are deposits with banks, branches of foreign banks or foreign banks applying precautionary principles under the laws of the European Communities or equivalent rules as required by ČNB, to which the Sub-fund has the approval of the depositary,
 - (ii) government treasury bills and equivalent foreign securities,

The maximum limit of investments in investment securities or money market instruments by a single issuer and deposits with this issuer may not exceed 20% of the value of assets in the Sub-fund.

- e) In order to secure the internal operation, the Sub-fund is obliged to keep minimum liquid assets in the amount of CZK 5,000,000 at minimum with an option to decrease temporarily this sum until the particular transaction is settled (however, no longer than 2 months).
- f) The Sub-fund is authorized to make an investment, the amount of which exceeds the actual value of the equity of the Sub-fund, only on condition that:
 - (i) the liquidity of the Sub-fund under Article 7.1 letter e) hereof will be maintained,
 - (ii) the Sub-fund shall ensure sources of capital in the part of the investment exceeding in the time of acquisition the value of assets of the Sub-fund, to make such an investment,
 - (iii) the maturity of this part of investment shall not fall due before the Sub-fund obtains an access to the source of capital to make such an investment,
 - (iv) the capital source shall meet the requirements concerning the transparency and no limits for credit and loan acceptance under this Statute will be exceeded by the drawing down the credit or loan,
 - (v) in case that the Sub-fund shall fail to obtain an access to such source of capital resource, the Sub-fund will be entitled to withdraw from such an investment without sanction.

7.2 In the case of any discrepancy between the structure of the Sub-fund's assets and the investment thresholds specified above for the reasons that occurred independently from the Investment Company's will, the Investment Company shall remedy such situation within a reasonable period of time (however, no longer than 2 months) so that the interests of the investors of the Sub-fund will be preserved to maximum extent.

8. Risk profile

8.1 In accordance with Commission Regulation (EU) No 583/2010, the Sub-fund provides its investors with key information, including information on the risks undertaken and the risk profile of the Sub-fund. The Sub-fund warns the investors that the value of the investment in the Sub-fund may both rise and fall and that the return of the original investment is not guaranteed. The performance of the Sub-fund in the past is not indicative of the same or higher performance in the future. The yield from the investment in the Sub-fund is achieved when held for the mid-term to long-term period and thus is not suitable for short-term speculation.

- 8.2 The Risk Profile of the Sub-fund informs investors on the possible risks through so-called KIID (Key Investor Information Document), which contains a risk classification using the Synthetic Risk and Reward Indicator (SRRI).
- 8.3 The relevant risks involved with regards to the investment policy of the Sub-fund that may have an impact on the value of the investment in the Sub-fund are specifically risks related to the investment orientation of the Sub-fund, in particular the following risks:
- a) The risks related to the failure of the company, in which the Sub-fund has an interest, being such that the company may be affected by the entrepreneurship risk. As a result, there may be a decrease in the market value of the interest in the relevant company or its total loss of value (e.g. in the event of bankruptcy), or impossibility to sell the interest in such company. With regard to interests held in companies, there is a special risk of delay or failure to finish the project and unsuccessful development of business plans of the company. Should the Sub-fund acquire interests in newly established companies, in which the project is to be realized, as assets, there is a risk of delay or increase of project costs, resulting in damage to the Sub-fund. Due to the nature of the assets there is also a risk of the loss of such assets, either caused by actions of a third party or as a result of force majeure.
 - b) The risks related to the failure of the company which has been provided the credit facility or loan by the Sub-fund being that such company may be affected by an entrepreneurship risk - credit risk being such that either the issuer or the counterpart shall fail to meet their obligations. As a result, there may be a decrease in the market value of the interest in the relevant company or its total loss of value (e.g. in the event of bankruptcy), the loan may not be paid respectively. With regard to the provision of credit facilities and loans to entities, oriented to new projects or business plan development there is a special risk of delay or failure to finish the project and unsuccessful development of business plans of the entity in question.
 - c) The risk of insufficient liquidity, being such that certain asset of the Sub-fund will not be sold in time for a reasonable price and that the Sub-fund as a result for that will not be able to fulfil its obligations resulting from request for redemption of securities issued by the Fund or that the redemption of securities issued by the Fund may be suspended.
 - d) The credit risk, i.e. the risk associated with any failure to comply with the obligations of the counter of the Sub-fund where the issuer of an investment instrument in the Sub-fund's assets or the counterparty to the contract (in the implementation of specific investments) to not comply with its obligation, the debtor debts recovered on time and in full repay.
 - e) The risk of settlement related to the fact that the transaction will not be settled as envisaged for reasons that the counterparty will fail to pay or deliver investment in the specified time period.
 - f) The market risk arising from the changes in the development of energy market affecting prices and values of individual assets held by the Sub-fund, volatility of the prices of outputs (in particular prices of electrical energy, heat and so on).
 - g) The risks related to construction and technical defects being such that the projects that are carried out by companies specified in Article 6.2 letter a) hereof may be affected by construction defects that may be e.g. hidden defects or defects that may arise after a prolonged period of time. The elimination of these risks consists in the provision of high-quality construction-development and engineering supervision and contractual liability for defects. These defects may result in the decrease in value of asset held by the Sub-fund and increased costs etc.
 - h) At the same time, the Sub-fund also faces a natural risk, as renewable resources are directly linked to natural conditions that may not be influenced externally. Natural resources such as annual average wind speed, sunshine or crop yield for biomass production could significantly oscillate. Negative fluctuations in the expected values may represent a malfunction of the technology, respectively failure to achieve the expected technical parameters of production, which may result in the inefficiency of equipment production at higher costs.
 - i) The risks related to the acquisition of foreign interests, being such that in the event of foreign businesses there is a risk of political, economic and legal instability with the result being that

unfavorable conditions for disposal (sale) of ownership interests may arise, e.g. for reason of foreign currency or legal restrictions, economic recession or in extreme cases even nationalization.

