

# WOOD

## & Company

### STATUTE

**WOOD & Company Realitní (Real Estate) - open-end mutual fund, WOOD & Company investiční společnost, a.s.**

**November 2025**

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## STATUTE

### WOOD & Company Realitní – otevřený podílový fond, WOOD & Company investiční společnost, a.s.

The Board of Directors of WOOD & Company investiční společnost, a.s. (hereinafter referred to as the "**Company**") has duly adopted and publishes in accordance with the provisions of Act No. 240/2013 Coll., on management companies and investment funds (hereinafter referred to as the "**Act**") and of Decree No 246/2013 Coll., on collective investment fund statute, the statute of an open-end mutual fund WOOD & Company Realitní (Real Estate) - open-end mutual fund, WOOD & Company investiční společnost, a.s. (hereinafter referred to as the "**Statute**").

#### **Definition of Terms**

**AKAT** - refers to the Capital Market Association of the Czech Republic, see more details at [www.akatcr.cz](http://www.akatcr.cz),

**Security** - means both certificated and book-entry securities, unless otherwise expressly stated,

**Target Country** - refers to the country in which the Fund Manager (as defined below) decides to invest and means any country of the European Union,

**CNB** - 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,

**Custodian Bank** - denotes UniCredit Bank Czech Republic and Slovakia, a.s., in charge of the Fund depository function,

**Custodian Agreement** - refers to contract for the performance of the depository function concluded by and between the Custodian Bank and the Fund,

**Fund** - refers to WOOD & Company Realitní (Real Estate) - open-end mutual fund, WOOD & Company investiční společnost, a.s.,

**Fund Capital** - refers to the value of the Fund's assets less the value of the Fund's debts,

**Sustainability (ESG) Factors** - refer to environmental, social and labour issues, respect for human rights, and anti-corruption and anti-bribery policies,

**Unit Certificate Value** - refers to the proportion of the Fund Capital attributable to one Unit Certificate (as defined below),

**Internet Address** - indicates the Company's internet address [www.woodis.cz](http://www.woodis.cz),

**Client** - refers to the applicant for the acquisition of Unit Certificates or the holder thereof,

**Government Regulation** - refers to Regulation No. 243/2013 Coll., on investment fund investments and techniques to manage them, as amended,

**Real Estate** - immovable property within the meaning of Section 498(1), Section 1159 and

Section 3054 of the Civil Code (in particular, land and underground construction with an independent purpose, rights in rem to them, rights which the law declares to be immovable property, a thing which is not part of the land and cannot be transferred as such from place to place without violating its essence, a unit and a building connected to the ground by a solid foundation, which did not become part of the land on which it is established on the effective date of the Civil Code),

**Real Estate Company** - 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,

**Civil Code** - means Act No. 89/2012 Coll., the Civil Code, as amended,

**Unit Certificate** - means a book-entry security in the holder's account in the Separate Records (as defined below) with no par value, which represents a Unit Holder's interest (as defined below) in the Fund and which carries the Unit Holder's rights under the Act and the Statute,

**Unit Holder** - refers to the owner of the Unit Certificates,

**Admissible Counterparty** - refers to a counterparty pursuant to Section 6(3) of the Government Regulation,

**Sustainability-Related Risk** - refers, in accordance with Article 2(22) SFDR, to an environmental, social or governance event or a situation that, if it were to occur, could have an actual or potential material adverse impact on the value of the Unit Certificates,

**Separate Records** - denote a separate records of Unit Certificates pursuant to Section 93 of Act No. 256/2004 Coll., on Capital Market Undertakings, maintained by the Company,

**SFDR** - refers to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector, as amended,

**Key Information Document** - refers to a document entitled "Key Investor Information", which contains brief basic characteristics of the Fund necessary to understand the nature and risks associated with investing in the Fund, in a form understandable to an ordinary investor,

**Company** - refers to WOOD & Company investiční společnost, a.s., with its registered office at Prague 1 - Nové Město, náměstí Republiky 1079/1a, Postal code 110 00, Company ID No. 601 92 445,

**Statute** - denotes this document,

**Class** - refers to the type of Unit Certificates of the Fund defined on the basis of the criteria specified by the Statute, where the Fund's Fund Capital represented by such Unit Certificates of the Fund shall be invested together with the Fund Capital of other types of Unit Certificates of the Fund which, however, differ in currency, fee structure, minimum investment amount or other feature from Unit Certificates of another type of the given Fund,

**Participating Interest** - refers to the Fund's ownership interest and the rights and obligations arising therefrom in a business corporation within the meaning of the Business Corporations

Act and in similar legal entities under foreign law,

**Deposits** - refer to receivables for payment of funds from an account in Czech or foreign currency with a maturity of no more than 1 year (in particular current and term accounts with banks) from any of the persons referred to in Section 72(2) of the Act,

**Decree on the Statute** - Decree No. 246/2013 Coll., on the Statute of the Collective Investment Fund, as amended,

**Act** - denotes Act No. 240/2013 Coll., on Management Companies and Investment Funds,

**Business Corporations Act** - means Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (the Business Corporations Act), as amended,

**Transformations Act** - means Act No. 125/2008 Coll. on the Transformations of Commercial Companies and Cooperatives, as amended,

**AML Act** - means Act No. 253/2008 Coll., on selected measures against legitimisation of proceeds of crime and financing of terrorism, as amended.

## Part I.

### General Provisions of the Statute

#### 1. Collective Investment Fund

1.1 Name of the mutual fund:

**WOOD & Company Realitní (Real Estate) - open-end mutual fund, WOOD & Company investiční společnost, a.s.** (hereinafter referred to as the “**Fund**”).

1.2 The Company issues four Classes of Unit Certificates to the Fund, namely

- a) Class issued in EUR ( hereinafter referred to as the “**EUR Class**”),
- b) Class issued in CZK (hereinafter referred to as the “**CZK Class**”).
- c) Institutional Class issued in EUR (hereinafter referred to as the “**EUR Institutional Class**”).
- d) Institutional Class issued in CZK (hereinafter referred to as the “**CZK Institutional Class**”).

1.3 The Fund was registered in the list of mutual funds maintained by the CNB on 27 February 2023. The Fund was established on the date of its registration in this list.

1.4 The Fund was assigned the LEI: 315700MS78ZGFPLG5G66

1.5 The Fund was created for an indefinite period.

1.6 The Fund is an open-end mutual fund within the meaning of the Act, namely a special real estate fund.

1.7 The Fund has no legal personality, the Company manages and administers the Fund.

1.8 A general meeting of Unit Holders has not been established.

1.9 The Fund is not a controlling or subordinate fund.

1.10 The current wording of the Statute, the Key Information Document, the latest published annual report and the semi-annual report of the Fund may be obtained by every subscriber of the Unit Certificates free of charge at the Company’s registered office, on the Company website [www.woodis.cz](http://www.woodis.cz) , or in electronic form based on request by e-mail to [fondy@wood.cz](mailto:fondy@wood.cz). Each subscriber of the Unit Certificate is offered the Key Information Document free of charge well in advance of the conclusion of the subscription agreement.

1.11 The fundamental legal document of the Fund is the Statute, which regulates the rights and obligations between the Unit Holders and the Company.

1.12 The Fund’s auditor is Deloitte Audit, s.r.o., with its registered office at Italská 2581/67, 120 00 Prague 2, Czech Republic, Company ID No. 496 20 592.

1.13 The Fund is a newly established special real estate fund, for this reason there is no historical data on status matters within the meaning of Section 3(1)(g) of the Decree on

the Statute.

## **2. Manager**

- 2.1 **WOOD & Company investiční společnost, a.s.**, with its registered office at náměstí Republiky 1079/1a, Nové Město, 110 00 Prague 1, Company ID No.: 601 92 445, is the manager of the Fund.
- 2.2 The Company's share capital amounts to CZK 20,000,000 (in words: *twenty million Czech crowns*) and is paid in full.
- 2.3 The Company was incorporated in the Commercial Register on 26 October 1993.
- 2.4 The Company obtained the initial authorisation to operate based on decision of the Ministry of Finance of the Czech Republic dated 14 October 1993, Ref. No.: 101/58 024/1993. Following amendments to the legal system, the Company then obtained a new valid authorisation to operate that supersedes all the previous ones, based on decision of the Securities Commission (hereinafter referred to as the "**Commission**"), now the CNB, Ref. No.: 41/N/71/2004/6 of 13 October 2004 that became enforceable on 14 October 2004.
- 2.5 The Company 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 its registered office at 2411 Luxembourg, boulevard F.W. Raiffeisen 17, Grand Duchy of Luxembourg.
- 2.6 The Company is a full member of the Czech Capital Market Association (AKAT ČR).
- 2.7 The Company is controlled by the Board of Directors consisting of the members: Ing. Miroslav Nosál CFA (Chairman), Ing. Jan Sýkora, and Ing. Jaromír Kaska. The Board members are jointly responsible for overall operations of the Company and for defining its business strategy.
- 2.8 Outside the Company, the directors perform the following activities that are relevant to the Company's activities or the activities of the collective investment fund managed by the Company - Ing. Miroslav Nosál CFA is a member of the Board of Directors of WOOD & Company, investment fund with variable share capital, a.s., Ing. Jan Sýkora is the Chairman of the Supervisory Board of WOOD & Company Financial Services, a.s.
- 2.9 The Company engages in activities that are compliant with the Act and with the authorisation by the Commission, now the CNB, granted to the Company on 13 October 2004. The authorisation by the Commission, now the CNB, was based on Section 60 of Act No. 189/2004 Coll., on collective investments (hereinafter referred to as the "**CIA**"), and the list of activities was based on Sections 14 and 15 of CIA. The full wording of the authorisation by the Commission, now the CNB, granted to the Company, is available for viewing at the Company's registered office. In accordance with Section 642 of the Act, from the effective date of the Act (19 August 2013) the scope of the Company's activities 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 instruments, at its discretion within the framework of the contractual agreement (portfolio management),
- f) Custody and administration of investment instruments, 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 instruments.

