

Statute of Investment Fund

Nemomax investiční fond s proměnným
základním kapitálem, a.s.

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1 Definitions

1.1 For the purposes of this Statute (hereinafter referred to as Statute), the following terms shall have these meanings:

- a) **Administrator** means AVANT investiční společnost, a.s. as defined in Article 4 below;
- b) **Auditor** means an audit firm as defined in Article 3.1 below that provides audit services to the Fund;
- c) **ČNB** means the Czech National Bank as defined in Article 15.4 below.
- d) **Date of Crediting the Fund** means the day on which the finances remitted by the investor are credited to the Fund's account established for this purpose by the Fund's Depositary. If the obligation is fulfilled by offsetting the payables of the company pursuant to Section 1982 et seq. of 89/2012 Coll., Civil Code, and Section 21 (3) of Business Corporations Act, this day is the effective date of a netting agreement.
- e) **Depositary** means Československá obchodní banka, a.s. , as defined in Article 5 below, which acts as a depositary for the Fund;
- f) **Fund** means Nemomax investiční fond s proměnným základním kapitálem, a.s., as defined in Article 2.1 below;
- g) **Fund's Capital** means the value of the Fund's Assets less the value of the Fund's Debts;
- h) **Investment Shares** all types of investment unit shares issued by the Fund;
- i) **CZK** means the Czech crown, the legal currency of the Czech Republic;
- j) **Fund's Assets** means assets of the Fund;
- k) **Order** means Government Order no. 243/2013 Coll., on Investing in Investment Funds and Management Techniques, as amended;
- l) **Real Estate** means a real estate object within the meaning of Section 498 (1) and Section 3055 of the Civil Code (in particular land, right in rem to land, the right that the law declares a property as real estate, a building connected to the ground with a solid foundation, which, with the effect of the Civil Code, did not become part of the land on which it is established);
- m) **Real Estate Company** means a public limited company, limited liability company or comparable legal person governed by the law of a foreign state, whose principal activity is the acquisition of real estate, the management of real estate and the transfer of title to real estate for profit;
- n) **Civil Code** means Act no. 89/2012 Sb., the Civil Code, as amended;
- o) **Management Company** means AVANT investiční společnost, a.s. as defined in Article 4 below;
- p) **Working Day** means the day on which banks are open to normal business in the Czech Republic;
- q) **Vesting Period** means the period that begins on the day following the date for which the Company's most recent current value of shares was determined and ends on the last day of the calendar month.

- r) **Class** means the type of Investment Shares within the meaning of Section 276 of Business Corporations Act and Section 163 (3) of Investment Companies and Investment Funds Act, i.e. Investment Shares which carry the same rights.
- s) **Participation** means the equity participation of the Fund and the resulting rights and obligations in a commercial corporation within the meaning of the Business Corporations Act and similar legal entities under foreign law;
- t) **Founder Shares** shall indicate exclusively the founding unit shares issued by the Fund;
- u) **Business Corporations Act** means Act no. 90/2012 Coll., on Business Companies and Cooperatives (Business Corporations Act), as amended.
- v) **Act** means Act no. 240/2013 Coll., on Investment Companies and Investment Funds, as amended
- w) **Transformation Act** means Act no. 125/2008 Coll., on Transformations of Companies and Cooperatives, as amended.

2 Basic Information about Fund

2.1 Fund data:

- a) Name: Nemomax investiční fond s proměnným základním kapitálem, a.s.
- b) Short Name: Nemomax Investment Fund SICAV
- c) Registered office: Vinohradská 2022/125, Vinohrady, 130 00 Prague 3
- d) Identification Number of Person: 046 22 669
- e) The Fund is a company incorporated in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 21196

2.2 The amount of registered share capital of the Fund is 2,000,000 CZK (in words: two million Czech crowns). The registered share capital was repaid in full. The amount of registered share capital corresponds to the amount of the Founder Shares subscribed. The Fund's share capital shall be equal to its Fund's Capital.

2.3 Date of establishment of the Fund: December 7, 2015. The fund was created by incorporation in the Commercial Register.

2.4 The Fund was included in the list of investment funds with a legal personality maintained by the ČNB pursuant to Section 597 (1) (a) of the Act.

2.5 The Fund is founded for an indefinite period of time

2.6 The Fund is a fund of qualified investors which, within the meaning of Section 95 (1) of the Act, collects finance or money-valuable items from more qualified investors by issuing participating securities and makes joint investments of collected funds or money of valuable items on the basis of the intended investment strategy for the benefit of these qualified investors and further manages such assets.

2.7 Designation of the Internet address of the Fund:

<http://www.avantfunds.cz>;

2.8 The Management Company of the Fund is AVANT investiční společnost, a.s.

- 2.9 The Administrator of the Fund is AVANT investiční společnost, a.s.
- 2.10 The Fund does not use the services of the main supporter.
- 2.11 The Committee of Experts within the meaning of Section 284 (3) of the Act is not established.
- 2.12 Investments in the Fund may be offered publicly.
- 2.13 The Fund does not create sub-funds under Section 165 of the Act.

3 Information about Auditor

- 3.1 Auditor's data:
 - a) Name: APOGEO Audit s.r.o.
 - b) Registered office:: Rohanské nábřeží 671/15, Karlín, 186 00 Prague 8
 - c) Commercial Identification no: 27197310
 - d) The Auditor is a company incorporated in the Commercial Register maintained by the Municipal Court in Prague, Section C, File 103716
- 3.2 The Auditor's activities in relation to the Fund:
 - a) verification of the Fund's financial statements (Section 187 of the Act).
 - b) statement on compliance of the Fund's Annual Report with its financial statements (Section 292 of the Act).

4 Information about Management Company and Administrator

- 4.1 Basic Information

AVANT investment company, a.s., Company ID: 275 90 241, with its registered office at Rohanské nábřeží 671/15, Karlín, 186 00, Prague 8, incorporated in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 11040 (hereinafter referred to as **The Management Company** or "**Administrator**" or "**Investment Company**").
- 4.2 Share Capital

5.000.000,-CZK (in words: five million Czech crowns), paid 100% of the share capital.
- 4.3 Date of foundation

August 18, 2006
- 4.4 Decision authorising the activity

ČNB Decision no. 41/N/157/2006/5 2007/5698/540 of April 4, 2007, which was legally relegated on April 4, 2007.
- 4.5 The Investment Company is included in the ČNB-led investment company list pursuant to Section 596 (a) of the Act.
- 4.6 The Investment Company is the Statutory Director of the Fund in accordance with Section 9 (1) and (2) of the Act. The Investment Company shall appoint an authorised agent in accordance with Section 154 (5) of the Act.
- 4.7 The Investment Company is entitled to exceed the decisive limit.

4.8 Activities of the aforementioned Investment Company in relation to the Fund:

- a) Fund management
 - a. management of the Fund's Assets, including investment on behalf of the Fund,
 - b. managing the risks associated with investing,
- b) the administration of the Fund, in particular
 - a. keeping the accounts of the Fund,
 - b. the provision of legal services,
 - c. compliance and internal audit,
 - d. handling complaints and claims of investors of the Fund;
 - e. the valuation of the Fund's Assets and the Fund's Debts to the extent provided for in Article 10.4 of this Statute,
 - f. calculation of the current value of the Fund's shares,
 - g. ensuring compliance with obligations relating to taxes, fees or other similar financial transactions;
 - h. keeping a list of shareholders issued by the Fund,
 - i. distribution and disbursement of proceeds from the Fund's Assets,
 - j. ensuring the issue, exchange and redemption of Investment Shares issued by the Fund;
 - k. the making and updating of the Fund's Annual Report,
 - l. the dissemination and updating of the key information document of this Fund
 - m. making a promotional message of the Fund,
 - n. disclosure, accessibility and provision of data and documents to shareholders of the Fund and other persons;
 - o. notification of data and the provision of ČNB documents or the supervisory authority of another member state;
 - p. pursuit of other activity related to the management of values in the Fund's Assets,
 - q. distribution and payment of monetary benefits in connection with the dissolution of the Fund,
 - r. keeping records of the issuance and redemption of shares issued by the Fund,
 - s. offering investments in the Fund.

4.9 Information on the authorization of another entity to perform an individual activity, which includes the management of the Fund

The management of the Fund's Assets is carried out only by the aforementioned Investment Company and is not, in part, entrusted to another subject.

4.10 Information on the authorization of another entity to perform an individual activity, which includes the administration of the Fund

The administration of the Fund's Assets is carried out only by the aforementioned Investment Company and is not, in part, entrusted to another subject.

5 Information about Depositary

5.1 Basic Information

- a) Name: Československá obchodní banka, a.s.
- b) Registered office: Radlická 333/150, 150 57, Prague 5
- c) Commercial Identification no: 00 00 13 50
- d) The Depositary is a company incorporated in the Commercial Register maintained by the Municipal Court in Prague, Section XXXVI, File 46

5.2 Activities of the Depositary in relation to the Fund:

The Depositary for the Fund carries out activities under Section 60 of the Act, in particular:

- a) has the Assets of the Fund in custody, if its nature so permits;
- b) establishes and maintains cash accounts and record movements of all funds belonging to the Fund's Assets;
- c) records, where its nature so permits, or checks the status of the Fund's Assets other than those referred to in points (a) and (b).