- j) The risk related to the financing of the implementation of the energy project being such that when financing the implementation of the energy project there is a risk arising from the specifics of the implementation, e.g. force majeure affecting adversely the construction or making it even impossible, failure to meet the schedule of works and so on. This risk may be mitigated by careful selection of renowned suppliers, developers and construction companies together with the application of inspection activities of construction and engineering supervision by a company specified in Article 6.2 letter a) herein.
 - k) The risks of increased investment costs on individual projects as opposed to the level anticipated in the business plan for the relevant project.
 - l) The risk of concentration of selected investment partners, in particular of the financial group of Arca Capital.
 - m) The risk arising from the public-law regulation connected with the project implementation by companies specified in Article 6.2 letter a) hereof, including but not limited to delayed issuance of permits required for the construction (e.g. reservation contracts, zoning permit, building permit, public-law contracts, occupancy permits and so on) against the deadline envisaged by the business plan of the relevant project, or situation when the project implementation is entirely impossible as some of the required public-law documents have not been issued, or are insufficient or for retroactive price regulation of electricity and heat.
- 8.4 The consequence of such events posing risks given in the previous Article 8.3 hereof may result in delay, decrease in or impossibility to achieve revenues envisaged in the business plan for the relevant investment. Such situation may prevent the coverage of the investment of the Sub-fund as such.
- 8.5 Other relevant risks that may have an impact of the value of the investment in the Sub-fund:
- a) The risk of volatility of the current value of investment shares issued by the Sub-fund as a result of changes in composition or value of the Sub-fund's assets.
 - b) Operation risk– loss as a result of deficiencies in or failure of internal processes or human factor caused by external events and risk of loss of assets put in trust or custody, which may mainly be caused by insolvency, negligent or willful actions of a person holding in trust or custody the assets of the Fund or securities issued by the Sub-fund.
 - c) Settlement risk– transaction of the assets of the Sub-fund may be frustrated as a result of an inability of the counterparty to fulfil its obligations and deliver the assets or to pay for them by the agreed date.
 - d) Currency risk being such that the value of the investment may be influenced by a change in a foreign exchange rate. Assets held by the Sub-fund may be denominated in other currencies than Czech crowns, while the current value of the units and share in the profit is determined in the Czech crowns (base currency value). The changes in the exchange rate of the base currency value and other currency, in which the investments of the Sub-fund are denominated, may lead to a decrease or increase in the value of the investment instrument denominated in this currency. Unfavorable currency fluctuations may lead to a loss, where both classes of investment shares (EUR and CZK) share exchange rate gains and losses evenly, resulting in the same percentage performance of the Sub-fund for both classes of investment shares regardless of the composition of assets.
 - e) The risk of dissolution of the Fund for legal reasons.
 - f) The risk that ČNB will withdraw the authorisation to conduct activities of an Investment Company, if such the decision concerning its bankruptcy was taken or if the insolvency petition was refused because the assets of the Investment Company are insufficient to cover the costs of the insolvency proceedings.
 - g) The risks resulting from limitations of inspection activities of the Depositary [the Depositary is compulsory to check that complies with the law directly applicable regulations of the European

Union's management of investment funds, Statute and the arrangement of the depository contract are carried out orders Management Company seeking to acquire or dispose of assets held by the Sub-fund pursuant to Section 73 of No. 1 letter f) of the Act]. Such failure may have an adverse effect on the value of assets held in the Sub-fund, value of the investment shares of the Sub-fund and also the ability of the Sub-fund to fulfil its obligations.

- h) The risk that the value of the Sub-fund may decrease as a result of legal defects concerning the acquisition of ownership interests or provision of credit facilities or loans, e.g. as a result of an existence of a third-party pledge, right of first refusal or restrictions with regard to the acceptance of credit facilities and loans.
- i) The risks of loss of the deposited assets being such that the assets of the Sub-fund are held in trust and there is a risk of loss of the assets of the Sub-fund held in trust or custody which may be caused by insolvency, negligent or willful actions of a person holding the assets if the Sub-fund in trust or custody.
- j) The risk of legal defects – the value of the assets of the Sub-fund may decrease as a result of legal defects of the trademark, trade name, or copyright, e.g. as a result of defective registration, insufficient territory or type-related protection, the existence of dispute with other entity, lease, or right of first refusal.