The Company is authorised to exceed the qualifying threshold.

#### 2.10 List of funds managed by the Company:

- a) WOOD & Company Státní dluhopisy (Government Bonds) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- b) WOOD & Company Akciový (Equity) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- c) WOOD & Company Korporátní dluhopisy (Corporate Bonds) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- d) WOOD & Company Realitní (Real Estate) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- e) WOOD Repofond open-end mutual fund
- f) ČCE (A), investiční fond s proměnným základním kapitálem, a.s. (investment fund with variable share capital)
- g) Max Development Fund SICAV a.s.
- h) LitFin SICAV a.s.
- i) WOOD & Company Horizon SICAV a.s.

### **3. Administrator**

3.1 The Fund is administered by the Company.

3.2 As part of the administration tasks, the Company performs all the activities that are a part of administration of the Fund pursuant to Section 38(1) of the Act, in particular:



- a) Bookkeeping,
- b) Ensuring the provision of legal services, compliance and internal audit,
- c) Handling complaints and claims of the investors,
- d) Calculating the current value of the security and book-entry security issued by the Fund,
- e) Ensuring obligations relating to taxes, fees, etc,
- f) Ensuring issue and redemption of Unit Certificates,
- g) Compiling and updating annual reports and semi-annual reports of the Fund, Key Information Document and promotional communications concerning the Fund,
- h) Publication, disclosure and provision of data and documents to Unit Holders and other authorised persons including the CNB,
- i) Keeping Separate Records,
- j) Offering investments in the Fund, and
- k) Distribution and payout of monetary benefits in connection with the Fund dissolution.

3.3 The Company shall not be obliged to compensate for damage caused by an incorrect calculation of the current value of the Unit Certificate if:

- (a) the amount of the damage is negligible and the cost reasonably incurred in connection with the compensation would clearly exceed the amount of the compensation, or
- (b) the deviation from the correct calculation of the current value does not exceed 0.5% of the value of the Fund capital.

3.4 List of funds administered by the Company:

- a) WOOD & Company, investiční fond s proměnným základním kapitálem, a.s. (investment fund with variable share capital)
- b) WOOD & Company Státní dluhopisy (Government Bonds) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- c) WOOD & Company Akciový (Equity) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- d) WOOD & Company Korporátní dluhopisy (Corporate Bonds) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- e) WOOD & Company Realitní (Real Estate) – open-end mutual fund, WOOD & Company investiční společnost, a.s.
- f) WOOD Repofond open-end mutual fund
- g) ČCE (A), investiční fond s proměnným základním kapitálem, a.s. (investment fund with

variable share capital)

- h) ČCE (B), investiční fond s proměnným základním kapitálem, a.s. (investment fund with variable share capital)
- i) FestLen SICAV a.s.
- j) Max Development Fund SICAV a.s.
- k) LitFin SICAV a.s.
- l) G Futura SICAV a.s.
- m) WOOD & Company Horizon SICAV a.s.
- n) Fortress SICAV a.s.
- o) EnCor Růstový (Growth) – open-end mutual fund, EnCor Asset Management, investiční společnost, a.s.
- p) EnCor Dluhopisový (Bond) – open-end mutual fund, EnCor Asset Management, investiční společnost, a.s.
- q) EnCor Akciový (Equity) – open-end mutual fund, EnCor Asset Management, investiční společnost, a.s.

#### **4. Custodian Bank**

- 4.1 The Custodian Bank of the Fund is UniCredit Bank Czech Republic and Slovakia, a.s., with its registered office at Želetavská 1525/1, Prague 4 - Michle, postal code 140 92, Company ID No. 649 48 242, incorporated in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 3608.
- 4.2 The Custodian Bank is a member of UniCredit Group. UniCredit Bank Austria AG, Rothschildplatz 1, 1020 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 its registered office at Piazza Gae Aulenti 3, Tower A, 20154 Milan, Italy, which is the main shareholder of UniCredit Bank Austria AG.
- 4.3 The Custodian Bank is registered in the list of depositories of investment funds maintained by the CNB, with the date of authorisation to perform depository operations identical to the date of incorporation in the Commercial Register on 1 January 1996.
- 4.4 The Custodian Bank performs its operations in accordance with the Act and based on contract for the performance of custodial tasks concluded with the Company.
- 4.5 Within the scope of the depository activities and duties, the Custodian Bank shall:
  - a) have safekeeping of fungible investment instruments that are part of the Fund's assets by registering them in the ownership account maintained by the Custodian Bank for the Fund in the Central Register of Book-Entry Securities, in the Separate Records of investment instruments, in attached registers or in similar registers maintained in accordance with the law of a foreign state; the Custodian Agreement authorises to ensure safekeeping of fungible

investment instruments also by creating the ownership account for 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) have physical custody of the assets of the Fund the nature of which permits so,
- c) ensure records of the Fund's assets, the nature of which permits so,
- d) ensure records of the Fund's assets held by the main supporter of the Fund, or which they are authorised to hold,
- e) create or operate cash accounts in the name of the Fund,
- f) create or operate cash accounts in the name of the Fund Manager established on behalf of the Fund,
- g) create or operate 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,
- h) deposit, without undue delay, in the respective cash account created by it all the Fund's cash made in particular by subscribing and issuing Unit Certificates,
- i) keep records of all the cash accounts created on behalf of the Fund and monitor transactions with the Fund's cash in these accounts,
- j) check whether in accordance with the Act, with the Statute and with the provisions of the Custodian Agreement:
  - i. Unit Certificates have been issued and redeemed,
  - ii. Value of the Unit Certificate has been calculated,
  - iii. Assets and liabilities of the Fund have been valued,
  - iv. Consideration has been paid out in transactions with the Fund's assets within the usual deadlines,
  - v. Revenues made for the Fund are used,
  - vi. The Fund's assets are acquired and disposed of,
- k) Execute orders of the Fund Manager in accordance with the Statute and with the Custodian Agreement.

4.6 The Custodian Bank performs its function through regular inspections of the Company's investment activities and its management of the Fund's assets. In compliance with the agreement concluded with the Custodian Bank, the Company is obliged to provide the Custodian Bank with the required information for these purposes.

4.7 The Depository shall be responsible for the safekeeping of the investment instruments held by the Fund, for the custody of the Fund's assets and for the registration of such assets. The Custodian Bank's liability is not affected where the

Custodian Bank delegates these activities to another person. This does not affect the liability of the Company for damage incurred over the course of management and administration of the Fund.

## **5. Investment Strategy**

- 5.1 The investment objective is the appreciation of the invested funds of the Fund's investors through direct or indirect investments in Real Estate or the construction of Real estate, participating interests in Real Estate Companies, the provision of loans to Real Estate Companies, and other complementary investments in accordance with the provisions of this Article.
- 5.2 The Fund invests in the Central and Eastern Europe region, particularly in the Czech Republic, Poland and Slovakia. This does not restrict its ability to invest throughout the European Union.
- 5.3 The target investment segment is the real estate market, without further specification. This means that the Fund shall invest in commercial real estate such as administrative and office buildings, logistics, warehouse and industrial parks, business centres, land, residential projects, etc.
- 5.4 The Fund's objective is to actively manage assets over the long term to take advantage of their growth potential. The Fund aims to achieve a long-term return of 7% - 9% p. a. for its investors. The investment objective is the appreciation of the Unit Certificates.
- 5.5 The Fund issues a Class denominated in euro (EUR Class), a Class denominated in Czech crowns (CZK Class). Institutional Class issued in EUR (EUR Institutional Class), Institutional Class issued in CZK (CZK Institutional Class). Currency risk of each Class shall be hedged in such manner and such cases as the Company deems appropriate.
- 5.6 The Fund shall use a conservative indebtedness ratio, not to exceed 50% of the value of the Fund's assets.
- 5.7 In order to ensure liquidity and during the preparation stage of investment projects, or even during the life of the Fund to increase portfolio diversification, the Fund shall invest in money market instruments, deposits and securities so that the available funds are continuously appreciated.
- 5.8 The Fund shall not copy or track any index or financial indicator (benchmark).
- 5.9 The objective of the Fund is long-term appreciation of investments for the Fund's Unit Holders while optimising the investment risk of all assets owned by the Fund at the same time.
- 5.10 The Fund shall actively manage currency risks by using derivatives to minimise negative impacts of foreign exchange rates movements on the Fund's performance. This means that the Fund shall adjust the amount of its currency risk hedging according to market developments and expectations of foreign exchange rate movements.
- 5.11 The recommended investment horizon for investors (Unit Holders) of the Fund is at

least 5 years.

- 5.12 There is no guarantee of return on the investment in the Fund, any part thereof, or the investment yield itself. No guarantees are provided by third parties for the protection of investors.

#### **METHOD OF INVESTMENT AND TYPES OF INVESTMENT INSTRUMENTS**

- 5.13 The Fund is a special real estate fund under the AKAT classification.

