



# Statutes

**WOOD & Company,**  
**investiční fond s proměnným základním kapitálem, a.s.**  
November 2023

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## STATUTES

### WOOD & COMPANY, INVESTIČNÍ FOND S PROMĚNNÝM ZÁKLADNÍM KAPITÁLEM, A.S.

The Board of Directors of WOOD & Company, investiční fond s proměnným základním kapitálem, a.s. has duly adopted and publishes herewith in accordance with the provisions of Act No. 240/2013 Coll., on investment companies and investment funds (hereinafter "Act"), these statutes of investment fund with variable capital WOOD & Company, investiční fond s proměnným základním kapitálem, a.s., and its sub-funds (hereinafter "Statutes").

## DEFINITIONS OF TERMS

<b>Administrator</b>	refers to WOOD & Company investiční společnost, a.s., with its registered office at Prague 1 - Nové Město, náměstí Republiky 1079/1a, Postcode 110 00, Business ID 601 92 445;
<b>Shares</b>	refers to the Fund's Investment Shares and Founders' Shares;
<b>ČNB</b>	denotes the Czech National Bank, charged with supervision in the fields of management and administration of investment funds and foreign investment funds and offers of investments in these funds;
<b>Central Records</b>	refers to the central records of Investment Shares pursuant to § 92 (1) of the Capital Markets Act, maintained by the company Centrální depozitář cenných papírů, a.s.;
<b>Custodian Bank</b>	denotes UniCredit Bank Czech Republic and Slovakia, a.s., in charge of the Fund depository function;
<b>Custodian Agreement</b>	refers to contract for the performance of the depository function concluded by and between the Custodian Bank and the Fund;
<b>Dividend</b>	refers to the amount paid to the owners of Investment Shares as a share in the revenues from management of the assets of the Fund's sub-fund;
<b>Fund</b>	denotes WOOD & Company, investiční fond s proměnným základním kapitálem, a.s.;
<b>Fund Capital</b>	refers to the value of the assets of the Fund's sub-fund less the value of the sub-fund's debt;
<b>Investment Share Value</b>	indicates the portion of a sub-fund's capital per one Investment Share of the sub-fund;
<b>Follow-Up Records</b>	refers to the follow-up records of the Central Records maintained by the Securities Broker;
<b>Government Regulation</b>	refers to Regulation No. 243/2013 Coll., on investment fund investments and techniques to manage them, as amended;
<b>Real Estate Company</b>	refers to a legal entity in the form of a capital company incorporated under Czech or foreign law, with its registered office in the Czech Republic or abroad, whose principal business is the acquisition of real estate (whether directly or through another Real Estate Company) including its parts and accessories, property management, paid transfer of ownership of real estate, in order to make profits;
<b>Investment Shares</b>	denotes dematerialised individual registered shares of the Fund without nominal value, issued for individual sub-funds of the Fund, that represent identical shares in the respective sub-fund's capital and are attached the right of their redemption at their owner's request on the account of the respective sub-fund;
<b>Investor</b>	refers to an owner of Investment Shares;

<b>Securities Broker</b>		refers to WOOD & Company Financial Services, a.s. or any other company subject to the conditions under § 92 (2) or § 93 (3) of the Capital Markets Act, which maintains the Follow-Up Records of the Central Records of Investment Shares;
<b>Sustainability Risks</b>		means, under Article 2 (22) of the SFDR, an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Investment Shares;
<b>SFDR</b> <i>Finance Regulation</i>	<i>(Sustainable Disclosure Regulation)</i>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended;
<b>Statutes</b>		denotes this document;
<b>Class</b>		refers to the type of the sub-fund's Investment Shares which is specified by the criteria stipulated in the Statute of the Fund's relevant sub-fund; whereas the sub-fund's capital represented by such Investment Shares shall be invested together with the capital represented by other types of the sub-fund's Investment Shares which, however, differ from the relevant sub-fund's other types of Investment Shares in their currency, fee structure, minimum investment or other properties;
<b>Founders' Shares</b>		refers to the Fund's shares subscribed by the founders of the Fund that do not carry the right of their redemption on the Fund's account, or any other special right, and that are ordinary individual registered shares without nominal value;
<b>Act</b>		denotes Act No. 240/2013 Coll., on investment companies and investment funds;
<b>Capital Markets Act</b>		denotes Act No. 256/2004 Coll., on doing business in the capital market.

## **PART I.**

### **GENERAL PROVISIONS OF THE STATUTES**

#### **1. INVESTMENT FUND**

- 1.1 The name of the investment fund is:  
WOOD & Company, investiční fond s proměnným základním kapitálem, a.s., (hereinafter "Fund").
- 1.2 The Fund's LEI is: 315700HYI945R99ISO96
- 1.3 The Fund's identification number is: 051 54 537.
- 1.4 The Fund's registered office is at náměstí Republiky 1079/1a, Postcode 110 00, Prague 1 - Nové Město, Czech Republic.
- 1.5 The Fund was established by a notarial deed written up on 12 May 2016. The Fund was registered in the list of investment funds maintained by the ČNB on 31 May 2016, reference number 2016/063610/CNB/570. The Fund was incorporated by entry into the Commercial Register on 9 June 2016.
- 1.6 The Fund is an autonomous investment fund, within the meaning of § 8 (1) of the Act. The authorization to operate as an autonomous investment fund under § 480 of the Act was granted by ČNB's decision of 10 December 2018, reference number 2018/144859/CNB/570, which became legally effective on 12 December 2018.
- 1.7 The Fund was created for an indefinite period.
- 1.8 The Fund is under the Act a fund for qualified investors in the legal form of a joint stock company with variable capital, which collects money or things appraisable in money from more qualified investors, i.e. persons specified in § 272 (1) of the Act.
- 1.9 The Fund may create sub-funds. The list of sub-funds created by the Fund is contained in Part II (Final Provisions) of the Statutes; information about their investment strategies, risk profiles, past performance and other particularities is provided in Appendix to the Statutes. The Appendix is an integral part of the Statutes.
- 1.10 These Statutes are common for the Fund and all of its sub-funds, with the exception of the Appendix that only applies to specific sub-funds.
- 1.11 The Fund's internet addresses are: [www.woodis.cz](http://www.woodis.cz) and [www.wood.cz](http://www.wood.cz)
- 1.12 The Fund is not a controlling or subordinate fund.
- 1.13 The Fund is authorised to exceed the qualifying threshold (rozhodný limit).
- 1.14 The Fund is not authorised to perform its own administration.
- 1.15 The Fund does not have a main supporter within the meaning of § 85 and following of the Act.
- 1.16 From its incorporation until the legal effectiveness of ČNB's authorization to operate as an autonomous investment fund, the Fond was an investment fund with a legal capacity and an individual statutory body, i.e. WOOD & Company investiční společnost, a.s., with its registered office at Prague 1 - Nové Město, náměstí Republiky 1079/1a, Postcode 110 00, Business ID 601 92 445.
- 1.17 The registered capital of the Fund is CZK 8,500,000 (in words: eight million five hundred thousand Czech crowns). The registered capital is divided into 85 pieces of founders' individual registered shares without nominal value (Founders' Shares). In case of transfer of Founders' Shares to a third party, the other owners of Founders' Shares have the pre-emptive right to buy such Founders' Shares, in accordance with the articles of association of the Fund.
- 1.18 The powers of the General Assembly of the Fund include, inter alia:

- (a) Deciding on changes to the articles of association of the Fund, except for changes resulting from increase of the registered capital by the Board of Directors under § 511 of the Business Corporations Act, or changes resulting from other legal circumstances;
  - (b) Decisions to increase or decrease the Fund's registered capital, authorise the Board of Directors under § 511 of the Business Corporations Act, or allow to set off monetary receivables from the Company against the receivables for payment of the issue price of the Founders' Shares;
  - (c) Elections and removals of members of the Board of Directors of the Fund;
  - (d) Elections and removals of members of the Supervisory Board of the Fund;
  - (e) Approving decisions on the Fund's conversion;
  - (f) Approving decisions on the Fund's dissolution with liquidation;
  - (g) Decisions on creation of Investment Committees for individual sub-funds, the number of members of the Investment Committee, their election and removal;
  - (h) Approving regular or extra-ordinary financial statements of the Fund and its sub-funds, and decisions on distribution of profit and other own resources or payment of loss;
  - (i) Approving agreements on performance of office of the members of the Board of Directors;
  - (j) Approving agreements on performance of office of the members of the Supervisory Board and other bodies specified in the Articles of Association;
  - (k) Approving provision of performance for the benefit of members of the Fund's bodies other than provided by law, approved agreement on performance of office or the Fund's internal guidelines approved by the General Assembly;
  - (l) Decision to appoint a liquidator, or to file a request for appointment of a liquidator by the Czech National Bank, if the law stipulates that a liquidator is to be appointed by the Czech National Bank;
  - (m) Approving decision on distribution of liquidation balance;
  - (n) Decision to approve the provision of an extra payment outside the Company's registered capital by its shareholders holding Founders' Shares, and its recovery;
  - (o) Decision to appoint an auditor of the financial statements and the consolidated financial statements;
  - (p) Decision on other issues entrusted to the power of the General Assembly by the Business Corporations Act, the Act on Investment Companies and Investment Funds or the Articles of Association.
- 1.19 Details concerning the scope of powers of and convening the General Assembly and other bodies of the Fund are to be defined in the articles of association of the Fund.
- 1.20 The current wording of the Statutes and the latest published annual report of the Fund are available on the Fund's website [www.woodis.cz](http://www.woodis.cz), and may also be obtained by every subscriber of Investment Shares free of charge at the registered office of the Fund and the Administrator, or in electronic form on request to be sent by e-mail to: [fondy@wood.cz](mailto:fondy@wood.cz).
- 1.21 The application of § 1431 and § 1432 of Act No. 89/2012 Coll., Civil Code, to the Fund's management is excluded.

## **2. MANAGEMENT COMPANY**

- 2.1 The Fund's Management Company is the Fund itself. Information about the Management Company is therefore provided in Part 1 of these Statutes.
- 2.2 The Fund is not a part of a consolidated group.

2.3 The Fund is managed by the Board of Directors, consisting of Marek Herold (Chairman of the Board of Directors and Portfolio Manager), Ing. Jiří Hrbáček (Member of the Board of Directors and Portfolio Manager), Ing. Petr Beneš, MBA (Member of the Board of Directors), Ing. Miroslav Nosál, CFA (Member of the Board of Directors), and PhDr. Martin Peška (Member of the Board of Directors).

2.4 Positions held by the managers in addition to their offices in the Fund:

**Marek Herold is also the executive director of:**

- (a) WOOD & Company Real Estate s.r.o., Business ID 05340101, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (b) CHIRANA T. Injecta, s.r.o., Business ID 26216469, with its registered office at Komořanská 2148, Modřany, 143 00 Prague 4;
- (c) Hadovka Holding s.r.o., Business ID 07034661, with its registered office at Evropská 2591/33d, Dejvice, 160 00 Prague 6;
- (d) CK Energo, s.r.o., Business ID 07003323, with its registered office at Lodžská 850/6, Troja, 181 00 Prague 8;
- (e) Greenline Holding s.r.o., Business ID 08661154, with its registered office at Jihlavská 1558/21, Michle, 140 00 Prague 4;
- (f) Krakov Holding s.r.o., Business ID 08155381, with its registered office at Lodžská 850/6, Troja, 181 00 Prague 8;
- (g) C & R Developments s.r.o., Business ID 27187179, with its registered office at Českomoravská 2420/15a, Libeň, 190 00 Prague 9;
- (h) GreenPoint Holding s.r.o., Business ID 17268231, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1; and
- (i) KIDS s.r.o., Business ID 019 34 686, with its registered office at Lodžská 850/6, Troja, 181 00 Prague 8.

**Marek Herold is also a member of the Supervisory Board of:**

- (a) WOOD & Company Financial Services, a.s., Business ID 26503808, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1; and
- (b) WOOD & Company Investments, a.s., Business ID 02318563, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1.

**Ing. Jiří Hrbáček is also the executive director of:**

- (a) C & R Developments s.r.o., Business ID 27187179, with its registered office at Českomoravská 2420/15a, Libeň, 190 00 Prague 9;
- (b) WOOD & Company Real Estate s.r.o., Business ID 05340101, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (c) Krakov Holding s.r.o., Business ID 08155381, with its registered office at Lodžská 850/6, Troja, 181 00 Prague 8;
- (d) Hadovka Holding s.r.o., Business ID 07034661, with its registered office at Evropská 2591/33d, Dejvice, 160 00 Prague 6;
- (e) CK Energo, s.r.o., Business ID 07003323, with its registered office at Lodžská 850/6, Troja, 181 00 Prague 8;
- (f) Greenline Holding s.r.o., Business ID 08661154, with its registered office at Jihlavská 1558/21, Michle, 140 00 Prague 4; and
- (g) Astrum Holding sp. z. o. o., registration no.: 0000932117, with its registered office at ul. Przykopywa 33, 01-208 Warsaw, the Republic of Poland.



**Ing. Petr Beneš, MBA is also the member of the Board of Directors of:**

- (a) WOOD & Company Financial Services, a.s., Business ID 26503808, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1.

**Ing. Petr Beneš, MBA is also the member of the Board of Trustees of:**

- (a) the foundation Nadace sv. Ludmily, Business ID 11889225, with its registered office at Hradčanské náměstí 56/16, Hradčany, 118 00 Prague 1.

**Ing. Petr Beneš, MBA is also the executive director of**

- (a) PRIVATE INSURANCE s.r.o., Business ID 24793299, with its registered office at U libušské sokolovny 959/32, 142 00 Prague 4.

**Ing. Petr Beneš, MBA is also the chairman of the Supervisory Board of:**

- (a) the foundation Nadace Arietinum, Business ID 09745670, with its registered office at Hradčanské náměstí 56/16, Hradčany, 118 00 Prague 1.

**Ing. Miroslav Nosál, CFA is also the chairman of the Board of Directors of:**

- (a) WOOD & Company investiční společnost, a.s., Business ID 601 92 445, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1.

**PhDr. Martin Peška is also the chairman of the Board of Directors of:**

- (a) Biometan Energo a.s., Business ID 088 49 978, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1; and
- (b) WOOD Biometan Invest, a.s., Business ID 095 58 489, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1.

**PhDr. Martin Peška is also the executive director of:**

- (a) Biometan Agrico, s.r.o., Business ID 190 92 270, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (b) Biometan projektová s.r.o., Business ID 117 39 461, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (c) Compania Banat, s.r.o., Business ID 087 34 755, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (d) ELGA s.r.o., Business ID 280 73 487, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (e) ENERGO TOP BIO s.r.o., Business ID 288 15 785, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (f) WAC Trade s.r.o., Business ID 177 52 973, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (g) FVE KYLD 1 s.r.o., Business ID 179 97 470, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (h) FVE Organic s.r.o., Business ID 179 97 453, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (i) BONDEN Project s.r.o., Business ID 086 95 849, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1;
- (j) KYLD CZ, s.r.o., Business ID 070 69 308, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1; and
- (k) Mlýn Okoř, s.r.o., Business ID 251 45 231, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1.

**PhDr. Martin Peška is also the member of the Supervisory Board of:**

- (a) ORGREZ, a.s., Business ID 469 00 829, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1.

**3. ADMINISTRATOR**

- 3.1 The Fund's Administrator is WOOD & Company investiční společnost, a.s., with registered seat at náměstí Republiky 1079/1a, Postcode 110 00, Prague 1 - Nové Město, Czech Republic, Business ID: 601 92 445 (the "Administrator").
- 3.2 The Administrator was incorporated by entry into the Commercial Register on 26 October 1993.
- 3.3 The Administrator has obtained the initial authorisation to operate based on decision of the Ministry of Finance of the Czech Republic of 14 October 1993, Ref. No.: 101/58 024/1993. Following amendments to the legal system, the Administrator then obtained a new valid authorisation to operate that supersedes all previous licences and authorisations, based on decision of the Securities Commission (hereinafter "Commission"), now the ČNB, Ref. No.: 41/N/71/2004/6 of 13 October 2004 that became enforceable on 14 October 2004.
- 3.4 The Administrator performs for the Fund and all its sub-funds all activities which are a part of administration under § 38 (1) of the Act, in particular:
- (a) Bookkeeping;
- (b) Ensuring the provision of legal services and compliance;
- (c) Valuation of assets and liabilities of the Fund and its sub-funds and calculation of the value of Investment Shares;
- (d) Ensuring issue and redemption of Investment Shares;
- (e) Compiling and updating annual reports and promotional communications concerning the Fund; and
- (f) Publication, disclosure and provision of data and documents to Investors and other authorised persons, including the ČNB.
- 3.5 The Administrator also ensures for the Fund the services of compliance and internal audit for management activities, under the Administration Agreement concluded between the Administrator and the Fund.
- 3.6 The Administrator is a part of a consolidated group where the controlling person and also the person that prepares the consolidated financial statements is WOOD & Company Group S. A., with registered office at 2411 Luxembourg, boulevard F.W. Raiffeisen 17, Grand Duchy of Luxembourg.
- 3.7 The Administrator is a full member of the Czech Capital Market Association (AKAT ČR).
- 3.8 The Administrator's capital amounts to CZK 20,000,000 (in words: twenty million Czech crowns) and is paid in full.
- 3.9 The Administrator is controlled by the Board of Directors consisting of the members: Ing. Miroslav Nosál, CFA (Chairman of the Board of Directors), Ing. Jan Sýkora (Member of the Board of Directors), and Ing. Jaromír Kaska (Member of the Board of Directors).
- 3.10 The Administrator is authorised to exceed the qualifying threshold (rozhodný limit).
- 3.11 The Administrator engages in operations that are compliant with the Act and the authorisation by the Commission, now the ČNB, granted to the Administrator on 13 October 2004. The authorisation by the Commission, now the ČNB, was based on § 60 of Act No. 189/2004 Coll., on collective investments (hereinafter "ACI"), and the list of operations was based on § 14 and § 15 of ACI. The full wording of the authorisation by the Commission, now the ČNB, granted to the Administrator, is available for

viewing at the Administrator's registered office. In accordance with § 642 of the Act, from the effective date of the Act (19 August 2013) the scope of the Administrator's operations includes:

- (a) Management of special funds and foreign investment funds comparable to the special fund;
- (b) Management of funds for qualified investors and foreign investment funds comparable to the fund for qualified investors (with the exception of qualified venture capital funds and qualified social entrepreneurship funds and comparable foreign investment funds);
- (c) Administration of special funds and foreign investment funds comparable to the special fund;
- (d) Administration of funds for qualified investors and foreign investment funds comparable to the fund for qualified investors (with the exception of qualified venture capital funds and qualified social entrepreneurship funds and comparable foreign investment funds);
- (e) Management of customer assets that include investment tools, at its discretion within the framework of contractual agreements (portfolio management);
- (f) Custody and administration of investment tools, including related services, but only in relation to securities and book-entry securities issued by an investment fund or foreign investment fund;
- (g) Providing investment advice concerning investment tools.

3.12 List of investment funds other than the Fund, administered by the Administrator:

- (a) WOOD & Company All Weather dlouhopisový fond – otevřený podílový fond, WOOD & Company investiční společnost, a.s.;
- (b) WOOD & Company All Weather růstový fond – otevřený podílový fond, WOOD & Company investiční společnost, a.s.;
- (c) WOOD & Company Dluhopisový fond – otevřený podílový fond, WOOD & Company investiční společnost, a.s.;
- (d) ČCE (A) Restituční podfond; ČCE (A), investiční fond s proměnným základním kapitálem, a.s.;
- (e) Podfond ČCE(B); ČCE (B), investiční fond s proměnným základním kapitálem, a.s.;
- (f) WOOD & Company Realitní – otevřený podílový fond, WOOD & Company investiční společnost, a.s.;
- (g) FestLen I; FestLen SICAV a.s.

#### **4. ASSIGNMENT OF OTHER PERSONS TO PERFORM SPECIFIC ACTIVITIES**

- 4.1 The Fund has not authorized any other person to perform any individual activities included in the management of an investment fund.
- 4.2 The Administrator has not authorized any other person to perform any individual activities included in the administration.

#### **5. CUSTODIAN BANK**

- 5.1 The Custodian Bank of the Fund is UniCredit Bank Czech Republic and Slovakia, a.s., with registered office at Želetavská 1525/1, Postcode 140 92, Prague 4 - Michle, Czech Republic, Business ID 649 48 242, registered in the Commercial Register at the Municipal Court in Prague, file reference B, insert 3608.
- 5.2 The Custodian Bank is a member of UniCredit group. UniCredit Bank Austria AG, Rothschildplatz 1, 1020, 1010 Vienna, Austria, owns a controlling interest in UniCredit Bank Czech Republic and Slovakia, a.s. The indirect controlling entity is UniCredit S.p.A. with registered office at Piazza Gae Aulenti 3 - Tower A, 20154 Milan, Italy, which is the main shareholder of UniCredit Bank Austria AG.

- 5.3 The Custodian Bank is registered in the list of depositories of investment funds maintained by the ČNB, with the date of authorisation to perform depository operations identical to the date of registration in the Commercial Register on 1 January 1996.
- 5.4 The Custodian Bank performs its operations in accordance with the Act and based on contract for the performance of custodial tasks concluded with the Fund (Custodian Agreement).
- 5.5 As part of its depository operations and duties, the responsibilities of the Custodian Bank include (always separately for each sub-fund):
- (a) Custody of fungible investment instruments that are part of the Fund's assets by registering and keeping them in equity accounts operated by the Custodian Bank for the individual sub-funds of the Fund in the central register of book-entry securities, in separate register of investment tools, in attached registers or in similar registers maintained in accordance with the law of a foreign state; the Custodian Agreement gives right to ensure custody of fungible investment instruments also by creating equity accounts for individual sub-funds of the Fund with the central depository of book-entry securities, or an equivalent facility created or established in accordance with the law of a foreign state;
  - (b) Has physical custody of the Fund's assets the nature of which permits this;
  - (c) Keeps records of the Fund's assets the nature of which permits this;
  - (d) Creates or operates cash accounts in the name of the Fund;
  - (e) Creates or operates cash accounts in the name of the Fund Management Company established on behalf of the Fund;
  - (f) Creates or operates in its name cash accounts created on behalf of the Fund; in that case the Fund's Custodian Bank shall make sure that none of its cash is kept on the Fund's account;
  - (g) Deposits without undue delay in the respective cash account created by it all the Fund's cash made in particular by subscribing and issuing Investment Shares;
  - (h) Keeps records of all the cash accounts created on behalf of the Fund and monitors transactions with the Fund's cash in these accounts;
  - (i) Checks whether in accordance with the Act, the Statutes and with the provisions of the Custodian Agreement:
    - (i) Investment Shares were issued and redeemed;
    - (ii) Value was calculated of each Investment Share;
    - (iii) Assets and liabilities were valued of the Fund and its sub-funds;
    - (iv) Consideration was paid in transactions with the Fund's assets within the usual deadlines;
    - (v) The revenues made for the Fund are used;
    - (vi) The Fund's assets are acquired and disposed of;
  - (j) Executes orders of the Fund in accordance with the Statutes and with the Custodian Agreement.
- 5.6 The Custodian Bank performs its function through regular inspections of investment activities of the Fund and how it manages the Fund's assets. For these purposes, the Fund is obliged to provide to the Custodian Bank the required information compliant with the agreement concluded with the Custodian Bank.
- 5.7 The Custodian Bank is in charge of management of the investment tools that are part of the Fund's assets, of custody of the Fund's assets and of keeping records of the assets always separately for each sub-fund. The Custodian Bank's liability is not affected where the Custodian Bank delegates the activities to another person. This does not affect the liability of the Fund for damage incurred over the course of management of the Fund.