9. Sub-fund Management Principles

- 9.1 The accounting period of the Sub-fund is the period from January 1st to December 31st of the calendar year. The approval of the financial statement of the Sub-fund lies with the competence of the statutory body of the Investment Company managing the assets held in the Sub-fund.
- 9.2 The actual value of the investment shares of the Sub-fund is determined based on the fund capital of the Sub-fund determined for the relevant period. The Investment Company determines the actual value of the investment shares of the Sub-fund always as of the last day of the calendar month with validity for the following period, i.e. from the first day of the relevant month until the last day of the relevant month.
- 9.3 Assets and liabilities of the Sub-fund are valued at real cost – in accordance with International Accounting Standards IFRS 13, in particular the valuation techniques in accordance with the Article 62 of IFRS. The real value (fair value) of investment shares in the assets of the Sub-fund is determined at least annually by an independent opinion, as of 31 December of each calendar year. The real value of loans provided by the Sub-fund is determined at the value of principal unless the Investment Company is aware of serious reasons concerning the credibility of the debtor allowing the Fund to proceed otherwise. The method for the determination of the real value of other assets and liabilities of the Sub-fund and the method for the determination the actual value of the investment shares of the Sub-fund is set forth by an implementing legal regulation and internal regulations of the Investment Company on the valuation of assets and debts of funds and their sub-funds. The evaluation of the real value of the share in the assets of the Sub-fund will be prepared by the Investment Company by authorised persons.
- 9.4 Should there be a sudden change in events affecting the value of investment shares, the Investment Company will conduct a valuation upon the request of all investors of the Sub-fund reflecting the current circumstances having an impact on the fair value of the assets held in the Sub-fund (Hereinafter the "extraordinary valuation"). Based on the extraordinary valuation, the Investment Company will also make an "extraordinary determination of the actual value of the investment share", which shall be sent without undue delay to all investors of the Sub-fund in a form specified in the Article 16.2 hereof.
- 9.5 When converting the values of assets in foreign currencies, the ČNB foreign exchange market rate published by ČNB and valid as of the date when the conversion is made will be used.

During the process of determination of Sub-fund's NAV an error might occur due to technical or human factor. The error leads to an "operational deviation" that impacts NAV. Any error impacting NAV (actual value of investment shares) will not be taken into account / corrected if the "operational deviation" is in range of +/- 0,1 % of Sub-fund's NAV.

- 9.6 The Investment Company makes decision about all particular investments and divestments, using the procedure specified in the Investment Company's Best Execution Policy, nevertheless the investment company can take into account the recommendation of the Investment Committee if it is established.
- 9.7 The profit and loss of the Sub-fund is determined as the difference between the revenues and costs of the Sub-fund. The revenues from the assets of the Sub-fund will be used to cover for costs, unless generally binding legal regulations or this Statute provide otherwise. If profit is posted as a result of economic activities of the Sub-fund (the excess of revenues over costs of the Sub-fund), the Investment Company as a statutory director shall decide about paying a share in profits, with a pay-out ratio of up to 100 % of the profit generated for the accounting period. Determining the specific amount of share in profits paid belongs to the competence of the Investment Company (as sole member of the board of the Sub-fund). The unpaid portion of the profit generated may be used for reinvestment to increase the Sub-fund's assets. If a loss is posted as a result of economic activities of the Sub-fund for the accounting period (the excess of costs over revenues of the Sub-fund), the resulting loss will be settled from the resources of the Sub-fund. Retained profit from previous years will preferentially be used to cover for the loss. If these funds are insufficient to cover for the loss, the loss must be covered by a decrease of the capital fund in the accounting period following the period, in which the loss arose.

9.8 Information concerning the payment of the share on profit

In case of profit (a surplus of the proceeds above the Sub-fund's expense), the Sub-fund will primarily pay the share of profit under paragraph 9.7 in accordance to this Statute and the Fund's Articles of Association. The Investment Firm shall decide that the Sub-fund's investors will be paid the profit generated by the Sub-fund in the past calendar year or a portion of it as a share of the profit of the Sub-fund (the "Profit Share"). Within the Investment Company, the Board of Directors decides to pay the profit share. An investment company can only pay a share of profits to the investors after the auditor has audited the Sub-fund's regular financial statements.

The decisive date for the share in profit is the last business day in June, i.e. the right to a share in profit belongs to the holders of investment shares who, at the decisive date, own the investment shares of the Sub-fund. On the same day as the decisive day, the General Meeting of the Fund and the Sub-fund will be held, which will decide on the payment of the share in profit. Until 30 April of the year following the year for which a share in profits is paid, the Investment Company shall submit audited financial statements to the ČNB in order to calculate the amount of a share in profits paid.

If an investor requests the redemption of investment shares ten (10) days or less prior to the decisive day, the Sub-fund may purchase the investment shares, for technical reasons within CDCP, at a price corresponding to the current value of the shares determined for the period (i.e. the calendar month) in which the request for redemption of the investment shares was received, reduced by the value of share in profit paid (before tax). Reduction of the redemption price in the amount of the paid share in profit may be exercised only if the investor holds the Sub-fund's investment shares on the relevant day and the payment of the share in profit was duly processed.

In order to protect investors (technical aspects of settlement of investment shares through CDCP), it is not possible to subscribe the investment shares of the Sub-fund within 10 working days before the decisive day, including.

The share in profit of the individual investor is calculated as a total amount paid as the share in profit to all investors multiplied by the number of investment shares of the Sub-fund held by the investor and total number of existing investment shares of the Sub-fund, as of the decisive date.

The share in profit is payable by 31.7. the year following the year for which it is paid on the basis of audited statements submitted to ČNB. The share in profit is paid to the bank account maintained with a bank or a branch of a foreign bank in the Czech Republic communicated in writing by the fund-holder

unless the investors and the Investment Company agree otherwise. The share in profit is paid by the Investment Company from the assets of the Sub-fund. The right for the share in profit is time barred after 3 years from due date.