- 5.14 In order to meet its investment objective, the Fund shall invest in:

(a) Real Estate;

- Investment in Real estate can take the form of up to 100% ownership of land, buildings and their accessories. Ownership may be long-term for the purpose of operation, short-term for the purpose of appreciation, or transient as preparation for construction or contribution to a real estate company. Real estate may be encumbered by a lien if the lien is related to the Fund's investment activities.

(b) Real Estate Companies and Participating Interests in Real Estate Companies;

- In line with the law, a real estate company is a joint-stock company, limited liability company or comparable legal entity under the law of a foreign state, whose subject of business is mainly the acquisition of real estate, administration of Real estate and the transfer of ownership of Real estate for profit.

(c) Securities;

- They represent money market instruments, publicly traded and non-traded securities that are related to the Fund's principal activities. Securities issued by a collective investment fund, qualified investor fund, treasury bills, CNB bills, comparable money market instruments (such as repo and reverse repo transactions) and debt securities may be acquired into the Fund's assets.

(d) Loans and Borrowings;

- Loans and borrowings related to the management of the Fund, in particular to Real estate companies in which the Fund participates, may be acquired into the Fund's assets.
- The Fund may grant Loans and Borrowings in accordance with the Government Regulation.

(e) Deposits;

- Deposits, especially current and term accounts with banks in the Czech Republic or in other EU countries, may be acquired into the Fund's assets.

5.15 The investment limits for the investments of the Fund are as follows:

- (a) **Real Estate:** The value of the real estate property at the time of acquisition must not exceed 20% of the value of the Fund's assets.
- (b) **Participating interest in a real estate company:** The value of the Fund's participating interest in a single real estate company at the time of acquisition must not exceed 30% of the value of the Fund's assets. The value of the Fund's participating interests in all real estate companies must not exceed 90% of the value of the Fund's assets. The Fund invests at least 51% of the value of the Fund's assets in real estate or real estate companies on a permanent basis.
- (c) **Securities:** Bank deposits and money market instruments must represent at least 10% of the value of the Fund's assets. The maximum limit for investments into investment securities and money market instruments issued by a single issuer is 20% of the value of the Fund's assets. This limit is increased to 35% if the issuer is, or has been guaranteed by, states, territorial self-governing units of Member States of the European Union, and international financial organisations of which one or more EU Member States are members. A bond that is admitted to trading on a European regulated market and has a remaining term to maturity of less than or equal to 3 years may be acquired to the Fund. No more than 20% of the value of the Fund's assets may be invested in securities issued by a collective investment fund. No more than 10% of the value of the Fund's assets may be invested in securities issued by a qualified investor fund.
- (d) **Loans and Borrowings:** Loans and borrowings from the Fund's assets to real estate companies must not exceed 55% of the value of the Fund's assets.

5.16 The investment limits under paragraph 5.15 of the Statute shall not apply during the period of preparation for the acquisition of Real Estate or Participating Interest in Real Estate Companies, following the sale of Real Estate or Participating Interests in Real Estate Companies, or during the period of liquidation of the Fund's assets, during which time the maximum limit may be exceeded for a transitional period.

5.17 The Fund is not obliged to comply with the investment limits for the first three years of the Fund's existence, except for the limits expressly stated in the Government Regulation.

5.18 In addition to the foregoing, the Fund is authorised to invest in financial assets in order to appreciate the Fund's available funds, namely to the extent required to ensure the liquidity of the Fund, or to the extent that the Fund's funds cannot be placed in suitable Real Estate and/or Participating Interests in Real Estate Companies. The Fund shall do so by investing in securities, money market instruments, namely to a maximum of 49% of the value of the Fund's assets and a minimum of 10% of the value of the Fund's assets.

5.19 Investments in the Fund shall always be made in accordance with business standards in the real estate market.

5.20 The Company is entitled to use leverage in managing the Fund's assets. The leverage

ratio shall not exceed 50 % of the Fund's capital.

- 5.21 The calculation of the Fund's total Indebtness takes into account, in particular, the current value of the underlying assets and derivatives, the counterparty risk in relation to the entity with which the derivatives are negotiated, the expected future market movements, the period of time over which the Fund's positions relating to the derivatives can be closed, and the state of the management techniques referred to in the Statute if they use leverage or lead to an increase of the Fund's exposure to market risk.
- 5.22 The calculation of the Fund's total Indebtness is made at least twice per calendar year.
- 5.23 In managing the assets of the Fund, the Company may, in particular (but not exclusively), ensure i. purchase or construction of assets for the Fund, ii. sale and lease of assets, iii. subdivision of buildings into units pursuant to a declaration by the owner of the building in accordance with the relevant law, iv. sale and lease of units created pursuant to the preceding clause, v. consolidation and division of land, vi. establishment and purchase of companies, including the possibility of subsequent decision making on the transformation of such companies and including the possibility of taking over their assets by the Fund, vii. acquisition of Real Estate by the Fund for the purpose of appreciation, resale and lease in accordance with this Statute.
- 5.24 The Fund's investment strategy is unchangeable except in the case of a change caused by a change in legislation, a change in the Statute, unless the change results in a significantly different way of investing of the Fund, as a result of a final decision of the CNB on limiting the scope of the investment strategy, or any other change permitted by the Act.
- 5.25 The Company's Board of Directors shall decide on the change of the Fund's investment strategy according to the previous article. If the investment strategy is changed as a result of a change in the Statute, the Company shall publish the amended Statute on its website without delay.
- 5.26 The assets of the Fund cannot be used to make a gift, to secure a debt of another person or to pay a debt not related to its management; this is without prejudice to Sections 3(3), 10(3), 22 and 30 to 44 of the Government Regulation.
- 5.27 The value of the Real Estate acquired for the Fund's assets must not exceed 20% of the value of the Fund's assets at the time of acquisition. Also, the value of land with a building under construction or the value of a building that is not part of the land must not exceed 20% of the value of the Fund's assets. In addition to the above, the total value of the land to be developed must not exceed 20% of the value of the Fund's assets. The value of the Fund's participating interest in a single Real Estate Company at the time of acquisition must not exceed 30% of the value of the Fund's assets.
- 5.28 A currency forward, currency swap, interest rate swap, cross currency swap and

option derivative are financial derivatives that can be negotiated on behalf of the Fund to ensure the implementation of the investment strategy.

- 5.29 The technique for managing the Fund includes repo transactions, which, using the Fund's assets, can only be negotiated with an Admissible Counterparty.

## **6. Risk Profile**

- 6.1 The Unit Certificate value may rise or fall over periods of time depending on the financial markets' developments, the structure of the 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, the Company cannot guarantee fulfilment of the set objectives. The Company points out to investors that the Fund's past performance is no guarantee of performance in future periods.

### **6.2 Risks arising from investment in the Fund:**

- a) Market risk - arises from the impact of the real estate and financial markets developments on the prices and values of the Fund's individual assets. Given the investment focus of the Fund, real estate risk relates to the entire segment of the real estate market; market risk arises from the impact of changes in the real estate market developments on the prices of Real Estate held by the Fund and consists in the fact that there are fluctuations in the value of the Fund's assets resulting from the volatility of Real Estate prices. Market risk arising from the financial markets relates primarily to interest rate risk, which characterises the effect of changes in market interest rates on the market prices of debt instruments,
- b) Credit risk - consists in the failure of the issuer of an investment instrument to fulfil its obligations, or in its overall financial default. This risk increases with the selection of financial instruments issued by lower-quality issuers. The Fund may invest in investment instruments issued by a broad range of issuers without restrictions as to their rating,
- c) interest rate risk - the risk lies in the dependence of bond prices on interest rates. When interest rates fall, the market value can be expected to increase, and vice versa, when rates rise, the market value falls. The amount of interest rate risk is proportional to the bond duration, i.e. the market price of bonds with higher duration is more sensitive to interest rate movements,
- d) Settlement risk - relates to failure to deliver purchased investment instruments by the counterparty, to failure to pay, or to transaction delay. The choice of counterparties is limited to quality banks and quality financial companies that meet the requirements imposed by state supervisory bodies and fulfil the necessary legislative and qualification requirements,
- e) Operational risk - relates to a loss due to deficiencies or failures of internal processes, human factor or external events. This also includes the risk of loss of the assets entrusted for custody or other form of safekeeping, which may be mainly due to insolvency, negligence or wilful misconduct of the person



who has custody of or otherwise safekeeps the Fund's assets or securities issued by the Fund,