## **6. THE INVESTMENT PROCEDURE AND THE INVESTMENT COMMITTEE**

- 6.1 Investment Committees are established as advisory bodies to the individual sub-funds (hereinafter "Investment Committee"). Until the Fund's Board of Directors decides on the establishment of an Investment Committee as a separate body of a particular sub-fund, the activities of the Investment Committee are performed by the Fund's Board of Directors. If the Fund's Board of Directors decides on the establishment of the Investment Committee, it also decides on the number of its members, elects and dismisses its members.
- 6.2 The Investment Committee comments on proposals for specific major investments or divestments of the individual sub-funds as part of their Investment Strategy that are submitted to it by the Portfolio Managers of the individual sub-funds or individual members of the Investment Committee (hereinafter "Opinion").
- 6.3 The Investment Committee presents the Opinions to the relevant Portfolio Manager of the individual sub-fund who is obliged to take account of each Opinion in managing the sub-fund.

## **7. AUDIT COMMITTEE**

- 7.1 The audit committee is established. The audit committee has 3 members. The Fund's General Assembly elects and recalls the members of the audit committee and approves the agreements on performance of their office.
- 7.2 The powers of the audit committee include activities stipulated in the Act on Auditors or the Fund's Articles of Association. The audit committee especially monitors the effectiveness of the internal control and the risk management system, the effectiveness of internal audit and its functional independence or the process of preparation of the financial statements, and issues recommendations to the Supervisory Board to ensure the integrity of accounting systems and financial records.

## **8. SUB-FUNDS – GENERAL REGULATIONS**

- 8.1 Establishment of sub-funds:
  - (a) The Fund may create sub-funds that in terms of accounting and ownership are separate parts of the Fund's property;
  - (b) The Fund includes in the sub-fund(s) assets and liabilities from its investment activities;
  - (c) Each sub-fund has its own investment strategy.
- 8.2 To meet or satisfy claims of creditors or shareholders of the Fund that have arisen in connection with the creation of a sub-fund, pursuit of its investment strategy or its dissolution, only assets can be used in the same sub-fund, and the costs pertinent to a specific sub-fund are paid from the assets of that sub-fund; costs related to multiple sub-funds are paid from the assets of these sub-funds proportionally according to the fair value of their assets, unless the Statutes provide otherwise.
- 8.3 On the creation of a sub-fund, the Fund's Board of Directors decides that also defines the sub-fund's investment strategy and other rules for the functioning of the sub-fund. The Administrator ensures that pertinent changes are made to the Fund's Statutes and that the sub-fund is registered in the list maintained by the ČNB.
- 8.4 The Fund issues for each sub-fund Investment Shares that represent equal portions of the part of the Fund's capital held in the sub-fund; the Investment Shares issued for a sub-fund only carry the right to a share in profits from operations of that sub-fund only, and a share in liquidation balance on dissolution of the sub-fund with liquidation.

**9. GUIDELINES FOR OPERATIONS AND PAYMENT OF SHARES IN PROFIT OR REVENUES**

- 9.1 The Fund's fiscal period is the calendar year.
- 9.2 Approval of financial statements of the Fund and its sub-funds and the decision on distribution of profit is within the responsibility of the Fund's General Assembly.
- 9.3 The assets and liabilities of the Fund and the sub-funds are valued at fair value in accordance with § 196 of the Act and other legal regulations, in particular the Government Regulation and Decree No. 244/2013 Coll., on detailed rules concerning certain provisions of the Act on investment companies and investment funds.
- 9.4 Real estate is valued in accordance with § 265 of the Act. Where real estate is valued by a property appraiser, or where the Management Company has established a committee of experts, also the provisions apply of § 266 and § 271 of the Act.
- 9.5 Valuation of assets and liabilities is performed separately for each sub-fund at fair value. The frequency at which and/or the exact days on which valuation takes place of movable and immovable property (including its parts and accessories) at its fair value are listed for each sub-fund in the Appendix, or determined using the procedure according to Point 8.6 (hereinafter "Valuation Day"). Where a sub-fund is valued once a year, which is as at 31 December of the calendar year, the valuation always is performed to this day, regardless of whether it is a working day. The Fund's Board of Directors may decide in justified cases on a temporary change in the valuation frequency.
- 9.6 In case of a sudden change in circumstances affecting the price of assets of a sub-fund, the Administrator initiates without undue delay after having learned of such circumstances a new valuation that reflects the current circumstances that affect the value of the sub-fund's assets (hereinafter "Extraordinary Valuation"). The Administrator initiates Extraordinary Valuation also in other cases as deemed appropriate in order to protect the rights of owners of Investment Shares. Based on Extraordinary Valuation, the Administrator also initiates extraordinary determination of current value of Investment Shares, which is to be disclosed along with the Extraordinary Valuation date without delay to all the investors concerned.
- 9.7 The assets and liabilities as well as costs and revenues and profit or loss from managing the assets of the Fund and the individual sub-funds are subject to separate accounting, i.e. the Administrator maintains separate accounting for the Fund and for the sub-funds managed by the Fund.

**10. INVESTMENT SHARES ISSUED BY THE FUND**

- 10.1 The Fund is issuing Investment Shares for the individual sub-funds in accordance with the Act and these Statutes. The Investment Shares include the right of redemption at the request of their owner on the respective sub-fund's account. The Investment Shares cease through the act of redemption.
- 10.2 The Investment Shares of selected sub-funds may be approved for trading in the European regulated market or any other foreign market equivalent to the regulated market. The information that the Investment Shares of a particular sub-fund are approved for trading in the European regulated market or any other foreign market equivalent to the regulated market is stated in the statutes of the relevant sub-fund.
- 10.3 The Investment Shares of the relevant sub-fund are kept in Central Records.
- 10.4 The Investment Shares have no nominal value.
- 10.5 A sub-fund's Investment Shares are assigned an identification code in accordance with the International Securities Identification Number (ISIN) system.
- 10.6 The number of Investment Shares is not limited.
- 10.7 Ownership rights to Investment Shares are verified through excerpt from the owner's account in Central Records or Follow-up Records.

- 10.8 The Investment Shares of individual sub-funds give rise to equal rights of all the Investors of the respective sub-funds, except for those Investment Shares of the sub-funds which are divided into Classes with different rights and obligations of the Investors.
- 10.9 The contractual terms for the issuance and redemption of investment Shares are to be provided to potential investors on request and can be viewed in the registered office of the Fund and the Administrator.
- 10.10 The Investment Share value is based on valuation of assets and liabilities to the Valuation Day and is rounded to four decimal places. The initial value of Investment Share at which the Investment Shares are issued until the first Valuation Day is defined for each sub-fund in the Appendix.
- 10.11 Issuance of Investment Shares:
- (a) For purposes of this article, the term "Client" denotes the applicant for the acquisition of Investment Shares, including (except under letters h) and i)) the Securities Broker applying for the acquisition of Investment Shares on behalf of its customers;
  - (b) The Administrator ensures the issue of Investment Shares;
  - (c) The Investment Shares are subscribed upon a public call for their subscription;
  - (d) The Administrator ensures that the Investment Shares are issued for the amount given for the respective sub-fund in the Appendix, over a maximum period of three (3) months from the day when the issue of Investment Shares is commenced;
  - (e) The Fund issues Investment Shares to the Client on the provision that the Client concludes with the Fund an agreement on the issuance and redemption of Investment Shares (hereinafter "Agreement");
  - (f) The Fund issues Investment Shares to the Client based on receipt of payment on the Fund's account operated for the respective sub-fund by the Custodian Bank (hereinafter "Sub-Fund's Account"), with the variable symbol used to identify the Client, or based on provision of an appropriate non-monetary contribution. Acquisition of Investment Shares based on non-monetary contribution must be permitted by the statutes of the respective sub-fund;
  - (g) The Fund accepts only those non-monetary contributions which are listed among assets in which the selected sub-fund invests according to its investment strategy, and which are suitable in view of its investment strategy and structure of assets, and the acquisition of which is permitted by the Act. The price of the non-monetary contribution must be always determined by the expert opinion of an expert selected for that purpose by the Fund's Board of Directors; however, the cost of the valuation of the non-monetary contribution is always borne by the Client. The Fund has no obligation to conclude a contribution agreement with the Client or to accept the non-monetary contribution, and it is at its sole discretion whether it will allow the contribution obligation to be fulfilled by a non-monetary contribution. The non-monetary contribution is likewise subject to the minimum investment obligation specified in letter h) or i) of this article. The non-monetary contribution must be always provided to the Fund within one (1) month of assuming the contribution obligation. If the non-monetary contribution is an immovable thing, the subject of contribution is provided upon the Client's handover of the immovable thing, and a written statement on contribution of the immovable thing with an officially verified signature, to the Board of Directors. If the subject of contribution is a movable thing, the subject of contribution is provided upon the thing's handover to the Board of Directors, which will, in cases stipulated by law, ensure its custody with a custodian in accordance with the Act and the custodian agreement. If the character of the thing does not allow for actual handover of the movable thing, the thing is provided by handover of the data carriers or other records of the thing which is subject to handover and the documentation which records the character, content and other facts significant for utilization of the non-monetary contribution. If the non-monetary contribution is an ownership interest in a business corporation, the thing is provided by conclusion of an effective contribution agreement which will contain the requisite provisions required for transfer of ownership interest under the Business Corporations Act and the Civil

Code. If the non-monetary contribution is a receivable, the subject of contribution is provided upon effectiveness of the relevant agreement on contribution of the receivable. If the non-monetary contribution is an enterprise or any part thereof (where permissible by the Act), the subject of contribution is provided upon effectiveness of the relevant contribution agreement. In other cases, the non-monetary contribution is provided upon effectiveness of the relevant contribution agreement between the Client and the Fund.

- (h) The minimum amount for the initial issue of Investment Shares to the Client is EUR 125,000. This amount can be divided between more sub-funds managed by the Fund. Where (i) the Administrator or Securities Broker issues a written confirmation of suitability of an investment in the respective sub-fund or sub-funds given the Client's financial background, their investment objectives, expertise and experience in the investment field, or (ii) the Client is a professional client pursuant to § 2a of the Capital Markets Act, the minimum amount is CZK 1,000,000;
- (i) A Client who already owns Investment Shares will be issued Investment Shares by the Fund on the additional provision that the total of its paid-in investments in all sub-funds of the Fund corresponds to at least the amount specified in letter h) above. The minimum investment then is CZK 100,000 or an equivalent of that amount in EUR, unless the Statutes of the sub-fund stipulate a higher amount;
- (j) A Client acquires Investment Shares at the value of the Investment Share announced on the Valuation Day. The funds credited to the Sub-Fund's Account in the period from the preceding Valuation Day to the next Valuation Day (inclusive), or the non-monetary contribution provided effectively within that period, will be used to pay for the Investment Shares issued at the value announced for the next Valuation Day if the Client has concluded the Contract by that date,
- (k) For the amount received in the Sub-Fund's Account, the Client is credited on their owner's account in Central Records or Follow-up Records with the corresponding next lower number of Investment Shares determined as the integer part of the ratio between the amount received from the Client reduced by any entry fee, and the value of one Investment Share. Any excess payment is treated as the sub-fund's income;
- (l) For the effectively provided non-monetary contribution, where permissible, the Client is credited on their owner's account in Central Records or Follow-up Records with the corresponding next number of Investment Shares determined as the ratio between the value of the non-monetary contribution, as valued by the expert selected for that purpose by the Fund's Board of Directors, reduced by any entry fee, and the value of one Investment Share. Any difference between the credited amount or the price of the non-monetary contribution and the amount corresponding to the calculated value of the issued Investment Shares is returned to the Client, unless the Client and the Fund agree otherwise in writing;
- (m) The rights from an Investment Share arise on crediting the owner's account of the Client in Central Records or Follow-Up Records with the Investment Shares;
- (n) The Fund reserves the right to decide which Client orders for purchase of Investment Shares it accepts or rejects, mainly with a view to any risks of disrupting the Fund's stability or harming the interests of current Investors.

#### 10.12 Redemption of Investment Shares:

- (a) For the purposes of this article, the term "Investor" also refers to the Securities Broker applying for redemption of Investment Shares on behalf of its customers;
- (b) The Administrator ensures the redemption of Investment Shares;
- (c) The Fund shall redeem, except in cases stipulated by the Act or the Statutes, Investment Shares from the Investor on the provision that the Investor has delivered the instruction to redeem the Investment Shares in the form according to annex to the Agreement;
- (d) Should the redemption of Investment Shares result in the total amount of the Investment Shares held by the Investor in all sub-funds managed by the Fund to drop below the minimum



investment value set in Article 9.11, letter h) of the Statutes, the Investor is obliged to request redemption of the Investment Shares in the full amount they hold;

- (e) The Fund redeems the Investment Shares at the value of the Investment Share announced on the Valuation Day. The Investment Shares redeemed by the Investor based on a request for redemption of Investment Shares made in the period from the previous Valuation Day to the next Valuation Day (inclusive) will be redeemed at the value announced for the next Valuation Day,
- (f) The Investor may request redemption of Investment Shares either by the number of redeemable Investment Shares, or by the cash amount they require;
- (g) Where the Investor requests redemption based on the number of Investment Shares redeemed, the total amount of money to be sent to the Investor shall be determined by multiplying the number of written off Investment Shares by the redemption price of the Investment Share less the exit fee if determined for a particular sub-fund in the Appendix, and this amount shall then be rounded to two decimal places;
- (h) Where the Investor requests redemption in the required cash amount, the number of Investment Shares to deduct is set as the next higher integer ratio between the requested amount and the redemption price of an Investment Share. The total amount sent for the redeemed Investment Shares is the result of multiplying that number of Investment Shares by the redemption price, less the exit fee where determined for a specific sub-fund in Appendix, with the resulting amount rounded to two decimal places;
- (i) Investment Shares are redeemed at a value set to the Valuation Day, providing that the instruction to redeem the Investment Shares is received by the Administrator at the latest on that day. Where the redemption instruction is received by the Administrator after the Valuation Day, the Investment Shares will be redeemed at a value set to the next Valuation Day;
- (j) The Fund is obliged to redeem Investment Shares from the Investor using the assets of the respective sub-fund, unless the redemption of Investment Shares is suspended;
- (k) The Fund redeems the Investor's Investment Shares within a period set for the particular sub-fund in the Appendix;
- (l) The Fund's Administrator ensures the public announcement of the next upcoming term for redemption of Investment Shares on the Fund's website; within this term, the Administrator ensures the redemption of all Investment Shares, the redemption of which has been requested by Investors since the last term for redemption of the Fund's Investment Shares;
- (m) The Investment Shares designated by the Investor for redemption must not be encumbered by any facts that would prevent their deduction from the owner's account in Central Records or Follow-up Records;
- (n) The redemption of Investment Shares may carry an exit fee if provided so for the particular sub-fund in the Appendix;
- (o) The rights from Investment Shares cease upon redemption of the Investment Shares by the Fund on the day of deducting the Investment Shares from the owner's account in Central Records or Follow-up Records on the day of payment of the share in liquidation balance in case of the Fund's dissolution, or within the periods defined by the Act in case of the Fund's conversion pursuant to Article 11.4.

10.13 The fulfilment of issuance and redemption of Investment Shares is in the Administrator's registered office.

10.14 The Fund is authorised in accordance with the Act to suspend issuance or redemption of a sub-fund's Investment Shares for a maximum period of two (2) years, unless otherwise provided in the Appendix for a particular sub-fund, where this is necessary for reasons of protection of Investors' rights or their legally protected interests. Decisions on suspension of issuance or redemption of Investment Shares

are within the responsibility of the Fund's statutory body that is obliged to draw up a record of its decision. The record must include the date and exact time of the decision on suspension, the reasons for the suspension, the point in time from which issuance or redemption of Investment Shares is suspended, the decision of the Fund's statutory body on whether the suspension also applies to Investment Shares the issue or redemption of which was requested prior to the point from which the issuance or redemption of Investment Shares is suspended, the decision of the Fund's statutory body on whether after resumption of issuance or redemption of Investment Shares it is to be proceeded in accordance with § 139 (1) (a) or (b) of the Act, and the period for which the issuance or redemption of Investment Shares is suspended. These may be for example periods around the turn of the calendar year, and further especially unusual situations, such as in the case of impossibility of a reliable valuation of the Fund's assets, strong fluctuations in the financial markets, natural disasters or excessive requests for the issuance or redemption of Investment Shares, if jeopardising the interests of other Investors and assets in the respective sub-fund.

- 10.15 Issuance or redemption of Investment Shares is suspended at the point of decision on suspension of their issuance or redemption. From that point on until the date of resumption of issuance and redemption of Investment Shares, it is not possible to issue or redeem the Fund's Investment Shares, except Investment Shares the issue or redemption of which was requested prior to the point from which the issuance or redemption of Investment Shares has been suspended and that still have not been issued or for which the consideration for the redemption still has not been paid. This exception shall not apply where the decision on suspension of issuance or redemption also applies to such Investment Shares. The Fund's Administrator shall deliver the record of suspension of issuance or redemption of Investment Shares to the ČNB without delay and inform Investors accordingly. Should the suspension of issuance or redemption of Investment Shares jeopardise the interests of Investors, the ČNB cancels the decision and the Fund's Administrator shall ensure without undue delay the issue and redemption of all the Investment Shares the issue or redemption of which has been requested by Investors and for which the consideration for the redemption has not been paid or the Shares not issued, specifically for the amount equal to their current value set to the date of request. For the day of resumption of issuance or redemption of Investment Shares, which is the day following the day with which the period has lapsed over which issuance and redemption of Investment Shares was suspended, the Fund's Administrator ensures the issue or redemption of the Investment Shares, the issue or redemption of which was suspended or for which the consideration for the redemption has not been paid or which Investment Shares have not been issued, specifically for the amount equal to the current value of an Investment Share set to the date of request. Or it may disregard the requests for issuance or redemption of Investment Shares for which the consideration for the redemption has not been paid or the Investment Shares not issued, and Investors who submitted such requests will be invited without undue delay to resubmit their request if still interested. An Investor is not entitled to interest on arrears over the period of suspension of issuance or redemption of Investment Shares unless the Fund at the time of suspension of the issuance or redemption of Investment Shares already was in arrears with payment of the amount for the redemption, or where the ČNB has lifted the decision to suspend issuance or redemption of Investment Shares and the Investor has not been paid consideration for the redemption. In that case the Fund pays the interest on arrears from its own funds.

## **11. FEES AND EXPENSES**

### **A. Fees paid from the Sub-Fund's assets**

- 11.1 The Fund is entitled to a fixed management fee for the management of the Fund's sub-funds, and on meeting other requirements, also to a performance bonus unless otherwise provided in the Appendix to each sub-fund. Their sum total constitutes the consideration to the Fund.
- 11.2 The key data on the amount of consideration to the Fund are provided for each sub-fund in the Appendix.
- 11.3 For the administration of the Fund's sub-funds, the Administrator is entitled to a remuneration which is a percentage of the fixed management fee paid by the individual sub-funds. The Administrator is paid

by the Fund, which forwards a percentage of the fixed management fee to the Administrator for the administration.

- 11.4 The key data on the amount of the Administrator's remuneration is provided for each sub-fund in the Appendix.
- 11.5 From the sub-funds' assets, consideration is paid to the Fund (Articles 10.6 to 10.8), including the Administrator's remuneration specified in Articles 10.3 and 10.4 and the compensation to the Custodian Bank (Article 10.9), and other costs pursuant to Article 10.11. Consideration to the Fund for managing the sub-funds' assets does not include value added tax where the activities are subject to this tax.
- 11.6 Fees and expenses paid from the sub-funds' assets serve the purpose of management of their assets and may reduce returns on invested funds.
- 11.7 The fixed management fee is set for each sub-fund in the Appendix.
- 11.8 The reference period for payment of the performance bonus, where paid in accordance with the Appendix to each sub-fund, is the calendar year, where the start of the reference period is 1 January or the day of the sub-fund's first issue of Investment Shares, and the end of the reference period is 31 December or the date of the last valuation of assets and liabilities preceding the sub-fund's dissolution. The performance bonus is paid annually. The amount of performance bonus due is set on each valuation of the sub-fund's assets and liabilities using the formula provided in the respective part of the Statutes for each sub-fund. The model of calculation of the performance bonus does not allow for the performance bonus to be paid in case of negative performance. The reference period and the frequency of payment of the performance bonus may be set out differently in the Appendix of the relevant sub-fund.
- 11.9 The Custodian Bank is entitled to remuneration for the performance of the Custodian Bank's function, at the amount specified in the relevant part of the Statutes of each sub-fund.
- 11.10 In addition to consideration to the Fund, including the Administrator's remuneration, and compensation to the Custodian Bank, further costs paid from the assets of each sub-fund include:
- (a) Fees and commissions to securities dealers and market organisers;
  - (b) Fees for keeping the issue of Investment Shares in Central Records, if the Investment Shares of the relevant sub-fund are kept in Central Records;
  - (c) Fees for custody and administration of investment tools;
  - (d) Bank account operating charges and transaction fees;
  - (e) Costs related to derivative transactions;
  - (f) Costs related to repo transactions;
  - (g) The cost of borrowed capital plus interest on loans and borrowings;
  - (h) Administrative, court and notary fees;
  - (i) Taxes;
  - (j) Tax audit costs;
  - (k) Accounting audit costs;
  - (l) Expert opinions costs;
  - (m) Costs related to potential approval of Investment Shares for trading in a regulated market;
  - (n) Other costs not expressly specified in points a) to m) necessarily and purposefully incurred by the Fund acting with due diligence in connection with management of the respective sub-fund's assets;

- (o) Additional fees and expenses related to the specific investment strategy of the relevant sub-fund are specified for each sub-fund in the Appendix to the Statutes;
- (p) All other costs and expenses relating to management of assets of the Fund and of the respective sub-funds that are not listed in letters (a) to **Error! Reference source not found.** are included in the consideration to the Fund and are payable by the Fund. This does not affect the option to charge fees to the Investor under Articles 11.11 and 11.1211.12.

**B. Fees paid by the Investor**

- 11.11 The Investor may be charged prior to making their investment an entry fee (surcharge) in the maximum amount specified in the relevant part of the Statutes for the individual sub-funds.
- 11.12 The Investor may be charged on redemption of Investment Shares an exit fee (deduction) in the maximum amount specified in the relevant part of the Statutes for the individual sub-funds.