5.3 The Depositary for the Fund carries out control obligations under Section 73 of the Act, in particular whether, in accordance with Act, directly applicable European Union law in the field of investment fund management, the Statute of the Fund and the arrangements of Depositary Agreement:

- a) Investment Shares have been issued and redeemed,
- b) the current value of Investment Shares has been calculated,
- c) the Fund's Assets and Debts were valued,
- d) valuable consideration has been paid from transactions in the Fund's Assets within the usual time limits,
- e) the proceeds for the Fund are used.

6 Fund Investment Objectives

- 6.1 The Fund's investment objective is to achieve a stable appreciation of funds invested by shareholders of the Fund and the long-term growth of the Fund's Assets in the medium to long term, which should be reflected in the above mentioned value. in the increase in the value of the Fund's Investment Shares. The Fund focuses mainly on investments in Real Estate companies and other equity firms, securities, receivables, loans and loans or other ancillary Assets, such as money market instruments, payout claims funds from deposits in an account held in banks or foreign banks and loans. The bulk of the profits resulting from the Fund's portfolio will be, in line with the investment strategy referred to in Article 7 of the Statute, further reinvested.

- 6.2 The investment is suitable for investors who prefer such a level of risk to achieve an appreciation of invested funds in the medium and long term in excess of the appreciation of standard money market instruments.
- 6.3 The Fund also uses the profit achieved to pay dividends if the General Meeting determines so.

7 Fund Investment Strategy

- 7.1 The Fund's Assets can be invested in particular in the following types of property value in order to achieve the investment objective:
- a) investment securities;
 - b) participation in capital companies;
 - c) money market instruments
 - d) the rights arising from the registration of the cases referred to in points (a) to (c) in the register and allowing the Fund to dispose directly or indirectly of that value in at least the same way as the authorized holder;
 - e) receivables for the payment of funds from the account of persons pursuant to Section 72 (2) of the Act;
 - f) credits and loans granted by the Fund.
- 7.2 The property values referred to in Article 7.1 a) to f) always account for more than 90% of the Fund's Asset value. The property value referred to in Article 7.1 of this Statute may be represented by a paper security or a book-entry security.
- 7.3 Additional assets in which the Fund invests less than 10% of the value of the Fund's Assets in accordance with its Statute are: immovable property, movable property, valuable rights, trademarks, precious metals, commodities, patents and copyrights.
- 7.4 The pool will not track (copy) any specific index or pointer (benchmark).
- 7.5 The Fund's investments under Article 7.1 of this Statute are not geographically concentrated.
- 7.6 The return on investment in the Fund, nor the return on this investment, is neither secured nor guaranteed. The Fund is not a secured or guaranteed fund and third parties do not provide any guarantees to investors in this context.
- 7.7 The Management Company shall be entitled to accept and grant loans or loans to the Fund's account only under the conditions specified in Article 11 of this Statute.
- 7.8 Provided that
- a) a written intention is processed to the transaction, in which the effectiveness of the implementation of the transaction is demonstrated,
 - b) the transaction is carried out in accordance with the internal regulations of the Administrator, with the Statutes and with the applicable legal regulations,

the Management Company is also entitled to enter into a business with a shareholder, a member of the Statutory Body of the Fund, the Fund's attorney, a member of the Fund Management Board, an employee of the Fund, a person close to them or with a person on

whose behalf one of the previous persons is entitled to or with the person who forms a group with the Fund.

8 Limits for Risk Mitigation and Distribution

8.1 The basic investment limits for the Fund's Asset composition are:

- a) The Assets referred to in Article 7.1 of this Statute always account for more than 90% of the value of the Fund's Assets.
- b) The Assets referred to in Article 7.3 of this Statute always account for less than 10% of the value of the Fund's Assets.
- c) The Management Company is entitled to use leverage in the management of the Fund's Assets. The leverage utilization rate shall not exceed 300% (calculated according to Commission Regulation (EU) no. 231/2013).

8.2 Classification of assets in the Fund's Assets for the purpose of calculating limits under this Statute, the title of which is:

- a) the future acquisition of the Asset value (in particular, the accounting items for the acquisition of assets prior to the settlement of the trade in the Asset's value or receivables for advances provided prior to the acquisition of the Asset's value), or
- b) monetization of the asset value from the Fund's Assets (especially receivables for settlement of the purchase price),

to the category under Articles 7.1 and 7.3 of this Statute is governed by the type of Asset value that will be included in the Fund's Assets after the settlement of the transaction.

8.3 If assets in the Fund's Assets cannot be categorized under Article 7.1 or 7.3 hereof, such assets shall be considered assets of the category under Article 7.3 hereof for the purpose of calculating limits under this Statute.

8.4 Minimum Fund Liquidity

In order to ensure its internal operations, the Fund is obliged to hold a minimum liquidity of at least 200,000 CZK with the possibility of a temporary reduction of this amount until the settlement of a specific business case.

8.5 Exceptions to the obligation to comply with the investment limits for the composition of the Fund's Assets

Not specified.

8.6 Remedial period in case of passive exceeding of investment limits

If the composition of the Fund's Assets is inconsistent with the investment limits set out above for reasons that are independent of the will of the Management Company, the Management Company shall remedy such situation without undue delay so as to preserve the interests of investors as much as possible.

8.7 Shareholder's approval of transactions

In justified cases, the Management Company may request the shareholders' consent to the intended transaction on behalf of the Fund.

9 Risk Profile

The Fund notifies investors that the value of the investment in the Fund may fall or rise and that the return on the originally invested amount is not guaranteed. The performance of the Fund in previous periods does not guarantee the same or higher performance in the future. The investment in the Fund is intended to generate returns in the medium and long term and is therefore not suitable for short-term speculations.

9.1 The relevant risk associated with the investment strategy of the Fund that may affect the value of the investment in the Fund are, in particular, those related to the investment focus of the Fund on the real estate market, in particular the following risks:

a) Risk associated with investment in Real Estate

In general, there is a risk of investing in Real Estate where there are liens or other rights of third parties, the risk of insufficient infrastructure needed to use the Real Estate and the risk arising from the valuation of the Real Estate. Given the nature of the decisive part of the Fund's Assets, which will consist of Real Estate, its valuation is carried out once a year in accordance with Article 10 of the Statute. Thus, in the event of a sudden change in circumstances affecting the price of the Real Estate in the Fund's Assets, a situation could arise where the current value of the Fund's share as determined on the basis of the last valuation performed does not correspond to the real value of the Real Estate in the Fund's Assets. If such a sudden change in circumstances affecting the price of the Real Estate in the Fund's Assets occurs, the Administrator proceeds in accordance with the Statute.

If the Fund acquires Real Estates into its Assets (specifically construction) by construction, there is a risk of their faulty or late execution, which may cause damage to the Fund. Given the nature of the Assets, there is also the risk of the destruction of such Assets, whether due to acts of a third party or due to force majeure.

With regard to the Fund's ability to accept loans up to a total of twenty times the Fund's Assets, the adverse economic impact on the Fund's Assets in the event of an erroneous investment decision or due to another reason leading to a decrease in the value of the Fund's Assets shall occur to an appropriate extent. Due to this potential credit exposure of the Fund, there is also an respective risk of insolvency.

- b) Risks associated with construction faults, consisting in the fact that Real Estates may be affected by construction defects, which may be, for example, hidden defects or defects that arise after a longer period of time. The elimination of this risk is to ensure quality construction supervision and contractual liability for defects. These defects may result in a decrease in the value of the property and increased repair costs, etc.
- c) Risks associated with the acquisition of a foreign Real Estate property are that there is a risk of political, economic or legal instability in the case of foreign Real Estates. In particular, this risk may result in unfavorable conditions (sales) of the Real Estate or a Participation in a company, for example due to foreign exchange or legal constraints, economic recession or, as a last resort, nationalization.