- f) Risk of insufficient liquidity - lies in the fact that some asset of the Fund shall not be converted into cash in a timely manner and at a reasonable price, and that the Fund shall be unable to meet its obligations from requests for redemption of the Unit Certificates. For these reasons, the Unit Holders bear the risk of suspension of issuance and redemption of the Unit Certificates,
- g) Currency risk - relates to the fact that the Fund may invest in investment instruments denominated in a currency other than the currency of the given Class of the Unit Certificates of the Fund, and there is a change in the value of the Fund's assets or of the given Class of the Unit Certificates as a result of exchange rate fluctuations,
- h) Risk associated with derivatives - mainly relates to changes in market prices of underlying assets; pertinent risks include liquidity risk, counterparty risk and the risk of a potential progressive dependency on the price of the underlying asset, where a small initial investment opens the possibility both for strong profits and substantial losses,
- i) Concentration risk - results from a potential concentration of the Fund's assets in investments in a particular region, sector of the economy or a narrow group of issuers,
- j) Leverage risk - relates to the use of external capital to further investments in the Fund's assets. Leverage may increase the Fund's performance; however, in case of unfavourable development, it may in turn compromise the Fund's performance,
- k) the risk of not allowing to redeem Unit Certificates for a certain period - this risk consists in the fact that the Fund has the possibility to suspend the redemption of Unit Certificates in accordance with this Statute and the relevant legislation,
- l) risks associated with construction defects or environmental burdens of the Real Estate - the risk consists in the fact that the Real Estate may be affected by construction defects, which may result in a decrease in the value of the Real Estate and thus an increase in the necessary costs of repairs, maintenance, etc. In addition to the above, there may be situations where it is necessary to expend funds to remove incurred environmental burdens that have not been discovered or did not exist at the time of acquisition of the Real Estate, which may affect the value of the Real Estate or the amount of rent and ultimately the value of the unit certificate as well,
- m) Risk of loss of planned income from the lease of the Real Estate - the risk consists in the fact that in the event of the inability or failure of major tenants to meet their obligations under the lease agreements, planned income may be lost. The same shall be the case if there is a risk that the Real Estate cannot be

rented again or can only be rented partly,

- n) Risk arising from public law regulation related to the implementation of projects - this risk consists in the possible delay or impossibility of issuing decisions necessary for construction (e.g. zoning permits, building permits, public law contracts, building approvals, etc.) compared to the date assumed in the business plan of the respective project,
- o) Risk associated with the possibility of lower liquidity of the Real Estate acquired for resale - this risk consists in the fact that if the Real Estate is acquired for resale, it shall not be possible (at the time of the planned sale) to achieve a favourable price and the value of the Fund's assets shall decrease. Therefore, a situation may arise where it proves difficult to sell the Real Estate within the required timeframe at a reasonable price, which may lead to the Real Estate continuing to be held in the Fund's ownership and leased, resulting in the need to change the valuation of the Real Estate in connection with the new purpose. This may then be negatively reflected in the value of the Fund's assets,
- p) Risk of purchase on credit and leverage risk - the conditions associated with a purchase on credit (interest, total amount of the loan, coverage, etc.) may affect the final return on the purchased investment and lead to so-called leverage. The risk of leverage is associated with the use of external capital to achieve the Fund's investment objectives and consists in the amplified effect of the development of market prices of assets held by the Fund on the resulting value of the unit certificate. This potentially allows for a higher profit but also a higher loss than the value of the investment itself. The generated revenues may not be sufficient to cover these losses. Leverage also arises when using financial derivatives,
- q) Hedging instruments risk - the risk arises from the use of financial derivatives and from the variable cost of currency hedging related to future interest rate movements, which may affect (both increase and decrease) the Fund's return,
- r) Repo transactions risk - there are two main risks associated with repo transactions: counterparty risk and the underlying asset risk, i.e. the risk of the investment instrument itself. In the case of a repo, there is primarily the risk of counterparty default caused by, for example, a rise in the price of the hedging investment instrument held by the counterparty on its account, which may create an incentive for the counterparty not to return the investment instrument. In the case of a reverse repo, the risk of the underlying asset arises, for example, from the fact that the Fund's receivable may not be repaid and the investment instrument used as collateral would then be transferred to the Fund. In such a case, the Fund would be subject to the risks associated with holding such an investment instrument, in particular market risk. Repo transactions may also involve risks associated with the reuse of collateral, where a particular investment instrument may serve as collateral for multiple transactions in the context of reuse and the collateral may not be returned to the collateral provider in the event that the counterparties to those

transactions are unable to meet their obligations,

- s) Risk of the Fund's cancellation - the Fund may be cancelled (deleted from the list maintained by the CNB) for reasons specified in the Act. The CNB may decide to cancel the Fund with liquidation, for example, if within 6 months from the date of registration of the Fund in the list of investment funds maintained by the CNB, the Fund Capital does not reach EUR 1,250,000, or the average amount of the Fund Capital over the last 6 months does not reach an amount corresponding to at least EUR 1,250,000, or if the CNB has revoked the Company's licence to operate as a management company. The CNB may also decide to delete the Fund from the list of mutual funds if the Fund has not had a custodian bank for more than three months or due to a request for deletion of the Fund from the list of mutual funds,
- t) Risk of changes in the legal and tax system - should there be a change in the legal requirements to which the Fund is subject, such legal environment may differ significantly from the current state of affairs and affect the investor's return on investment,
- u) Other risks related to the Fund's Investment Objective:
  - The risk that the CNB shall revoke the Company's licence to operate if a bankruptcy decision has been issued or if the insolvency petition has been dismissed because the Company's assets are insufficient to cover the costs of the insolvency proceedings,
  - Risks arising from limitations on the Custodian Bank's control activities pursuant to Section 73(1)(f) of the Act.

### **6.3 Risks resulting from investments in Real estate and Real estate companies:**

- a) Risk of the Fund's inability to repay loans taken out, obligations under construction contracts, or to pay the costs of maintenance and operation of buildings - the real estate properties are owned either directly by the Fund or through the holding of a Participating Interest in a Real Estate Company that owns and operates the given Real Estate property. The Fund or the Real Estate Company may accept loans that are generally secured by a lien in favour of the lender. In particular, in the event of a shortfall in rental income, or in a situation where the Fund or the Real Estate Company does not have sufficient liquidity, the Fund or the Real Estate Company may be unable to repay such loan. This may result in the foreclosure of the lien, forced sale of the relevant Real Estate property and loss of value of the Fund's assets. For the reasons set forth above, the Fund may lose or reduce its ability to pay its obligations under the construction contracts, which may result in the construction or repair of the Real Estate property being halted and its value being reduced or having to be sold at a lower price. The inability of the Fund or the Real Estate Company to cover the costs of maintenance and operation of the Real Estate property for the reasons set out above may result in the exit of significant tenants and/or a reduction in the rental price. The operating and

maintenance costs of the Real Estate are normally paid by the tenants, so if the Real Estate is leased, these costs are covered by payments from the tenants and do not reduce the rental income from the Real Estate. The Fund or the Real Estate Company, as owner of the Real Estate, shall share in the cost of operation and maintenance of the common areas of the building in an amount corresponding to the vacancy rate. If the Fund or the Real Estate Company is unable to pay its obligations, the Fund's assets may again be reduced and therefore the value of the Unit Certificates may be reduced as well. The Fund and the Real Estate Company take loans on market terms within the limits permitted by the Statute and the Government Regulation, and in accordance with the rules of professional diligence, and the Company continuously assesses the repayment capacity of the loans taken, thereby mitigating such risks. These risks are further minimised in particular by selecting appropriate counterparties, setting volume limits for relationships with individual counterparties and appropriate contractual arrangements.

- b) Risk of natural damage to Real estate - Real estate owned by the Fund or the Real Estate Company is exposed to the risk of natural damage (flood, fire, etc.) as well as security risks. This may result in a reduction in the value of the Real Estate and/or a simultaneous reduction in rental income. The Company seeks to limit these risks by insuring the Real Estate against natural damage in an amount equal to the cost of rebuilding or repairing the damaged Real Estate. However, depending on the evolution of the security situation, such insurance may not be available or sufficient. The Company, or the Real Estate Company, has also taken out business interruption insurance to cover loss of rental income due to a loss event.
- c) Risk related to the acquisition of foreign Real estate - this risk is related to political, economic or legal instability, whether the acquisition of Real Estate in the Czech Republic or in other EU countries, where the value of the Fund's performance may be affected by changes in the international political situation, as well as by local changes in government policy, changes in tax policy, restrictions on foreign investment, changes in legislation. The Fund does not focus on high-risk countries and shall acquire Real Estate mainly in the Czech Republic or other non-risk EU countries.
- d) Risk associated with the possibility of default of the Real Estate Company in which the Fund has a participating interest, or default on loans and borrowings made by the Fund to the Real Estate Company - the Real Estate Company is a separate legal entity and has its own receivables and debts. If the Real Estate Company is acquired from the seller, there may be a risk of the existence of debts and claims of third parties arising prior to the acquisition of the Fund's participating interest in this company, which may adversely affect the financial position of the Real Estate Company. The Fund may make a secured loan or secured borrowing to the Real Estate Company in which it has a participating interest and, in the event of the Fund's participating interest in the Real Estate

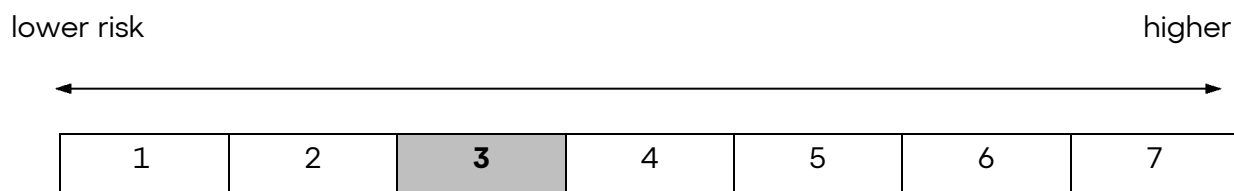
Company being extinguished, such loan or borrowing must be payable within 6 months of the date of the extinguishment of such participating interest. In the event of a shortfall in rental income from the Real Estate, the Real Estate Company may not be able to repay the loans and borrowings made by the Fund, which may result in a shortage of liquidity on the part of the Fund. The Company seeks to minimise this risk by conducting due diligence prior to the purchase of Participating Interests in the Real Estate Companies and further mitigates this risk through proper management of the Real Estate Company, hedging instruments and the application of control mechanisms. Nevertheless, there is still a risk that in the event of default of the Real Estate Company or default on loans or borrowings granted to it by the Fund, there may be a loss on the assets of the Fund, resulting in a reduction in the value of the Unit Certificate.