**12. ADDITIONAL DATA NECESSARY FOR INVESTORS FOR INFORMED ASSESSMENT OF INVESTMENT**

- 12.1 The Statutes are subject to continuous updates by the Fund, with amendments to the Statutes adopted by the Board of Directors of the Fund. The amendments are not subject to prior approval by the ČNB; the ČNB is to be notified of the amendments made without undue delay. Investors are notified in accordance with Point 1.19 of the Statutes.
- 12.2 The Fund's auditor is Deloitte Audit, s.r.o., Prague 2, Italská 2581/67, Postcode 120 00.
- 12.3 Dissolution of the Fund or a sub-fund created by it with follow-up liquidation occurs where any of the circumstances arise pursuant to § 345 and § 346 of the Act, which is in the following cases:
  - (a) On respective decision by the Fund's General Assembly, or
  - (b) On respective decision by a court, with liquidator appointed that has been suggested by the court.
- 12.4 Conversion of the Fund may take place in the manner specified in § 363, § 365 and § 373 of the Act.  
Contact point for additional information:  
WOOD & Company investiční společnost, a.s.  
náměstí Republiky 1079/1a, Postcode 110 00, Prague 1 - Nové Město, Czech Republic  
www.woodis.cz or www.wood.cz  
Phone: 222 096 111, fax: 222 096 696, e-mail: fondy@wood.cz
- 12.5 Taxation of income of the Fund and of the sub-funds created by it is governed by Act No. 586/1992 Coll. on income tax, as amended (hereinafter "Tax Act").
- 12.6 The tax rate on income of the Fund and the sub-funds created by it follows from § 21 of the Tax Act.
- 12.7 The Tax Act also governs taxation of income or profits from holding or transfer of Investment Shares. Applicable taxation of income or profits of Investors depends on valid and effective tax regulations at the time they have been made and may not necessarily be the same for every Investor. For Investors that are non-resident taxpayers, applicable taxation is governed alongside the Tax Act additionally also by respective international double tax treaties. For information on the tax consequences of investing in the Fund for a particular investor, also with regard to frequent changes in tax legislation, we therefore suggest to contact your tax consultant.
- 12.8 The Fund provides information to Investors and the ČNB as follows:
  - (a) At the latest within 4 months after the end of the fiscal period, the Administrator submits to the ČNB annual report on the Fund. The report will be fully available to Investors in the registered

office of the Fund and the Administrator and shall be sent to them upon request without undue delay;

- (b) The Administrator informs Investors on the value of Investment Shares and on the sub-funds' capital, set to the Valuation Day.

12.9 In case of leverage for investments in the Fund, the annual report on the Fund will include the following information:

- (a) On the extent of leverage for the sub-fund(s);
- (b) On changes in the extent of leverage, collaterals provided in connection with the use of leverage, and on any changes concerning the authorisation to further use the financial collateral provided or comparable security under foreign law.

12.10 Where the Statutes use the term "repo" not in the sense of "repo transactions", this refers to sale or other transfer of assets where at the same time repurchase or other reverse transfer has been concluded.

12.11 Where the Statutes use the term "reverse repo", this refers to purchase or other transfer of assets where at the same time reverse sale or other reverse transfer has been concluded.

12.12 The funds made on a repo can be used to conclude a reverse repo.

12.13 Assets that are subject to a reverse repo must be in accordance with the sub-fund's statutes.

12.14 Assets that are subject to a reverse repo cannot be encumbered over the period the reverse repo exists by an absolute property right or transferred to another person, unless this is a reverse sale or another reverse transfer to another contract party.

12.15 In the annual report on the Fund, information is to be published on the portion of assets that are subject to special measures due to low liquidity in the respective sub-fund's assets.

12.16 Under Article 6 of the SFDR, the Fund's management company shall publish:

- (a) the manner in which Sustainability Risks are integrated into the Fund's investment decisions; and
- (b) the results of the assessment of the likely impacts of Sustainability Risks on the Fund's returns.

Unless stipulated otherwise in case of any individual sub-fund, in accordance with the SFDR regulation, the sub-funds are currently classified as products under Article 6, as the data about the individual underlying assets owned by the funds have not yet been fully assessed. However, in cooperation with external advisors, we will seek that the sub-funds are re-classified under Article 8 of the SFDR. Information on environmental or social features of the sub-funds which are classified under Article 8 of the SFDR is provided in Annexes to this Statute.

The Fund hereby states that selected Sustainability Risks, specified in more detail in the relevant parts of the Statutes regarding the individual sub-funds, and especially risks entailed in investments into real estate and Real Estate Companies, such as environmental risks, might impact the value of Investment Shares of the individual sub-funds. These risks are weighed in the Fund's decision on any specific investment of the relevant sub-fund into real estate or Real Estate Company in the course of its complex due diligence. Potential negative impact of factors causing Sustainability Risks will be reflected in the calculation of the value of the Fund Capital, in the form of regular valuation of the assets and liabilities of the Fund and sub-fund, and thus ultimately in the value of the Investment Shares.

12.17 The supervisory body is the ČNB. The contact information is:

Česká národní banka

Na Příkopě 28, 115 03 Prague 1, Czech Republic

Phone: 800 160 170, e-mail: info@cnb.cz

12.18 Registration of the Fund and of the sub-funds created by it in the list maintained by the ČNB and the fact of state supervision by the ČNB are no guarantees of return on investment or of the sub-fund's

performance. They cannot exclude the possibility of a breach of legal obligations or the Statutes by the Fund, the Administrator, the Custodian Bank or other person, and they do not guarantee compensation for any damage caused by such a breach.

- 12.19 Competent courts for settlement of contractual disputes arising in connection with the investment made by the investor in the Fund are the courts of the Czech Republic, unless the relevant mandatory legal regulation defines otherwise. Applicable law for contractual obligations in connection with the investment of the investor in the Fund is the law of the Czech Republic, unless the relevant contract provides otherwise.

## Part II

### 13. FINAL PROVISIONS

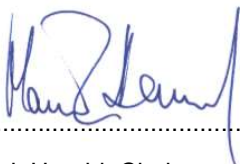
13.1 The Statutes of the Fund were approved by the Board of Directors of the Fund.

13.2 This version of the Statutes comes into force and effect on 16 November 2023.

13.3 List of sub-funds of the Fund:

- (a) WOOD & Company Retail podfond;
- (b) WOOD & Company Office podfond;
- (c) WOOD & Company AUP Bratislava podfond;
- (d) WOOD & Company Blockchain+ podfond;
- (e) WOOD & Company Logistics podfond.

In Prague, on 21 November 2023



Marek Herold, Chairman of the Board of Directors

WOOD & Company, investiční fond s proměnným základním kapitálem, a.s.



Miroslav Nosál, Member of the Board of Directors

WOOD & Company, investiční fond s proměnným základním kapitálem, a.s.

## Appendix No. 1

### WOOD & Company Retail podfond

#### 1. IDENTIFICATION OF SUB-FUND

The name of the sub-fund is: WOOD & Company Retail podfond (hereinafter "Sub-Fund").

The original name of the sub-fund was: WOOD & Company Realitní podfond I. The change of the name was decided on 19 June 2019 by the Fund's Board of Directors in relation to an amendment of the investment strategy.

The Investment Shares of the Sub-Fund are assigned the following ISIN numbers:

- a) for the EUR Class of the Retail Sub-Fund: CZ0008042124;
- b) for the CZK Class of the Retail Sub-Fund: CZ0008045192.

The Sub-Fund was registered in the list of investment funds maintained by the ČNB on 10 June 2016.

The Sub-Fund's Investment Shares are recorded in Central Records.

The Sub-Fund's Investment Shares are approved for trading in the regulated market organised by Burza cenných papírů Praha, a.s. The Sub-Fund's Investment Shares may be acquired by provision of non-monetary contribution. The provision of non-monetary contribution is subject to the conditions stipulated in article 9.11 of the Fund's Statutes.

#### 2. INVESTMENT STRATEGY

2.1 The Sub-Fund invests in commercial real estate in the Czech Republic, primarily in retail and administrative centers. From July 2016, the Sub-Funds portfolio includes 100% share in C & R Developments s.r.o. ("C&R"), the owner of the HARFA Business and Administrative Center in Prague 9 ("HARFA"). From July 2019, the Sub-Fund's portfolio includes 99% share in Krakov Holding s.r.o., the owner of the Krakov Business Center ("KRAKOV") in the Prague quarter Bohnice. The Sub-Fund actively searches for new investment opportunities for its retail center portfolio. The Sub-Fund aims to actively and effectively manage HARFA, KRAKOV and its other assets in the retail center segment in the long term and utilize their growth potential. The Sub-Fund uses a conservative level of debt. The Sub-Fund aims to achieve for its investors the long-term revenue of 8-10 % p.a. The Sub-Fund's investment objective is to increase the value of its Investment Shares through an investment strategy focused on the acquisition and subsequent management of Real Estate Companies in the long horizon. The Sub-Fund issues a class denominated in euros (EUR Class of the Retail Sub-Fund) and a class denominated in Czech crowns (CZK Class of the Retail Sub-Fund). Currency risks of the EUR Class of the Retail Sub-Fund and the CZK Class of the Retail Sub-Fund shall be secured in such manner and in such cases as the management company deems appropriate. The recommended investment horizon is at least 5 years.

2.2 The Sub-Fund's returns are reinvested, with the effective result of an increased value of Investment Share.

2.3 The performance of the Sub-Fund's portfolio shall not be compared against any reference benchmark or market composite index.

2.4 The following may be acquired as the Sub-Fund's assets:

- (a) Ownership interests in Real Estate Companies, where the Sub-Fund may invest in a concentrated portfolio of only one Real Estate Company,
- (b) Entitlements to payment of funds from accounts (such as bank deposits);
- (c) Money market instruments;



- 2.5 Up to 100% of the Sub-Fund's assets may be invested in the assets referred to in Article 2.4 (a). However, no more than 10% of the value of the Sub-Fund's assets may be invested in securities issued by collective investment funds or other comparable foreign investment funds which are Real Estate Companies.
- 2.6 Up to 30% of the Sub-Fund's assets may be invested overall in the assets referred to in Article 2.4 (b) and (c). In case of a sale of one or more shares in the Real Estate Companies, the investment may, in the short term, reach up to 80 % of the Sub-Fund's assets.
- 2.7 The sum of investments in assets failing to meet the conditions under Article 17b (1) c) of the Tax Act must always be less than 10% of the Sub-Fund's assets.
- 2.8 In the issuance and redemption of Investment Shares, the Sub-Fund may not meet the limit set forth in Article 2.6. Contributions exceeding the specified limit due to the crediting of the amount corresponding to the price of the issued Investment Shares must be invested without undue delay after the Sub-Fund's Shares have been issued, but taking into account the time required to find a suitable investment opportunity corresponding to the Sub-Fund's investment strategy. Contributions exceeding the specified limit due to the collection of funds to secure the financial settlement of the redemption of Investment Shares must be sent to the Investor's account within the specified time limit.
- 2.9 A financial derivative which is not approved for trading may be concluded on the Sub-Fund's account, if:
- (a) the value, to which the value of the derivative is linked, is only the interest rate, exchange rate or currency;
  - (b) the derivative is reliably and verifiably valued each business day;
  - (c) the Fund may, on its own initiative, at any time assign, withdraw or otherwise terminate the derivative for an amount agreeable between the parties under conditions which are not significantly unbalanced for any party, or else conclude a new derivative for such amount, which will compensate the underlying assets of the derivative in the manner stipulated in accordance with standard obligations methodology; and
  - (d) the derivative is concluded with a Permitted Counterparty which is subject to the supervision by ČNB, or by the supervisory authority of another member state, or by the supervisory authority of any other state.
- 2.10 The techniques for the management of the Sub-Fund are repo transactions according to Articles 2.11 to 2.15 and financial derivatives according to Article 2.9. The management techniques only can be used if:
- (a) They are used solely for the purpose of effective management of the Fund and to reduce the risk associated with investing on the Sub-Fund's account, to reduce the costs associated with investing on the Sub-Fund's account, or to obtain additional capital or generate additional returns, providing that the pertinent risks are consistent with the Sub-Fund's risk profile;
  - (b) By using these techniques, the rules are not circumvented set by the Government Regulation and imposed by the Statutes, or the Sub-Fund's investment policy, and
  - (c) The Sub-Fund's debts arising from the use of these techniques are at all times fully covered by the Sub-Fund's assets.
- 2.11 The Sub-Fund may use for purposes of calculating the total exposure:
- (a) The method of gross asset value;
  - (b) The value at risk method, or
  - (c) Another advanced risk measurement method.
- 2.12 The Sub-Fund may grant a loan or borrowing. Interest-bearing loans and borrowings shall not exceed 100% of the Sub-Fund's assets.

- 2.13 The Sub-Fund's assets may not be used to provide loans or borrowings, make donations, secure other person's debts or satisfy any debts unrelated to its management.
- 2.14 The Sub-Fund may receive a loan or borrowing.
- 2.15 The Sub-Fund may issue a bond.
- 2.16 For the sake of efficient management, the Sub-Fund may utilise leverage. With the use of leverage, only transactions may be concluded on the Sub-Fund's account that are consistent with permissible investment tools. The leverage ratio shall not exceed 100% of the Sub-Fund's capital.

### 3. CLASSES

- 3.1 The Company issues two Classes for the Sub-Fund, i.e. namely:
- Class issued in EUR: EUR Class of the Retail Sub-Fund (hereinafter "EUR Class");
  - Class issued in CZK: CZK Class of the Retail Sub-Fund (hereinafter "CZK Class").
- 3.2 The Investor may request that the Company's Board of Directors exchange Investment Shares of one class for Investment Shares of the other class. The Board of Directors shall decide on the exchange of Investment Shares on the day of the next valuation of the Sub-Fund's Investment Shares. Investment Shares shall be exchanged in proportion to the ratio of the values of the relevant classes of Investment Shares on the basis of ČNB's exchange rate applicable at the time of calculation of the current value. The Investor has no legal right to the exchange.

### 4. PRINCIPLES OF MANAGEMENT AND DISTRIBUTION OF SHARES IN PROFIT OR REVENUES SPECIFIC FOR THE SUB-FUND

- 4.1 The fund capital of the Class and the Investment Share Value of the Class are determined for each Class in the currency of the relevant Class. If no Investment Shares of the Class are issued as at the Valuation Day and, at the same time, new Investment Shares of the Class are to be issued, the Investment Share Value of the Class is determined as the Investment Share Value of the other Class, converted into the currency of that Class on the basis of the exchange rate of the Czech National Bank as at the Valuation Day.
- 4.2 For each day when the Fund Capital is determined, the weights of the Classes are ascertained. If, as at the previous Valuation Day, only Investment Shares of the EUR Class were issued or Investment Shares of both Classes were issued, the weights of the Classes are determined by the formulas:

$$w_{EUR;t} = w_{EUR;t-1} * \frac{1 + \frac{K_{EUR,t}}{w_{EUR;t-1} * AV_{t-1}}}{1 + \frac{K_{EUR,t} + K_{CZK,t}/FX_{t-1}}{AV_{t-1}}}$$

$$w_{CZK;t} = (1 - w_{EUR;t})$$

If, as at the previous Valuation Day, only Investment Shares of the CZK Class were issued, the weights of the Classes are determined by the formulas:

$$w_{CZK;t} = w_{CZK;t-1} * \frac{1 + \frac{K_{CZK,t}}{w_{CZK;t-1} * AV_{t-1}}}{1 + \frac{K_{EUR,t} + K_{CZK,t}/FX_{t-1}}{AV_{t-1}}}$$

$$w_{EUR;t} = (1 - w_{CZK;t})AV_{t-1} \quad \text{Fund Capital on day } t - 1 \text{ before taking into account items:}$$

$$\Delta DPP_{T-1},$$

$$FMP_{EUR;T-1}, FMP_{CZK;T-1}/FX_{t-1}, VO_{EUR;t-1}, VO_{CZK;t-1}/FX_{t-1}, \Delta Z_{CZK;T-1}/FX_{t-1}, \Delta DP_{CZK;T-1}/FX_{t-1}$$

$$AV_{t-1} = NAV_{t-1} + \Delta DPP_{T-1} + FMP_{EUR;T-1} + VO_{EUR;t-1} + \\ + (FMP_{CZK;T-1} + VO_{CZK;t-1} - \Delta Z_{CZK;T-1} + \Delta DP_{CZK;T-1})/FX_{t-1}$$

$$K_{EUR,t} = S_{EUR;T} - R_{EUR;T} - FMP_{EUR;T-1} - VOK_{EUR;T-1}$$

$$K_{CZK,t} = S_{CZK;T} - R_{CZK;T} - FMP_{CZK;T-1} - VOK_{CZK;T-1} + \Delta Z_{CZK;T-1} - \Delta DP_{CZK;T-1}$$

<b><math>K_{EUR}</math></b>	selected items of the EUR Class for calculation of weights
<b><math>K_{CZK}</math></b>	selected items of the CZK Class for calculation of weights
<b><math>t</math></b>	day of current valuation of the Sub-Fund's assets and liabilities
<b><math>t - 1</math></b>	day of previous valuation of the Sub-Fund's assets and liabilities before day $t$
<b><math>t - 2</math></b>	day of previous valuation of the Sub-Fund's assets and liabilities before day $t-1$
<b><math>T</math></b>	period starting on the day following day $t-1$ and ending on day $t$
<b><math>T - 1</math></b>	period starting on the day following day $t-2$ and ending on day $t-1$
<b><math>w_{EUR}</math></b>	weight of the EUR Class
<b><math>w_{CZK}</math></b>	weight of the CZK Class
<b><math>S_{EUR}</math></b>	value of subscribed Investment Shares of the EUR Class (in EUR)
<b><math>S_{CZK}</math></b>	value of subscribed Investment Shares of the CZK Class (in CZK)
<b><math>R_{EUR}</math></b>	value of redeemed Investment Shares of the EUR Class (in EUR)
<b><math>R_{CZK}</math></b>	value of redeemed Investment Shares of the CZK Class (in CZK)
<b><math>FMP_{EUR}</math></b>	proportionate amount of the fixed management fee for the EUR Class (in EUR)
<b><math>FMP_{CZK}</math></b>	proportionate amount of the fixed management fee for the CZK Class (in CZK)
<b><math>VOK_{EUR}</math></b>	performance bonus for the EUR Class (in EUR), on the last day of the previous reference period, if the day equals day $t - 1$
<b><math>VOK_{CZK}</math></b>	performance bonus for the CZK Class (in CZK), on the last day of the previous reference period, if the day equals day $t - 1$
<b><math>VO_{EUR}</math></b>	performance bonus for the EUR Class in the current reference period (in EUR)
<b><math>VO_{CZK}</math></b>	performance bonus for the CZK Class in the current reference period (in CZK)
<b><math>\Delta Z_{CZK}</math></b>	change of the profit/loss from security of currency risks in investments in the CZK Class (in CZK)
<b><math>\Delta DP_{CZK}</math></b>	change of the amount of tax liability arising from security of currency risks in investments in the CZK Class (in CZK)
<b>FX</b>	CZK/EUR exchange rate according to ČNB
<b>NAV</b>	Fund Capital (in EUR)

$\Delta DPP$  change of the total amount of the Sub-Fund's tax liability (in EUR) after deduction of of  $\Delta DP_{CZK}/FX$

- 4.3 The weights of the Classes are subsequently used to determine the fund capital of the CZK Class and the EUR Class, calculated by the formulas:

$$NAV_{EUR,t} = AV_t * w_{EUR,t} - FMP_{EUR;T} - VO_{EUR;t} - \Delta DPP_T * w_{EUR,t}$$

$$NAV_{CZK,t} = AV_t * w_{CZK;t} * FX_t - FMP_{CZK;T} - VO_{CZK;t} + \Delta Z_{CZK;T} - \Delta DP_{CZK;T} - \Delta DPP_T * w_{CZK;t} * FX_t$$

$AV_t$  Fund Capital on day t before taking into account items:  $[\Delta DPP]_T$ ,

$$FMP_{EUR;T}, \frac{FMP_{CZK;T}}{FX_t}, VO_{EUR;t}, \frac{VO_{CZK;t}}{FX_t}, \Delta Z_{CZK;T} \frac{1}{FX_t}, \frac{\Delta DP_{CZK;T}}{FX_t}$$

$NAV_{CZK}$  fund capital of the CZK Class (in CZK)

$NAV_{EUR}$  fund capital of the EUR Class (in EUR)

- 4.4 The Fund Capital is then equal to the sum of the fund capital of the CZK Class and the fund capital of the EUR Class.

$$NAV_t = NAV_{EUR,t} + NAV_{CZK,t}/FX_t$$

## 5. RISK PROFILE

- 5.1 The value of an Investment Share may, in the course of time, rise and fall depending on the structure of the Sub-Fund's assets, on the development of the real estate market, financial markets and other factors. The Sub-Fund cannot guarantee the return of the originally invested amount. Due to the possibility of unforeseeable fluctuations in the financial markets and the real estate market, the Fund cannot guarantee fulfilment of the set objectives. The Fund points out to investors that the Sub-Fund's past performance is no guarantee of performance in future periods.
- 5.2 Investments in the Sub-Fund are meant to achieve above-average returns while observing the long-term investment horizon. The investment is in no case fit for short-term speculations, or as an investment with the underlying intention of not observing the recommended investment horizon of at least 5 years.
- 5.3 Risks arising from investment in the Sub-Fund:
- (a) Risks associated with investments in real estate and Real Estate Companies
- (i) Construction defects or environmental burden on real estate - losses cannot be excluded in the Sub-Fund's assets due to construction defects or undetected environmental burdens;
  - (ii) Shortfalls in projected income from property rentals - such shortfalls in projected income from rental of real estate part of the Sub-Fund's assets may occur due to negative trends in the real estate market, or as a result of the lessee's insolvency. Any shortfall in projected income from rental of real estate may lead to impairment of real estate assets, and so reduce the value of the Sub-Fund's total assets;
  - (iii) Legal risks - arising from the fact that there may be an impairment in the value of the Sub-Fund's assets due to legal defects of real estate and Real Estate Companies acquired into the Sub-Fund's assets, for example due to the existence of a third party lien, encumbrances, pre-emptive rights, etc.;

- (iv) Risks associated with debt financing - due to the possibility of financing acquisitions or construction of real estate with loans or borrowings, there is also a corresponding increase in the risk of adverse economic impacts on the Sub-Fund's assets in case of a wrong investment decision, or as a consequence of other causes with the effective result of impairment of the Sub-Fund's assets. Received external funding usually is secured by a property lien in favour of the provider of the loan or borrowing. Such loans are repaid mainly by income from rental of real estate. In case of inability to repay the external financing, there may be a loss of property of the Real Estate Company, or of the Sub-Fund's assets. This will have negative consequences in the form of impairment of the Sub-Fund's assets;
  - (v) Other real estate risks - mainly related to a higher risk of correct valuation of the property. In the case of real estate, pertinent investments typically have a long-term horizon, and thus are subject to increased political risks and a higher risk of reduced liquidity of the investment;
  - (vi) Risk of valuation of non-financial assets – the assets are valued when purchased and subsequently annually by an expert's opinion drafted by an independent qualified expert appointed by the Fund, although the final value of the asset is determined only by its sale price. If the valuation by an independent qualified expert proves to be different from the sale price of the asset, this could have a negative impact on the net asset value of the Sub-Fund.
- (b) Other Risks
- (i) Market risks - due to the impacts of the developments in financial markets on the prices and value of different types of the Sub-Fund's assets. These mainly include equity risks pertinent to the impact of changes in market prices of shares, and interest rate risks reflecting the impact of changes in market interest rates on the market value of debt instruments;
  - (ii) Credit risks - due to the issuer of an investment tool being in default with its obligations, or due to its overall financial failure. These risks increase with the choice of financial instruments issued by lower quality issuers. The Sub-Fund may invest in investment tools issued by a broad range of issuers without restrictions as to their rating;
  - (iii) Settlement risks - due to failure to deliver purchased investment tools by the opposite party, non-payment or delayed transaction. The choice of opposite parties is limited to quality banks and quality finance companies that meet the requirements imposed by state supervisory bodies and have the necessary mandatory competences and qualifications;
  - (iv) Operating risks - relate to the possibility of a loss due to inadequate internal processes or failure thereof, the human factor or as a result of external events. This also includes the risk of loss of property entrusted for custody or other form of keeping, which may be mainly due to insolvency, negligence or wilful misconduct of the person who has custody of or otherwise keeps the Fund's assets or securities issued by the Sub-Fund;
  - (v) Risk of insufficient liquidity - due to the possibility that an asset of the Sub-Fund will not be converted into cash in a timely manner and at a reasonable price, and that the Sub-Fund will be unable to meet its obligations from requests for redemption of Investment Shares. For these reasons, investors bear the risk of suspension of issuance and redemption of Investment Shares;
  - (vi) Currency risks - due to the fact that the Sub-Fund may invest in real estate or investment tools in a currency other than the currency of the Sub-Fund's relevant

Class, and there is a change in the value of the Sub-Fund's assets or the value of Investment Share as a result of exchange rate fluctuations;

- (vii) Risks associated with derivatives – related especially to a change of the market prices of the underlying assets; other related risks include liquidity risk, counterparty risk and risk of potential progressive dependence on the price of the underlying assets, where the small initial investment allows for both significant profit and significant loss;
- (viii) Concentration risks - due to a potential concentration of the Sub-Fund's assets in investments in a particular region, branch of the economy or a narrow group of issuers, or even in a single asset;
- (ix) Leverage risks - associated with the use of external capital to further invest in the Sub-Fund's assets. Leverage may increase the Sub-Fund's performance, however in case of unfavourable development it may in turn compromise the Sub-Fund's performance.
- (x) Risk associated with the possibility of failure of the company in which the Sub-Fund holds an ownership interest – such a company may be affected by business risk. As a result of this risk, the market price of the ownership share in the company concerned may fall or become totally devalued (for example, in the event of bankruptcy).