10. Rules for the Provision and Acceptance of Credit Facilities and Loans

- 10.1 The Sub-fund may accept a credit or loan with maturity not exceeding 3 years under standard conditions in the market, up to the 95% of the value of assets of the Sub-fund (calculated for each individual credit or loan independently). The sum of all credits and loans accepted by the Sub-fund may not exceed 95% of the value of assets of the Sub-fund and at the same time the interest charge will take into account rules for low capitalization.
- 10.2 The Sub-fund may also provide credits or loans up to the aggregate amount of 100% value of assets of the Sub-fund. The credits or loans will be provided by the Sub-fund with maturity not exceeding 10 years and under conditions that are usual in business transactions. The condition for the provision of a credit or loan from assets of the Sub-fund will be the provision of a reasonable security (such as right of lien, bill of exchange, guarantor's declaration and so on), with the exception of conditions set forth in the following paragraph.
- If the credit or loan is provided to a company in which the Sub-fund holds a controlling ownership interest the Sub-fund may not require this company to secure the credit or loan with regard to the existence of the mutual relationship of the controlling and controlled entity, and in addition the Sub-fund may contractually pledge its receivables from the credits or loans provided owed by this company against the receivable or receivables of other creditors.
- 10.3 The Fund may provide security for the accepted credits or loans from its assets provided that the provision of such security will have a positive economic impact and that a cost-benefit analysis is created. The provision of security must be in line with the overall investment strategy of the Sub-fund and may not unreasonably increase the risk of the portfolio of the Sub-fund.

11. Information about the Investment Shares Issued by the Sub-fund

- 11.1 The identification code according the international system of numbering for the identification of securities (ISIN) – both the growth and dividend class of investment shares of the Sub-fund for both EUR and CZK issues, will be allocated by CDCP. The growth investment shares A in CZK and EUR issue and the dividend investment shares A in CZK and EUR issue are issued by the Fund to the Sub-fund. Where reference is made in this Statute to the investment shares, it refers to the growth or dividend shares A respectively.
- 11.2 The investment shares of the Sub-fund are book-entered registered securities. The investment shares are issued as no-par value shares without the nominal value. The currency of the investment share is either EUR or CZK. The Sub-fund issues the Investor's shares within twenty (20) business days from the date of acceptance of the investment into the Sub-fund's cash account or announcement of the current value of the investment share (NAV). This period may be prolonged if there are technical issues on the side of the Sub-fund or the institution issuing the shares. The deadline for issuing the investment shares also assumes timely and correct delivery of all contractual documentation to the company headquarters. The investor or its commercial agent is informed about the issuance of the Sub-fund's investment shares in writing by a notice sent to the address specified in the securities subscription agreement or to the electronic address provided for this purpose in the securities subscription agreement, whereas in the notification the Investment Company informs the investor about the number of the issued shares of the Sub-fund and their current value for which they were issued, by email or through the so-called client section, available at www.redsidefunds.com. On the day of the issuance of the investment shares, the investor becomes the Sub-fund's investor.
- 11.3 The investment shares are registered in the follow-up register linked to the central register kept by CDCP. The follow-up register linked to the central register is kept by either Investment Company through its customer account in CDCP maintained by ČSOB, a.s. or by so-called CDCP's participants.
- 11.4 The calculation of the value of the investment share for the period reflecting different currency of investments (EUR and CZK).**

11.5 The Fund may issue, in accordance with this Statute, the investment shares of the Sub-fund in Czech crowns (CZK) or in Euro (EUR) (collectively "investment shares"). In addition, the Fund may issue the following classes of investment shares to the Sub-fund:

- Dividend investment share A
 - Growth investment share A,
- both classes of the investment shares in CZK and EUR issues.

Prerequisites and mechanism of calculation of individual currency classes of investment shares:

- Each currency class of investment shares (CZK, EUR) is valued separately, taking into account the date of the first subscription of the investment shares in the currency class;
- The value of each new subscription of investment shares is determined as the value of the investment shares of the currency class at the end of the previous month; Both currency classes of investment shares show the same performance as the total performance of the Sub-fund as shown by the coefficient "k";
- The currency risk of currency fluctuations (EUR and CZK) is spread between holders of both currency classes of investment shares in proportion to the current asset structure of the currencies in question, i.e. the investor may be exposed to a partial currency risk.

1. Calculation of the Sub-fund's performance ratio:

$$k = \text{NAV2} / (\text{P12} * \text{H11} * \text{FX2} + \text{P22} * \text{H21} * \text{FX2} + \text{P32} * \text{H31} + \text{P42} * \text{H41})$$

k - the performance coefficient of the current month

NAV2 - net assets of the Sub-fund at the end of the month

P12 - number of dividend investment shares in EUR at the end of the current month

H11 – the value of the dividend investment share in EUR at the end of the previous month

P22 - number of growth investment share in EUR at the end of the current month

H21 - the value of the growth investment share in EUR at the end of the previous month

P32 - number of dividend investment share in CZK at the end of the current month

H31 - the value of the dividend investment share in CZK at the end of the previous month

P42 - number of growth investment share in CZK at the end of the current month

H41 - the value of the growth investment share in CZK at the end of the previous month

FX2 - EUR / CZK exchange rate at the end of the current month

2. Calculation of the value of the investment share:

$$\text{H12} = \text{H11} * k$$

$$\text{H22} = \text{H21} * k$$

$$\text{H32} = \text{H31} * k$$

$$\text{H42} = \text{H41} * k$$

H12 - the value of the dividend investment share in EUR at the end of the current month

H22 - the value of the growth investment share in EUR at the end of the current month

H32 - the value of the dividend investment share in CZK at the end of the current month

H42 - the value of the growth investment share in CZK at the end of the current month

3. Calculation of the value of the investment share in the month in which the General Meeting made decision for profit distribution of the Sub-fund:

$$H12 = (H11 * k) - d1$$

$$H22 = H21 * k$$

$$H32 = (H31 * k) - d2$$

$$H42 = H41 * k$$

H12 - the value of the dividend investment share in EUR at the end of the current month