- e) Risk related to the obligation to sell the Fund's asset value due to failure to meet the conditions related to its holding - the conditions for the acquisition of the Participating Interest in the Real Estate Company set out in Section 57(1) of the Government Regulation must be met for the entire duration of the Fund's Participating Interest in the Real Estate Company. In the event of non-compliance of the composition of the Fund's assets with the requirements set out in Section 57(1) of the Government Regulation, remedy within the meaning of Section 216(1) of the Act must be arranged within 6 months of the date on which the non-compliance occurred. Therefore, it may be that the only solution to the inconsistency shall be the sale of the Fund's Participating Interest in the Real Estate Company. Such a forced sale may result in a loss in the value of the Fund's Participating Interest if the sale must be made at an inconvenient time or in a time crunch.
- f) Risk of erroneous valuation of the Real Estate or the Participating Interest in the Real Estate Company by an appraiser or a committee of experts - erroneous valuation of the Real Estate or the Participating Interest in the Real Estate Company by an appraiser or members of the Committee of Experts may lead to overvaluation or undervaluation of the price of the Real Estate or the Participating Interest in the Real Estate Company.
- g) Risk associated with financing the Real Estate construction - it consists in the fact that when financing the construction of the Real Estate, there is a risk resulting from the specifics of the construction implementation, e.g. force majeure making the construction difficult or impossible, the size of the project, staged construction, failure to meet the work schedule, increase in investment costs, etc. The Fund seeks to minimise these risks through a rigorous selection of reputable development and construction companies, architects and designers, as well as rigorous construction supervision, expert market estimates and analyses.
- h) Management risk - the management risk of the professional advisor and/or other external entities arises primarily from the possibility of their misconduct

in the performance of the activities in question or in the cooperation between the Company and these entities. The Fund seeks to minimise this risk by carefully selecting its professional advisor and other external entities. The work of the Custodian Bank, internal and external audit and internal control mechanisms also contributes to mitigating this risk.

- i) Risk of the impact of initial investments on the performance of the Fund - the risk of initial investments may affect the performance of the Fund due to the existence of acquisition costs in acquiring a Real Estate or a Participating Interest in a Real Estate Company, which may lead to a high upfront cost with a material impact on the overall performance of the Fund. However, during the life of the Fund these costs are offset by rental revenue or future sale of the Real Estate.
- j) Risks related to sustainability factors – sustainability-related risk means environmental, social or governance event or situation that, if it were to occur, could have an actual or potential material adverse impact on the value of the Fund’s investment. The manager shall integrate sustainability-related risks into its investment decisions in accordance with relevant internal regulations (in particular those relating to the investment process and risk management).

- 6.4 Risk management - the Company is responsible for managing risks and takes the necessary measures to monitor and measure the risks associated with individual positions in the portfolio as well as the overall risk of the Fund's portfolio at all times.
- 6.5 The use of financial derivatives and the conclusion of repo transactions in managing the Fund, and the procedures for measuring and reducing the risks associated with the use of these techniques, unless explicitly addressed in the Statute, are subject to provisions of the Government Regulation. Financial derivatives must not be used and repo transactions must not be concluded in a manner or for a purpose that circumvents the Fund’s investment strategy or the rules imposed by the Statute and the Government Regulation.
- 6.6 Within the so-called Synthetic Risk Profile Indicator, the Fund has been classified as risk group 3 on a seven-level scale, where even the lowest group does not mean a risk-free investment. The risk of movement in the value of the Unit Certificate is moderately low, mainly due to the volatility of the real estate markets.



This synthetic risk profile indicator does not fully capture the other risks associated with investments in the Fund, as set out in Article 6, in particular operational and liquidity risk. The Fund's classification in the given risk group is not a reliable indicator of the future riskiness of the Fund or its expected return and may change over time.

## **7. Guidelines for Management and Payment of Shares in Profit or Revenues**

- 7.1 The Fund's accounting period is the calendar year.
- 7.2 The approval of the Fund's financial statements falls under the authority of the Company's Board of Directors. To this end, the Company keeps separate accounts, namely for its own purposes and for the purposes of the Fund.
- 7.3 The assets and liabilities of the Fund are measured at fair value in accordance with Sections 190 - 202 and 265 of the Act as well as other legal regulations, in particular the Government Regulation and Decree No. 244/2013 Coll., on detailed rules concerning certain provisions of the Act on Management Companies and Investment Funds.
- 7.4 Valuation of shares in Real Estate Companies owned by the Fund is carried out at least twice a year. The value of the Fund's participating interest in a real estate company is based on the last determined value of the real estate in the real estate company and the value of the net business assets of the real estate company determined as of the last day of the given calendar month. This procedure is repeated until the next determination of the real estate value in the Real Estate Company. Valuation of the Fund's other assets and liabilities is performed on a daily basis.
- 7.5 The Company's Board of Directors shall decide on a change in the valuation frequency in justified cases; this decision must be published on the Company's website [www.woodis.cz](http://www.woodis.cz) in sufficient advance.
- 7.6 The first valuation of the Fund shall occur with the commencement of its investment activities. The valuation of the Real Estate Companies is based on underlying documents, in particular expert reports, which have been prepared as of the date from which no more than 6 (six) months have elapsed.
- 7.7 The calculation of the Net Asset Value of the Fund and the Unit Certificates Value is performed on a daily basis.
- 7.8 The revenues of the Fund are reinvested. If there is a loss, the loss shall be covered by the Fund's funds or by reducing the capital fund balance.
- 7.9 The assets and liabilities as well as costs and revenues and profit or loss from managing the assets of the Fund are subject to the Company's accounting separated from its own accounting and from the accounting of other funds it manages.
- 7.10 **PRINCIPLES IN RELATION TO REAL ESTATE**The purpose of acquiring Real Estate is to hold it for the long or short term, all with the aim of achieving maximum profit.
- 7.11 Real Estate that will be acquired by the Fund as Fund assets or as assets of Real Estate Companies in which the Fund has a stake will be acquired for the purpose of operating it or reselling it.
- 7.12 Real estate acquired by the Fund for the purpose of operation will be acquired in such a way that, with proper management, it will be capable of generating regular

and long-term returns.

7.13 Real estate that may be acquired by the Fund for the purpose of sale will be capable of generating a profit from its sale.

7.14 Rules for the acquisition and sale of Real estate, in particular the conditions under which Real estate encumbered by a lien, easement, pre-emption right as a right in rem and right of use may be acquired, and the procedure for determining the price of Real estate if the prices determined by the opinions of experts or members of the Committee of Experts differ.

The Fund always acquires and sells Real estate at a price set by the Company. The value of the Real estate is regularly determined on the basis of the opinions of two independent experts in the field of real estate valuation. The expert is selected by the management company in accordance with the valuation regulations. The price at which the Fund acquires and sells the real estate must not differ from the price determined by independent experts by more than 10%.

Burdensome third party rights must also be the subject of the assessment. Real estate encumbered by a lien may be acquired by the Fund only if the debt secured by this lien also becomes part of the Fund's property. Real estate encumbered by another absolute property right may be acquired only if this does not substantially reduce its usability. In the event that the opinions of the experts or the members of the expert committee differ by more than 10% from the average price of the two opinions, the Company shall be obliged to ensure a new expert opinion. Appraisals that are closer in absolute value to each other are then used as the determinant for the acquisition or sale of the Real estate. The Fund must not acquire to its assets a Real estate property at a price, that is higher by more than 10% of the average price of the expert reports determinant for the acquisition of the real estate property, or sell a real estate property at a price, that is by more than 10% lower than the average price of the expert reports determinant for the sale of the real estate property, unless there is an economic justification for the advantage of such acquisition or sale.

7.15 Conditions under which it is possible to:

(a) sell the Real estate property that was acquired for the purpose of operating it:

The Fund may also sell a Real estate property if it was acquired for the purpose of operating it, provided that the selling price is equal to or greater than the net present value of future cash flows from operations, or if such sale is in the demonstrable interest of the Unit Holders. The Board of Directors of the Company is obliged to prove that these conditions have been met.

(b) sell the Real estate property that was acquired for the purpose of its resale:

The Fund may operate a Real estate property even if it was acquired for the purpose of its resale, provided that the selling price would be less than the net present value of the future cash flows from the operation, or if such procedure is in the demonstrable interest of the Unit Holders. The Board of Directors of the Company is obliged to prove that these conditions have been met.



7.16 Rules for the operation of the Real estate properties owned by the Fund, in particular rules for costs associated with maintaining or improving their condition:

Real estate properties owned by the Fund are managed by property management companies, i.e. companies responsible for ensuring the economic functioning of the Real estate property, and facility management companies ensuring the technical operation of the Real estate property, i.e. cleaning, maintenance, revisions, repairs, etc. The mutual rights and obligations must be regulated by a written agreement in the best interests of the Unit Holders, including the possibility of control by the Company and the Custodian Bank, and any compensation for damages. The costs associated with maintaining or improving the condition of the real estate property must be assessed already at the real estate acquisition stage and their amount is professionally quantified and planned.

7.17 Conditions under which Real estate owned by the Fund may be encumbered by a lien, easement, pre-emption right as a right in rem and third party right of use:

Real estate owned by the Fund may be encumbered by a lien only for the purpose of taking out a loan. Real estate owned by the Fund may be encumbered by an easement, pre-emption right as a right in rem and third party right of use only if this does not substantially reduce its usability. The establishment of these rights shall be for consideration or otherwise economically advantageous to the Fund.