5.4 The use and conclusion of repo transactions in managing the Sub-fund, and the procedures for measuring and reducing the risks associated with the use of these technique, unless explicitly addressed in the Statutes, are subject to provisions of the Government Regulation. A repo transaction must not be concluded in a manner or for a purpose that circumvents the Fund's investment strategy or the rules imposed by the Statutes and the Government Regulation.

## 6. FEES AND EXPENSES

### A. Fees paid from the Sub-Fund's assets

6.1 The fixed management fee is imposed for each Class at each valuation of the assets and liabilities of the relevant Class, from the initial valuation of the assets and liabilities of the relevant Class. The fixed management fee of 1% p.a. is determined by the following formula:

$$FMP_T = N_t * NAUV_{t-1} * 0.01 * \frac{n}{x}$$

<i>t</i>	day of the current valuation of the assets and liabilities of the Class
<i>t – 1</i>	day of the previous valuation of the assets and liabilities of the Class before day t
<i>T</i>	period starting on the day following day t-1 and ending on day t
<i>FMP</i>	fixed management fee
<i>N</i>	total number of Investment Shares of the Class
<i>NAUV</i>	fund capital of the Class per Investment Share of the Class
<i>n</i>	number of days in period T
<i>x</i>	number of days in the relevant year

The fixed management fee is paid quarterly in proportional instalments.

- 6.2 The performance bonus is set for each Class progressively based on the gross performance of the Class, which for this purpose is determined using the following formula:

$$r_t = \frac{GAUV_t}{GAUV_m} - 1$$

- m** last day of the previous reference period in which entitlement to performance bonus last arose (or on the day of initial issue of Investment Shares).
- r** gross performance of the Class
- GAUV** fund capital of the Class before taking into account the performance bonus per Investment Share of the Class

- (a) Where the gross performance  $r_t$  determined in this way is equal to or lower than 10%, the performance bonus is determined by the amount equal to 10% of profit using the following formula:

$$VO_t = 0.1 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)]; 0 \right\}$$

- (b) Where  $r_t$  is greater than 10%, the performance bonus is determined as the sum of the amount equal to 10% of profit corresponding to gross performance of 10% and the amount equal to 15% of profit corresponding to gross performance above 10%, using the following formula:

$$VO_t = 0.10 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)] * \frac{0.1}{r_t}; 0 \right\} +$$

$$+ 0.15 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)] * \frac{(r_t - 0.1)}{r_t}; 0 \right\}$$

- VO** Performance bonus
- GAV** The fund capital of the Class before taking into account the performance bonus
- S<sub>i</sub>** The value of subscribed Investment Shares of the Class on day i after day m
- R<sub>i</sub>** The value of redeemed Investment Shares of the Class on day i after day m

The entitlement to performance bonus arises only if:

$$NAUV_t \geq NAUV_m$$

Otherwise:

$$VO_t = 0$$

- 6.3 The remuneration for the performance of the Custodian Bank's function is set at a fixed monthly amount of EUR 1,742 plus value added tax. The amount is payable to the Custodian Bank every calendar month.
- 6.4 The remuneration for the performance of the office of the Administrator is a percentage of the fixed management fee paid by the Sub-Fund, i.e. 30% of the fixed management fee. The remuneration is paid to the Administrator by the Fund, which forwards 30% of the fixed management fee to the Administrator for administration. The Fund always pays the remuneration to the Administrator without unnecessary delay after the payment of the fixed management fee.

- 6.5 For other fees and expenses paid from the Sub-Fund's assets see Part 10 of the Statutes; in addition to the fees and expensed specified therein, other expenses may be incurred in connection with the acquisition, operation or sale of real estate and/or ownership interests in Real Estate Companies, in particular pertinent legal and other consultancy services, audit expenses, land registry fees, costs associated with the activities of real estate agents, energies and utilities, maintenance and repairs, insurance, development, operating costs, and due diligence costs.

**B. Fees paid by the Investor**

- 6.6 When Investment Shares are issued, an entry fee (surcharge) is applied in the amount of up to 3% of the net amount invested.
- 6.7 On redemption of the Sub-Fund's Investment Shares, the Fund may apply an exit fee (deduction), the maximum amount of which is determined by the time between the issue of Investment Shares to the Investor or their acquisition from another Investor (hereinafter jointly "Investment Date") and the request for their redemption. The following percentage values represent the amount of the exit fee as a percentage of the monetary consideration paid to the Investor for the redemption of Investment Shares:
- (a) 3 % if the request for redemption of Investment Shares is submitted within 3 years of the Investment Date (inclusive);
  - (b) 2 % if the request for redemption of Investment Shares is submitted within 4 years of the Investment Date (inclusive);
  - (c) 1 % if the request for redemption of Investment Shares is submitted within 5 years of the Investment Date (inclusive);
  - (d) 0 % if the request for redemption of Investment Shares is submitted more than 5 years after the Investment Date.

The net amount paid to the Investor is determined by the following formula:

$$NCF = \frac{N * NAUV}{1 + s}$$

<b>NCF</b>	net amount paid to the Investor (in EUR)
<b>N</b>	number of redeemed Investment Shares
<b>NAUV</b>	fund capital per Investment Share of the Sub-Fund
<b>s</b>	percentage amount of the exit fee (deduction)

The exit fee is the Sub-Fund's income.

If the Investor has more than one investment in Investment Shares, the redemption applies progressively to the oldest investments.

The exit fee shall not apply to redemption of Investment Shares with Investment Date earlier than 28 June 2020 (inclusive).

For the purposes of calculation of the exit fee, the exchange of Investment Shares of one Class for Investment Shares of another Class of the same Sub-Fund is not deemed to represent a new investment and the original Investment Date applies.

- 6.8 The exchange of Investment Shares of one Class for Investment Shares of another Class of the same Sub-Fund is subject to the fee of 1% of the Investment Share Value of the Investment Shares so exchanged. The net transferred amount is determined by the following formula:



$$NCF = \frac{N * NAUV}{1 + 0.01}$$

<i>NCF</i>	net transferred amount (in EUR)
<i>N</i>	number of exchanged Investment Shares
<i>NAUV</i>	fund capital per Investment Share of the Sub-Fund.

## 7. OTHER IMPORTANT INFORMATION

- 7.1 The initial value at which the issue of Investment Shares is launched after the creation of the Sub-Fund is set to EUR 1. This amount may be increased by an entry fee (surcharge) pursuant to Point 6.6 of this Appendix.
- 7.2 Valuation of the Sub-Fund's assets and liabilities is performed regularly four times a year always to 31 March, 30 June, 30 September and 31 December of the calendar year. The first valuation of the Sub-Fund is due on start of its investment activities (expected after the first investment in Real Estate Company). Valuation of Real Estate Companies is carried out on the basis of supporting documentation, namely expert opinions which were drafted to a day no longer than six (6) months ago. The Administrator ensures Extraordinary Valuation of the Sub-Fund as the need may be in accordance with Point 8.6 of the Statutes.
- 7.3 The Investment Share value is announced at the latest by the end of the third calendar month after the day on which valuation of the Sub-Fund's assets and liabilities was carried out.
- 7.4 Investment Shares are redeemed from the Investor within the following terms:
- (a) within six (6) months of the end of the calendar quarter, in which the request for redemption was received under the Contract, if the requested redemption of Investment Shares does not exceed the amount of CZK 30,000,000 according to the last announced value of Investment Shares;
  - (b) within twelve (12) months of the end of the calendar quarter, in which the request for redemption was received under the Contract, if the requested redemption of Investment Shares exceeds the amount of CZK 30,000,000 according to the last announced value of Investment Shares.

If, upon receipt of the request for redemption of Investment Shares of any relevant Class, the Investment Shares of one Class are owned by less than 100 Investors and the requested redemption of Investment Shares of such Class does not exceed CZK 10,000,000 according to the last announced value of Investment Shares, the Investment Shares shall be redeemed within four (4) months of the end of the calendar quarter, in which the request for redemption was received.

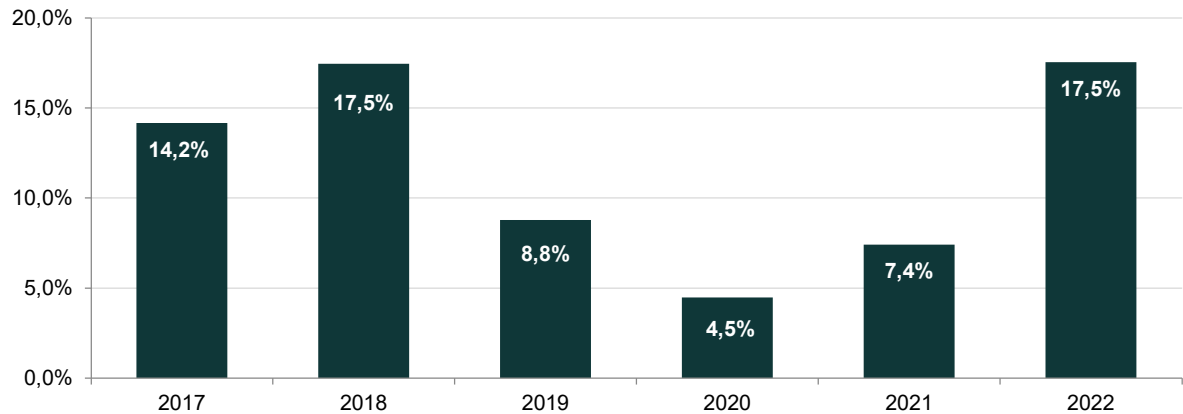
- 7.5 The Fund may suspend in accordance with the Act issuance or redemption of Investment Shares of the Sub-Fund for a maximum period of two (2) years where necessary for reasons of protection of Investors' rights or their legally protected interests.
- 7.6 The underlying investments of this financial product do not reflect EU criteria for environmentally sustainable economic activities. Neither at the level of the Fund, as the Management Company of the Sub-Fund, nor at the level of the Sub-fund, is the negative impact of investment decisions on sustainability factors presently reflected under Article 4 (1) (b) of the SFDR regulation. The reasons and future prospects of this approach are comprehensibly summarized in the Memorandum on Sustainability of Investments, which is available from the websites [www.woodis.cz](http://www.woodis.cz) and [www.wood.cz](http://www.wood.cz).

## 8. HISTORICAL PERFORMANCE

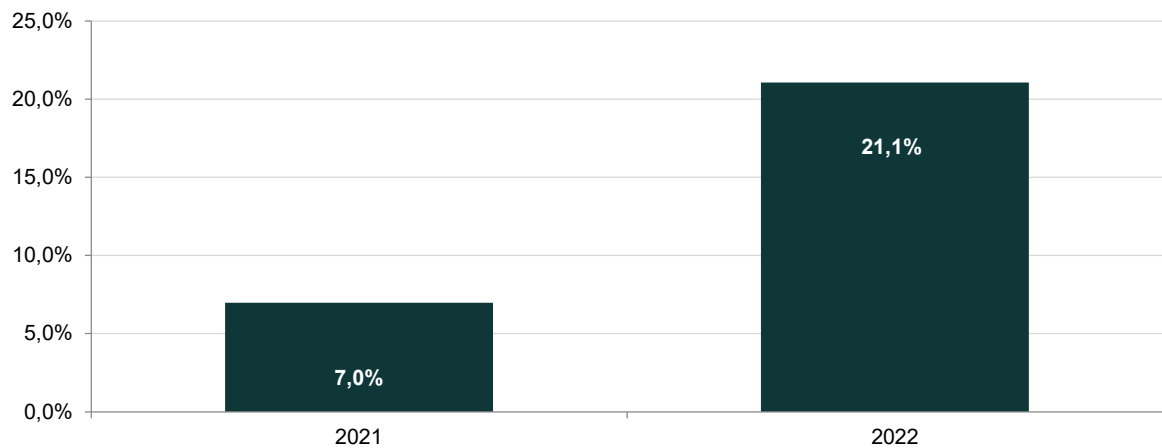
- 8.1 Past performance data are no guarantee of the Sub-Fund's performance in future periods and their viability as indicators of future performance is limited. The chart shows the net performance of the Sub-Fund, reflecting all expenses.

8.2 The Sub-Fund was created on 10 June 2016; the performance for an incomplete calendar year is not shown here, in accordance with the EFAMA (European Fund and Asset Management Association) rules.

**A. Historical performance of the EUR Class of the Retail Sub-Fund**



**B. Historical performance of the CZK Class of the Retail Sub-Fund**



## Appendix No. 2

### WOOD & Company Office podfond

#### 1. IDENTIFICATION OF SUB-FUND

The name of the sub-fund is: WOOD & Company Office podfond (hereinafter "Sub-Fund").

The original name of the sub-fund was: WOOD & Company Czechoslovak High-Yield. The change of the name was decided on 19 June 2019 by the Fund's Board of Directors in relation to an amendment of the investment strategy.

The Investment Shares of the Sub-Fund are assigned the following ISIN numbers:

- a) for the EUR Class of the Office Sub-Fund: CZ0008042769;
- b) for the CZK Class of the Office Sub-Fund: CZ0008045200.

The Sub-Fund was registered in the list of investment funds maintained by the ČNB on 24 May 2017.

The Sub-Fund's Investment Shares are recorded in Central Records.

The Sub-Fund's Investment Shares are approved for trading in the regulated market organised by Burza cenných papírů Praha, a.s. The Sub-Fund's Investment Shares may be acquired by provision of non-monetary contribution. The provision of non-monetary contribution is subject to the conditions stipulated in article 9.11 of the Fund's Statutes.

#### 2. INVESTMENT STRATEGY

2.1 The Sub-Fund invests in commercial real estate, primarily in high-quality office buildings in Prague, Bratislava and Warsaw. The Sub-Fund aims to create, optimize in the long term and actively manage a diversified portfolio of office buildings in good locations, with a high-quality portfolio of tenants, stable cash-flow and conservative level of debt. The Sub-Fund aims to achieve for its investors the long-term revenue of 8-10 % p.a. The investment objective is to achieve long-term returns on the Sub-Fund's Investment Shares. The investment strategy involves mainly investments in Real Estate Companies focusing on property ownership, rental management and facility management in the segment including primarily office buildings and potentially other commercial assets with prime locations in capital cities, and later on in large regional cities, of the Czech Republic, the Slovak Republic, and the Republic of Poland. The Sub-Fund also holds liquid assets (receivables for the payment of funds from the account, or money market instruments) which, under normal circumstances, constitute the minority of the Sub-Fund's assets. However, in the case of a sale of an ownership interest in one or more Real Estate Companies, liquid assets may constitute the majority of the Sub-Fund's assets until they are reinvested. The Sub-Fund issues a class denominated in euros (EUR Class of the Office Sub-Fund) and a class denominated in Czech crowns (CZK Class of the Office Sub-Fund). Currency risks of the EUR Class of the Office Sub-Fund and the CZK Class of the Office Sub-Fund shall be secured in such manner and in such cases as the management company deems appropriate. The recommended investment horizon is long-term, at least 5 years.

2.2 The Sub-Fund's returns will be reinvested, with the effective result of an increased value of Investment Share. Originally, the Sub-Fund considered the option to pay Dividends following the initial phase of 2-3 years from the commencement of its business activity. However, in view of the current situation on the market, it is more favourable for the Investors to realize the growth of value through the Sub-Fund's reinvestments.

2.3 The performance of the Sub-Fund's portfolio shall not be compared against any reference benchmark or market composite index.

2.4 The following may be acquired as the Sub-Fund's assets:

- (a) Ownership interests in Real Estate Companies,
  - (b) Entitlements to payment of funds from accounts (such as bank deposits);
  - (c) Debt instruments issued by the Real Estate Company or any other company from the Real Estate Company group;
  - (d) Entitlements to loans and borrowings provided to the Real Estate Company or any other company from the Real Estate Company group;
  - (e) Money market instruments;
- 2.5 Up to 100% of the Sub-Fund's assets may be invested in the assets referred to in Article 2.4 (a). However, no more than 10% of the value of the Sub-Fund's assets may be invested in securities issued by collective investment funds or other comparable foreign investment funds which are Real Estate Companies.
- 2.6 Up to 30% of the Sub-Fund's assets may be invested overall in the assets referred to in Article 2.4 (b) through (e). In the case of a sale of one or more ownership interests in the Real Estate Companies, this share may, in the short-term, achieve up to 80% of the Sub-Fund's assets.
- 2.7 In the issuance and redemption of Investment Shares, the Sub-Fund may not meet the limit set forth in Article 2.6. Contributions exceeding the specified limit due to the crediting of the amount corresponding to the price of the issued Investment Shares must be invested without undue delay after the Sub-Fund's Shares have been issued, but taking into account the time required to find a suitable investment opportunity corresponding to the Sub-Fund's investment strategy. Contributions exceeding the specified limit due to the collection of funds to secure the financial settlement of the redemption of Investment Shares must be sent to the Investor's account within the specified time limit.
- 2.8 The sum of investments in assets failing to meet the conditions under Article 17b (1) c) of the Tax Act must always be less than 10% of the Sub-Fund's assets.
- 2.9 A financial derivative which is not approved for trading may be concluded on the Sub-Fund's account, if:
- (a) the value, to which the value of the derivative is linked, is only the interest rate, exchange rate or currency;
  - (b) the derivative is reliably and verifiably valued each business day;
  - (c) the Fund may, on its own initiative, at any time assign, withdraw or otherwise terminate the derivative for an amount agreeable between the parties under conditions which are not significantly unbalanced for any party, or else conclude a new derivative for such amount, which will compensate the underlying assets of the derivative in the manner stipulated in accordance with standard obligations methodology; and
  - (d) the derivative is concluded with a counterparty which is subject to the supervision by ČNB, or by the supervisory authority of another member state, or by the supervisory authority of any other state.
- 2.10 The techniques for the management of the Sub-Fund are repo transactions according to Articles 2.11 to 2.15 and financial derivatives according to Article 2.9. The management techniques only can be used if:
- (a) They are used solely for the purpose of effective management of the Fund and to reduce the risk associated with investing on the Sub-Fund's account, to reduce the costs associated with investing on the Sub-Fund's account, or to obtain additional capital or generate additional returns, providing that the pertinent risks are consistent with the Sub-Fund's risk profile;
  - (b) By using these techniques, the rules are not circumvented set by the Government Regulation and imposed by the Statutes, or the Sub-Fund's investment policy, and

- (c) The Sub-Fund's debts arising from the use of these techniques are at all times fully covered by the Sub-Fund's assets.

- 2.11 The Sub-Fund uses the gross asset value method for the purpose of calculating the total exposure. The calculation of total exposure takes into consideration the exposures of all loans and borrowings received in accordance with the Sub-Fund's investment strategy. The exposure of the Sub-Fund is determined, in accordance with the gross asset value method, as the sum of the absolute values of all positions included in the Sub-Fund's assets valued under the applicable legal and accounting regulations. The maximum limit of the Sub-Fund's total exposure corresponds to the maximum limit for the leverage effect under Article 2.19.
- 2.12 The Sub-Fund may grant a loan or borrowing. Interest-bearing loans and borrowings shall not exceed 100% of the Sub-Fund's assets.
- 2.13 The Sub-Fund's assets may not be used to provide loans or borrowings, make donations, secure other person's debts or satisfy any debts unrelated to its management.
- 2.14 The Sub-Fund may receive a loan or borrowing.
- 2.15 The Sub-Fund may issue bonds.
- 2.16 For the sake of efficient management, the Sub-Fund may utilise leverage. With the use of leverage, only transactions may be concluded on the Sub-Fund's account that are consistent with permissible investment tools. The leverage ratio shall not exceed 100% of the Sub-Fund's capital.

### 3. CLASSES

- 3.1 The Company issues two Classes for the Sub-Fund, i.e. namely:
- Class issued in EUR: EUR Class of the Office Sub-Fund (hereinafter "EUR Class");
  - Class issued in CZK: CZK Class of the Office Sub-Fund (hereinafter "CZK Class").
- 3.2 The Investor may request that the Company's Board of Directors exchange Investment Shares of one class for Investment Shares of the other class. The Board of Directors shall decide on the exchange of Investment Shares on the day of the next valuation of the Sub-Fund's Investment Shares. Investment Shares shall be exchanged in proportion to the ratio of the values of the relevant classes of Investment Shares on the basis of ČNB's exchange rate applicable at the time of calculation of the current value. The Investor has no legal right to the exchange.