- d) Risks associated with the possibility of a default of a company in which the Fund has the Participation are that such a company may be affected by business risk - credit risk, in which the issuer or counterparty will default on its debt. As a result of this risk, the market price of a stake in the relevant company may fall or be fully impaired (for example in the event of bankruptcy), or impossibility of selling the stake in such a company.
- e) Risk associated with the financing of Real Estate construction, consisting in the fact that in the Real Estate financing there is a risk arising from the specifics of the realization of the construction, e.g. force majeure making the construction more difficult or impossible, non-compliance with the work schedule, etc. This risk can be reduced by consistently selecting renowned developers and construction companies along with the application of construction supervision.
- f) The risk of insufficient liquidity of assets is that the timely and appropriate monetization of sufficient assets for sale (e.g. residential units in residential projects) or the timely and adequate occupation of rental assets (e.g. non-residential premises for non-residential projects) is not guaranteed number of tenants.
- g) Credit risk, i.e. the risk associated with a possible default of the Fund's counterparty, where the issuer of the investment instrument in the Fund's Assets or the counterparty of the contractual relationship (when realizing a particular investment) does not honor its obligation or the debtor of the receivable fails to repay the receivable on time and in full.
- h) The risk associated with the use of foreign capital to achieve the Fund's investment objectives is due to the increased influence of the market price of the assets in the Fund's Assets to the share value, potentially making it possible to achieve higher profits but also higher losses.
- i) Derivative products or repurchase agreement transactions are highly specialized instruments that require investment techniques and risk analysis other than standard types of investments such as Real Estate or equities. The risks associated with each type of derivative or repurchase transaction are, in particular, the risks of market movements of interest rates, foreign exchange rates or market risks of other underlying assets, loss of option premium or risk that any loss on option sale may outweigh the option premium.
- j) Credit risk, i.e. the risk associated with a possible default of the Fund's counterparty, where the issuer of the investment instrument in the Fund's Assets or the counterparty of the contractual relationship (when realizing a particular investment) does not honor its obligation or the debtor of the receivable fails to repay the receivable on time and in full.
- k) Settlement risk associated with the failure to settle the transaction as expected because the counterparty fails to pay or fail to deliver the investment instruments within the set deadline.
- l) Risk of increased investment costs of individual projects compared to the level expected by the business plan.
- m) Risk arising from public regulation related to the implementation of projects, in particular delayed issuance of decisions necessary for construction (e.g. zoning,

building permits, public contracts, occupancy permits, etc.) compared to the deadline foreseen by the business plan of the project, or a situation where the implementation of the project is completely impossible due to the failure to issue any of the necessary public documents.

- n) There is a risk arising from the effect of changes in the development of the Real Estate market on the prices and values of projects in the Fund's Assets.
- o) The risk of loss of entrusted assets is that the Fund's Assets are in custody and therefore there is a risk of loss of the Fund's Assets entrusted to custody or other safekeeping, which may be caused by the insolvency, negligence or willful conduct of a person holding the Fund's Assets in custody or other safekeeping.

9.2 Consequences of the occurrence of one of the cases presenting the risks referred to in the previous Article 9.1 of the Statute may be a delay, reduction or total elimination of the revenues foreseen by the business plan. Such a situation may be an obstacle to the coverage of the Fund's own investment or an obstacle to the payment of liabilities to third parties. As the reimbursement of funds invested by the Fund will, as a general rule, be subject to full payment of liabilities to the financing bank, the Fund's own means would not be returned to the Fund prior to such payment; in the event of extremely unfavorable development (including possible insolvency of the relevant company), the Fund's own investment will not be refunded even in the original amount, or there will be a complete loss of its own invested means.

9.3 Other relevant risks that may affect the value of the Fund's investment:

- a) Risk of volatile current value of shares issued by the Fund due to changes in the composition or value of the Fund's Assets.
- b) Risk of deviation of the current value of the shares issued by the Fund from the liquidation value of the investor's open position on the Fund due to the application of additional deductions and redemption fees.
- c) The risk associated with the use of foreign capital to achieve the Fund's investment objectives is due to the increased influence of the market price of the assets in the Fund's Assets to the share value, potentially making it possible to achieve higher profits but also higher losses.
- d) The risk of suspension of the redemption of Investment Shares is that the Management Company is entitled to suspend redemption of Investment Shares of the Fund under certain conditions, which may result in a change in the current value of the Investment Shares for which redemption requests will be settled.
- e) Operational risk which may result in loss due to deficiencies or failures of internal processes or human factors or external events and the risk of loss of property entrusted to custody or other safekeeping, which may be caused, in particular, by the insolvency, negligence or willful conduct of the custodian or other safe-keeper of the Fund's Assets or securities issued by the Fund.
- f) Settlement risk is that the transaction in the Fund's Assets may be thwarted due to the inability of the trade counterparty to meet its obligations and deliver assets or pay within the agreed deadline.
- g) The risk of legal defects is that the value of the Fund's Assets may decrease due to legal defects of the assets acquired into the Fund's Assets, e.g. due to the existence of a lien of a third party, easement, lease or pre-emption rights.

- h) The risk that the Fund may be revoked for legal reasons, for example, because within one year of the Fund's entry in the list of investment funds with legal personality, the total Fund's Capital will not reach 1,250,000 EUR for a period not exceeding three months a depositary, due to a request for removal of the Fund from the list of investment funds with legal personality, dissolution of the Fund with liquidation, court decision, decision about transformation, etc.
- i) The risk that the ČNB will revoke the Management Company's license to operate it if a bankruptcy decision has been issued or if the insolvency petition has been rejected because the Management Company's assets will not be sufficient to cover the costs of the insolvency proceedings.
- j) Risks arising from restrictions on control activities of the Depositary according to Section 73 (1) (f) of the Act.
- k) The currency risk is that the value of an investment may be affected by a change in the exchange rate. Assets in the Fund's Assets may be denominated in currencies other than Czech crowns, while the current value of the Fund's shares and profit shares are determined in Czech crowns (the underlying currency value). Changes in the exchange rate of the Fund's underlying currency and other currencies in which the Fund's investments are expressed may result in a decrease or increase in the value of an investment instrument denominated in that currency. Adverse currency fluctuations can lead to loss.

10 Fund Management Policy

- 10.1 The Fund separates the assets and Debts of its investment activities from other assets and liabilities.
- 10.2 Only assets from that investment activity may be used to satisfy the creditor's claim on the Fund arising from its investment activities. Assets from the Fund's investment activities may not be used to redeem a debt that is not a debt of its investment activities.
- 10.3 The Fund's accounting period is from January 1 to December 31 of the calendar year; any changes in the course of the accounting period in connection with the transformation made pursuant to the provisions of the Act and the Transformation Act are not excluded. The approval of the Fund's financial statements is the responsibility of the General Meeting of the Fund.
- 10.4 Assets and Debts of the Fund are measured at fair value as at the date on which the value of the Investment Share is calculated. The fair value of Real Estates and Participation in the Fund's Assets is valued by an independent expert as of December 31 of each calendar year, pursuant to Section 266 of the Act. The fair value of other assets and Debts may be assessed by the Management Company without an expert under the conditions pursuant to Section 194 (b) and Section 195 of the Act.
- 10.5 The Administrator shall provide an external expert evaluation of the value of real estates in the event of acquisition or loss of ownership of the Real Estate or the Participation in the Real Estate Company or a trade capital company under the terms of Section 265 et seq. of the Act.
- 10.6 The Administrator shall determine the leverage ratio once a year in accordance with Articles 6 to 11 of Regulation no 231/2013 supplementing Directive no 2011/611/EU of the European

Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision. The Administrator determines this value for the current accounting period by comparing the leverage ratio from the Fund's financial statements for the previous accounting period, no later than April 30 of the current accounting period.

- 10.7 In the event of a sudden change in the circumstances affecting the price of the Real Estate and the Equities in the Fund's Assets and at the request of all shareholders holding the Founder Shares, the Fund Administrator shall make a valuation reflecting the current circumstances affecting the price of the Fund's Assets. Based on the extraordinary evaluation, the Fund Administrator will also make an extraordinary determination of the current value of the Investment Share, which, together with the date of the extraordinary evaluation, shall be immediately sent to all shareholders of the Fund in the form pursuant to Article 16.2 hereof.
- 10.8 When converting the value of assets denominated in a foreign currency, the exchange rate of the ČNB's foreign exchange market published by the ČNB and valid on the date on which the conversion is made shall be used.
- 10.9 An investment committee of the Fund is established, which has three (3) members and is an advisory body to the Management Company. The members of the Investment Committee are appointed and dismissed by the Statutory Director of the Fund; that is two members on a joint proposal of all shareholders holding the Fund's Founder Shares and one member on a proposal from the Chairman of the Board of Directors of the Management Company. The Investment Committee decides on its opinion by a simple majority of all members, voting per rollam also in the form of an email message is possible. The Investment Committee votes on opinions on proposals submitted by the Management Company and individual members of the Investment Committee.
- 10.10 The Fund's Management Company shall seek the opinion of the Investment Committee with the proposed investment intention, but shall not be bound by the opinion of the Investment Committee of the Fund and shall be entitled to decide on investment even in the negative opinion of the Investment Committee, if this does not violate any generally binding legal regulation, the Fund's Statute or the duty of professional care of the Fund Management Company. If the plan complies with generally binding legal regulations and the Fund's Statute, the Fund Management Company shall ensure the implementation of the investment plan.
- 10.11 Shareholder rights to share in the profits and liquidation balance, as well as other property rights associated with the Fund's Investment Shares, relate only to the Fund's Assets and Debts.
- 10.12 Use of Profit from Investment Activity
 - a) The economic result of the Fund from investment activities arises as a difference between the income from investment activities performed by the Fund and the costs of securing the investment activities of the Fund.
 - b) The proceeds from the investment activity of the Fund shall be used to cover costs, unless stipulated otherwise by generally binding legal regulations or the Articles of Association and the Statute. If the Fund's performance for the accounting period ends with a profit from the investment activity (surplus income over the Fund's expenses from the investment activity), the profit may not be used to pay a share of the profit but it may be used for reinvestment to increase the assets of the Fund's investment activities and to increase the value of individual Investment Shares. If the performance of the Fund for the accounting period results in a loss from investment activities (excess of costs over the Fund's income from investment

activities), the loss incurred will be covered from the Fund's resources from investment activities. Retained earnings from investment activity from previous years are preferentially used to cover the loss.