7.18 The policy for Real estate located in the territory of another state, namely:

- (a) policy for the acquisition, operation and sale of Real estate in the territory of this state, established with regard to possible risks:

The main principle to minimise these risks is especially to use the services of specialised reputable legal and real estate agencies with knowledge of the relevant market and the relevant legislation. The political risk can be assessed as low given the list of the other states permitted.

- (b) information on investment protection, including the re-export of capital and its proceeds:

In view of the nature of the other states permitted, the regime of special international investment protection treaties and double taxation prohibition treaties applies.

- (c) definition of the manner in which the depositary of the real estate fund shall exercise its rights and obligations with respect to such real estate:

A condition for the acquisition of Real estate in the territory of another state is the possibility of performing the activities of a depositary, which is evidenced by a special legal opinion or a contract for the use of a third party at the request of the depositary.

**MANAGEMENT PRINCIPLES IN RELATION TO PARTICIPATING INTEREST IN A REAL ESTATE COMPANY**

7.19 In order to achieve its Investment Objective, the Fund may acquire interests in Real Estate Companies through long-term holdings or short-term purchases and subsequent sales, both with the aim of maximizing profits.

7.20 The Fund may participate in a Real Estate Company if:

- (a) only cash contributions by shareholders are permitted within that company;
- (b) the shareholders of such a company have paid their contributions in full;
- (c) the Real Estate Company invests only in Real Estate located in the country in which the Real Estate Company has its registered office, which is the Czech Republic or another Target Country;
- (d) the Real Estate Company complies with the conditions set out in Sections 53, 55, and 56 of the Government Regulation;
- (e) The Real Estate Company does not hold an interest in any other legal entity, unless otherwise provided by the Government Regulation; and
- (f) the Fund's interest in the Real Estate Company represents the majority required to amend the articles of association of that Real Estate Company.

7.21 Conditions under which a participating interest in a Real Estate Company may be acquired or held:

7.22 Rules for ensuring compliance with the conditions under clause 7.19, including ensuring compliance with the obligations of the Fund's Custodian Bank:

The Fund, in the context of the acquisition of a participating interest in the Real Estate Company, must assess the fulfilment of the above conditions and ensure the possibility of exercising their ongoing control and performance of Custodian bank's activities, in particular on a contractual basis. In particular, a legal audit of the Real Estate Company is to be carried out with regard to the verification of the legal-status requirements and an accounting audit with regard to the fulfilment of the economic conditions. The Fund manager shall also ensure that the real state of the Real Estate Company is checked (real estate held, completeness and correctness of data transferred), etc. All related outputs (audit reports) must also be available to the custodian bank. The Fund manager shall provide the Custodian bank with the necessary information, access and on-site inspections to carry out its activities.

7.23 The conditions under which the Fund may acquire a participating interest in the Real Estate Company that intends to acquire, or already has in its possession, Real Estate encumbered by rights under Section 7.14:

Real estate owned by the Fund may be encumbered by a lien only for the purpose of taking out a loan. Real estate owned by the Fund may be encumbered by an easement, pre-emption right as a right in rem and third party right of use only if this does not substantially reduce its usability. The establishment of these rights shall be for consideration or otherwise economically advantageous to the Fund.

#### **ASSET MANAGEMENT PRINCIPLES IN RELATION TO ASSET VALUATION**

7.24 Rules for the selection of experts by the Company:

Experts for the purpose of assets valuation are selected from the list of experts

authorised under the relevant legislation, for whom the presumption of independence (non-bias) is met. The Company selects independent experts from a pool of reputable experts.

7.25 Rules for the remuneration of experts:

Experts are remunerated on the basis of a concluded contract.

The remuneration of experts corresponds to the usual market remuneration at the given time and under comparable transaction conditions.

7.26 The Company shall establish a committee of experts as a body of the Fund. The committee of experts shall have at least 3 members, the number of members of the committee of experts being always odd. Its members are appointed and removed by the Company's governing body.

7.27 The term of office of a member of the committee of experts shall be 3 years, provided that the earliest the same member may be appointed to the Fund's committee of experts shall be 3 years from the date of expiration of their previous membership of the Fund.

7.28 Membership in the committee of experts expires upon expiration of the term of office, failure to meet the conditions set out in the Act (in particular independence, credibility, professional competence and experience in determining the value of real estate), removal of a member of the committee of experts, resignation as a member of the committee of experts and death.

7.29 The members of the committee of experts shall perform their duties with professional diligence.

7.30 The meetings of the committee of experts and the method of decision-making of its members shall be governed by the rules of procedure of the committee of experts of the Company.

7.31 Within the performance of their duties, members of the committee of experts shall:

- a) monitor the condition, use and other facts that may affect the value of the Real Estate owned by the Fund and the Real Estate owned by the Real Estate Company,
- b) assess the valuation of Real Estate owned by the Fund or the Real Estate Company prior to the legal action for which the valuation is being made, i.e. prior to acquisition, disposal, etc.,
- c) determine the values of the Real Estate owned by the Fund and the Real Estate Company at least twice a year for the purpose of determining the current Unit Certificate Value,
- d) ensure determination of the value of the participating interest of the Fund in the Real Estate Company at least twice a year for the purpose of determining the current Unit Certificate Value,

- e) continuously evaluate external market and non-market factors that may affect the value of the Real Estate owned by the Fund and the real estate owned by the Real Estate Company,
- f) convene ordinary and extraordinary meetings of the committee of experts,
- g) perform regular and extraordinary reporting to the Company and the Company's Supervisory Board.

7.32 A quorum of the committee of experts shall be present if all its members are present.

7.33 The committee of experts makes decisions at its meetings by an absolute majority of the members present.

7.34 A regular meeting of the committee of experts shall be held at least twice a year.

7.35 Any member of the committee of experts, the Company or the Custodian Bank of the Fund may initiate an extraordinary meeting of the committee of experts, in particular in connection with the intention to acquire or dispose of real estate owned by the Fund or the Real Estate Company (or to acquire, change or dispose of a participating interest in the Real Estate Company), by a change in the purpose for which the real estate was acquired, and in particular in connection with a change in conditions that have a significant effect on the price of real estate owned by the Fund or the Real Estate Company.

7.36 Minutes of each meeting of the committee of experts are taken and forwarded to the Company's Board of Directors, the Company's Supervisory Board and the Custodian Bank of the Mutual Fund. The minutes of the committee of experts include a commentary on the development of market and non-market pricing factors, a description of the condition, use and other facts regarding individual real estate properties owned by the Fund or the Real Estate Company. In addition, the minutes of the meeting of the committee of experts shall contain all items proposed for discussion, all items actually discussed, a record of the votes of the individual members of the committee of experts, and the decisions taken by the committee of experts.

7.37 The members of the committee of experts shall be remunerated for their activities by a fixed amount.

7.38 The Company shall maintain a list of the members of the committee of experts, which shall include details of the date on which they took office and details of their expertise and experience in determining the value of real estate.

7.39 Rules in the event that the committee of experts or the custodian bank recommends the Fund to arrange for a new valuation of the real estate by a single independent valuer selected in accordance with the rules set out in clause 7.24 of the Statute, or the Czech National Bank directs that such a valuation be arranged, including the time within which the new valuation of the Real estate shall be carried out:

In such a case, it must be ensured that the new valuation takes into account the reasons for recommending the new valuation, in particular taking into account as far

as possible the current condition of the real estate property being valued. The evaluation shall be carried out without undue delay or within the time limit set in the recommendation, but no later than 3 months.

- 7.40 Rules for the valuation procedure if the purpose, for which the Real estate was acquired, changes:

Both Real estate properties acquired for operating purposes and Real estate properties held for sale are measured at fair value, taking into account the purpose for which each individual real estate property was acquired. The Board of Directors of the Company may decide to change the purpose for which the Real estate property is owned. This decision must be justified and the change in the purpose for which the real estate property is owned must be supported by relevant reasons.

- 7.41 Information on persons exercising shareholder rights in Real Estate Companies on behalf of the Fund and rules for the selection of such persons:

The rights of a member in Real Estate Companies are exercised by members of the Company's governing body. On an operational basis, the Real Estate Companies are managed by the Company's employees in accordance with the Company's internal regulations. The Company does not authorise third parties to exercise the rights of a member in the Real Estate Companies.