### 4. PRINCIPLES OF MANAGEMENT AND DISTRIBUTION OF SHARES IN PROFIT OR REVENUES SPECIFIC FOR THE SUB-FUND

- 4.1 The fund capital of the Class and the Investment Share Value of the Class are determined for each Class in the currency of the relevant Class. If no Investment Shares of the Class are issued as at the Valuation Day and, at the same time, new Investment Shares of the Class are to be issued, the Investment Share Value of the Class is determined as the Investment Share Value of the other Class, converted into the currency of that Class on the basis of the exchange rate of the Czech National Bank as at the Valuation Day.
- 4.2 For each day when the Fund Capital is determined, the weights of the Classes are ascertained. If, as at the previous Valuation Day, only Investment Shares of the EUR Class were issued or Investment shares of both Classes were issued, the weights of the Classes are determined by the formulas:

$$W_{EUR,t} = W_{EUR,t-1} * \frac{1 + \frac{K_{EUR,t}}{W_{EUR,t-1} * AV_{t-1}}}{1 + \frac{K_{EUR,t} + K_{CZK,t}/FX_{t-1}}{AV_{t-1}}}$$

$$w_{CZK;t} = (1 - w_{EUR;t})$$

If, as at the previous Valuation Day, only Investment Shares of the CZK Class were issued, the weights of the Classes are determined by the formulas:

$$w_{CZK;t} = w_{CZK;t-1} * \frac{1 + \frac{K_{CZK,t}}{w_{CZK;t-1} * AV_{t-1}}}{1 + \frac{K_{EUR,t} + K_{CZK,t}/FX_{t-1}}{AV_{t-1}}}$$

$$w_{EUR;t} = (1 - w_{CZK;t})$$

**AV<sub>t-1</sub>** Fund Capital on day t-1 before taking into account items:  $[\Delta DPP]_{(T-1)}$ ,

$$FMP_{EUR;T-1}, FMP_{CZK;T-1}/FX_{t-1}, VO_{EUR;t-1}, VO_{CZK;t-1}/FX_{t-1}, \Delta Z_{CZK;T-1}/FX_{t-1}, \Delta DP_{CZK;T-1}/FX_{t-1}$$

$$AV_{t-1} = NAV_{t-1} + \Delta DPP_{T-1} + FMP_{EUR;T-1} + VO_{EUR;t-1} + (FMP_{CZK;T-1} + VO_{CZK;t-1} - \Delta Z_{CZK;T-1} + \Delta DP_{CZK;T-1})/FX_{t-1}$$

$$K_{EUR,t} = S_{EUR;T} - R_{EUR;T} - FMP_{EUR;T-1} - VOK_{EUR;T-1}$$

$$K_{CZK,t} = S_{CZK;T} - R_{CZK;T} - FMP_{CZK;T-1} - VOK_{CZK;T-1} + \Delta Z_{CZK;T-1} - \Delta DP_{CZK;T-1}$$

<b>K<sub>EUR</sub></b>	selected items of the EUR Class for calculation of weights
<b>K<sub>CZK</sub></b>	selected items of the CZK Class for calculation of weights
<b>t</b>	day of current valuation of the Sub-Fund's assets and liabilities
<b>t - 1</b>	day of previous valuation of the Sub-Fund's assets and liabilities before day t
<b>t - 2</b>	day of previous valuation of the Sub-Fund's assets and liabilities before day t-1
<b>T</b>	period starting on the day following day t-1 and ending on day t
<b>T - 1</b>	period starting on the day following day t-2 and ending on day t-1
<b>w<sub>EUR</sub></b>	weight of the EUR Class
<b>w<sub>CZK</sub></b>	weight of the CZK Class
<b>S<sub>EUR</sub></b>	value of subscribed Investment Shares of the EUR Class (in EUR)
<b>S<sub>CZK</sub></b>	value of subscribed Investment Shares of the CZK Class (in CZK)
<b>R<sub>EUR</sub></b>	value of redeemed Investment Shares of the EUR Class (in EUR)
<b>R<sub>CZK</sub></b>	value of redeemed Investment Shares of the CZK Class (in CZK)
<b>FMP<sub>EUR</sub></b>	proportionate amount of the fixed management fee for the EUR Class (in EUR)
<b>FMP<sub>CZK</sub></b>	proportionate amount of the fixed management fee for the CZK Class (in CZK)

$\Delta VOK_{EUR}$	performance bonus for the EUR Class (in EUR), on the last day of the previous reference period, if the day equals day $t - 1$
$\Delta VOK_{CZK}$	performance bonus for the CZK Class (in CZK), on the last day of the previous reference period, if the day equals day $t - 1$
$VO_{EUR}$	performance bonus for the EUR Class (in EUR) in the current reference period (in EUR)
$VO_{CZK}$	performance bonus for the CZK Class (in CZK) in the current reference period (in CZK)
$\Delta Z_{CZK}$	change of the profit/loss from security of currency risks in investments in the CZK Class (in CZK)
$\Delta Z_{CZK}$	change of the amount of tax liability arising from security of currency risks in investments in the CZK Class (in CZK)
$FX$	CZK/EUR exchange rate according to ČNB
$NAV$	Fund Capital (in EUR)
$\Delta DPP$	change of the total amount of the Sub-Fund's tax liability (in EUR) after deduction of $\Delta DP_{CZK}/FX$

- 4.3 The weights of the Classes are subsequently used to determine the fund capital of the CZK Class and the EUR Class, calculated by the following formulas:

$$NAV_{EUR,t} = AV_t * w_{EUR,t} - FMP_{EUR,T} - VO_{EUR,t} - \Delta DPP_T * w_{EUR,t}$$

$$NAV_{CZK,t} = AV_t * w_{CZK,t} * FX_t - FMP_{CZK,T} - VO_{CZK,t} + \Delta Z_{CZK,T} - \Delta DP_{CZK,T} - \Delta DPP_T * w_{CZK,t} * FX_t$$

$AV_t$  Fund Capital on day  $t$  before taking into account items:  $\Delta DPP_T$ ,  
 $FMP_{EUR,T}$ ,  $FMP_{CZK,T}/FX_t$ ,  $VO_{EUR,t}$ ,  $VO_{CZK,t}/FX_t$ ,  $\Delta Z_{CZK,T}/FX_t$ ,  $\Delta DP_{CZK,T}/FX_t$

$NAV_{CZK}$  fund capital of the CZK Class (in CZK)

$NAV_{EUR}$  fund capital of the EUR Class (in EUR)

- 4.4 The Fund Capital is then equal to the sum of the fund capital of the CZK Class and the fund capital of the EUR Class.

$$NAV_t = NAV_{EUR,t} + NAV_{CZK,t}/FX_t$$

## 5. RISK PROFILE

- 5.1 The Investment Share value may rise or fall over periods of time depending on developments in the real estate market, financial markets, the structure of the Sub-Fund's assets and other factors, and there is no guarantee of return on the amount originally invested. Due to the possibility of unforeseeable fluctuations in the financial markets and the real estate market, the Company cannot guarantee fulfilment of the set objectives. The Company points out to investors that the Sub-Fund's past performance is no guarantee of performance in future periods.

5.2 Investments in the Sub-Fund are meant to achieve above-average returns while observing the long-term investment horizon. The investment is in no case fit for short-term speculations, or as an investment with the underlying intention of not observing the recommended investment horizon of at least 5 years.

5.3 Risks arising from investment in the Sub-Fund:

(a) Risks associated with investments in real estate and Real Estate Companies

- (i) Construction defects or environmental burden on real estate - losses cannot be excluded in the Sub-Fund's assets due to construction defects or undetected environmental burdens;
- (ii) Shortfalls in projected income from property rentals - such shortfalls in projected income from rental of real estate part of the Sub-Fund's assets may occur due to negative trends in the real estate market, or as a result of the lessee's insolvency. Any shortfall in projected income from rental of real estate may lead to impairment of real estate assets, and so reduce the value of the Sub-Fund's total assets;
- (iii) Legal risks - arising from the fact that there may be an impairment in the value of the Sub-Fund's assets due to legal defects of real estate and Real Estate Companies acquired into the Sub-Fund's assets, for example due to the existence of a third party lien, encumbrances, pre-emptive rights, etc.;
- (iv) Risks associated with debt financing - due to the possibility of financing acquisitions or construction of real estate with loans or borrowings, there is also a corresponding increase in the risk of adverse economic impacts on the Sub-Fund's assets in case of a wrong investment decision, or as a consequence of other causes with the effective result of impairment of the Sub-Fund's assets. Received external funding usually is secured by a property lien in favour of the provider of the loan or borrowing. Such loans are repaid mainly by income from rental of real estate. In case of inability to repay the external financing, there may be a loss of property of the Real Estate Company, or of the Sub-Fund's assets. This will have negative consequences in the form of impairment of the Sub-Fund's assets;
- (v) Other real estate risks - mainly related to a higher risk of correct valuation of the property. In the case of real estate, pertinent investments typically have a long-term horizon, and thus are subject to increased political risks and a higher risk of reduced liquidity of the investment;
- (vi) Risk of valuation of non-financial assets – the assets are valued when purchased and subsequently annually by an expert's opinion drafted by an independent qualified expert appointed by the Fund, although the final value of the asset is determined only by its sale price. If the valuation by an independent qualified expert proves to be different from the sale price of the asset, this could have a negative impact on the net asset value of the Sub-Fund.

(b) Other Risks

- (i) Market risks - due to the impacts of the developments in financial markets on the prices and value of different types of the Sub-Fund's assets. These mainly include equity risks pertinent to the impact of changes in market prices of shares, and interest rate risks reflecting the impact of changes in market interest rates on the market value of debt instruments;
- (ii) Credit risks - due to the issuer of an investment tool being in default with its obligations, or due to its overall financial failure. These risks increase with the choice of financial instruments issued by lower quality issuers. The Sub-Fund may invest in investment tools issued by a broad range of issuers without restrictions as to their rating;



- (iii) Settlement risks - due to failure to deliver purchased investment tools by the opposite party, non-payment or delayed transaction. The choice of opposite parties is limited to quality banks and quality finance companies that meet the requirements imposed by state supervisory bodies and have the necessary mandatory competences and qualifications;
- (iv) Operating risks - relate to the possibility of a loss due to inadequate internal processes or failure thereof, the human factor or as a result of external events. This also includes the risk of loss of property entrusted for custody or other form of keeping, which may be mainly due to insolvency, negligence or willful misconduct of the person who has custody of or otherwise keeps the Fund's assets or securities issued by the Sub-Fund;
- (v) Risk of insufficient liquidity - due to the possibility that an asset of the Sub-Fund will not be converted into cash in a timely manner and at a reasonable price, and that the Sub-Fund will be unable to meet its obligations from requests for redemption of Investment Shares. For these reasons, investors bear the risk of suspension of issuance and redemption of Investment Shares;
- (vi) Currency risks - due to the fact that the Sub-Fund may invest in real estate or investment tools in a currency other than the currency of the Sub-Fund's relevant Class, and there is a change in the value of the Sub-Fund's assets or the value of the Investment Share as a result of exchange rate fluctuations;
- (vii) Risks associated with derivatives – related especially to a change of the market prices of the underlying assets; other related risks include liquidity risk, counterparty risk and risk of potential progressive dependence on the price of the underlying assets, where the small initial investment allows for both significant profit and significant loss;
- (viii) Concentration risks - due to a potential concentration of the Sub-Fund's assets in investments in a particular region, branch of the economy or a narrow group of issuers, or even in a single asset;
- (ix) Leverage risks - associated with the use of external capital to further invest in the Sub-Fund's assets. Leverage may increase the Sub-Fund's performance, however in case of unfavourable development it may in turn compromise the Sub-Fund's performance.
- (x) Risk associated with the possibility of failure of the company in which the Sub-Fund holds an ownership interest – such a company may be affected by business risk. As a result of this risk, the market price of the ownership share in the company concerned may fall or become totally devalued (for example, in the event of bankruptcy).

5.4 Conclusion of repo transactions in managing the Sub-fund, and the procedures for measuring and reducing the risks associated with the use of these technique, unless explicitly addressed in the Statutes, are subject to provisions of the Government Regulation. A repo transaction must not be concluded in a manner or for a purpose that circumvents the Fund's investment strategy or the rules imposed by the Statutes and the Government Regulation.

## **6. FEES AND EXPENSES**

### **A. Fees paid from the Sub-Fund's assets**

6.1 The fixed management fee is imposed for each Class at each valuation of the assets and liabilities of the relevant Class, from the initial valuation of the assets and liabilities of the relevant Class. The fixed management fee of 1% p.a. is determined by the following formula:

$$FMP_T = N_t * NAUV_{t-1} * 0.01 * \frac{n}{x}$$

<b>t</b>	day of the current valuation of the assets and liabilities of the Class
<b>t – 1</b>	day of the previous valuation of the assets and liabilities of the Class before day t
<b>T</b>	period starting on the day following day t-1 and ending on day t
<b>FMP</b>	fixed management fee
<b>N</b>	total number of Investment Shares of the Class
<b>NAUV</b>	fund capital of the Class per Investment Share of the Class
<b>n</b>	number of days in period T
<b>x</b>	number of days in the relevant year

The fixed management fee is paid quarterly in proportional instalments.

- 6.2 The performance bonus is set progressively for each Class based on the gross performance of the Class, which for this purpose is determined using the following formula:

$$r_t = \frac{GAUV_t}{GAUV_m} - 1$$

<b>m</b>	last day of the previous reference period in which entitlement to performance bonus last arose (or on the day of initial issue of Investment Shares).
<b>r</b>	gross performance of the Class
<b>GAUV</b>	fund capital of the Class before taking into account the performance bonus per Investment Share of the Class

- (a) Where the gross performance  $r_t$  determined in this way is equal to or lower than 10%, the performance bonus is determined by the amount equal to 10% of profit using the following formula:

$$VO_t = 0.1 * \max \left\{ \left[ GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i) \right]; 0 \right\}$$

- (b) Where  $r_t$  is greater than 10%, the performance bonus is determined as the sum of the amount equal to 10% of profit corresponding to gross performance of 10% and the amount equal to 15% of profit corresponding to gross performance above 10%, using the following formula:

$$VO_t = 0.10 * \max \left\{ \left[ GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i) \right] * \frac{0.1}{r_t}; 0 \right\} +$$

$$+ 0.15 * \max \left\{ \left[ GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i) \right] * \frac{(r_t - 0.1)}{r_t}; 0 \right\}$$

<b>VO</b>	Performance bonus
<b>GAUV</b>	fund capital of the Class before taking into account the performance bonus

- S<sub>i</sub>* The value of subscribed Investment Shares of the Class on day i after day m  
*R<sub>i</sub>* The value of redeemed Investment Shares of the Class on day i after day m

The entitlement to performance bonus arises only if:

$$NAUV_t \geq NAUV_m$$

Otherwise:

$$VO_t = 0$$

- 6.3 The remuneration for the performance of the Custodian Bank's function is set at a fixed monthly amount of EUR 1,742 plus value added tax. The amount is payable to the Custodian Bank every calendar month.
- 6.4 The remuneration for the performance of the office of the Administrator is a percentage of the fixed management fee paid by the Sub-Fund, i.e. 30 % of the fixed management fee. The remuneration is paid to the Administrator by the Fund, which forwards 30% of the fixed management fee to the Administrator for administration. The Fund always pays the remuneration to the Administrator without unnecessary delay after the payment of the fixed management fee.
- 6.5 For other fees and expenses paid from the Sub-Fund's assets see Part 10 of the Statutes; in addition to the fees and expensed specified therein, other expenses may be incurred in connection with the acquisition, operation or sale of real estate and/or ownership interests in Real Estate Companies, which are also paid from the Sub-Fund's assets, in particular pertinent legal and other consultancy services, audit expenses, land registry fees, costs associated with the activities of real estate agents, energies and utilities, maintenance and repairs, insurance, development, operating costs, and due diligence costs.

#### **B. Fees paid by the Investor**

- 6.6 When Investment Shares are issued, an entry fee (surcharge) is applied in the amount of up to 3% of the net amount invested.
- 6.7 On redemption of the Sub-Fund's Investment Shares, the Fund may apply an exit fee (deduction), the maximum amount of which is determined by the time between the issue of Investment Shares to the Investor or their acquisition from another Investor (hereinafter jointly "Investment Date") and the request for their redemption. The following percentage values represent the amount of the exit fee as a percentage of the monetary consideration paid to the Investor for the redemption of Investment Shares:
- (a) 3 % if the request for redemption of Investment Shares is submitted within 3 years of the Investment Date (inclusive);
  - (b) 2 % if the request for redemption of Investment Shares is submitted within 4 years of the Investment Date (inclusive);
  - (c) 1 % if the request for redemption of Investment Shares is submitted within 5 years of the Investment Date (inclusive);
  - (d) 0 % if the request for redemption of Investment Shares is submitted more than 5 years after the Investment Date.

The net amount paid to the Investor is determined by the following formula:

$$NCF = \frac{N * NAUV}{1 + s}$$

<i>NCF</i>	net amount paid to the Investor (in EUR)
<i>N</i>	number of redeemed Investment Shares
<i>NAUV</i>	fund capital per Investment Share of the Sub-Fund
<i>s</i>	percentage amount of the exit fee (deduction)

The exit fee is the Sub-Fund's income.

If the Investor has more than one investment in Investment Shares, the redemption applies progressively to the oldest investments.

The exit fee shall not apply to redemption of Investment Shares with Investment Date earlier than 28 June 2020 (inclusive).

For the purposes of calculation of the exit fee, the exchange of Investment Shares of one Class for Investment Shares of another Class of the same Sub-Fund is not deemed to represent a new investment and the original Investment Date applies.

- 6.8 The exchange of Investment Shares of one Class for Investment Shares of another Class of the same Sub-Fund is subject to the fee of 1% of the Investment Share Value of the Investment Shares so exchanged. The net transferred amount is determined by the following formula:

$$NCF = \frac{N * NAUV}{1 + 0.01}$$

<i>NCF</i>	net transferred amount (in EUR)
<i>N</i>	number of exchanged Investment Shares
<i>NAUV</i>	fund capital per Investment Share of the Sub-Fund.

## 7. OTHER IMPORTANT INFORMATION

- 7.1 The initial value at which the issue of Investment Shares is launched after the creation of the Sub-Fund is set to EUR 1. This amount may be increased by an entry fee (surcharge) pursuant to Point 6.6 of this Appendix.
- 7.2 Valuation of the Sub-Fund's assets and liabilities is performed regularly four times a year always to 31 March, 30 June, 30 September and 31 December of the calendar year. The first valuation of the Sub-Fund is due on start of its investment activities (expected after the first investment in Real Estate Company). Valuation of Real Estate Companies is carried out on the basis of supporting documentation, namely expert opinions which were drafted to a day no longer than six (6) months ago. The Administrator ensures Extraordinary Valuation of the Sub-Fund as the need may be in accordance with Point 8.6 of the Statutes.
- 7.3 The Investment Share value is announced at the latest by the end of the sixth calendar month after the day on which valuation of the Sub-Fund's assets and liabilities was carried out.
- 7.4 Investment Shares are redeemed from the Investor within the following terms:
- (a) within six (6) months of the end of the calendar quarter, in which the request for redemption was received under the Contract, if the requested redemption of Investment Shares does not exceed the amount of CZK 30,000,000 according to the last announced value of Investment Shares;
  - (b) within twelve (12) months of the end of the calendar quarter, in which the request for redemption was received under the Contract, if the requested redemption of Investment Shares exceeds the amount of CZK 30,000,000 according to the last announced value of Investment Shares.

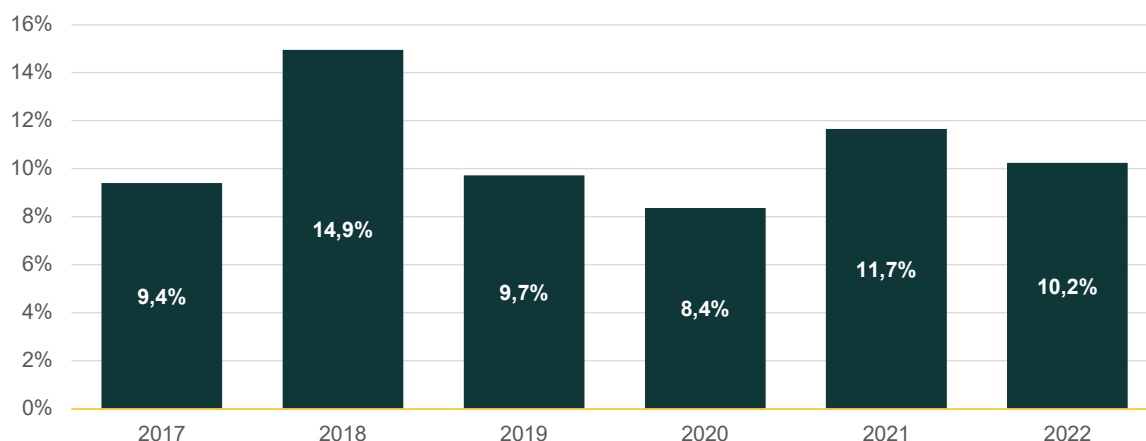
If, upon receipt of the request for redemption of Investment Shares of any relevant Class, the Investment Shares of one Class are owned by less than 100 Investors and the requested redemption of Investment Shares of such Class does not exceed CZK 10,000,000 according to the last announced value of Investment Shares, the Investment Shares shall be redeemed within four (4) months of the end of the calendar quarter, in which the request for redemption was received.

- 7.5 The Fund may suspend in accordance with the Act issuance or redemption of Investment Shares of the Sub-Fund for a maximum period of two (2) years where necessary for reasons of protection of Investors' rights or their legally protected interests.
- 7.6 The underlying investments of this financial product do not reflect EU criteria for environmentally sustainable economic activities. Neither at the level of the Fund, as the Management Company of the Sub-Fund, nor at the level of the Sub-fund, is the negative impact of investment decisions on sustainability factors presently reflected under Article 4 (1) (b) of the SFDR regulation. The reasons and future prospects of this approach are comprehensively summarized in the Memorandum on Sustainability of Investments, which is available from the websites [www.woodis.cz](http://www.woodis.cz) and [www.wood.cz](http://www.wood.cz).

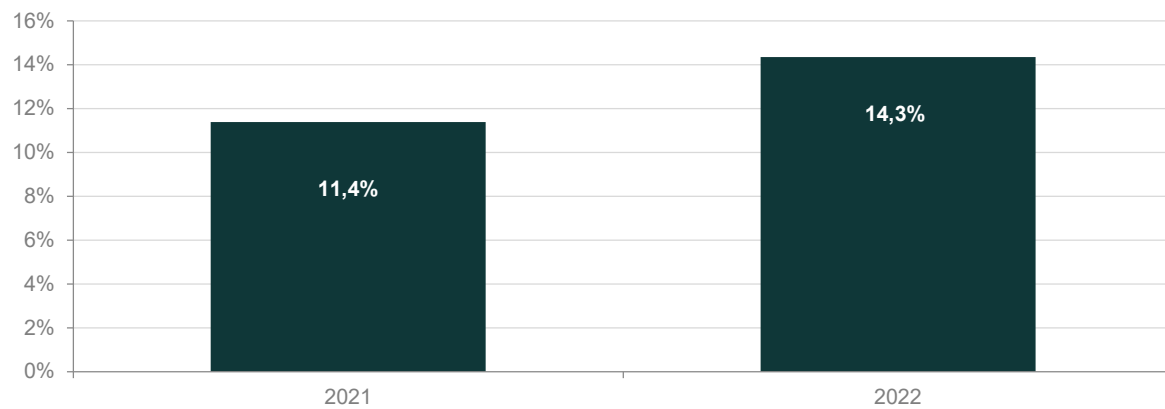
## 8. HISTORICAL PERFORMANCE

- 8.1 Past performance data are no guarantee of the Sub-Fund's performance in future periods and their viability as indicators of future performance is limited. The chart shows the net performance of the Sub-Fund, reflecting all expenses.
- 8.2 The Sub-Fund was created on 24 May 2017; the performance for an incomplete calendar year is not shown here, in accordance with the EFAMA (European Fund and Asset Management Association) rules.

### A. Historical performance of the EUR Class of the Office Sub-Fund



### B. Historical performance of the CZK Class of the Office Sub-Fund



## Appendix No. 3

### WOOD & Company AUP Bratislava podfond

#### 1. IDENTIFICATION OF SUB-FUND

The name of the sub-fund is: WOOD & Company AUP Bratislava podfond (hereinafter "Sub-Fund").

The Investment Shares of the Sub-Fund are assigned the following ISIN numbers:

- a) for the EUR Class of the AUP Bratislava Sub-Fund: CZ0008044914;
- b) for the CZK Class of the AUP Bratislava Sub-Fund: CZ0008045523.

The Sub-Fund was registered in the list of investment funds maintained by the ČNB on 21 February 2020.

The Sub-Fund's Investment Shares are recorded in Central Records.

The Sub-Fund's Investment Shares are not approved for trading in the European regulated market.