H22 - the value of the growth investment share in EUR at the end of the current month

H32 - the value of the dividend investment share in CZK at the end of the current month

H42 - the value of the growth investment share in CZK at the end of the current month

d1 - the amount of gross dividend paid per share in EUR

d2 - the amount of gross dividend paid per share in CZK

4. Calculation of the performance of the investment share of the Sub-fund:

$$n = (H12/ H11) -1$$

$$n = (H22/ H21) -1$$

$$n = (H32/ H31) -1$$

$$n = (H42/ H41) -1$$

Where: n - Performance of the Sub-fund for the current month in%

11.6 Book-entered investment shares are issued by crediting the relevant investor's asset account. The investment shares of the Sub-fund are dematerialized and registered within register kept by either the Central Securities Depository (CSD or CDCP) or the follow-up records maintained by the so-called CSD Prague participants, i.e. especially securities trading participants, which are linked to the central register of securities according to Section 92 of Act No. 256/2004 Coll. on Business Activities on the Capital Market, as amended. In case the investment shares are kept on the so-called customer account (account type 31) kept by the CDCP participant in the name of the Investment Company, which is linked to the investment company's records on so called owner accounts (account type 21), the Investment Company is entitled to request from the Investor a fee.

11.7 An investor may request the Investment Company to register the subscribed investment shares to a different asset account (owner account or customer account) maintained by Centrální depozitář cenných papírů, a.s. (the "Central Securities Depository"), IČ: 25081489, seated at Praha 1, Rybná 14, or to an asset account (owner account) maintained in the register linked to the central register of securities maintained by the Central Securities Depository. All costs of maintenance of the asset account are borne by the investor.

11.8 The amount of the minimum entry investment per a qualified investor according to Section 272 (1) paragraphs from a) to g) of the Act is not stated in accordance with the requirements of the Act.

The amount of the minimum entry investment per a qualified investor according to Section 272 (1) paragraphs h) and i) of the Act for the benefit of the funds managed by one management company is EUR 125.000 (one hundred twenty-five thousand euros) under the conditions set out by the Act relating to compliance procedures or 1.000.000 CZK (40.000 EUR), upon the condition that the Investment Company confirms in writing that based upon the information from the investor the Investments Company is reasonably of the view that the investment corresponds with the financial background, investment goals and professional knowledge and experience of the investor in the field of investments.

In case the investor invests in more investment funds managed by the Investment Company or makes further investments under the Sub-fund, the minimum amount is CZK 250,000 (in words two hundred and fifty thousand CZK) or EUR 10,000 (in words ten thousand euros).

- 11.9 The investor of the Sub-fund is especially entitled to:
- a. be informed about the current value of the Sub-fund's investment shares;
 - b. receive a report on the Sub-fund's economy within the terms set out by the Sub-fund's Statute;
 - c. receive, at their own request, information about payment to the Investment Company's Sub-fund;
 - d. receive, at their own request, the up-to-date version of the Sub-fund's Statute and last Annual Report;
 - e. apply, in case of ordering an execution of a decision by sale of an investment share or in case of execution order to sell an investment share, the pre-option right to investment shares of another investor under the conditions of 283 (1) of the Act;
 - f. receive a share in profit in case of dividend shares or a share in liquidation balance of the Sub-fund if set out in the Articles of Association;
 - g. require buy-back of the Sub-fund's investment shares under the conditions set out in the Sub-fund's Statute.
- 11.10 The investment shares of the same class establish same rights for investors. The investor has a right to have his/her investment shares redeemed by the Investment Company. The investors are not entitled to neither require the distribution of assets held in the Sub-fund nor the dissolution of the Sub-fund. The transferability of the investment shares of the Sub-fund is conditioned by the written consent of the Statutory Director of the Fund at investor's request. If the Sub-fund's investment shares are admitted to trading on a regulated market on the Prague Stock Exchange, the shares will be transferable without limitation. Should a transfer of ownership to investment shares of the Sub-fund occur, the transferee is obliged to inform the Investment Company of the change in the owner in question without undue delay to make changes and updates to the register of investors.
- 11.11 The public subscription of investment shares of the Sub-fund intended for qualified investors in the Czech Republic is permitted. The investor can only be a qualified investor, which must be explicitly notified when making public offers. Potential cross border offering in others EU member states will be always undertaken in conformity with local legislative framework or alternatively in compliance with AIMFD, and therefore the ISINs must be duly notified for cross-border marketing.
- 11.12 A subscription order may be submitted in person at the registered seat of the Investment Company, by post or via mail info@redsidefunds.com or orders@redsidefunds.com, though any electronic form of the subscription order shall be completed in writing. Investment shares of the Sub-Fund are subscribed for the current value of investment share announced always for the period, in which the so-called decisive date occurs, that is the day for subscription of financial means remitted by the investor to the cash account of the Sub-fund. The current value of the investment share is determined always as of the last day of the calendar month with validity for the following period, i.e. a period from the first day of the next month until the last day of the next month. Announcement of the current value means the provision of such information to investors by means prescribed by this Statute. In exchange for the monetary funds received on the account of the Sub-fund, the investor is provided with the closest lower whole number of investment shares of the Sub-fund valid as of the decisive date. The difference (remaining portion of the amount received), for which a whole amount of investment share of the Sub-fund cannot be subscribed is a revenue of the Sub-fund (method of settlement of arrears, or overpayments). The current value of the investment share is mathematically rounded off to four decimal places (to one hundredth of cent). The actual value of the investment share of the Sub-fund is determined for each class of investment share as well as for each currency class separately (i.e. separately for dividend investment and growth investment shares and separately for each currency class) for the respective calendar month according to the last day of the previous calendar month, and shall apply from 00:01 on the 15th calendar day of the relevant calendar month. The actual value of the investment share of the Sub-fund is calculated without the preparation of financial statements.