- c) In accordance with the provisions of the preceding paragraph, the General Meeting of the Fund may decide that the shareholders holding the Investment Shares will be paid a profit share. The dividend is a share of the shareholders' profits of the Fund.
- d) The Record Date for exercising the right to dividend is the date designated for such purpose by the General Meeting of the Fund. This day must not precede the date of the General Meeting that decided on the payment of the dividend and must not follow the date of dividend payment. The dividend is payable no later than six (6) months after the date on which the resolution of the General Meeting on profit distribution was adopted. The General Meeting shall decide on the maturity of dividends and royalties by a resolution on the distribution of profit. If the General Meeting does not specify the due date and the place of payment, the legal regulation applies.
- e) The Fund will pay the dividend at its expense and risk only by wire transfer to the account of the shareholder holding the Investment Shares listed in the list of shareholders.
- f) The General Meeting may, by its decision, determine the criteria for entitlement of the members of the Board of Directors and the Statutory Director to the payment of royalties.

10.13 Use of non-investment income:

Provisions and procedure in Article 10.12 of the Statute shall apply mutatis mutandis to the use of profits not arising from investment activities. The right to profit that does not arise from investment activities belongs to the Founder Shares. The share of the Founder Shares in the dividend corresponds to the proportion of the Fund's Capital attributable to the Founder Shares (the registered share capital). This ratio is evaluated on a monthly basis and is reflected in the current value of the respective founder share for each calendar month.

10.14 The Fund is entitled, under the conditions of maintaining the rules for granting and receiving credits and loans pursuant to Article 11 of the Statute, to issuing bonds.

11 Rules for Granting and Accepting Credits and Loans

11.1 The Management Company is entitled to use leverage in the management of the Fund's Assets. The leverage ratio will not exceed 500% of the Fund capital.

11.2 The Management Company, in determining the maximum limit for the leverage ratio on the account of this Fund, as well as the limit for the provision of investment instruments from the Fund's Assets as financial collateral, or comparable collateral under foreign law, or other collateral, shall take into account in particular:

- a) the Fund's investment strategy,
- b) the level of exposure of the Fund, as well as other economic links to persons who could be a source of systemic risk for the proper functioning of the financial market in the Czech Republic,
- c) concentration risk towards one party,
- d) the degree of collateral in leveraging,
- e) the ratio of the Fund's Assets to the Fund's debt and
- f) the nature, scale and complexity of their activities.

- 11.3 The Fund may accept a loan (including a mortgage loan) or a loan with a maturity not exceeding 25 years under conditions corresponding to the real estate market standard, up to 500% of the value of the Fund capital (calculated for each individual loan or loan before granting). The sum of all credits and loans received by the Fund may not exceed 500% of the Fund's Capital and at the same time the interest burden will respect the low capitalization rules to maintain the full eligibility of interest as a tax expense of the Fund.
- 11.4 The Fund may also provide credits or loans up to an aggregate amount of 100% of the value of the Fund's Assets. Credits or loans will be provided by the Fund with a maturity not exceeding 20 years and under the usual business terms. The preferred condition for granting a loan or loan from the Fund's Assets will be to provide adequate collateral (such as a lien, promissory note, guarantor's declaration, etc.), but this is not a mandatory condition.
- 11.5 The Fund may provide collateral for credits or loans from its assets, provided that the provision of such collateral has a positive economic impact. The provision of collateral must be in line with the overall investment strategy of the Fund and must not unduly increase the risk of the Fund's portfolio.
- 11.6 The Fund's Assets may not be used to provide a credit or loan, to secure the debt of another person, or to pay a debt that is not related to the management of that Fund without the approval of the General Meeting of the Fund.

12 Rules for Negotiation of Repos and Derivatives

- 12.1 The Fund may negotiate a repurchase agreement if its subject is the asset value defined in Article 7 of this Statute and if the conditions of the repurchase agreement are in accordance with the Fund's investment objectives pursuant to Article 6 of this Statute.
- 12.2 The terms of the reverse repurchase agreement must meet the requirements set out in Article 11 of this Statute.
- 12.3 The Fund may enter into a derivative if:
- a) accepted for trading on one of the markets referred to in Section 3 (a) of the Order;
 - b) negotiated with an admissible counterparty within the meaning of Section 6 (3) of the Order; or
 - c) negotiated with a subject in which the Fund has a Participation with to control that subject;
- 12.4 The Fund may negotiate a derivative solely for the purpose of hedging the value of the Fund's Assets, reducing the Fund's risk or reducing the costs associated with the management of the Fund's Assets.

13 Securities Issued by Fund - Subscription and Trading

- 13.1 The Fund issues three types of ordinary shares - Founder Shares, Preferred Investment Shares and Performance Investment shares.
- 13.2 Founder Shares and Performance Investment Shares are in the form of a physical security (in paper form) and are issued in registered form. The Preferred Investment Shares are in the form of a book-entry security and are issued in registered form.

- 13.3 Individual shares, which are in the form of a security, may be replaced by a bulk certificate at the request of the shareholder and in accordance with the Fund's Articles of Association.
- 13.4 The Fund's shares are entered in the list of shareholders. The information required by the provisions of the Section 264 of Business Corporations Act are provided in the list of shareholders. In the case of shares in the form of book-entry securities, the Fund's shares are also recorded in the relevant asset accounts. The list of shareholders for book-entry shares is not replaced by an extract from the Central Securities Depository's Register or an extract from a register succeeding the Central Securities Depository's Register, unless otherwise specified by law.
- 13.5 The value of shares is expressed in Czech crowns (CZK).
- 13.6 The Investment Shares of the Company in the form of a security are transferable by endorsement and an agreement. The Company's Investment Shares in the form of book-entry securities are transferable by agreement and entry in the relevant records.
- 13.7 Other conditions for the transfer of the Founder and Investment Shares are set out in the Fund's Articles of Association.
- 13.8 The shareholders of the Fund have all the rights attached to the Fund's shares, which are granted to them by the Fund's Articles of Association and the Business Corporations Act, unless the Fund's Articles of Association or the Act state otherwise. The shareholders of the Fund participate in the Fund capital in accordance with the rules laid down in the Fund's Articles of Association, the Statute and the Business Corporations Act. Each type of issued shares has a certain portion of the Fund's Capital. All Shares issued of a certain type represent the same proportion of the relevant portion of the Fund's Capital attributable to that given type of shares.

The holders of the Founder Shares have in particular:

- a) the right to a share in the profit of the Fund that did not arise from investment activity (dividend), approved by the General Meeting of the Fund for distribution in accordance with Article 10.13 of the Statute and in accordance with Article 13 of the Statute,
- b) the preferential right to subscribe to the Fund's new Founder Shares in the increase of the Fund's registered share capital, unless the General Meeting of the Fund decides to exclude or restrict the preferential right to subscribe to new Founder Shares,
- c) the right to attend, vote in the General Meeting of the Fund, to request and receive explanations of matters concerning the Fund and to make proposals and counterproposals to the General Meeting of the Fund,
- d) the right of a qualified shareholder pursuant to Section 365 of Business Corporations Act to ask the Statutory Director of the Fund to convene an extraordinary general meeting of the Fund to discuss the proposed matters,
- e) the right to a share in the liquidation balance upon the dissolution of the Fund with liquidation,
- f) the right to receive the current version of this Statute and the latest Annual Report free of charge.

The holders of Investment Shares shall have in particular:

- a) the right to a share in the profit of the Fund (dividend), approved by the General Meeting of the Fund for distribution in accordance with Article 10.12 of the Statute and in accordance with Article 13 of the Statute,
- b) the right to be informed about the current value of the Fund's Investment Shares,
- c) the right to redeem the Investment Shares for the Fund's account under the terms and conditions specified in the Statute,
- d) the right to participate in the General Meeting of the Fund, subject to the conditions specified by Act and the Articles of Association, to vote in it, to request and receive explanations of matters concerning the Fund,
- e) the right to exercise, in the event of enforcement of the judgement by the sale of the Investment Shares of the Fund or in the case of an execution order for the sale of the Investment Shares of the Fund, pre-emption right to Investment Shares of another shareholder under Section 283 (1) of the Act,
- f) the right to request the exchange of collective Investment Shares,
- g) the right to a share in the liquidation balance upon the dissolution of the Fund with liquidation,
- h) the right to receive the current version of Statute and the latest Annual Report free of charge.

13.9 In addition to the Founder and Investment Shares, the Fund may issue other types of securities in accordance with applicable law, such as bonds, bills of exchange, etc.