#### 2. INVESTMENT STRATEGY

- 2.1 The investment objective is to achieve returns on the Sub-Fund's Investment Shares through an investment strategy focused on the ownership interest in the Real Estate Company which owns a majority ownership interest in the Aupark Business Centre in Bratislava, Slovakia (hereinafter "AUPARK"). The Sub-Fund issues a Class denominated in euros (the EUR Class of the AUP Bratislava Sub-Fund) and a Class denominated in Czech crowns (the CZK Class of the AUP Bratislava Sub-Fund). Currency risks of the EUR Class of the AUP Bratislava Sub-Fund and the CZK Class of the AUP Bratislava Sub-Fund shall be secured in such manner and in such cases as the management company deems appropriate. The recommended investment horizon is at least 10 years. The Sub-Fund's objective is the long-term active and effective participation in AUPARK's management and utilisation of its growth potential. The Sub-Fund will use conservative level of indebtedness. The investment objective is to (i) achieve returns on the Sub-Fund's Investment Shares through an investment strategy focused on the acquisition and subsequent management of the Real Estate Company with a long-term horizon; and (ii) continuously pay Dividends from the revenues of the Real Estate Company to Investors.
- 2.2 The Sub-Fund's returns will be primarily paid as Dividends to the owners of Investment Shares, but may also be partially reinvested.
- 2.3 The performance of the Sub-Fund's portfolio shall not be compared against any reference benchmark or market composite index.
- 2.4 The following may be acquired as the Sub-Fund's assets:
  - (a) Ownership interests in Real Estate Companies, where the Sub-Fund may invest in a concentrated portfolio of only one Real Estate Company;
  - (b) Debt instruments issued by the Real Estate Company or any other company from the Real Estate Company group;
  - (c) Entitlements to loans and borrowings provided to the Real Estate Company or any other company from the Real Estate Company group;
  - (d) Entitlements to payment of funds from accounts (such as bank deposits);
  - (e) Money market instruments.
- 2.5 Up to 100% of the Sub-Fund's assets may be invested in the assets referred to in Article 2.4 (a). However, no more than 10% of the value of the Sub-Fund's assets may be invested in securities issued by collective investment funds or other comparable foreign investment funds which are Real Estate Companies.

- 2.6 Up to 70% of the Sub-Fund's assets may be invested overall in the assets referred to in Article (b) through (e). In case of sale of the ownership interest in the Real Estate Company, the investment may, in the short term, reach up to 100% of the Sub-Fund's assets.
- 2.7 The sum of investments in assets failing to meet the conditions under Article 17b (1) c) of the Tax Act must always be less than 10% of the Sub-Fund's assets.
- 2.8 In the issuance and redemption of Investment Shares, the Sub-Fund may not meet the limit set forth in Article 2.6. Contributions exceeding the specified limit due to the crediting of the amount corresponding to the price of the issued Investment Shares must be invested without undue delay after the Sub-Fund's Shares have been issued, but taking into account the time required to find a suitable investment opportunity corresponding to the Sub-Fund's investment strategy. Contributions exceeding the specified limit due to the collection of funds to secure the financial settlement of the redemption of Investment Shares must be sent to the Investor's account within the specified time limit.
- 2.9 A financial derivative which is not approved for trading may be concluded on the Sub-Fund's account, if:
- (a) the value, to which the value of the derivative is linked, is only the interest rate, exchange rate or currency;
  - (b) the derivative is reliably and verifiably valued each business day;
  - (c) the Fund may, on its own initiative, at any time assign, withdraw or otherwise terminate the derivative for an amount agreeable between the parties under conditions which are not significantly unbalanced for any party, or else conclude a new derivative for such amount, which will compensate the underlying assets of the derivative in the manner stipulated in accordance with standard obligations methodology; and
  - (d) the derivative is concluded with a counterparty which is subject to the supervision by ČNB, or by the supervisory authority of another member state, or by the supervisory authority of any other state.
- 2.10 The techniques for the management of the Sub-Fund are exclusively repo transactions according to Articles 2.11 to 2.15 and financial derivatives according to Article 2.9. The management techniques only can be used if:
- (a) They are used solely for the purpose of effective management of the Fund and to reduce the risk associated with investing on the Sub-Fund's account, to reduce the costs associated with investing on the Sub-Fund's account, or to obtain additional capital or generate additional returns, providing that the pertinent risks are consistent with the Sub-Fund's risk profile;
  - (b) By using these techniques, the rules are not circumvented set by the Government Regulation and imposed by the Statutes, or the Sub-Fund's investment policy; and
  - (c) The Sub-Fund's debts arising from the use of these techniques are at all times fully covered by the Sub-Fund's assets.
- 2.11 For the purpose of calculating the total exposure, the Sub-Fund may use:
- (a) The method of gross asset value;
  - (b) The value at risk method; or
  - (c) Another advanced risk measurement method.
- 2.12 The Sub-Fund may grant a loan or borrowing. Interest-bearing loans and borrowings shall not exceed 100% of the Sub-Fund's assets.
- 2.13 The Sub-Fund's assets may not be used to provide loans or borrowings, make donations, secure other person's debts or satisfy any debts unrelated to its management.
- 2.14 The Sub-Fund may receive a loan or borrowing.



- 2.15 The Sub-Fund may issue bonds.
- 2.16 For the sake of efficient management, the Sub-Fund may utilise leverage. With the use of leverage, only transactions may be concluded on the Sub-Fund's account that are consistent with permissible investment tools. The leverage ratio shall not exceed 100% of the Sub-Fund's capital.

### **3. PRINCIPLES FOR PAYMENT OF DIVIDEND**

- 3.1 The Sub-Fund pays Dividends every half-year. The relevant days for the payment of Dividends are 30 June and 31 December. Dividends are paid to Investors which own the Sub-Fund's Investment Shares on the relevant day.
- 3.2 Dividends will be paid by non-cash transfer to the account specified in writing by the Investor or the Securities Broker keeping the Follow-up Records, always by the end of the third calendar month following the relevant day.
- 3.3 The amount of Dividend is decided by the Fund's Board of Directors. The aim is to achieve regular Dividend payments. However, the amount of Dividend is subject to the Fund's realized profits and other circumstances. Dividend is not guaranteed and may even equal zero. The payment of Dividends decreases the value of the Sub-Fund's Investment Shares.
- 3.4 The payment of Dividends is carried out regardless of the Sub-Fund's economic results.
- 3.5 The payment of Dividends is subject to tax in accordance with the applicable tax regulations.
- 3.6 The right to the payment of Dividend is subject to the expiry of the limitation period, which is 4 years. The limitation period starts from the day when the obligation to pay the Dividend was to be fulfilled.

### **4. CLASSES**

- 4.1 The Company issues two Classes for the Sub-Fund, i.e. namely:
- (a) Class issued in EUR: the EUR Class of the AUP Bratislava Sub-Fund (hereinafter "EUR Class");
  - (b) Class issued in CZK: the CZK Class of the AUP Bratislava Sub-Fund (hereinafter "CZK Class").
- 4.2 The Investor may request that the Company's Board of Directors exchange Investment Shares of one class for Investment Shares of the other class. The Board of Directors shall decide on the exchange of Investment Shares on the day of the next valuation of the Sub-Fund's Investment Shares. Investment Shares shall be exchanged in proportion to the ratio of the values of the relevant classes of Investment Shares on the basis of ČNB's exchange rate applicable at the time of calculation of the current value. The Investor has no legal right to the exchange.

### **5. PRINCIPLES OF MANAGEMENT AND DISTRIBUTION OF SHARES IN PROFIT OR REVENUES SPECIFIC FOR THE SUB-FUND**

- 5.1 The fund capital of the Class and the Investment Share Value of the Class are determined for each Class in the currency of the relevant Class. If no Investment Shares of the Class are issued as at the Valuation Day and, at the same time, new Investment Shares of the Class are to be issued, the Investment Share Value of the Class is determined as the Investment Share Value of the other Class, converted into the currency of that Class on the basis of the exchange rate of the Czech National Bank as at the Valuation Day.
- 5.2 For each day when the Fund Capital is determined, the weights of the Classes are ascertained. If, as at the previous Valuation Day, only Investment Shares of the EUR Class were issued or Investment Shares of both Classes were issued, the weights of the Classes are determined by the formulas:

$$w_{EUR;t} = w_{EUR;t-1} * \frac{1 + \frac{K_{EUR,t}}{w_{EUR;t-1} * AV_{t-1}}}{1 + \frac{K_{EUR,t} + K_{CZK,t}/FX_{t-1}}{AV_{t-1}}}$$

$$w_{CZK;t} = (1 - w_{EUR;t})$$

If, as at the previous Valuation Day, only Investment Shares of the CZK Class were issued, the weights of the Classes are determined by the formulas:

$$w_{CZK;t} = w_{CZK;t-1} * \frac{1 + \frac{K_{CZK,t}}{w_{CZK;t-1} * AV_{t-1}}}{1 + \frac{K_{EUR,t} + K_{CZK,t}/FX_{t-1}}{AV_{t-1}}}$$

$$w_{EUR;t} = (1 - w_{CZK;t})$$

**$AV_{t-1}$**  Fund Capital on day  $t - 1$  before taking into account items:  $\Delta DPP_{T-1}$ ,  
 $FMP_{EUR;T-1}$ ,  $FMP_{CZK;T-1}/FX_{t-1}$ ,  $VO_{EUR;t-1}$ ,  $VO_{CZK;t-1}/FX_{t-1}$ ,  $\Delta Z_{CZK;T-1}/FX_{t-1}$ ,  
 $\Delta DP_{CZK;T-1}/FX_{t-1}$

$$AV_{t-1} = NAV_{t-1} + \Delta DPP_{T-1} + FMP_{EUR;T-1} + VO_{EUR;t-1} + \\ + (FMP_{CZK;T-1} + VO_{CZK;t-1} - \Delta Z_{CZK;T-1} + \Delta DP_{CZK;T-1})/FX_{t-1}$$

$$K_{EUR,t} = S_{EUR;T} - R_{EUR;T} - D_{EUR;T-1} - FMP_{EUR;T-1} - \Delta VOK_{EUR;T-1}$$

$$K_{CZK,t} = S_{CZK;T} - R_{CZK;T} - D_{CZK;T-1} - FMP_{CZK;T-1} - \Delta VOK_{CZK;T-1} + \Delta Z_{CZK;T-1} - \Delta DP_{CZK;T-1}$$

<b><math>K_{EUR}</math></b>	selected items of the EUR Class for calculation of weights
<b><math>K_{CZK}</math></b>	selected items of the CZK Class for calculation of weights
<b><math>t</math></b>	day of current valuation of the Sub-Fund's assets and liabilities
<b><math>t - 1</math></b>	day of previous valuation of the Sub-Fund's assets and liabilities before day $t$
<b><math>t - 2</math></b>	day of previous valuation of the Sub-Fund's assets and liabilities before day $t-1$
<b><math>T</math></b>	period starting on the day following day $t-1$ and ending on day $t$
<b><math>T - 1</math></b>	period starting on the day following day $t-2$ and ending on day $t-1$
<b><math>w_{EUR}</math></b>	weight of the EUR Class
<b><math>w_{CZK}</math></b>	weight of the CZK Class
<b><math>S_{EUR}</math></b>	value of subscribed Investment Shares of the EUR Class (in EUR)
<b><math>S_{CZK}</math></b>	value of subscribed Investment Shares of the CZK Class (in CZK)
<b><math>R_{EUR}</math></b>	value of redeemed Investment Shares of the EUR Class (in EUR)
<b><math>R_{CZK}</math></b>	value of redeemed Investment Shares of the CZK Class (in CZK)

$D_{EUR}$	value of Dividends of the EUR Class (in EUR), the right to the payment of which has arisen
$D_{CZK}$	value of Dividends of the CZK Class (in CZK), the right to the payment of which has arisen
$FMP_{EUR}$	proportionate amount of the fixed management fee for the EUR Class (in EUR)
$FMP_{CZK}$	proportionate amount of the fixed management fee for the CZK Class (in CZK)
$VO_{EUR}$	performance bonus for the EUR Class (in EUR), on the last day of the previous reference period, if the day equals day $t - 1$
$VO_{CZK}$	performance bonus for the CZK Class (in CZK), on the last day of the previous reference period, if the day equals day $t - 1$
$VO_{EUR}$	performance bonus for the EUR Class (in EUR) in the current reference period (in EUR)
$VO_{CZK}$	performance bonus for the CZK Class (in CZK) in the current reference period (in CZK)
$\Delta Z_{CZK}$	change of the profit/loss from security of currency risks in investments in the CZK Class (in CZK)
$\Delta DP_{CZK}$	change of the amount of tax liability arising from security of currency risks in investments in the CZK Class (in CZK)
$FX$	CZK/EUR exchange rate according to ČNB
$NAV$	Fund Capital (in EUR)
$\Delta DPP$	change of the total amount of the Sub-Fund's tax liability (in EUR) after deduction of $\Delta DP_{CZK}/FX$ .

- 5.3 For the first determination of the Fund Capital, if Investment Shares of both Classes are issued at the same time, the weights of the Classes are determined in proportion of the volume of the issued Investment Shares of the EUR Class to the volume of the issued Investment Shares of the CZK Class, converted into EUR on the basis of the exchange rate of the Czech National Bank as at 26 January 2021. The weights of the Classes are subsequently used to determine the fund capital of the CZK Class and the EUR Class, calculated by the following formulas:

$$NAV_{EUR,t} = AV_t * w_{EUR,t} - FMP_{EUR;T} - VO_{EUR;t} - \Delta DPP_T * w_{EUR;t}$$

$$NAV_{CZK,t} = AV_t * w_{CZK;t} * FX_t - FMP_{CZK;T} - VO_{CZK;t} + \Delta Z_{CZK;T} - \Delta DP_{CZK;T} - \Delta DPP_T * w_{CZK;t} * FX_t$$

$AV_t$	Fund Capital on day $t - 1$ before taking into account items: $\Delta DPP_T$ , $FMP_{EUR;T}$ , $FMP_{CZK;T}/FX_t$ , $VO_{EUR;t}$ , $VO_{CZK;t}/FX_t$ , $\Delta Z_{CZK;T}/FX_t$ , $\Delta DP_{CZK;T}/FX_t$
$NAV_{CZK}$	fund capital of the CZK Class (in CZK)
$NAV_{EUR}$	fund capital of the EUR Class (in EUR)

- 5.4 The Fund Capital is then equal to the sum of the fund capital of the CZK Class and the fund capital of the EUR Class.

$$NAV_t = NAV_{EUR,t} + NAV_{CZK,t}/FX_t$$

## 6. RISK PROFILE

- 6.1 The Investment Share Value may, in the course of time, rise and fall depending on the structure of the Sub-Fund's assets, on the development of the real estate market, financial markets and other factors. The Sub-Fund cannot guarantee the return of the originally invested amount. Due to the possibility of unforeseeable fluctuations in the financial markets and the real estate market, the Fund cannot guarantee fulfilment of the set objectives. The Fund points out to investors that the Sub-Fund's past performance is no guarantee of performance in future periods.
- 6.2 Investments in the Sub-Fund are meant to achieve above-average returns while observing the long-term investment horizon. The investment is in no case fit for short-term speculations, or as an investment with the underlying intention of not observing the recommended investment horizon of at least 5 years.
- 6.3 Risks arising from investment in the Sub-Fund:
- (a) Risks associated with investments in real estate and Real Estate Companies
- (i) Construction defects or environmental burden on real estate - losses cannot be excluded in the Sub-Fund's assets due to construction defects or undetected environmental burdens;
  - (ii) Shortfalls in projected income from property rentals - such shortfalls in projected income from rental of real estate part of the Sub-Fund's assets may occur due to negative trends in the real estate market, or as a result of the lessee's insolvency. Any shortfall in projected income from rental of real estate may lead to impairment of real estate assets, and so reduce the value of the Sub-Fund's total assets;
  - (iii) Legal risks - arising from the fact that there may be an impairment in the value of the Sub-Fund's assets due to legal defects of real estate and Real Estate Companies acquired into the Sub-Fund's assets, for example due to the existence of a third party lien, encumbrances, pre-emptive rights, etc.;
  - (iv) Risks associated with debt financing - due to the possibility of financing acquisitions or construction of real estate with loans or borrowings, there is also a corresponding increase in the risk of adverse economic impacts on the Sub-Fund's assets in case of a wrong investment decision, or as a consequence of other causes with the effective result of impairment of the Sub-Fund's assets. Received external funding usually is secured by a property lien in favour of the provider of the loan or borrowing. Such loans are repaid mainly by income from rental of real estate. In case of inability to repay the external financing, there may be a loss of property of the Real Estate Company, or of the Sub-Fund's assets. This will have negative consequences in the form of impairment of the Sub-Fund's assets;
  - (v) Other real estate risks - mainly related to a higher risk of correct valuation of the property. In the case of real estate, pertinent investments typically have a long-term horizon, and thus are subject to increased political risks and a higher risk of reduced liquidity of the investment;
  - (vi) Risk of valuation of non-financial assets – the assets are valued when purchased and subsequently annually by an expert's opinion drafted by an independent qualified expert appointed by the Fund, although the final value of the asset is determined only by its sale price. If the valuation by an independent qualified

expert proves to be different from the sale price of the asset, this could have a negative impact on the net asset value of the Sub-Fund.

(b) Other Risks

- (i) Market risks - due to the impacts of the developments in markets on the prices and value of different types of the Sub-Fund's assets;
- (ii) Credit risks - due to the issuer of an investment tool being in default with its obligations, or due to its overall financial failure. These risks increase with the choice of financial instruments issued by lower quality issuers. The Sub-Fund may invest in investment tools issued by a broad range of issuers without restrictions as to their rating;
- (iii) Settlement risks - due to failure to deliver purchased investment tools by the opposite party, non-payment or delayed transaction. The choice of opposite parties is limited to quality banks and quality finance companies that meet the requirements imposed by state supervisory bodies and have the necessary mandatory competences and qualifications;
- (iv) Operating risks - relate to the possibility of a loss due to inadequate internal processes or failure thereof, the human factor or as a result of external events. This also includes the risk of loss of property entrusted for custody or other form of keeping, which may be mainly due to insolvency, negligence or wilful misconduct of the person who has custody of or otherwise keeps the Fund's assets or securities issued by the Sub-Fund;
- (v) Risk of insufficient liquidity - due to the possibility that an asset of the Sub-Fund will not be converted into cash in a timely manner and at a reasonable price, and that the Sub-Fund will be unable to meet its obligations from requests for redemption of Investment Shares. For these reasons, investors bear the risk of suspension of issuance and redemption of Investment Shares;
- (vi) Currency risks - due to the fact that the Sub-Fund may invest in real estate or investment tools in a currency other than the currency of the Sub-Fund's relevant Class, and there is a change in the value of the Sub-Fund's assets or in the value of the Investment Share as a result of exchange rate fluctuations;
- (vii) Risks associated with derivatives – related especially to a change of the market prices of the underlying assets; other related risks include liquidity risk, counterparty risk and risk of potential progressive dependence on the price of the underlying assets, where the small initial investment allows for both significant profit and significant loss;
- (viii) Concentration risks - due to a potential concentration of the Sub-Fund's assets in investments in a particular region, branch of the economy or a narrow group of issuers, or even in a single asset;
- (ix) Leverage risks - associated with the use of external capital to further invest in the Sub-Fund's assets. Leverage may increase the Sub-Fund's performance, however in case of unfavourable development it may in turn compromise the Sub-Fund's performance.
- (x) Risk associated with the possibility of failure of the company in which the Sub-Fund holds an ownership interest – such a company may be affected by business risk. As a result of this risk, the market price of the ownership share in the company concerned may fall or become totally devalued (for example, in the event of bankruptcy).

6.4 Use and conclusion of repo transactions in managing the Sub-fund, and the procedures for measuring and reducing the risks associated with the use of these techniques, unless explicitly addressed in the

Statutes, are subject to provisions of the Government Regulation. A repo transaction must not be concluded in a manner or for a purpose that circumvents the Fund's investment strategy or the rules imposed by the Statutes and the Government Regulation.

## 7. FEES AND EXPENSES

### A. Fees paid from the Sub-Fund's assets

- 7.1 The fixed management fee is imposed on each Class at each valuation of the assets and liabilities of the Class, from the initial valuation of the assets and liabilities of the Class. The fixed management fee of 1.5% p.a. is determined by the following formula:

$$FMP_T = N_t * NAUV_{t-1} * 0.015 * \frac{n}{x}$$

Where

<b><i>t</i></b>	day of the current valuation of the assets and liabilities of the Class
<b><i>t – 1</i></b>	day of the previous valuation of the assets and liabilities of the Class before day <i>t</i>
<b><i>T</i></b>	period starting on the day following day <i>t-1</i> and ending on day <i>t</i>
<b><i>FMP</i></b>	fixed management fee
<b><i>N</i></b>	total number of Investment Shares of the Class
<b><i>NAUV</i></b>	Fund Capital of the Class per Investment Share of the Class
<b><i>n</i></b>	number of days in period <i>T</i>
<b><i>x</i></b>	number of days in the relevant year

The fixed management fee is paid bianually in proportional instalments.

- 7.2 The performance bonus is set progressively for each Class based on the gross performance of the Class, which for this purpose is determined using the following formula:

$$r_t = \frac{GAUV_t + \sum_{i=1}^t DUV_i}{GAUV_m} - 1$$

<b><i>m</i></b>	last day of the previous reference period in which entitlement to performance bonus last arose (or on the day of initial issue of Investment Shares).
<b><i>r</i></b>	gross performance of the Class
<b><i>GAUV</i></b>	Fund Capital of the Class before taking into account the performance bonus per Investment Share of the Class
<b><i>DUV<sub>i</sub></i></b>	Dividend per Investment Share of the Class, the right to the payment of which arose on day <i>i</i> after day <i>m</i>

- (a) Where the gross performance  $r_t$  determined in this way is equal to or lower than 10%, the performance bonus is determined by the amount equal to 10% of profit using the following formula:

$$VO_t = 0.1 * \max \{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i - D_i)]; 0 \}$$

- (b) Where  $r_t$  is greater than 10%, the performance bonus is determined as the sum of the amount equal to 10% of profit corresponding to gross performance of 10% and the

amount equal to 15% of profit corresponding to gross performance above 10%, using the following formula:

$$VO_t = 0.10 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i - D_i)] * \frac{0.1}{r_t}; 0 \right\} + \\ + 0.15 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i - D_i)] * \frac{(r_t - 0.1)}{r_t}; 0 \right\}$$

<b>VO</b>	Performance bonus
<b>GAV</b>	Fund Capital of the Class before taking into account the performance bonus
<b>Si</b>	The value of subscribed Investment Shares of the Class on day i after day m
<b>Ri</b>	The value of redeemed Investment Shares of the Class on day i after day m
<b>Di</b>	The value of the Dividend of the Class, the right to the payment of which arose on day i after day m

The entitlement to performance bonus arises only if:

$$NAUV_t + \sum_{i=1}^t DUV_i \geq NAUV_m$$

Otherwise:

$$VO_t = 0$$

- 7.3 The remuneration for the performance of the Custodian Bank's function is set at a fixed monthly amount of EUR 1,742 plus value added tax. The amount is payable to the Custodian Bank every calendar month.
- 7.4 The remuneration for the performance of the office of the Administrator is a percentage of the fixed management fee paid by the Sub-Fund, i.e. 30% of the fixed management fee. The remuneration is paid to the Administrator by the Fund, which forwards 30% of the fixed management fee to the Administrator for administration. The Fund always pays the remuneration to the Administrator without unnecessary delay after the payment of the fixed management fee.
- 7.5 For other fees and expenses paid from the Sub-Fund's assets see Part 10 of the Statutes; in addition to the fees and expensed specified therein, other expenses may be incurred in connection with the acquisition, operation or sale of real estate and/or ownership interests in Real Estate Companies, which are also paid from the Sub-Fund's assets, in particular pertinent legal and other consultancy services, audit expenses, land registry fees, costs associated with the activities of real estate agents, energies and utilities, maintenance and repairs, insurance, development, operating costs, and due diligence costs.