- 11.13 The client becomes an investor of the Sub-fund at the time of entry into the register maintained according to Article 11.3. or 11.6. The Investment Company shall issue the investment share for the sum equivalent to its actual value. The subscription order may be filled at any time during a given month, however, the decisive day for determining the value of an investment share at which an investor enters the fund is the day of the receipt of the funds into the Sub-fund's cash account. In order to maintain the stability or creditability of the Fund, the Investment Company reserves a right to decide which requests of fund-holders for the subscription of shares will be accepted and which will not be accepted.
- 11.14 The information on the actual value of the investment share of the Sub-fund is provided by the Investment Company to all investors, in an electronic form by an email to the email address sent by the investor to the Investment Company, or in the client section of the Investment Company website or in the public section of the Investment Company's website.
- 11.15 The rights from holding the investment share arise when the certificate is issued. The ownership right to investment shares is proved by an extract from the register of investment shares through CDCP or its participants or by an extract from the register of the Investment Company.
- 11.16 The investment shares are redeemed (bought-back) on the basis of redemption notice filed by the holder of investment shares and then sent to Investment Company. The Investment Company is obliged to redeem (buy-back) the investment shares of the Sub-fund from the holder of investment shares within:
- a) 4 months from the date when the redemption notice of investment shares is received by Investment company, if the relevant holder of investment shares requires to have redeemed max. 10,000,000 CZK.
 - b) 6 months from the date when the request for redemption of investment shares is received, if the relevant holder of investment shares requires to have redeemed from 10,000,000 CZK to 30,000,000 CZK.
 - c) 12 months from the date when the request for redemption of investment shares is received, if the relevant holder of investment shares requires to have redeemed more than 30,000,000 CZK.
- using the Sub-fund's assets to redeem the investment shares.
- 11.17 The request for redemption of investment shares may also be filed in person at the registered office of the Investment Company, by post, or sent to orders@redsidefunds.com or info@redsidefunds.com via fax number +420 224 931 368. The request for redemption submitted in electronic form shall be completed in writing.
- 11.18 The Investment Company shall redeem the investment shares using the assets of the Sub-fund to which the investment shares have been issued at its current value corresponding to the last known announced current value of the relevant class of investment share, which is the subject of the purchase, valid for the given period/day on which the number of investment shares was decreased in CDCP register. The payment of the funds corresponding to the value of the bought-back investment shares is made by cashless transfer to the account of the shareholder. However, the value of the investment in all funds managed by the Investment Company in the possession of a qualified investor pursuant to Section 272 of the Act may not fall below the minimum investment amounting to CZK 1,000,000 (by one million Czech crowns) or EUR 40,000. If the investor invests in more investment funds managed by the Investment Company, his investment in the Sub-fund must not fall below the threshold of a minimum investment of 250,000 CZK (in words two hundred and fifty thousand Czech crowns) or EUR 10,000. The Fund will reduce the number of issued investment shares in its own resources account – capital funds as of the date of their deletion from the CDCP register.
- 11.19 In case of a partial buy-back, the investor shall specify whether he/she requests the redemption of the exact number of redeemed investment shares of the Sub-fund or the redemption of the exact amount, further, in case that the requested amount does not correspond with the total amount of the investment shares of the Sub-fund, the Investment Company shall redeem the nearest higher amount of the investment shares of the Sub-fund, whereas the difference between the requested amount of money and the money obtained by redemption of the investment shares, is the income of the Sub-fund. The Investment Company is entitled to suspend the subscription and redemption of investment shares of the Sub-fund for 3 months at maximum for reasons of insufficient liquidity, i.e. certain assets of the Sub-fund will not be sold in time for a reasonable price, which must be notified to the ČNB. The Investment

Company is entitled to suspend the issue and redemption of investment shares of the Sub-fund for technical reasons and for a maximum period of 2 weeks.

11.20 The reasons for suspending subscription and redemption of the Sub-fund's investment shares may particularly include:

- a) insufficient liquidity of the Sub-fund;
- b) significant fluctuation of value of assets owned by the Sub-fund;
- c) protection of the common interests of the investors of the Sub-fund;
- d) termination of the depositary agreement;
- e) termination of the Statutory director's performance contract;
- f) technical reasons preventing the settlement of investment shares on the part of the Investment Company, CDCP or its participants.

After restarting the subscription or redemption of the investment shares, the investment shares, subscription or redemption of which was applied for by the potential buyers or investors during suspension of redemption, shall be subscribed or redeemed at the current value of the investment share determined as of the date of restarting the subscription or redemption of investment shares.

11.21 The investment company is entitled to suspend the subscription and redemption of investment shares of the Sub-fund within a period of 10 business days prior to the relevant date for exercise of the right to profit share, which is the last day of the month, in which a General Meeting's decision on profit distribution was adopted (hereinafter "protection period"). In case of a redemption request being received within the protection period, the Investment Company shall buy-back the investment shares at the current value announced after the lapse of the protection period.