Founder Shares

13.10 Founder Shares are in the form of securities and are issued in registered form.

13.11 The Fund's Founder Shares are not admitted to trading on a European regulated market.

13.12 The Fund's registered capital is divided into 100 (one hundred) Founder Shares representing the same proportion of the registered capital.

13.13 The holders of the Founder Shares have a pre-emption right to the Founder Shares of the other holder under the conditions set forth in the Fund's Articles of Association.

13.14 In case of subscription, the Founder Shares shall remain the Founder Shares that were acquired by a person other than the holder of the Founder Shares, as none of these holders exercised their pre-emption rights under the provisions of Section 160 of the Act, as well as the Founder Shares that were subscribed by a person other than the holder of the Founder Shares, as none of these holders exercised their pre-emption right to subscribe for new Founder Shares under the conditions specified in Section 161 of the Act.

13.15 The shareholder with their shareholder's privilege is entitled to participate in its management, profit and liquidation balance in the event of its dissolution and liquidation under Business Corporations Act and the Articles of Association of the Fund. This right to profit sharing and liquidation balance arises only from the management of the Fund with assets that did not arise from investment activity (thus from registered share capital only).

13.16 There are no entry and exit fees associated with the Founder Shares.

13.17 Unless otherwise specified in this Statute or the Articles of Association of the Fund, the increase in the registered share capital of the Fund may be made by monetary and non-monetary deposits. Shares are issued through the Administrator. The shares of the Fund are subscribed in accordance with the relevant generally binding legal regulations, in particular in accordance with the provisions of Section 474 et seq. of Business Corporations Act and pursuant to the provisions of the Fund's Articles of Association for increasing the registered share capital of a joint-stock company.

Investment Shares

13.18 Fund Shares that are not Founder Shares are Investment Shares. An investment share is accompanied by the right to redeem it at the request of its owner on behalf of the Fund. Investment Shares are extinguished by redemption.

13.19 Investment Shares may be issued on the basis of a public call.

13.20 The Fund issues Preferred Investment Shares (hereinafter also referred to as “**PIA**”) and Performance Investment Shares (hereinafter also referred to as “**VIA**”).

13.21 VIA are in the form of physical securities (in paper form) and are issued in registered form.

13.22 VIA may be admitted to trading on a European regulated market.

13.23 VIA represent the shareholder's portion of the Fund's Capital attributable to VIA (hereinafter also referred to as “**FK VIA**”).

13.24 PIA are in the form of book-entry securities and are issued in registered form.

13.25 PIA are not admitted to trading on a European regulated market.

13.26 PIA represent the shareholder's portion of the Fund's Capital attributable to PIA (hereinafter also referred to as “**FK PIA**”).

13.27 The Investment Shares are not subject to the right to vote unless otherwise stipulated by a generally binding legal regulation or by the Fund's Articles of Association or else. Shareholders' right as a shareholder to participate in the management of the Fund pursuant to the Business Corporations Act and the Articles of Association of the Fund is not associated with Investment Shares; however, this entails the right of the shareholder to participate in the Fund's profits and in the liquidation balance in the event of its liquidation. This right to profit sharing and liquidation balance arises only from the management of the Fund with assets that arise from investment activities (from the Fund's Capital, which is attributable to Investment Shares).

Acquisition of Investment Shares of the Fund, Procedures and Conditions for the Issue, Redemption and Exchange of Investment Shares

13.28 A person may contractually acquire Investment Shares of the Fund if they invests at least:

- a. 100,000 CZK (one hundred thousand Czech crowns), if they meet the conditions of Section 272 (1) (a) to (h) of the Act;
- b. equivalent amount of 125,000 EUR (one hundred and twenty-five thousand euro) converted into Czech crowns at the exchange rate announced by the Czech National Bank as of the last day of the calendar month, if they meet the conditions of Section 272 (1) (a) to (g) and (1) of the Act,
- c. 1,000,000 CZK (one million Czech crowns), if they meet the conditions of Section 272 (1) (i) (2) of the Act.

13.29 The amount of the entry fee for the Investment Shares is up to 3% of the amount invested depending on a subscription agreement. The entry fee is the income of the Fund.

13.30 The Fund issues Investment Shares at the current value of the Investment Shares announced retrospectively for the period in which the so-called Record Date falls in, i.e. the day the funds are credited by the investor to the Fund's account (established for this purpose by the Depositary of the Fund), or for a monetary amount set off on the Record Date in accordance with the procedure pursuant to Section 21 (3) of Business Corporations Act. For a monetary amount arrived at the Fund's account, reduced by a possible entry fee (deduction) charged under the share subscription agreement, or for a monetary amount credited on the Record Date in accordance with the procedure pursuant to Section 21 (3) of Business Corporations Act, the nearest lower whole number of the Fund's Investment Shares, calculated as the integer part of the received amount (after deduction of the fee) and the current value of the Fund's Investment Shares for the Record Date, is issued. The difference (the remainder of the received amount), for which it is no longer possible to purchase the entire investment share of the Fund, is the income of the Fund (method of settling arrears or overpayments).

13.31 The portion of the Fund's capital allocated to the Preferred Investment Shares for the last day of the Vesting Period (t) (hereinafter also referred to as "**FK PIA_t**") is determined as follows:

The portion of the Fund's capital allocated to the Preferred Investment Shares for the last day of the previous Vesting Period (" $t-1$ ") (hereinafter also referred to as "**FK PIA_{t-1}**")

(+) the sum of finances for which Preferred Investment Shares were issued in the Vesting Period, minus any entry charges and fees,

(+/-) the portion of the Fund's profit or loss for the Vesting Period after tax and the change in the valuation difference of assets posted to the Fund's own capital (hereinafter referred to as "**VH_t + OR_t**") attributable to FK PIA during the Vesting Period,

(+) redistribution of FK VIA to FK PIA,

(-) the pre-tax dividend to the holders of the Preferred Investment Shares for which the Record Date falls on the Vesting Period,

(-) the amount of the liability incurred by the Fund during the Vesting Period against the holders of the Preferred Investment Shares as a result of the request to redeem those Investment Shares before deducting any exit charges and fees.

13.32 The portion of the Fund's Capital allocated to the Performance Investment Shares for the last day of the Vesting Period (" t ") (hereinafter also referred to as "**FK VIA_t**") is determined as follows:

The portion of the Fund's Capital allocated to the Performance Investment Shares for the last day of the previous Vesting Period (" $t-1$ ") (hereinafter also referred to as "**FK VIA_{t-1}**")

(+) the sum of funds for which Performance Investment Shares were issued in the Vesting Period, minus any entry charges and fees,

(+/-) portion **VH_t + OR_t** attributable to FK VIA

(-) redistribution of FK VIA to FK PIA,

(-) the pre-tax dividend to the holders of the Performance Investment Shares for which the Record Date falls on the Vesting Period,

(-) the amount of the liability incurred by the Fund during the Vesting Period against the holders of the Performance Investment Shares as a result of the request to redeem those Investment Shares before deducting any exit charges and fees.

13.33 The value $VH_t + OR_t$ is allocated to the individual parts of the capital of the Fund based on the principle of priority appreciation of investors' invested resources in Preferred Investment Shares at the end of the previous Vesting Period, whereas for the resources invested at the last day of the previous Vesting Period (t-1) for FK PIA_{t-1} (hereinafter also referred to as "**IZ PIA_{t-1}** ") is regarded as FK PIA_{t-1}

- a) plus finance accrued in previous Vesting Periods by subscription of Preferred Investment Shares (net of any entry surcharges and fees), but not posted to the relevant equity account at the last day of the previous Vesting Period (t-1) after the issue / registration of the Preferred Investment Shares, which may only occur after the determination of the current value of the Preferred Investment Shares, i.e. first it is necessary to calculate the current value of the Preferred Investment Shares according to the financial statements without new subscriptions. It is only after the issue / registration that new subscriptions in the Fund's Capital become apparent; however, these new resources can be invested from the beginning of the Vesting Period (t) and
- b) less liabilities (before deduction of any exit deductions and fees) to be paid for redemptions of Preferred Investment Shares on the basis of redemption requests submitted in previous Vesting Periods but not posted on the last day of the previous Vesting Period (t-1) to the relevant external account (they may be accounted for only after redemption, which may only occur after the current value of the Preferred Investment Shares has been determined; thus first, the current value of the Preferred Investment Shares must be calculated according to financial statements without new redemptions; however these existing resources can no longer be invested from the beginning of the Vesting Period t).