## **B. Fees paid by the Investor**

- 7.6 When Investment Shares are issued, an entry fee (surcharge) is applied in the amount of up to 3% of the net amount invested.
- 7.7 On redemption of the Sub-Fund's Investment Shares, the Fund may apply an exit fee (deduction), the maximum amount of which is determined by the time between the Sub-Fund's creation and the request for redemption. The following percentage values represent the amount of the exit fee as a percentage of the monetary consideration paid to the Investor for the redemption of Investment Shares:
- (a) 3 % if the request for redemption of Investment Shares is submitted between the expiry of five (5) years of the creation of the Sub-Fund and 31 December 2025 (inclusive);

- (b) 2 % if the request for redemption of Investment Shares is submitted between 1 January 2026 and 31 December 2026 (inclusive);
- (c) 1 % if the request for redemption of Investment Shares is submitted after 1 January 2027 (inclusive).

The net amount paid to the Investor is determined by the following formula:

$$NCF = \frac{N * NAUV}{1 + s}$$

<b>NCF</b>	net amount paid to the Investor (in EUR)
<b>N</b>	number of redeemed Investment Shares
<b>NAUV</b>	fund capital per Investment Share of the Sub-Fund
<b>s</b>	percentage amount of the exit fee (deduction)

The exit fee is the Sub-Fund's income.

For the purposes of calculation of the exit fee, the exchange of Investment Shares of one Class for Investment Shares of another Class of the same Sub-Fund is not deemed to represent a new investment and the original Investment Date applies.

- 7.8 The exchange of Investment Shares of one Class for Investment Shares of another Class of the same Sub-Fund is subject to the fee of 1% of the Investment Share Value of the Investment Shares so exchanged. The net transferred amount is determined by the following formula:

$$NCF = \frac{N * NAUV}{1 + 0.01}$$

<b>NCF</b>	net transferred amount (in EUR)
<b>N</b>	number of exchanged Investment Shares
<b>NAUV</b>	fund capital per Investment Share of the Class.

## 8. OTHER IMPORTANT INFORMATION

- 8.1 The initial value at which the issue of Investment Shares is launched after the creation of the Sub-Fund is set to EUR 1 in case of the EUR Class and EUR 1 equivalent in Czech crowns in case of the CZK Class, on the basis of the CZK/EUR exchange rate of the Czech National Bank as at the last day of the term stipulated by Article 9.11 (d) of the Statutes. This amount may be increased by an entry fee (surcharge) pursuant to Point 7.6 of this Appendix.
- 8.2 Valuation of the Sub-Fund's assets and liabilities is performed regularly, two times a year always to 30 June and 31 December of the calendar year. The first valuation of the Sub-Fund is due on start of its investment activities (expected after the first investment in Real Estate Company). Valuation of Real Estate Companies is carried out on the basis of supporting documentation, namely expert opinions which were drafted to a day no longer than six (6) months ago. The Administrator ensures Extraordinary Valuation of the Sub-Fund as the need may be in accordance with Point 8.6 of the Statutes.
- The Investment Share Value is announced at the latest by the end of the third calendar month after the day on which valuation of the Sub-Fund's assets and liabilities was carried out.
- 8.3 Investment Shares are redeemed from the Investor under usual conditions, within six (6) months of the first valuation of the Sub-Fund following the receipt of the request under the Contract, however, no



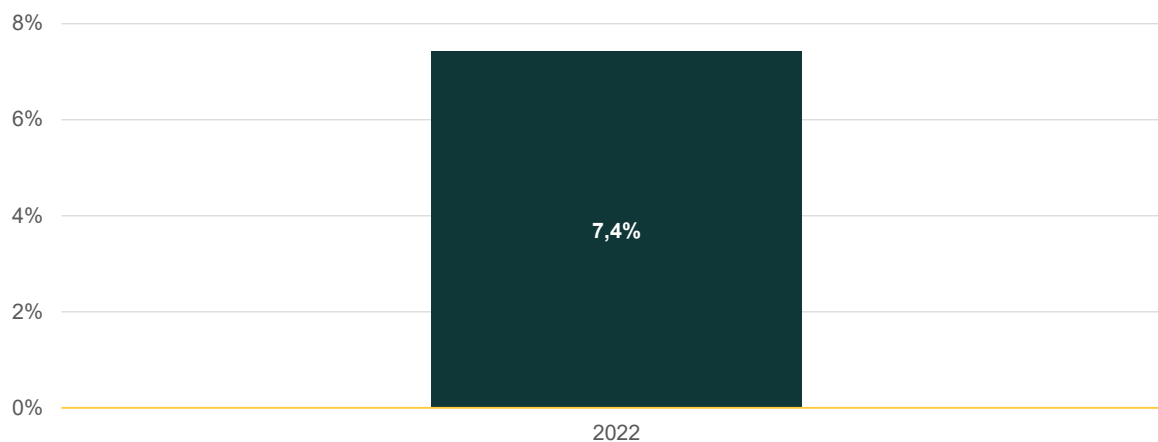
later than within two (2) years from the receipt of the respective request. No redemption takes place of Investment Shares over a period of five (5) years from the Sub-Fund's creation.

- 8.4 The Fund may suspend in accordance with the Act issuance or redemption of Investment Shares of the Sub-Fund for a maximum period of two (2) years where necessary for reasons of protection of Investors' rights or their legally protected interests.
- 8.5 The underlying investments of this financial product do not reflect EU criteria for environmentally sustainable economic activities. Neither at the level of the Fund, as the Management Company of the Sub-Fund, nor at the level of the Sub-fund, is the negative impact of investment decisions on sustainability factors presently reflected under Article 4 (1) (b) of the SFDR regulation. The reasons and future prospects of this approach are comprehensively summarized in the Memorandum on Sustainability of Investments, which is available from the websites [www.woodis.cz](http://www.woodis.cz) and [www.wood.cz](http://www.wood.cz).

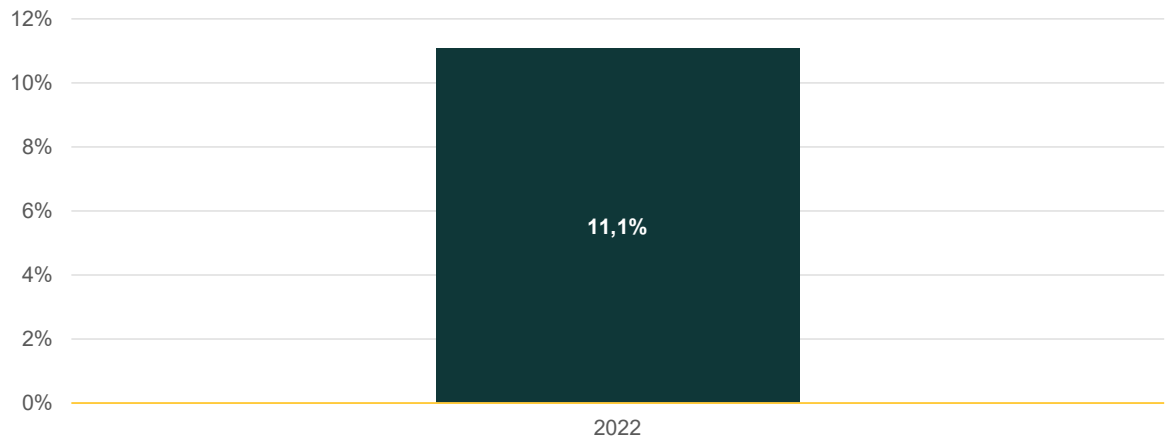
## 9. HISTORICAL PERFORMANCE

- 9.1 Past performance data are no guarantee of the Sub-Fund's performance in future periods and their viability as indicators of future performance is limited. The chart shows the net performance of the Sub-Fund, reflecting all expenses.
- 9.2 The Sub-Fund was established on 21 February 2020. Under the rules of the EFAMA (The European Fund and Asset Management Association), the performance values for an incomplete calendar year are not provided.

### A. Historical performance of the EUR Class of the AUP Bratislava Sub-Fund



### B. Historical performance of the CZK Class of the AUP Bratislava Sub-Fund



## **APPENDIX No. 4**

### **WOOD & COMPANY BLOCKCHAIN+ PODFOND**

#### **1. IDENTIFICATION OF SUB-FUND**

The name of the sub-fund is: WOOD & Company Blockchain+ podfond (for the purposes of this Appendix No. 4 hereinafter the "Sub-Fund").

The Sub-Fund's Investment Shares are assigned the following ISIN number: CZ0008051042.

The Sub-Fund was registered in the list of investment funds maintained by the ČNB on 20 September 2023.

The Sub-Fund's Investment Shares are recorded in Central Records.

The Sub-Fund's Investment Shares are not approved for trading on the EU regulated market.

#### **2. INVESTMENT STRATEGY**

- 2.1 The Sub-Fund's investment objective is to increase the value of its Investment Shares through an investment strategy focused on investments in renowned Czech and foreign investment funds investing in technologies based on blockchain solutions. The Sub-Fund's strategy is to utilise the growth potential of the blockchain technologies sector and its expected growth by introducing practical applications in economic and business operations as well as the everyday life of the society.
- 2.2 The Sub-Fund is denominated in euros. The Sub-Fund's currency risks shall be secured in such manner and in such cases as the management company deems appropriate. The Sub-Fund uses a conservative level of debt. The investment horizon recommended to the Investor is at least 5 years.
- 2.3 The Sub-Fund's returns shall be primarily reinvested to increase the value of Investment Shares, but they may also be paid as Dividends to the owners of Investment Shares in accordance with Article 3.
- 2.4 The performance of the Sub-Fund's portfolio shall not be compared against any reference benchmark or market composite index.
- 2.5 The following may be acquired as the Sub-Fund's assets:
- (a) Securities issued by investment funds investing in blockchain technologies and projects;
  - (b) Other securities in relation to the Sub-Fund's strategy;
  - (c) Loans and borrowings in relation to the Sub-Fund's strategy;
  - (d) Money market instruments, including bank deposits and repo/reverse transactions;
  - (e) Financial derivatives.
- 2.6 The sum of investments in assets failing to meet the conditions under Article 17b (1) c) of the Tax Act must always be less than 10% of the Sub-Fund's assets.
- 2.7 Contributions corresponding to the price of the issued Investment Shares must be invested without undue delay after the Sub-Fund's Investment Shares are issued, taking into account the time required to find a suitable investment opportunity corresponding to the Sub-Fund's investment strategy.
- 2.8 A financial derivative which is not approved for trading may be concluded on the Sub-Fund's account, if:
- (a) the value, to which the value of the derivative is linked, is only the interest rate, exchange rate or currency;
  - (b) the derivative is reliably and verifiably valued each business day;
  - (c) the Fund may, on its own initiative, at any time assign, withdraw or otherwise terminate the derivative for an amount agreeable between the parties under conditions which are not significantly unbalanced for any party, or else conclude a new derivative for such amount, which will compensate the underlying assets of the derivative in the manner stipulated in accordance with standard obligations methodology; and
  - (d) the derivative is concluded with a counterparty which is subject to the supervision by ČNB, or by the supervisory authority of another member state, or by the supervisory authority of any other state.

- 2.9 The techniques for the management of the Sub-Fund are only repo transactions according to Articles 2.9 to 2.13 and financial derivatives according to Article 7. The management techniques only can be used if:
- (a) They are used solely for the purpose of effective management of the Fund and to reduce the risk associated with investing on the Sub-Fund's account, to reduce the costs associated with investing on the Sub-Fund's account, or to obtain additional capital or generate additional returns, providing that the pertinent risks are consistent with the Sub-Fund's risk profile;
  - (b) The use of these techniques does not circumvent the rules set by the Government Regulation and imposed by the Statutes, or the Sub-Fund's investment strategy; and
  - (c) The Sub-Fund's debts arising from the use of these techniques are at all times fully covered by the Sub-Fund's assets.
- 2.10 The Sub-Fund may use for purposes of calculating the total exposure:
- (a) The method of gross asset value;
  - (b) The value at risk method; or
  - (c) Another advanced risk measurement method.
- 2.11 The Sub-Fund may grant a loan or borrowing. Interest-bearing loans and borrowings shall not exceed 100% of the Sub-Fund's capital.
- 2.12 The Sub-Fund's assets may not be used to provide loans or borrowings, make donations, secure other person's debts or satisfy any debts unrelated to its investment strategy or management.
- 2.13 The Sub-Fund may receive a loan or borrowing.
- 2.14 The Sub-Fund may issue a bond.
- 2.15 For the sake of efficient management, the Sub-Fund may utilise leverage. With the use of leverage, only transactions consistent with permissible investment instruments may be concluded on the Sub-Fund's account. The leverage ratio shall not exceed 50% of the Sub-Fund's capital.

### **3. PRINCIPLES FOR PAYMENT OF DIVIDEND**

- 3.1 The Fund's Board of Directors may decide to pay Dividends from the Sub-Fund.
- 3.2 The relevant day for the payment of Dividends is always determined in the relevant decision of the Fund's Board of Directors. Dividends are paid to Investors which own the Sub-Fund's Investment Shares on the relevant day.
- 3.3 Dividends will be paid by non-cash transfer to the account specified in writing by the Investor or the Securities Broker keeping the Follow-up Records, always by the end of the second calendar month following the relevant day.
- 3.4 The amount of Dividend is decided by the Fund's Board of Directors. The amount of Dividend is subject to the Fund's realized profits and other circumstances. Dividends are not guaranteed. The payment of Dividends decreases the value of the Sub-Fund's Investment Shares.
- 3.5 The payment of Dividends is subject to tax in accordance with the applicable tax regulations.
- 3.6 The right to the payment of Dividend is subject to the expiry of the limitation period, which is 4 years. The limitation period starts from the day when the obligation to pay the Dividend was to be fulfilled.

### **4. RISK PROFILE**

- 4.1 The value of an Investment Share may, in the course of time, rise and fall depending on the structure of the Sub-Fund's assets, on the development of the blockchain markets, financial markets and other factors. The Sub-Fund cannot guarantee the return of the originally invested amount. Due to the possibility of unforeseeable fluctuations in the financial markets and blockchain markets, the Fund cannot guarantee fulfilment of the set objectives. The Fund points out to investors that the Sub-Fund's past performance is no guarantee of performance in future periods.
- 4.2 Investments in the Sub-Fund are meant to achieve above-average returns while observing the long-term investment horizon. The investment is in no case fit for short-term speculations, or as an investment with the underlying intention of not observing the recommended investment horizon of at least 3 or ideally 5 years.
- 4.3 Risks arising from investment in the Sub-Fund:

- (a) Risks arising from investment in blockchain technologies and digital assets, and in the blockchain funds investing therein:
- (i) Risk of volatility – volatility of the market value of investment instruments linked to blockchain technologies may be high. Blockchain protocols and projects in which the funds invest are primarily subject to the risk involved in failure to achieve the set development goals, the risk associated with non-transparent history or existing contractual relations concluded by fund managers and blockchain protocol developers, limited or no legal enforceability, risk of hacker attack, and risk associated with quickly changing regulatory requirements.
  - (ii) Risk of blockchain exchanges – direct sales and purchases of tokens and other assets based on blockchain technologies are realized by individual funds on blockchain exchanges. According to the rules of operation of blockchain exchanges, the funds' ability to timely and adequately react to market development may be temporarily restricted. In case of insolvency of any exchange, the assets held by individual funds in their exchange investment accounts would become subject to insolvency proceedings and could be frozen or confiscated by the liquidator.
  - (iii) Risk of hacker attacks – safety of tokens, and the assets linked to tokens, in which the individual funds invest depends on the current methods related to cryptography coding. If a new technology is developed which is able to decode the software codes of individual tokens, the tokens may be stolen or their value may collapse.
  - (iv) Risk associated with regulatory requirements applicable to cryptocurrencies – so far, cryptocurrencies are not subject to any special comprehensive regulatory laws in the Czech Republic or in the European Union. However, the regulatory authorities deal with the cryptocurrencies sector more and more frequently. The risk of potential strict regulation of cryptocurrencies is in its possible restriction of the potential growth of the sector, suppression of innovations, and decrease of the overall adoption of blockchain technologies.
  - (v) General regulatory risk – funds, and the blockchain protocols and projects in their portfolios, are subject to the laws and regulations of the jurisdiction of their registered office, which is usually outside the territory of the Czech Republic, typically in countries with favourable tax conditions and low administrative burden for offshore companies. Therefore, the regulatory risks are implied from the legal and regulatory requirements of the relevant countries or any future changes thereof.
  - (vi) Risk associated with valuation of securities issued by blockchain funds – the value of the securities issued by the individual funds is regularly provided directly by the individual funds in view of the value of their held blockchain protocols and projects, which is only theoretical up until the realization of the returns and may not correspond to the actually realized returns from their sale.
- (b) Other Risks
- (i) Market risks – due to the impacts of the developments in markets on the prices and value of different types of the Sub-Fund's assets;
  - (ii) Credit risks - due to the issuer of an investment tool being in default with its obligations, or due to its overall financial failure. These risks increase with the choice of financial instruments issued by lower quality issuers. The Sub-Fund may invest in investment tools issued by a broad range of issuers without restrictions as to their rating;
  - (iii) Settlement risks - due to failure to deliver purchased investment tools by the opposite party, non-payment or delayed transaction. The choice of opposite parties is limited to quality banks and quality finance companies that meet the requirements imposed by state supervisory bodies and have the necessary mandatory competences and qualifications;
  - (iv) Operating risks - relate to the possibility of a loss due to inadequate internal processes or failure thereof, the human factor or as a result of external events. This also includes the risk of loss of property entrusted for custody or other form of keeping, which may be mainly due to insolvency, negligence or wilful misconduct of the person who has custody of or otherwise keeps the Fund's assets or securities issued by the Sub-Fund;
  - (v) Risk of insufficient liquidity - due to the possibility that an asset of the Sub-Fund will not be converted into cash in a timely manner and at a reasonable price, and that the Sub-Fund will be unable to meet its obligations from requests for redemption of Investment Shares. For these

reasons, investors bear the risk of suspension of issuance and redemption of Investment Shares;

- (vi) Currency risks - due to the fact that the Sub-Fund may invest in investment tools in a currency other than the currency of the Sub-Fund, and there may be a change in the value of the Sub-Fund's assets or the value of Investment Shares as a result of exchange rate fluctuations;
- (vii) Risks associated with derivatives – related especially to a change of the market prices of the underlying assets; other related risks include liquidity risk, counterparty risk and risk of potential progressive dependence on the price of the underlying assets, where the small initial investment allows for both significant profit and significant loss;
- (viii) Concentration risks - due to a potential concentration of the Sub-Fund's assets in investments in a particular region, branch of the economy or a narrow group of issuers, or even in a single asset;
- (ix) Leverage risks - associated with the use of external capital to further invest in the Sub-Fund's assets. Leverage may increase the Sub-Fund's performance, however in case of unfavourable development it may in turn compromise the Sub-Fund's performance;
- (x) Risk associated with the possibility of failure of the company in which the Sub-Fund holds an ownership interest – such a company may be affected by business risk. As a result of this risk, the market price of the ownership share in the company concerned may fall or become totally devalued (for example, in the event of bankruptcy).

- 4.4 The use and conclusion of repo transactions in managing the Sub-fund, and the procedures for measuring and reducing the risks associated with the use of these technique, unless explicitly addressed in the Statutes, are subject to provisions of the Government Regulation. A repo transaction must not be concluded in a manner or for a purpose that circumvents the Sub-Fund's investment strategy or the rules imposed by the Statutes and the Government Regulation.

## 5. FEES AND EXPENSES

### A. Fees paid from the Sub-Fund's assets

- 5.1 The fixed management fee is imposed, and reflected in the value of the fund capital, at each valuation of the assets and liabilities of the Sub-Fund, from the initial valuation of the assets and liabilities of the Sub-Fund. The fixed management fee of 1.5 % p.a. is determined by the following formula:

$$FMP_T = N_t * NAUV_{t-1} * 0.015 * \frac{n}{x}$$

$t$	...	day of the current valuation of the assets and liabilities of the Sub-Fund
$t - 1$	...	day of the previous valuation of the assets and liabilities of the Sub-Fund before day $t$
$T$	...	period starting on the day following day $t - 1$ and ending on day $t$
$FMP$	...	fixed management fee
$N$	...	total number of Investment Shares of the Sub-Fund
$NAUV$	...	fund capital of the Sub-Fund per Investment Share of the Sub-Fund
$n$	...	number of days in period $T$
$x$	...	number of days in the relevant year

The fixed management fee is paid quarterly in proportional instalments.

- 5.2 The performance bonus is set based on the gross performance of the Sub-Fund, which for this purpose is determined using the following formula:

$$r_t = \frac{GAUV_t + \sum_{i=1}^t DUV_i}{GAUV_m} - 1$$

- m* ... valuation day, on which the right to performance bonus last arose (or the day of initial issue of Investment Shares)
- r* ... gross performance of the Sub-Fund
- GAVV* ... fund capital of the Sub-Fund before taking into account the performance bonus per Investment Share of the Sub-Fund
- DUV<sub>i</sub>* ... Dividend per Investment Share of the Sub-Fund, the right to which arose on day *i* after day *m*

- (a) The performance bonus is determined as the amount equal to 10% of profit using the following formula:

$$VO_t = 0.1 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i - D_i)]; 0 \right\}$$

- VO* ... Performance bonus
- GAV* ... The fund capital of the Sub-Fund before taking into account the performance bonus
- S<sub>i</sub>* ... The value of subscribed Investment Shares of the Sub-Fund on day *i* after day *m*,
- R<sub>i</sub>* ... The value of redeemed Investment Shares of the Sub-Fund on day *i* after day *m*,
- D<sub>i</sub>* ... The value of the Sub-Fund's Dividends, the right to which arose on day *i* after day *m*.

The entitlement to performance bonus arises only if:

$$NAUV_t + \sum_{i=1}^t DUV_i \geq NAUV_m$$

Otherwise:

$$VO_t = 0$$

The performance bonus is paid once per calendar quarter, if the right to it arises. The amount of the accrued performance bonus is determined upon each valuation of the Sub-Fund's assets and liabilities.

- 5.3 The remuneration for the performance of the Custodian Bank's function is set at a fixed monthly amount of EUR 1,742 plus value added tax. The amount is payable to the Custodian Bank every calendar month.
- 5.4 The remuneration for the performance of the office of the Administrator is a percentage of the fixed management fee paid by the Sub-Fund, i.e. 30% of the fixed management fee. The remuneration is paid to the Administrator by the Fund, which forwards 30% of the fixed management fee to the Administrator for administration. The Fund always pays the remuneration to the Administrator without unnecessary delay after the payment of the fixed management fee.
- 5.5 For other fees and expenses paid from the Sub-Fund's assets see Part 10 of the Statutes; in addition to the fees and expenses specified therein, other expenses paid from the Sub-Fund's assets may be incurred in connection with the acquisition, operation or sale of assets in accordance with the investment strategy.

## **B. Fees paid by the Investor**

- 5.6 When Investment Shares are issued, an entry fee (surcharge) is applied in the amount of up to 3% of the net amount invested.
- 5.7 On redemption of the Sub-Fund's Investment Shares, the Fund may apply an exit fee (deduction), the maximum amount of which is determined by the time between the issue of Investment Shares to the Investor or their acquisition from another Investor (hereinafter jointly "Investment Date") and the request for their

redemption. The following percentage values represent the amount of the exit fee as a percentage of the monetary consideration paid to the Investor for the redemption of Investment Shares:

- 5.7.1 Up to 3 % if the request for redemption of Investment Shares is submitted within 3 years of the Investment Date (inclusive);
- 5.7.2 0 % if the request for redemption of Investment Shares is submitted more than 3 years after the Investment Date.