12. Information on Fees, Costs and Total Expense Ratio

12.1 The fee of the Investment Company for management of assets of the Sub-fund is paid from the assets of the **Sub-fund at 1,6 % p. a.** from the value of equity capital of the Sub-fund at the end of a calendar month. Value of equity capital of the Fund shall mean the value of equity capital before subtracting investment company management fee and financial provision for income tax. The particular fee of the Investment Company for asset management of the Sub-fund is available at the registered office of the Investment Company. The Investment Company is also entitled to a performance fee paid from the assets of the Sub-fund depending on the performance of the Sub-fund over the set benchmark, being the annual audited performance of the Sub-fund, taking into account the revaluation of the assets to a current value by an independent evaluation.

The performance fee is calculated annually as 30% from the value, by which the appreciation of the investment shares exceeds the amount of 6 % annual audited performance of the Sub-fund, taking into account the revaluation of the assets to a current value by an independent evaluation. The Total expense ratio of the Sub-fund per calendar year shall not exceed 1.95 % of the average annual value of the equity capital of the Fund, before calculating any costs associated with the payment of the performance fee.

12.2 The Depositary fee, its amount, method of calculation and due date are specified in the depositary agreement. The fee is determined by the value of Fund capital, but min. fee is CZK 540,000 annually VAT excl. and is paid from the assets of the Sub-fund.

12.3 Other costs for the assets management of the Sub-fund paid from the assets of the Sub-fund are in particular the following:

- a) costs arising from participation in companies (including but not limited to related due diligence, legal services, audit, and so on),
- b) costs of foreign funds,
- c) fees to the Depositary for maintaining accounts and management of financial means,
- d) fees for custody of paper securities in the assets of the Sub-fund,

- e) fees for custody and management of foreign securities,
- f) cost of liquidation of the Sub-fund,
- g) interests from credits and loans accepted in connection with the asset management of the Fund,
- h) costs of accounting and tax audit,
- i) notary, court and administration fees and taxes,
- j) cost of expert opinions, evaluations,
- k) cost related to the marketing.

12.4 The Investment Company is allowed to charge the investors of the Sub-fund with one-off fees. The entry fee (surcharge) amounts to maximum of 3%. The amount of the exit fee (deduction) is up to 5% of the redeemed amount in the period of two years from the date of investment of the investor into the Sub-fund, 3% of the redeemed amount in the third year after the date of investment of the investor into the Sub-fund, 2% of the redeemed amount in the fourth year after the date of investment of the investor into the Sub-fund and 1% of the redeemed amount in the fifth year after the date of investment of the investor into the Sub-fund. After the expiry of the five-year period after the date of investment into the Sub-fund the exit fee shall not apply.

12.5 The table with information regarding the fees charged to investors and costs paid from the assets of the Sub-fund:

One-off fees charged before and after the investment: (It is the highest sum that may be charged to the investor before the investment is made or before the investment is paid, always being calculated from the amount of the invested / redeemed amount).)	
Entry fee (surcharge)	max. 3 %
Exit fee (deduction) see article 12.4. of this Statute	max. 5 %
Cost paid from the assets of a collective investment Sub-fund during the year:	
Maximum cost rate	1.95 %
Costs paid from the assets of the Sub-fund under special conditions:	
Performance fee	
30 % of the Value in excess of 6% of the Sub-fund's Annual Performance calculated in the growth class of the Sub-fund's investment shares, whereas	
Value means the sum of NAVs of the Sub-fund and the gross dividend paid	
NAV of the Sub-fund means the Net Asset Value of the Sub-fund as at 31 December of the relevant year following the audit and revaluation adjusted by items that do not affect the Sub-fund's performance change	
Sub-fund's Annual Performance means the percentage difference of the appreciation of an investment share of the growth class of the Sub-fund as at 1 January and 31 December of the relevant year	

12.6 The total expense ratio of the Sub-fund for the previous accounting period in percentage terms is equal to the ratio of the total cost to the average monthly value of the equity, the total cost being the sum of the costs of fees and commissions, administrative costs and other operating expenses in the statement of costs, income and profit or losses of the Sub-fund under a special legal regulation, net of fees and commissions for operations with investment instruments under this special legal regulation.

13. Details of the Depository

13.1 Details of the Depository:

13.2 **UniCredit Bank Czech Republic and Slovakia, a.s.**, Identification No.: 649 48 242, seated at Želetavská 1525/1, Praha 4 – Michle, PSČ 140 92. Depository is a company incorporated in the Companies Register kept with the Municipal Court in Prague, Section B Insert 3608

13.3 Basic characteristics of activities of the Depository:

In particular, the Depository:

- a) keeps the assets of the Sub-fund in custody, if possible, given the nature of the assets,
- b) opens and maintains money accounts and keeps on record of all transaction of financial means of the Sub-fund, and
- c) keeps records of, if possible, given the nature of the assets, and checks the condition of other assets of the Sub-fund, then assets specified in letters a) and b).

13.4 The provisions of depositary agreement do neither permit the transfer nor other use of the assets of this Sub-fund by the Depository:

13.5 No Depository's activity is, even partially, entrusted to another person.

14. Details of Authorisation Given to Other Persons with Regard to Asset Management or Performance of Activities

14.1 Authorisation given to other persons regarding the asset management of the Sub-fund

The asset management of the Sub-fund is performed exclusively by the Investment Company and is not entrusted neither in part or as a whole with another person.

14.2 Authorisation given to other person regarding the activities that are usually part of the asset management of the Sub-fund

The activities which are usually part the asset management of the Sub-fund are performed exclusively by the Investment Company and neither in part or as a whole are entrusted with another person.