13.34 The resources invested as at the last day of the previous Vesting Period (t-1) for FK VIA_{t-1} (hereinafter also referred to as "**IZ VIA_{t-1}** ") are regarded as FK VIA_{t-1}

- a) plus finance accrued in previous Vesting Periods by subscription of Performance Investment Shares (net of any entry surcharges and fees), but not posted to the relevant equity account at the last day of the previous Vesting Period (t-1) after the issue / registration of the Performance Investment Shares, which may only occur after the determination of the current values of the Performance Investment Shares, i.e. first it is necessary to calculate the current value of the Performance Investment Shares according to the financial statements without new subscriptions. It is only after the issue / registration that new subscriptions in the Fund's Capital become apparent; however, these new resources can be invested from the beginning of the Vesting Period (t) and
- b) less liabilities (before deduction of any exit deductions and fees) to be paid for redemptions of Performance Investment Shares following redemption requests submitted in previous vesting periods but not posted at the last day of the previous vesting period (t-1) to a relevant external account (they may be accounted for only after the redemption, which may only take place after the current value of the Performance Investment Shares has been determined, i.e. the current value of the Performance Investment shares must be calculated according to the financial statements without new redemptions, only then the redemptions in the Fund's Capital will take effect; these existing resources can no longer be invested from the beginning of the Vesting Period t).

13.35 Invested resources at the last day of the previous Vesting Period (t-1) for the whole Fund's Capital attributable to Investment Shares (hereinafter referred to as "**IZ_{t-1}**") are calculated as $IZ PIA_{t-1} + IZ VIA_{t-1}$.

13.36 Resources redistributable at the last day of the previous Vesting Period ($t-1$) for FK VIA_{t-1} are regarded RFK VIA_{t-1} (hereinafter also referred to as „RFK VIA_t “)

- a) plus finance accrued in previous Vesting Periods by subscription of Performance Investment Shares (net of any entry deductions and fees) but not posted to the relevant equity account at the last day of the previous vesting period ($t-1$);
- b) less liabilities (before deduction of any exit charges and fees) to be paid for redemptions of Performance Investment Shares following redemption requests submitted in previous Vesting Periods, but not posted at the last day of the previous Vesting Period ($t-1$) to a relevant external account;
- c) less the pre-tax dividend to the holders of the Performance Investment Shares for which the Record Date falls in the Vesting Period,

13.37 If, in the Vesting Period, the value of $VH_t + OR_t$ is positive ($VH_t + OR_t > 0$), then the value $VH_t + OR_t$ is distributed as follows:

- a) for $VH_t + OR_t \leq IZ PIA_{t-1} * 7.1\% * (\text{number of days of the Vesting Period} / \text{total number of days of the calendar year})$, the full amount of $VH_t + OR_t$ is allotted to FK PIA_t ;
- b) for $VH_t + OR_t > IZ PIA_{t-1} * 7.1\% * (\text{number of days of the Vesting Period} / \text{total number of days of the relevant calendar year})$,
 - 1. portion of $VH_t + OR_t$ in the amount of $IZ PIA_{t-1} * 7.1\% * (\text{number of days of Vesting Period} / \text{total number of days of the calendar year})$ is allotted to FK PIA_t ;
 - 2. subsequently all remaining portion $VH_t + OR_t$ is allotted to FK VIA_t .

13.38 In the case that the value of $VH_t + OR_t$ does not ensure a minimum appreciation of the invested resources of PIA shareholders ($VH_t + OR_t \leq IZ PIA_{t-1} * 5.1\% * (\text{number of days of the Vesting Period} / \text{total number of days of the relevant calendar year})$), a portion of the Fund's capital, beyond the amount specified in Article 13.37, in the amount of at least $[IZ PIA_{t-1} * 5.1\% * (\text{number of days of the Vesting Period} / \text{total number of days of the relevant calendar year}) - VH_t + OR_t; RFK VIA_t + VH_t + OR_t, \text{ if } VH_t + OR_t < 0]$ will be redistributed to FK PIA_t at the expense of FK VIA_t .

13.39 If value of $VH_t + OR_t$ is negative ($VH_t + OR_t < 0$), it is distributed as follows:

- a) for $RFK VIA_t > 0$ and at the same time $|VH_t + OR_t| \leq RFK VIA_t$, $VH_t + OR_t$ is allotted to FK VIA_t ;
- b) for $RFK VIA_t > 0$, and at the same time $|VH_t + OR_t| > RFK VIA_t$, $VH_t + OR_t$ in the amount of $RFK VIA_{t-1}$ is allotted to FK VIA_t and a portion of $VH_t + OR_t$ in the amount of $VH_t + OR_t + RFK VIA_t$ is allotted on FK PIA_t ;
- c) for $RFK VIA_t = 0$, $VH_t + OR_t$ is allotted to FK PIA_t .

13.40 In the first Vesting Period, for the purpose of calculating the value of Investment Shares, in case of a negative value of $VH_t + OR_t$, the total amount of finance obtained in the first Vesting Period by subscription of Performance Investment Shares shall be used instead of RFK VIA_t .

13.41 The comparative value of the Preferred Investment Shares for the Vesting Period (t) (hereinafter also referred to as "**SH PIA_t** ") shall be determined as the sum of:

- a) the provisional value of a Preferred Investment Share calculated in accordance with the procedure laid down in Article 13.31 on the basis of the application of the provisions of Articles 13.37 to 13.39; and

- b) the aggregate amount of dividends per preferred investment share before tax, for which the payout occurred on the Record Day from the date of establishment of the Fund until the date for which the current value of the preferred investment share is determined.
- 13.42 The reference value of the preferred investment share for the Vesting Period (t) (hereinafter also referred to as "**RH PIA_t**") shall be determined as [the initial issue rate of the preferred investment share, on the commencement date of the issue of the Preferred Investment Shares * (1.051) (number of days since issuance of the Preferred Investment Shares / 365)].
- 13.43 If $SH PIA_t < RH PIA_t$, beyond the amount specified in Article 13.39, the amount of the lesser value (as follows) will be redistributed to $FK PIA_t$ at the expense of $FK VIA_{t-1}$:
- $(RH PIA_t - SH PIA_t) * \text{the number of issued Preferred Investment Shares as of the date for which the current value of the preferred investment share is determined or}$
 - $RFK VIA_{t-1} - \text{redistribution according to Article 13.39} + VH_t + OR_t$, if $VH_t + OR_t < 0$.
- 13.44 The current value of the PIA for the Vesting Period is determined by dividing the $FK PIA_t$ (the Fund's Capital attributable to the PIA on the day for which the current PIA is determined) and the number of PIAs issued on the day for which the current PIA is determined.
- 13.45 The current VIA value for the Vesting Period (t) is determined by dividing the $FK VIA_t$ (the Fund's Capital attributable to the VIA at the date for which the current VIA is determined) and the number of VIAs issued on the date for which the current value of VIA is determined.
- 13.46 The current value of the Investment Shares is determined twelve times (12 times) annually, always retrospectively on the last day of the Vesting Period.
- 13.47 Vesting Period begins on the day following the date for which the most recent current value of Investment Shares was determined and ends on the last day of the calendar month. In usual cases, the Vesting Period is the calendar month and the date of determining the current value of the Investment Shares is the last day of the respective calendar month. Exceptionally, the Vesting Period may be shorter than a calendar month, especially in cases where the Fund is a participant in a transformation pursuant to applicable legislation or in the event of an extraordinary determination of the current value of the Investment Shares. By the end of the second calendar month following the month in which the issue of Investment Shares commenced, Investment Shares shall be subscribed for an issue rate of CZK 1 (one Czech crown) for one investment share. The provisions of the preceding sentence shall not affect the rules for the distribution of Fund's Capital between individual types of shares.
- 13.48 The current value of the Investment Shares is rounded down to 4 decimal places. The current value of the Fund's Investment Shares is announced within 10 (ten) business days of its determination for the relevant period. The current value of the Investment Share is announced by sending it by e-mail to the Fund's shareholders. The current value of the Investment Shares will not be disclosed.
- 13.49 Investment Shares are issued within 10 (ten) business days of the announcement of the current share price for the period in which the shareholder's finance were credited to the Fund's account under this Statute. In justified cases (especially when an expert revaluation of the Fund's Assets is in progress) this period may be extended to 80 (eighty) working days. The issue of the Investment Shares in a paper form shall be effected by the Fund handing over the Investment Shares to the shareholder without undue delay after their issue at the registered office of the Fund Administrator on working days from 9 am to 4 pm. The issue of Investment

Shares in a book-entry form shall be effected by crediting the shares to the relevant asset account.

13.50 The Administrator shall redeem the required number of Investment Shares for the Fund's account from the shareholder as follows:

- a) within 90 days from the date on which the shareholder submitted to the Fund a request for the redemption of the Investment Shares, if he requests the redemption of the Investment Shares in the current value of maximum 10,000,000 CZK (in words: ten million Czech crowns);
- b) within 6 months from the date on which the shareholder submitted to the Fund a request for the redemption of the Investment Shares, if he requests the redemption of the Investment Shares in the current value of more than 10,000,000 CZK (in words: ten million Czech crowns).

Finance from the Fund's investment activities will be used to redeem the Investment Shares.

13.51 A request for redemption of Investment Shares may be submitted:

- a) in person at the registered office of the Fund Administrator on working days from 9:00 to 16:00;
- b) personally to representatives of the Fund or Administrator on working days from 9:00 to 16:00;
- c) by post with an officially certified signature;
- d) by e-mail with authenticated signature;
- e) by e-mail without a authenticated signature, if the request is subsequently completed in the form specified in (a) (b) or (c) within 5 working days.