The net amount paid to the Investor is determined by the following formula:

$$NCF = \frac{N * NAUV}{1 + s}$$

<i>NCF</i>	...	net amount paid to the Investor (in EUR)
<i>N</i>	...	number of redeemed Investment Shares
<i>NAUV</i>	...	fund capital per Investment Share of the Sub-Fund
<i>s</i>	...	percentage amount of the exit fee (deduction)

The exit fee is the Sub-Fund's income.

## 6. OTHER IMPORTANT INFORMATION

- 6.1 The initial value at which the issue of Investment Shares is launched after the creation of the Sub-Fund is set to EUR 1. This amount may be increased by an entry fee (surcharge) pursuant to Point 5.6 of this Appendix.
- 6.2 A Client who already owns Investment Shares of the Fund is also issued Investment Shares of the Sub-Fund if the total amount of the Client's paid-up investment in all the Fund's sub-funds equals the amount stipulated in Article 10.11 (h) of the Statutes. The minimum investment is EUR 5,000.
- 6.3 Valuation of the Sub-Fund's assets and liabilities is performed regularly twelve times a year, always on the last day of the relevant calendar month. The first valuation of the Sub-Fund is due at the end of the month in which the Sub-Fund started its investment activities. Valuation of investment instruments included in the Sub-Fund's assets is carried out on the basis of supporting documentation, particularly the up-to-date available declared market value of securities issued by investment funds investing in blockchain technologies and projects. The Administrator ensures Extraordinary Valuation of the Sub-Fund as the need may be in accordance with Point 9.6 of the Statutes.
- 6.4 The Investment Share value is announced at the latest by the 15<sup>th</sup> day after the day on which valuation of the Sub-Fund's assets and liabilities was carried out.
- 6.5 Investment Shares are redeemed from the Investor under the usual conditions within two (2) months of the first valuation of the Sub-Fund following the delivery of the relevant request in accordance with the Contract.
- 6.6 The Fund may suspend in accordance with the Act issuance or redemption of Investment Shares of the Sub-Fund for a maximum period of two (2) years where necessary for reasons of protection of Investors' rights or their legally protected interests.
- 6.7 The underlying investments of this financial product do not reflect EU criteria for environmentally sustainable economic activities. Neither at the level of the Fund, as the Management Company of the Sub-Fund, nor at the level of the Sub-fund, is the negative impact of investment decisions on sustainability factors presently reflected under Article 4 (1) (b) of the SFDR regulation. The reasons and future prospects of this approach are comprehensively summarized in the Memorandum on Sustainability of Investments, which is available from the websites [www.woodis.cz](http://www.woodis.cz) and [www.wood.cz](http://www.wood.cz).



**7. HISTORICAL PERFORMANCE**

- 7.1 Since the Sub-fund is newly established, there is not yet sufficient information available to give a useful picture of the Sub-fund's past performance.
- 7.2 Past performance data are no guarantee of the Sub-Fund's performance in future periods and their viability as indicators of future performance is limited.

## APPENDIX NO. 5

### WOOD & COMPANY LOGISTICS PODFOND

#### 1. IDENTIFICATION OF SUB-FUND

The name of the sub-fund is: WOOD & Company Logistics podfond (for the purposes of this Appendix No. 5 hereinafter the "Sub-Fund").

The Sub-Fund's Investment Shares are assigned the following ISIN number: CZ0008051414.

The Sub-Fund was registered in the list of investment funds maintained by the ČNB on 26 October 2023.

The Sub-Fund's Investment Shares are recorded in Central Records.

The Sub-Fund's Investment Shares are not approved for trading on the EU regulated market.

#### 2. INVESTMENT STRATEGY

- 2.1 The Sub-Fund invests in commercial real estate, primarily in development projects of high-quality logistics (and industrial) compounds in the Czech Republic, Poland and Slovakia. The Sub-Fund intends to launch its operations by investing in the development project of a logistics compound (with the total area of 150,000 m<sup>2</sup>) in Poland, with the aim to get return on the Sub-Fund's investment in this project by its sale upon completion, whether as a whole or in individual stages, to a strategic investor or individual investors. For this projects and any other potential projects, the Sub-Fund anticipates a debt of up to 65% of the total investment cost of the project. The Sub-Fund aims to achieve the Investors' revenue of more than 15% p.a. The investment objective is to achieve mid-term to long-term returns on the Sub-Fund's Investment Shares. The Sub-Fund intends to either pay the funds generated from the sale of the first project to the Investors or, if the Sub-Fund can achieve further effective and continuous returns on such funds by reinvestments in other development projects in the field of logistics within the relevant territories, those funds will be effectively reinvested with the aim to achieve the above-stated annual return for the Sub-Fund's Investors in the long term. However, in case of a sale of an ownership interest in one or more Real Estate Companies, liquid assets may constitute a majority of the Sub-Fund's assets until they are reinvested. Investors without intention to continue their investment in the Sub-Fund will be able to terminate their investment by a request for redemption of their Investment Shares under the conditions stipulated below in Article 4.7. of the Statutes. The Sub-Fund issues Investment Shares denominated in EUR. The recommended investment horizon is mid-term to long-term, at least 3 or more years.
- 2.2 The Sub-Fund's returns that will be reinvested will result in an increased value of Investment Shares.
- 2.3 The performance of the Sub-Fund's portfolio shall not be compared against any reference benchmark or market composite index.
- 2.4 The following may be acquired as the Sub-Fund's assets:
- (a) Primarily ownership interests in Real Estate Companies;
  - (b) Entitlements to payment of funds from accounts (such as bank deposits);
  - (c) Debt instruments issued by the Real Estate Company or any other company from the Real Estate Company group;
  - (d) Entitlements to loans and borrowings provided to the Real Estate Company or any other company from the Real Estate Company group;
  - (e) Money market instruments.
- 2.5 Up to 100% of the Sub-Fund's assets may be invested in the assets referred to in Article 2.4 (a). However, no more than 10% of the value of the Sub-Fund's assets may be invested in securities issued by collective investment funds or other comparable foreign investment funds which are Real Estate Companies.
- 2.6 Up to 100% of the Sub-Fund's assets may be invested overall in the assets referred to in Article 2.4 (b) through (e). In case of a sale of one or more ownership interests in the Real Estate Companies, this share may, in the short-term, achieve up to 80% of the Sub-Fund's assets.
- 2.7 In the issuance and redemption of Investment Shares, the Sub-Fund does not need to meet the limit set forth in Article 2.6. Contributions which exceed the set limit due to the crediting of the amount corresponding to the price of the issued Investment Shares must be invested without undue delay after the Sub-Fund's

Investment Shares are issued, taking into account the time required to find a suitable investment opportunity corresponding to the Sub-Fund's investment strategy. Contributions which exceed the set limit due to the collection of funds to secure the financial settlement of the redemption of Investment Shares must be sent to the Investor's account within the specified time.

- 2.8 The sum of investments in assets which fail to meet the conditions under Article 17b (1) (c) of the Tax Act must always be less than 10% of the Sub-Fund's assets.
- 2.9 A financial derivative which is not approved for trading may be concluded on the Sub-Fund's account, if:
- (a) the value, to which the value of the derivative is linked, is only the interest rate, exchange rate or currency;
  - (b) the derivative is reliably and verifiably valued each business day;
  - (c) the Fund may, on its own initiative, at any time assign, withdraw or otherwise terminate the derivative for an amount agreeable between the parties under conditions which are not significantly unbalanced for any party, or else conclude a new derivative for such amount, which will compensate the underlying assets of the derivative in the manner stipulated in accordance with standard obligations methodology; and
  - (d) the derivative is concluded with a counterparty which is subject to the supervision by ČNB, or by the supervisory authority of another member state, or by the supervisory authority of any other state.
- 2.10 The techniques for the management of the Sub-Fund are repo transactions according to Articles 12.10 to 12.14 of the Statutes and financial derivatives according to Article 2.9. The management techniques only can be used if:
- (a) They are used solely for the purpose of effective management of the Fund and to reduce the risk associated with investing on the Sub-Fund's account, to reduce the costs associated with investing on the Sub-Fund's account, or to obtain additional capital or generate additional returns, providing that the pertinent risks are consistent with the Sub-Fund's risk profile;
  - (b) The use of these techniques does not circumvent the rules set by the Government Regulation and imposed by the Statutes, or the Sub-Fund's investment strategy; and
  - (c) The Sub-Fund's debts arising from the use of these techniques are at all times fully covered by the Sub-Fund's assets.
- 2.11 For the purpose of calculating the total exposure, the Sub-Fund uses the gross asset value method. The calculation of total exposure takes into consideration the exposures of all loans and borrowings received in accordance with the Sub-Fund's investment strategy. The exposure of the Sub-Fund is determined, in accordance with the gross asset value method, as the sum of the absolute values of all positions included in the Sub-Fund's assets valued under the applicable legal and accounting regulations. The maximum limit of the Sub-Fund's total exposure corresponds to the maximum limit for the leverage effect under Article 2.16.
- 2.12 The Sub-Fund may grant a loan or borrowing. Interest-bearing loans and borrowings shall not exceed 100% of the Sub-Fund's capital.
- 2.13 The Sub-Fund's assets may not be used to provide loans or borrowings, make donations, secure other person's debts or satisfy any debts unrelated to its management.
- 2.14 The Sub-Fund may receive a loan or borrowing.
- 2.15 The Sub-Fund may issue a bond.
- 2.16 For the sake of efficient management, the Sub-Fund may utilise leverage. With the use of leverage, only transactions consistent with permissible investment instruments may be concluded on the Sub-Fund's account. The leverage ratio shall not exceed 100% of the Sub-Fund's capital.

### **3. RISK PROFILE**

- 3.1 The Investment Share value may rise or fall over periods of time depending on developments in the real estate market, financial markets, the structure of the Sub-Fund's assets and other factors, and there is no guarantee of return on the amount originally invested. Due to the possibility of unforeseeable fluctuations in the financial markets and the real estate market, the Company cannot guarantee fulfilment of the set objectives. The Company points out to Investors that the Sub-Fund's past performance is no guarantee of performance in future periods.

- 3.2 Investments in the Sub-Fund are meant to achieve above-average returns while observing the long-term investment horizon. The investment is in no case fit for short-term speculations, or as an investment with the underlying intention of not observing the recommended investment horizon of at least 3 years.
- 3.3 Risks arising from investment in the Sub-Fund:
- (a) Risks arising from investments in real estate and Real Estate Companies:
- (i) Construction defects or environmental burdens on real estate - losses to the Sub-Fund's assets due to construction defects or undetected environmental burdens cannot be excluded.
  - (ii) Risk associated with project development – especially related to careful construction in accordance with the approved documentation, so that the relevant real estate is fit to be used for its purpose without defects. Further risk is associated with an exceeded budget and the subsequent impairment of the project's economic results. A force majeure event in the course of development (such as in case of the covid pandemics) also cannot be completely excluded and may significantly disrupt the supply chain and extend the time of construction.
  - (iii) Shortfalls in projected income from property rentals - such shortfalls in projected income from rental of real estate which is part of the Sub-Fund's assets may occur due to negative trends in the real estate market, or as a result of the lessee's insolvency. Any shortfall in projected income from rental of real estate may lead to reduction in the value of real estate assets, and thus to reduction in the value of the Sub-Fund's total assets.
  - (iv) Legal risks - arising from the fact that there may be reduction in the value of the Sub-Fund's assets due to legal defects of real estate and Real Estate Companies acquired in the Sub-Fund's assets, for example due to the existence of a third-party lien, encumbrances, pre-emptive rights, etc.
  - (v) Risks associated with debt financing - due to the possibility of financing acquisitions or construction of real estate with loans or borrowings, there is also a corresponding increase in the risk of adverse economic impacts on the Sub-Fund's assets in case of a wrong investment decision, or as a consequence of other causes with the effective result of reduction in the value of the Sub-Fund's assets. Received external funding is usually secured by a property lien in favour of the provider of the loan or borrowing. Such loans are repaid mainly by income from rental of real estate. In case of inability to repay the external financing, there may be a loss of property of the Real Estate Company, or of the Sub-Fund's assets. This will have negative consequences in the form of reduction in the value of the Sub-Fund's assets.
  - (vi) Other real estate risks - mainly related to a higher risk of correct valuation of the property. In the case of real estate, pertinent investments typically have a long-term horizon, and thus are subject to increased political risks and a higher risk of reduced liquidity of the investment;
  - (vii) Risk of valuation of non-financial assets – the assets are valued when purchased and subsequently annually by an expert's opinion drafted by an independent qualified expert appointed by the Company, although the final value of the asset is determined only by its sale price. If the valuation by an independent qualified expert proves to be different from the sale price of the asset, this could have a negative impact on the net asset value of the Sub-Fund.
  - (viii) Risk of project exit/sale – the market of commercial real estate is subject to periodic developments, and it cannot be excluded that at the time, for which the project exit/sale is planned, the sales activities may be significantly dampened and the project may only be sold later and under different price conditions, which would impact the value of the Sub-Fund.
- (b) Other Risks
- (i) Market risks - due to the impacts of the developments in financial markets on the prices and value of different types of the Sub-Fund's assets. These mainly include equity risks pertinent to the impact of changes in market prices of shares, and interest rate risks reflecting the impact of changes in market interest rates on the market value of debt instruments;
  - (ii) Credit risks - due to the issuer of an investment tool being in default with its obligations, or due to its overall financial failure. These risks increase with the choice of financial instruments issued by lower quality issuers. The Sub-Fund may invest in investment tools issued by a broad range of issuers without restrictions as to their rating;

- (iii) Settlement risks - due to failure to deliver purchased investment tools by the opposite party, non-payment or delayed transaction. The choice of opposite parties is limited to quality banks and quality finance companies that meet the requirements imposed by state supervisory bodies and have the necessary mandatory competences and qualifications;
- (iv) Operating risks - relate to the possibility of a loss due to inadequate internal processes or failure thereof, the human factor or as a result of external events. This also includes the risk of loss of property entrusted for custody or other form of keeping, which may be mainly due to insolvency, negligence or wilful misconduct of the person who has custody of or otherwise keeps the Fund's assets or securities issued by the Sub-Fund;
- (v) Risk of insufficient liquidity - due to the possibility that an asset of the Sub-Fund will not be converted into cash in a timely manner and at a reasonable price, and that the Sub-Fund will be unable to meet its obligations from requests for redemption of Investment Shares. For these reasons, investors bear the risk of suspension of issuance and redemption of Investment Shares;
- (vi) Currency risks - due to the fact that the Sub-Fund may invest in real estate or investment tools in a currency other than the currency of the relevant Class of the Sub-Fund, and there may be a change in the value of the Sub-Fund's assets or the value of Investment Shares as a result of exchange rate fluctuations;
- (vii) Risks associated with derivatives – related especially to a change of the market prices of the underlying assets; other related risks include liquidity risk, counterparty risk and risk of potential progressive dependence on the price of the underlying assets, where the small initial investment allows for both significant profit and significant loss;
- (viii) Concentration risks - due to a potential concentration of the Sub-Fund's assets in investments in a particular region, branch of the economy or a narrow group of issuers, or even in a single asset;
- (ix) Leverage risks - associated with the use of external capital to further invest in the Sub-Fund's assets. Leverage may increase the Sub-Fund's performance, however in case of unfavourable development it may in turn compromise the Sub-Fund's performance;
- (x) Risk associated with the possibility of failure of the company in which the Sub-Fund holds an ownership interest – such a company may be affected by business risk. As a result of this risk, the market price of the ownership share in the company concerned may fall or become totally devalued (for example, in the event of bankruptcy).

3.4 The conclusion of repo transactions in managing the Sub-fund, and the procedures for measuring and reducing the risks associated with the use of these technique, unless explicitly addressed in the Statutes, are subject to provisions of the Government Regulation. A repo transaction must not be concluded in a manner or for a purpose that circumvents the Sub-Fund's investment strategy or the rules imposed by the Statutes and the Government Regulation.

## 4. FEES AND EXPENSES

### A. Fees paid from the Sub-Fund's assets

4.1 The fixed management fee is imposed at each valuation of the assets and liabilities, from the initial valuation of the assets and liabilities. The fixed management fee of 1.5 % p.a. is determined by the following formula:

$$FMP_T = N_t * NAUV_{t-1} * 0.015 * \frac{n}{x}$$

$t$	... day of the current valuation of the assets and liabilities
$t - 1$	... day of the previous valuation of the assets and liabilities before day $t$
$T$	... period starting on the day following day $t - 1$ and ending on day $t$
$FMP$	... fixed management fee

$N$	...	total number of Investment Shares
$NAUV$	...	fund capital per Investment Share
$n$	...	number of days in period $T$
$x$	...	number of days in the relevant year

The fixed management fee is paid semi-annually in proportional instalments.

- 4.2 The performance bonus is set progressively based on the gross performance, which for this purpose is determined using the following formula:

$$r_t = \frac{GAUV_t}{GAUV_m} - 1$$

$m$	...	last day of the previous relevant period, in which the right to performance bonus last arose (or the day of initial issue of Investment Shares)
$r$	...	gross performance
$GAUV$	...	fund capital before taking into account the performance bonus per Investment Share

- (a) Where the gross performance  $r_t$  determined in this way is equal to or lower than 10%, the performance bonus is determined as the amount equal to 10% of profit using the following formula:

$$VO_t = 0.1 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)]; 0 \right\}$$

- (b) Where  $r_t$  is higher than 10 % but lower than 20 %, the performance bonus is determined as the amount equal to 20 % of profit using the following formula:

$$VO_t = 0.10 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)] * \frac{0.1}{r_t}; 0 \right\} + \\ + 0.2 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)] * \frac{(r_t - 0.1)}{r_t}; 0 \right\}$$

- (c) Where the gross performance  $r_t$  determined in this way is equal to or higher than 20 %, the performance bonus is determined as the amount equal to 30 % of profit using the following formula:

$$VO_t = 0,10 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)] * \frac{0,1}{r_t}; 0 \right\} + \\ + 0,2 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)] * \frac{(0,2)}{r_t}; 0 \right\} + \\ + 0,3 * \max \left\{ [GAV_t - GAV_m - \sum_{i=1}^t (S_i - R_i)] * \frac{(r_t - 0,1 - 0,2)}{r_t}; 0 \right\}$$

<i>VO</i>	...	Performance bonus
<i>GAV</i>	...	The fund capital before taking into account the performance bonus
<i>S<sub>i</sub></i>	...	The value of subscribed Investment Shares on day <i>i</i> after day <i>m</i>
<i>R<sub>i</sub></i>	...	The value of redeemed Investment Shares on day <i>i</i> after day <i>m</i>

The entitlement to performance bonus arises only if:

$$NAUV_t \geq NAUV_m$$

Otherwise:

$$VO_t = 0$$

- 4.3 The remuneration for the performance of the Custodian Bank's function is set at a fixed monthly amount of EUR 1,832 plus value added tax. The amount is payable to the Custodian Bank every calendar month.
- 4.4 The remuneration for the performance of the office of the Administrator is a percentage of the fixed management fee paid by the Sub-Fund, i.e. 30% of the fixed management fee. The remuneration is paid to the Administrator by the Fund, which forwards 30% of the fixed management fee to the Administrator for administration. The Fund always pays the remuneration to the Administrator without unnecessary delay after the payment of the fixed management fee.
- 4.5 For other fees and expenses paid from the Sub-Fund's assets, see Part 10 of the Statutes; in addition to the fees and expensed specified therein, other expenses which are also paid from the Sub-Fund's assets may be incurred in connection with the acquisition, operation or sale of real estate and/or ownership interests in Real Estate Companies, in particular pertinent legal and other consultancy services, audit expenses, land registry fees, costs associated with the activities of real estate agents, energies and utilities, maintenance and repairs, insurance, development, operating costs, and due diligence costs.

#### **B. Fees paid by the Investor**

- 4.6 When Investment Shares are issued, an entry fee (surcharge) is applied in the amount of up to 3% of the net amount invested.
- 4.7 On redemption of the Sub-Fund's Investment Shares, the Fund may apply an exit fee (deduction), the maximum amount of which is determined by the time between the issue of Investment Shares to the Investor or their acquisition from another Investor (hereinafter jointly "Investment Date") and the request for their redemption. The following percentage values represent the amount of the exit fee as a percentage of the monetary consideration paid to the Investor for the redemption of Investment Shares:
- (a) 5 % if the request for redemption of Investment Shares is submitted within 3 years of the Investment Date (inclusive);
  - (b) 0 % if the request for redemption of Investment Shares is submitted more than 3 years after the Investment Date.

The net amount paid to the Investor is determined by the following formula:

$$NCF = \frac{N * NAUV}{1 + s}$$

<i>NCF</i>	...	net amount paid to the Investor (in EUR)
<i>N</i>	...	number of redeemed Investment Shares
<i>NAUV</i>	...	fund capital per Investment Share of the Sub-Fund
<i>s</i>	...	percentage amount of the exit fee (deduction)

The exit fee is the Sub-Fund's income.

If the Investor has more than one investment in Investment Shares, the redemption applies progressively to the oldest investments.

## 5. OTHER IMPORTANT INFORMATION

- 5.1 The initial value at which the issue of Investment Shares is launched after the creation of the Sub-Fund is set to EUR 1. This amount may be increased by an entry fee (surcharge) pursuant to Point **Error! Reference source not found.** of this Appendix.
- 5.2 Valuation of the Sub-Fund's assets and liabilities is performed regularly, twice a year, always as at 30 June and 31 December of each calendar year. The first valuation of the Sub-Fund is due on start of its investment activities (expected after the first investment in Real Estate Company). Valuation of Real Estate Companies is carried out on the basis of supporting documentation, particularly expert opinions which were drafted as at a day no longer than 6 (six) months ago. The Administrator ensures Extraordinary Valuation of the Sub-Fund as the need may be in accordance with Point 9.6 of the Statutes.
- 5.3 The Investment Share value is announced no later than by the end of the sixth calendar month after the day of the valuation of the Sub-Fund's assets and liabilities.
- 5.4 Investment Shares are redeemed from the Investor under the usual conditions within six (6) months of the first valuation of the Sub-Fund following the delivery of the relevant request in accordance with the Contract; however, no later than within two (2) years of the delivery of the relevant request. No Investment Shares are redeemed within three (3) years of the creation of the Sub-Fund.
- 5.5 The Fund may suspend in accordance with the Act issuance or redemption of Investment Shares of the Sub-Fund for a maximum period of two (2) years where necessary for reasons of protection of Investors' rights or their legally protected interests.
- 5.6 The underlying investments of this financial product do not reflect EU criteria for environmentally sustainable economic activities. Neither at the level of the Fund, as the Management Company of the Sub-Fund, nor at the level of the Sub-fund, is the negative impact of investment decisions on sustainability factors presently reflected under Article 4 (1) (b) of the SFDR regulation. The reasons and future prospects of this approach are comprehensibly summarized in the Memorandum on Sustainability of Investments, which is available from the websites [www.woodis.cz](http://www.woodis.cz) and [www.wood.cz](http://www.wood.cz).

## 6. HISTORICAL PERFORMANCE

- 6.1 Since the Sub-fund is newly established, there is not yet sufficient information available to give a useful picture of the Sub-fund's past performance.
- 6.2 Past performance data are no guarantee of the Sub-Fund's performance in future periods and their viability as indicators of future performance is limited.