15. Other Information

15.1 Information on the Statute of the Sub-fund:

- a) The details given in the Statute of the Sub-fund must be updated from time to time.
- b) The Statute of the Fund and the Sub-fund and changes in the Statute of the Fund and the Sub-fund are approved by Investment Company or by the General Meeting of the Fund (see the Articles of Association).
- c) The change of the Statute is not subject to prior approval of ČNB.
- d) Each and every potential investor of the Sub-fund must be provided free of charge and upon request with an up-to-date Statute and the last annual report of the Sub-fund.
- e) Each potential investor may obtain the documents specified in Article 15.1 letter d) of this Statute during the subscription period in a paper form at the registered office of the managing Investment Company, i.e. at Prague 1, Nové Město, V Celnici 1031/4, Postal Code 110 00.

15.2 Additional information concerning the Sub-fund:

- a) The Sub-fund is established for an indefinite period of time.
- b) The Sub-fund may be dissolved by deletion from the List of Investment Funds and Sub-fund pursuant to Section 597 of the Act, by a merger or amalgamation of the Sub-fund with another unit trust or by dissolution of the Investment Company with liquidation, unless ČNB shall decide on the transfer of its management to another Investment Company.

- c) Should the Fund be dissolved under letter b), the investor is entitled to redeem the investment shares without the deduction (as a result of a merger and amalgamation) or investment shares in the liquidation balance (withdrawal of the permission). In the Sub-fund is dissolved with liquidation, the investment shares in the liquidation balance of the dissolved Sub-fund may be provided in parts within the period of 6 months, during which the Investment company is obliged to pay the investment shares to investors and to deposit the unsettled units in judicial custody.
- d) The procedure followed when the Sub-fund is dissolved as well as the rights of investors of the Sub-fund when the Sub-fund is dissolved are governed by generally binding legal regulations, particularly by the Act.
- e) As appropriate, additional information may be obtained at the registered office of the Investment Company at Prague 1, Nové Město, V Celnici 1031/4, Postal Code 110 00, during business days from 9 a.m. to 4 p.m.; contact person: Ing. Karel Krhovský, Ing. Ondřej Žídek.

15.3 Basic information on the tax system applicable to the Fund:

- a) The taxation of the Sub-fund and its investors is subject to tax regulations of the Czech Republic, in particular to Act No. 586/1992 Coll., on the Income Tax, as amended. The Fund is a collective investments entity meeting the definition of an investment fund, the profits of which are currently subject to an income tax at 5%.
- b) If tax non-resident outside the Czech Republic is entitled to revenues from the redemption of investment shares of the Sub-fund, the buyer is, in cases stipulated by generally binding legal regulation, obliged to deduct income tax in the applicable rate arising from the valid legal regulations.
- c) Generally, the investment shares in profit are subject to 15 % withholding tax. The rate of the withholding tax may be restricted by an agreement on double taxation binding for the Czech Republic. Therefore, the Fund may request that a tax domicile certificate is presented by the beneficiary - foreign investor of the Sub-fund before the payment of the unit in profit is made.
- d) The tax regime of income of profit of individual investors is dependent on valid tax regulations that do not have to be identical for each of the investors, and therefore, if the investor is not certain whether or not it applies to him/her, he/she should seek the advice of an expert.

15.4 The supervisory authority of the Sub-fund is ČNB, with the registered office at Na Příkopě 28, Prague 1, Postal Code: 115 03, Telephone No.: 800 160 170, Email address: podatelna@cnb.cz, Website: www.cnb.cz.

15.5 The Investment Company warns the investors that the supervision and approval of the Statute of the Sub-fund by ČNB do not guarantee the return of investment or performance of the Sub-fund, and the possibility that legal obligations or the Statute of the Investment Company by the Depositary or other party and do not guarantee that potential damage resulting from such breach will be compensated may not be ruled out.

16. Publication of Reports regarding the Economic Activities of the Sub-fund

16.1 The Investment Company is obliged, within 4 months following the end of the accounting period at latest, to send to ČNB the annual report of the Sub-fund. The Investment Company is obliged to inform ČNB according to Section 3 subsection 3 paragraph c) of decree 249/2013 Coll.

16.2 Notifying the shareholders of the Sub-fund

Type of the provided information	Frequency and/or time period for the provision of the information	Means of provision of the information
Up-to-date wording of the statute of the Sub-fund	Upon amendments	Written form or electronically by email upon request, website
Annual report of the Sub-fund	Upon amendments	Written form or electronically by email upon request, website

Information about the current value of the investment share	Monthly	Written form or electronically by email upon request, website
Business report of the Sub-fund	Annually	Written form or electronically by email upon request, website

- 16.3 Shareholder of the Sub-fund is responsible for the accuracy of the contact details for electronic communications.
- 16.4 The Fund also undertakes to provide the information mentioned in point 16.2., within the terms defined therein, to the Prague Stock Exchange, a.s. through their dedicated web application.
- 16.5 The Sub-fund's management report shall contain at least an indication of the Sub-fund's current fund value, an indication of the current value of the investment share, an indication of the total leverage ratio and changes in the leverage ratio, and an indication of the structure of the Sub-fund's assets to the extent prescribed by the law regulating the Sub-fund's accounting.
- 16.6 This Statute shall enter into force on 1 January 2020

In Prague, on 12 December 2019

Entering into force: 1 January 2020

On behalf of **REDSIDE investiční společnost a.s.**

Rudolf Vřešťál

Chairman of the Board of Directors

Ing. Karel Krhovský

Member of the Board of Directors