13.52 The Fund Administrator shall ensure the redemption of the Investment Shares for an amount equal to its current value for the day on which it received the redemption request for the Investment Share, which shall mean the value of the investment shares determined on the last day of the calendar month in which the Administrator has received a redemption request. Payment of the financial amount corresponding to the value of redeemed Investment Shares is made by a cashless transfer to the shareholder's account specified in the list of shareholders or in the request for the purchase of Investment Shares. The minimum value of an individual redemption of the Company's Investment Shares is 1,000,000 CZK (one million Czech crowns). By the redemption, the value of the Investment Shares owned by one shareholder of the Company may not fall below the minimum investment set out in Article 13.28 of the Statute, unless the shareholder requests the redemption of all remaining Investment Shares. If the total amount of the Fund's Investment Shares does not correspond to the amount requested by the shareholder, the Administrator shall redeem the next higher whole number of the Investment Shares of the Fund, and the difference between the shareholder's chosen financial amount and the amount obtained by the redemption of the Investment Shares is the income of the Fund (method of settling arrears or overpayments).

13.53 Upon the redemption of the Investment Shares, it is always deemed that the first shares acquired by the Shareholder will be sold first.

13.54 In the event of a retrospective correction of the current value of the Investment Shares, the difference in the amount of the identified differences relating to the amounts for the the

redeemed shares may be offset from the Fund's Assets. The shareholder is not obliged to return the positive difference for the redeemed shares if this difference was accepted in good faith and if the shareholder no longer holds any Fund Investment Shares at the time of the correction. If the shareholder holds the Investment Shares at the time of correction, the difference may be compensated by returning a part of the amount for the redemption of the Investment Shares, or by canceling the corresponding part of the shares owned by the shareholder. The shareholder is obliged to cooperate with the Fund regarding the return of canceled Investment Shares without undue delay. The Fund shall not be liable for damages incurred as a result of a shareholder's delay in providing assistance in returning the Investment Shares. If, as a result of a retrospective correction of the current value of the Investment Shares, the shareholder has been paid a lower consideration for the redeemed shares, that shareholder will be compensated without undue delay for the redeemed shares in the amount of the identified difference. In the event of a correction of the current value of the Investment Shares, which represents 1.0% and less of the corrected current value of the Investment Shares, the differences will not be compensated, unless the Management Company decides otherwise.

- 13.55 In justified cases where the value of the Investment Shares can be expected to change (especially when the Fund's Assets are being revalued or the conditions for an expert revaluation have occurred), the period of redemption of the Investment Shares may be extended for a necessary period of time, while at the same time the Administrator may decide to pay an advance for the redemption of the Investment Shares.
- 13.56 For redemptions of the Investment Shares, an exit fee of 5% of the volume of the Shares redeemed shall be applied to the redemption request filed within 3 (three) years from the subscription of the Investment Shares.
- 13.57 If the lower or upper limit of the Fund's Capital specified in Article 13.59 of the Statute is reached, the Management Company shall without undue delay adopt an effective remedy in accordance with Section 163 (4) of the Act. The Management Company may decide to suspend the issue and redemption of the Investment Shares of the Fund only in the cases and under the conditions stipulated by the Fund's Articles of Association and the relevant provisions of the Act.
- 13.58 The reason for suspending the issue or redemption of Investment Shares may be in particular:
- a) if the upper or lower limit of the Fund's Capital is reached;
 - b) insufficient liquidity of the Fund;
 - c) significant movements in the value of assets;
 - d) protection of the common interest of shareholders who remain in the Fund;
 - e) potential harm to the interests of shareholders who remain in the Fund
 - f) termination of the Depositary Agreement.
- 13.59 If the amount of the Fund's Capital falls to the lower limit of the spread, to the amount corresponding to 1,250,000 EUR (one million two hundred and fifty thousand euros) and lower, the Management Company may suspend the redemption of the Investment Shares. If the Fund's Capital reaches the upper limit of the range of 1,000,000,000 EUR (one billion euros) or more, the Management Company may suspend the issue of Investment Shares. For

the determination of the date of renewal of the issue or redemption of the Investment Shares, the provisions of Section 163 (3) of the Act are applicable.

- 13.60 The shareholder of Investment Share is entitled to request the exchange of his Investment Shares for investment Shares of another Class if he meets the conditions set forth for a qualified investor in the relevant Investment Shares Class as set out in the Statute.
- 13.61 The exchange of Investment Shares is carried out on the basis of the unknown current value for settlement, which means that at the time of the request for exchange the shareholder does not know the current value of the Investment Shares for which his request will be settled. The current value of Investment Shares for the purpose of settlement of the exchange will be determined as of the nearest future day, as of which the value of the investment Fund's Capital of the company is determined in accordance with Section 164 (1) of the Act, so called "Date of Determination of NAV", following the date of submission of the request for exchange or on the day of submission of the request for exchange, if such day is the Day of Determination of NAV.
- 13.62 The Company shall ensure the cancellation of the relevant number of investment Shares exchanged and the issue of the appropriate number of new investment shares within the period specified in the Statute, otherwise without undue delay after determining the current value for the Vesting Period to which the request for exchange is submitted.
- 13.63 The exchange of Investment Shares is subject to the prior approval of the Statutory Director. The Statutory Director reserves the right to decide whether or not to approve the exchange without giving any reason.
- 13.64 The Management Company is entitled in the Statute to introduce conditions for granting consent to the exchange of Investment Shares or to exclude the right to exchange Investment Shares completely.
- 13.65 In the case of exchange, Articles 13.53, 13.54 and 13.55 shall apply mutatis mutandis.
- 13.66 The Management Company is entitled to decide on the redemption of Investment Shares even without the prior consent of the holders of such redeemed Investment Shares.
- 13.67 The redemption of Investment Shares is carried out on the basis of the unknown current value for settlement, which means that at the time of the notice of redemption, the shareholder does not know the current value of the Investment Shares for which his redemption request will be settled. The current value of Investment Shares for the purpose of settlement of redemption shall be determined on the nearest future Date of Determination of NAV, following the date of submission of the redemption request or on the date of submission of the redemption request, if such day is the Date of Determination of NAV.
- 13.68 The Management Company is entitled in the Statute to introduce conditions for redemption of Investment Shares or to exclude the redemption of Investment Shares completely. In particular, the exercise of the right of redemption shall not infringe the right of shareholders to equal and fair treatment, unless the shareholder has waived that right.
- 13.69 The notification of the redemption of Investment Shares shall be delivered to the subject shareholder by e-mail.
- 13.70 The provisions of Articles of Association on the redemption of Investment Shares shall apply mutatis mutandis to the conditions for determining the consideration for redeemed Investment Shares and cancellation of Investment Shares.

13.71 The period for payment of consideration for the redemption of Investment Shares shall not be longer than the period for payment of consideration for the purchase of Investment Shares with the same parameters.

13.72 No redemption fees may be applied for the redemption of Investment Shares, unless otherwise stated in the Statute or the Investment Agreement.

13.73 In the case of redemption, Articles 13.53, 13.54 and 13.55 shall apply mutatis mutandis.

13.74

14 Information about Fees, Expenses and Total Costs

14.1 The fee to the Investment Company's for the management of the Fund is paid from the Fund's Assets related to the Fund's investment activities and amounts to 0.35% p.a. of the Fund's Assets, with the remuneration paid monthly based on the current value of the Fund's Assets as of the last day of the calendar month in which the remuneration is paid. If the value of the Fund's Assets at the end of the respective calendar month exceeds 300,000,000 CZK, the amount of the Investment Company's remuneration for the respective calendar month consists of the sum of amounts corresponding to 0.35% p.a. of the Fund Assets of 300,000,000,- CZK and 0.2% p.a. of the value of the Fund's Assets exceeding 300,000,000,- CZK. The minimum fee is 72,000 CZK for each commenced calendar month.

14.2 The Investment Company's remuneration for the administration of the Fund's Assets is paid from the Fund's Assets related to the investment activity and amounts to:

- a) the amount of CZK 2,000 for each subscription or redemption of the Investment Shares that took place in a given month, which is payable monthly on the basis of an invoice issued by the Investment Company;
- b) 100% of the entry fee under the relevant agreements of Investment Shares subscription for the offering of investments in the Fund, if the Investment Company has brokered the conclusion of an Investment Shares subscription agreement, which is payable monthly on the basis of an invoice issued by the Investment Company;
- c) 0.04% p.a. of the value of book-entry Investment Shares for the keeping of the register of Investment Shares in the form of book-entry securities, whereas the fee is paid monthly for each commenced calendar month in which the book-entry securities are maintained, according to the value calculated at the end of the calendar month preceding the calendar the month for which the fee is paid;
- d) 1% p.a. of initially invested amounts of the Fund's shareholders under the relevant Investment Shares subscription agreements (after deduction of entry fees), and that is based on an invoice issued by the Investment Company if the Investment Company has brokered a conclusion of a Investment Shares subscription agreement, which is payable annually to 31.1. the calendar year following the year for which the fee is paid and the entitlement to such remuneration shall continue until the day the relevant shareholder ceases to be a shareholder of the Fund;
- e) amount of 8,000 CZK for each commenced calendar month starting with the calendar month in which the Fund issued first Preferred Investment Shares, with the remuneration being paid monthly on the basis of an invoice issued by the Investment Company; and

- f) one-time remuneration of 110,000 CZK, payable together with remuneration for the performance of the function for October 2018, and the remuneration is paid on the basis of an invoice issued by the Investment Company.
- 14.3 The fee for the performance of the Depositary's activities; its amount, method of calculation and maturity are specified in the Depositary Agreement.
- 14.4 The remuneration of the Investment Company does not include other costs relating to the management of the Fund's Assets and administration, paid from the Fund's Assets related to the investment activity.
- 14.5 Other costs incurred or may be incurred in connection with the management of the Fund and the administration of the Fund, which are reimbursed from the Fund's Assets related to investment activities, are in particular:
 - a) costs incurred in connection with the acquisition, management and liquidation of assets in which the Fund invests under its Statute (in particular, costs of analysis, studies, due diligence, audit, expert opinion, brokerage fees and bonuses, etc.),
 - b) remuneration to the Fund's Depositary for activities other than the performance of its activities under the Depositary Agreement,
 - c) the cost of offering investment in the Fund,
 - d) costs related to the Fund's investment activities ,
 - e) remuneration of employees and members of the Fund's bodies,
 - f) interest on credits and loans received in connection with the management of the Fund's Assets,
 - g) interest on bonds issued by the Fund,
 - h) fees for maintaining accounts and handling funds related to the Fund's investment activities,
 - i) remuneration for the custody of securities or book-entry securities in the Fund's Assets,
 - j) the cost of insurance of the Fund's Assets,
 - k) the cost of risk mitigation tools,
 - l) the costs of liquidating the Fund,
 - m) costs associated with the transformation of the Fund,
 - n) the cost of the audit of the Fund,
 - o) costs associated with the promotion and marketing of the Fund,
 - p) costs of arranging for the subscription of the Fund's Investment Shares (fundraising),
 - q) legal service costs, and
 - r) notarial, court and administrative fees and taxes.
- 14.6 Other costs incurred or likely to be incurred in connection with the Fund's investment activities and borne by the Fund's Assets related to the investment activities are the costs of remuneration for offering and brokering investments in the Fund. These must not exceed the sum of:

- (a) 100% of the entry fee linked to the particular investment; and
 - (b) not more than 1.5% p.a. of the sum of initially invested amounts from eligible investors (based on the current value of the Investment Shares) under the relevant agreements of Investment Shares subscription (after deduction of entry fees), which have been demonstrably brokered by a third party. This amount is due annually by January 31 of the relevant calendar year following the year for which it is paid, in which case the remuneration is calculated (evaluated) for each calendar month. For the purposes of calculating the remuneration for a given calendar month, the value of the respective Investment Shares at the end of the preceding calendar month shall be used. Entitlement to this remuneration lasts until the day the relevant shareholder ceases to be a shareholder of the Fund.
- 14.7 Costs that are not incurred or cannot be incurred in connection with the Fund's investment activities may be paid only from the Fund's Assets not related to the Fund's investment activities.
- 14.8 Costs related to the management of the Fund's Assets and the administration of the Fund's Assets related to investment activities shall not exceed 5% p.a. of the expected average value of the Fund's Assets.
- 14.9 Table of Investor Charges and Costs Reimbursed from the Fund Assets Related to Investment Activities:

One-off fees charged before or after an investment (This is the highest amount that can be charged to an investor before the realization of investment or before the redemption of investment.)	
Entry Fee (Surcharge)	Up to 3% of the amount invested in the subscription of Investment Shares, subject to a subscription agreement
Exit Free (deduction)	5% of the volume of the Investment Shares redeemed shall be applied to the redemption request filed within 3 (three) years from the subscription of the Investment Shares.
Performance Fee	0

15 More Information

15.1 Information about the Statute:

- a) The information contained in the Statute is continuously updated.
- b) The amendment to the Statute is not subject to the approval of the ČNB.
- c) Each subscriber to shares shall be
 - (i) offered the Fund's Articles of Association, as amended, upon request, prior to the conclusion of a subscription agreement, free of charge, and

- (ii) provided the Fund's Statute in its current version free of charge and the latest annual report.
- d) Any subscriber may obtain the documents referred to in Article 15.1 (c) of this Statute in a paper form at the registered office of the Administrator, i.e. at Rohanské nábřeží 671/15, Karlín, 186 00, Prague 8.

15.2 Additional Information about Fund:

- a) The Fund is established for an indefinite period of time.
- b) The Fund may be dissolved:
 - (i) by decision of the Fund's General Meeting,
 - (ii) court decision.

The Fund may also cease to exist as a result of transformation, whether by merger or division. Certain special provisions of the Act apply to the dissolution of the Fund with liquidation.

- c) The proposal to appoint a liquidator must be approved by the General Meeting of the Fund. The Fund is obliged to deliver this resolution of the General Meeting to the Management Company and the Administrator without undue delay.
- d) The procedure for the dissolution or transformation of the Fund as well as the rights of shareholders in the dissolution or transformation of the Fund are governed by generally binding legal regulations, in particular by Act, Business Corporations Act and the Transformation Act.
- e) Additional information can be obtained at the Administrator's registered office, Rohanské nábřeží 671/15, Karlín, 186 00 Prague 8, on weekdays from 9 am to 4 pm if necessary.
- f) The courts of the Czech Republic shall be competent to resolve disputes arising from an agreement in connection with the investor's investment in the Fund, unless the agreement or the mandatory provision of the legal regulation stipulates otherwise. The applicable law for a contractual obligation in connection with an investor's investment in the Fund is the legal order of the Czech Republic, unless stipulated otherwise by the agreement or mandatory provision of the legal regulation.

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

- a) The taxation of the Fund and its shareholders is subject to the tax regulations of the Czech Republic, in particular Act No. 586/1992 Coll., on Income Taxes, as amended. The Fund is a joint-stock company whose income is currently subject to a 5% income tax.
- b) If the proceeds from the sale of the Fund's shares go to a tax non-resident in the Czech Republic, in cases stipulated by a generally binding legal regulation, the Czech buyer is obliged to withhold the income tax security from the purchase price in the amount according to valid legal regulations.
- c) The dividend paid by the Fund in general is subject to 15% withholding tax. The rate of withholding tax may be limited by the international double tax treaty by which the Czech Republic is bound. Therefore, before the payment of a dividend, the Fund may be

required to provide proof of the recipient's (the Fund's foreign shareholder's) tax domicile.

- d) Dividends paid to a legal person may be exempted if the conditions laid down by law are met, in particular if the shareholder is a tax resident of a member state of the European Union or Switzerland subject to corporation tax, owns at least 10% of the registered capital of the Fund, the legal form of the shareholder corresponds to the forms described in the annex to a corresponding directive of the European communities (in the Czech Republic, these are legal forms: joint stock company, limited liability company or cooperative) and owns a minimum required share for at least 12 months, which may also be met subsequently.
- e) The taxation regime for individual investors' income or profits depends on applicable tax regulations, which may not be the same for each investor; and the investor should seek professional advice if the investor is uncertain about the taxation regime that applies to them.

15.4 The Fund's supervisory authority is the ČNB, with its registered office at Na Příkopě 28, Prague 1, Postcode 115 03, telephone: 800 160 170, e-mail address: podatelna@cnb.cz, internet address: <http://www.cnb.cz> .

15.5 The Fund notifies investors that an entry in the list of investment funds maintained by the ČNB and exercising ČNB supervision do not guarantee the return on investment or performance of the Fund, cannot exclude the possibility of a breach of legal obligations or the Statute by the Fund, the Management Company, the Administrator, the Depositary or any other person and do not guarantee that any damage caused by such breach will be compensated.

16 Providing Information about Fund Management

16.1 The Fund is obliged to send its Annual Report to the ČNB no later than 4 months after the end of the accounting period. The Management Company and the Administrator shall be obliged to submit to the ČNB a report of the Qualified Investors Fund pursuant to Section 3 (3) (c) of Decree 249/2013 Coll., on Reporting of Data by the Management Company and the Administrator of Investment Fund and the Foreign Investment Fund.

16.2 Informing Shareholders of the Fund

Type of Information Provided	Frequency and / or Time to Provide Information	Method of Providing Information
Current Version of the Fund's Statute	Upon request	Paper form or electronically by email
Annual Report of the Fund	Upon request	Paper form or electronically by email
Current Value Information Investment Shares	Monthly	Electronically by email
Information on the Structure of the Fund's Assets and Information on the Use of	Yearly	Electronically by email

Leverage and Its Changes		
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16.3 The shareholder is responsible for the accuracy of the provided contact information for electronic communication.

In Prague on.....

AVANT investiční společnost, a.s., Statutory Director

Mgr. Ing. Pavel Doležal LL.M - Chairman of the Board of Directors