## **8. Unit Certificates issued by the Fund**

- 8.1 The Fund issues Unit Certificates in accordance with the Act and this Statute. Unit Certificates represent the investor's share of the Fund's assets.
- 8.2 The Unit Certificate is not admitted to trading on any regulated market.
- 8.3 The Company keeps Separate Records of Unit Certificates.
- 8.4 Unit Certificates are transferable without restriction, unless otherwise provided in the Statute or by law.
- 8.5 The Unit Certificates have no par value.
- 8.6 Unit Certificates are assigned an identification code in accordance with the international numbering system for securities identification. The Fund's Unit Certificates are assigned the following ISINs:
- a) for EUR Class Unit Certificates: CZ0008477569
  - b) for CZK Class Unit Certificates: CZ0008477551
  - c) for EUR Institutional Class Unit Certificates: CZ1005100683
  - d) for CZK Institutional Class Unit Certificates: CZ1005100675
- 8.7 The following rights and obligations are associated with the share certificates of the individual Classes:

<b><u>Class designation</u></b>	<b><u>EUR Class</u></b>	<b><u>CZK Class</u></b>	<b><u>EUR Institutional Class</u></b>	<b><u>CZK Institutional Class</u></b>
<b>Minimum investment</b>	4 EUR	100 Kč	1.000.000 EUR	25.000.000 Kč
<b>Entry fee</b>	max. 3 %	max. 3 %	max. 3 %	max. 3 %
<b>Exit fee</b>	0 %	0 %	0 %	0 %
<b>Minimal redemption</b>	4 EUR	100 Kč	1.000.000 EUR	25.000.000 Kč
<b>Management fee</b>	1,9 % p.a.	1,9 % p.a.	0,6 % p.a.	0,6 % p.a.
<b>Performance fee (High Watermark)</b>	10 %	10 %	10 %	10 %

- 8.8 Number of Unit Certificates is unlimited.
- 8.9 Ownership rights to Unit Certificates are verified through excerpt from the owner's account in the Separate Records.
- 8.10 Unit Certificates of the Fund establish the same rights of all Unit Holders of the Fund, except for the Unit Certificates which are divided into Classes with different rights and obligations of Investors.
- 8.11 The Company keeps records of the unit certificates in the issue register and in the accounts of the owner or customers.
- 8.12 The contractual terms and conditions for the issuance and redemption of Unit Certificates are to be provided to potential investors on request and can be viewed in the Company's registered office.
- 8.13 A Unit Certificate carries with it the Investor's right to a share of the assets in the Fund, to redeem the Unit Certificate at its current value, to be paid the current Unit Certificate Value in the event of a request for redemption of the Unit Certificate, and to be paid a share of the liquidation balance, within 3 months from the date of monetisation of the assets and satisfaction of the debts of the Fund, to the provision of necessary information free of charge if requested by the investor, as well as other rights granted to investors under the Statute or the law.
- 8.14 The Unit Certificate Value is determined each business day (hereinafter referred to as "D-day") based on the closing values of the previous business day (D-1) and is announced for D-day.
- 8.15 The Company shall issue Unit Certificates at a subscription price of CZK 1 or EUR 1 (depending on the Class of Unit Certificates) for a period of no more than 3 months from the date on which it commenced the issue of Unit Certificates. The termination of such issuance and redemption of Unit Certificates prior to the expiration of the 3-month period shall be decided by the Board of Directors of the Company. This decision shall be published on the Company website.
- 8.16 Issuance of Unit Certificates:
- a) For purposes of this article, the term "Client" denotes the applicant for the acquisition of Unit Certificates,

- b) The Company shall issue Unit Certificates to the Client provided that the Client enters into an agreement with the Company for the issue and redemption of Unit Certificates (hereinafter referred to as the "**Agreement**"),
- c) The Company shall issue the Unit Certificates to the Client on the basis of payment received to the Fund's account held with the Custodian Bank, where the variable symbol is used to identify the Client,
- d) the minimum amount for the issue of CZK Class Unit Certificates is CZK 100,
- e) the minimum amount for the issue of EUR Class Unit Certificates is EUR 4,
- f) the minimum amount for the issue of Institutional Class CZK Share Certificates is 25,000,000, Kč
- g) the minimum amount for the issue of Institutional Class EUR Share Certificates is 1,000,000, EUR,
- h) the record date for the issuance of Unit Certificates to the Client is the date on which the Client's funds are credited to the Fund's account.
- i) The Client acquires the Unit Certificates at the value announced for the Valuation Day for funds credited to the Fund Account during the period from the preceding Valuation Day to the next following Valuation Day (inclusive),
- j) for the amount received in the Fund's account, the Client is credited on their owner's account in the Separate Records with the corresponding next lower number of the Unit Certificates 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 Unit Certificate. Any excess payment is treated as the Fund's income,
- k) issue date means the crediting of the Unit Certificates to the Client's owner account in the Separate Records. The rights attached to the Unit Certificate shall originate upon the date of its issue,
- l) The Company shall not issue a Unit Certificate until the Client has paid an amount corresponding to the value of the Unit Certificate plus any entry fee,
- m) The Company reserves the right to decide which Client orders for purchase of the Unit Certificates it accepts or rejects, mainly with a view to any risks of disrupting the Fund's stability or harming the interests of current Unit Holders.

#### 8.17 Classes of Unit Certificates

- a) For each Class, the Class Fund Capital and the Class Unit Certificate Value are determined in the currency of the Class.
- b) If no Unit Certificates of a CZK Class or EUR Class are issued as of the Valuation Day and, at the same time, new Unit Certificates of one of the Class are to be issued, the Value of a Unit Certificate of that Class shall be determined as the Value of a Unit Certificate of the other Class converted into the currency of that Class at the exchange rate of the CNB as of the Valuation Day.
- c) If no CZK Institutional Class or EUR Institutional Class Unit Certificates have been issued as of the Valuation Date and new Unit Certificates of one of these Classes are to be issued, the Value of a Unit Certificate of this Class shall be determined as the Value of a CZK Class or EUR Class Unit Certificate as of the Valuation Date.
- d) Class weights are determined for each day on which the Fund Capital is

determined. The Class weights are determined by the formula:

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

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

$AV_{t-1}$  ... Fund Capital as of day  $t - 1$  before including items:  $\Delta DPP_{T-1}$ ,  $FMP_{EUR;T-1} * FX_{t-1}$ ,  $FMP_{CZK;T-1}$ ,  $VO_{EUR;t-1} * FX_{t-1}$ ,  $VO_{CZK;T-1}$ ,  $\Delta Z_{CZK;T-1}$ ,  $\Delta DP_{EUR;T-1} * FX_{t-1}$

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

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

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

$K_{EUR}$	...	selected items of EUR Class or EUR Institutional Class for calculating weights,
$K_{CZK}$	...	selected items of CZK Class or CZK Institutional Class for calculating weights,
$t$	...	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 prior to day $t$ ,
$t - 2$	...	day of the previous valuation of the assets and liabilities of the Sub-Fund prior to day $t - 1$ ,
$T$	...	the period beginning on the day after day $t - 1$ and ending on day $t$ ,
$T - 1$	...	the period beginning on the day following day $t - 2$ and ending on day $t - 1$ ,
$w_{EUR}$	...	weight of EUR Class,
$w_{CZK}$	...	weight of CZK Class,
$S_{EUR}$	...	value of subscriptions for EUR Class Unit Certificates or EUR Institutional Class (in EUR),
$S_{CZK}$	...	value of subscriptions for CZK Class Unit Certificates or CZK Institutional



	Class (in CZK),
$R_{EUR}$	... value of redemptions of EUR Class Unit Certificates or EUR Institutional Class (in EUR),
$R_{CZK}$	... value of redemptions for CZK Class Unit Certificates or CZK Institutional Class (in CZK),
$FMP_{EUR}$	... aliquot amount of the fixed management fee of EUR Class or EUR Institutional Class (in EUR),
$FMP_{CZK}$	... aliquot amount of the fixed management fee of CZK Class or CZK Institutional Class (in CZK),
$VOK_{EUR}$	... EUR Class or EUR Institutional Class performance bonus (in EUR) as of the last day of the previous record period, if this day is equal to day $t - 1$ ,
$VOK_{CZK}$	... CZK Class or CZK Institutional Class performance bonus (in CZK) as of the last day of the previous record period, if this day is equal to day $t - 1$ ,
$VO_{EUR}$	... EUR Class or EUR Institutional Class performance bonus in the current record period (in EUR),
$VO_{CZK}$	... CZK Class or CZK Institutional Class performance bonus in the current record period (in CZK),
$\Delta Z_{CZK}$	... change in profit/loss arising from hedging currency risk of investments in CZK Class or CZK Institutional Class (in CZK),
$\Delta DP_{CZK}$	... change in the amount of tax liability arising from hedging the currency risk of investments in the CZK Class or CZK Institutional Class (in CZK),
$FX$	... foreign exchange rate CZK/EUR according to the CNB,
$NAV$	... Fund capital (in EUR),
$\Delta DPP$	... change in the total tax liability of the Sub-Fund (in CZK) after deduction of $\Delta DP_{CZK}$

The class weights are subsequently used to determine the fund capital of the CZK Class or CZK Institutional Class and EUR Class or EUR Institutional Class, which are given by the formulas:

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

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

$AV_t$  ... Fund capital on the day  $t$  before the inclusion of items:  $\Delta DPP_T$ ,  $FMP_{EUR,T} * FX_t$ ,  $FMP_{CZK,T}$ ,  $VO_{EUR,t} * FX_t$ ,  $VO_{CZK,t}$ ,  $\Delta Z_{CZK,T}$ ,  $\Delta DP_{CZK,T}$

$NAV_{CZK}$  ... fund capital of CZK Class or CZK Institutional Class (in CZK)

$NAV_{EUR}$  ... fund capital EUR Class or EUR Institutional Class (in EUR)

The fund capital is then equal to the sum of the fund capital of the CZK Class, CZK Institutional Class, the EUR Class and or EUR Institutional Class:

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

#### 8.18 Redemption of the Unit Certificates:

- a) The Company shall redeem, except in cases stipulated by the Act or the Statute, Unit Certificates from the Unit Holder on the provision that the Unit Holder has delivered the instruction to redeem the Unit Certificates in the form according to annex to the Agreement,
- b) the minimum amount for redemption of Unit Certificates is CZK 100 for CZK Class and EUR 4 for EUR Class, for CZK Institutional Class 25.000.000 Kč and for EUR Institutional Class 1.000.000 EUR. If the redemption of Unit Certificates led to a decrease in the volume of Unit Certificates held by the Unit Holder below the minimum investment set out in this Statute, the Unit Holder shall be obliged to submit a request for redemption of Unit Certificates in the entire volume held. The Company is entitled to accept a request to redeem Unit Certificates even in a volume that does not meet the above rule,
- c) A Unit Holder may request redemption of Unit Certificates based on either the number of Unit Certificates to be redeemed or the amount of monetary amount required,
- d) if the Unit Holder requests redemption in the required monetary amount, the number of Unit Certificates to be redeemed is set as the next higher integer ratio of the required amount and the redemption price of the Unit Certificate. The total amount sent for the redeemed Unit Certificates is the result of multiplying that number of Unit Certificates with the redemption price, with the resulting amount rounded to two decimal places,
- e) Unit Certificates are redeemed at a value set as of the Valuation Day, providing that the Instruction to redeem the Unit Certificates is delivered to the Administrator on that day at the latest. If the redemption instruction is delivered to the Administrator after the Valuation Day, the Unit Certificates shall be redeemed at a value set as of the next Valuation Day,
- f) The Company is obliged to redeem a Unit Certificate from the Unit Holder using the assets of the Fund unless the redemption of Unit Certificates is suspended,
- g) The Company shall arrange payment for the redemption of the Unit Certificates within a maximum of 6 months after the announcement of the value of the Unit Certificates,
- h) The Unit Certificates designated by the Unit Holder for redemption must not be encumbered by any facts that would prevent the Company from deducting them from the owner account in the Separate Records,
- i) the redemption of the Unit Certificates does not involve an exit haircut,
- j) the rights from the Unit Certificate cease upon redemption of the Unit Certificates by the Company on the day of deducting the Unit Certificates from the owner account in the Separate 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 transformation pursuant to Article 10 of the Statute.

- 8.19 The issuance or redemption of Unit Certificates is arranged in the Company's registered office.
- 8.20 The Company may, in accordance with the Act, suspend issuance or redemption of Unit Certificates for a maximum period of two (2) years where necessary for reasons of protection of Unit Holders' rights or their legally protected interests. The decision to suspend the issuance or redemption of Unit Certificates shall be made by the Company's Board of Directors, which 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 Unit Certificates is suspended, the decision of the Company's Body on whether the suspension also applies to Unit Certificates, the issue or redemption of which was requested prior to the point from which the issuance or redemption of Unit Certificates is suspended, the decision of the Company's Board of Directors on whether after resumption of issuance or redemption of Unit Certificates it is to be proceeded in accordance with Section 139(1)(a) or (b) of the Act, and the period for which the issuance or redemption of Unit Certificates 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 Unit Certificates, if jeopardising the interests of other Unit Holders and assets in the Fund.
- 8.21 Issuance or redemption of Unit Certificates 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 Unit Certificates, it is not possible to issue or redeem the Fund's Unit Certificates, except Unit Certificates the issue or redemption of which was requested prior to the point from which the issuance or redemption of Unit Certificates 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 Company's Board of Directors has decided that the decision on suspension of issuance or redemption also applies to such Unit Certificates. The Company shall deliver the record of suspension of issuance or redemption of Unit Certificates to the CNB without delay and inform Unit Holders accordingly. Should the suspension of issuance or redemption of Unit Certificates jeopardise the interests of Unit Holders, the CNB cancels this decision and the Company shall ensure, without undue delay, the issuance and redemption of all the Unit Certificates the issuance or redemption of which has been requested by Unit Holders and for which the consideration for the redemption has not been paid or the Unit Certificates have not been issued, specifically for the amount equal to their current value set as of the date of request. If the date, on which the issuance or redemption of Unit Certificates is resumed, is the day following the day on which the

period, for which the issuance or redemption of Unit Certificates was suspended, has expired, the Company shall issue or redeem Unit Certificates, whose issuance or redemption has been suspended and for which no redemption consideration has been paid or no Unit Certificates have been issued, namely for an amount equal to the current value of the Unit Certificate as determined as of the date of request. Or it may disregard the requests for issuance or redemption of Unit Certificates, for which the consideration for the redemption has not been paid or the Unit Certificates have not been issued, and Unit Holders, who submitted such requests, shall be invited without undue delay to resubmit their request if still interested. A Unit Holder is not entitled to interest on arrears over the period of suspension of issuance or redemption of Unit Certificates unless the Company, at the time of suspension of the issuance or redemption of Unit Certificates, already was in arrears with payment of the amount for the redemption, or where the CNB has lifted the decision to suspend issuance or redemption of Unit Certificates and the Unit Holder has not been paid consideration for the redemption. In that case the Company pays the interest on arrears from its own assets.

## 9. Fees and Costs

- 9.1 For the management and administration of the Fund, the Company is entitled to a management fee, and, upon meeting other requirements, also to a performance bonus. Their sum total constitutes the remuneration to the Company.
- 9.2 Basic details of the Company's remuneration and the total expense ratio of the Fund can be found in the following table:

<b>One-off fees charged before or after the investment is completed (this is the maximum amount that may be charged to the investor before the investment is made or before the investment is paid out.)</b>	
Entry fee (deduction)	<b>maximum 3%</b> of the invested amount
Exit fee (deduction)	<b>0%</b> of the value of the redeemed Unit Certificates
<b>Costs paid from the Fund's assets during the year:</b>	
Total cost ratio CZK Class and EUR Class (including management fee)	<b>2.5% p.a.</b> of the average value of the Fund Capital
Total cost ratio CZK Institutional Class and EUR Institutional Class (including management fee)	<b>1.1% p.a.</b> of the average value of the Fund Capital

Costs paid from the Fund's assets under certain specific conditions	
Performance fee (High Watermark)	10% of the Fund performance

- 9.3 From the Fund's assets, remuneration is paid to the Company (Articles 9.5 and 9.6), compensation to the Custodian Bank (Article 9.9 of the Statute), and other costs pursuant to Article 9.11 of the Statute. Remuneration to the Company for managing Fund's assets does not include value added tax where the activities are subject to this tax.
- 9.4 Fees and costs paid from the Fund's assets serve the purpose of management of its assets and may reduce returns on invested funds.
- 9.5 A management fee is determined for each Class, as of each valuation of the assets and liabilities of the Class, from the first valuation of the assets and liabilities of the Class.

The management fee for CZK Class and EUR Class of 1.9% per annum is determined by the formula:

$$FMP_T = N_t * NAUV_{t-1} * 0,019 * \frac{n}{x}$$

- $t$  ... day of the current valuation of the assets and liabilities of the Class,  
 $t - 1$  ... day of the previous valuation of the assets and liabilities of the Class prior to day  $t$ ,  
 $T$  ... the period beginning on the day following day  $t - 1$  and ending on day  $t$ ,  
 $FMP$  ... management fee,  
 $N$  ... total number of Unit Certificates of Class,  
 $NAUV$  ... fund capital of the Class attributable to one Unit Certificate of Class,  
 $n$  ... number of days in period  $T$ ,  
 $x$  ... number of days in a given year.

The aliquot part of the fixed management fee is paid monthly.

The management fee for CZK Institutional Class and EUR Institutional Class of 0.6% per annum is determined by the formula:

$$FMP_T = N_t * NAUV_{t-1} * 0,006 * \frac{n}{x}$$

- $t$  ... day of the current valuation of the assets and liabilities of the

Class,		
$t - 1$	...	den předchozího ocenění majetku a dluhů Třídy před dnem $t$ ,
$T$	...	day of the previous valuation of the assets and liabilities of the Class prior to day $t$
$FMP$	...	management fee,
$N$	...	total number of Unit Certificates of Class,
$NAUV$	...	fund capital of the Class attributable to one Unit Certificate of Class,
$n$	...	number of days in period $T$ ,
$x$	...	number of days in a given year.

The aliquot part of the fixed management fee is paid monthly.

- 9.6 The record period for payment of the performance fee is the calendar year, where the start of the record period is 1 January or the day of the Fund's establishment, and the end of the record period is then 31 December or the date of the Fund's dissolution. The performance fee is paid once a year. The amount of the accrued performance fee is determined at each valuation of the Fund's assets and liabilities. The performance bonus is set for each Class, depending on gross performance of the Class, which for this purpose is determined using the following formula:

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

$m$  ... the last day of the preceding record period, when the entitlement for the payout of the performance bonus last arose (or the day of the first issue of the Unit Certificates),

$r$  ... gross performance of the Class,

$GAUV$  ... fund capital of the Class before taking the performance bonus attributable to one Unit Certificate of the Class into account.

- 9.7 The performance bonus is determined by an amount equal to 10% of profit according to the following formula:

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

$VO$  ... performance bonus,

$GAV$  ... fund capital of the Class before taking the performance bonus into account,

$s_i$  ... value of subscriptions for Unit Certificates of the Class on and after day  $m$ ,

$R_i$  ... value of redemptions of Unit Certificates of the Class on *and* after day  $m$ .

Entitlement to a performance fee only arises if:

$$NAUV_t \geq NAUV_m$$

Otherwise, the following applies:

$$VO_t = 0$$

- 9.8 Prior to making their investment, the investor may be charged an entry fee (surcharge) of 3% of the invested amount at most, in line with Article 9.2 of the Statute.
- 9.9 The Custodian Bank shall be entitled to remuneration for performance of depositary duties, which is expressed as a percentage of the average value of the Fund's capital, as follows: 0.071% p.a. + VAT, with the minimum remuneration for the Custodian Bank being 5.240.000 Kč per year + VAT. The average value of the Fund capital is calculated monthly on a daily basis, and the remuneration is paid to the Custodian Bank monthly in arrears. The Custodian Bank's remuneration is charged in the Fund's currency, Kč. The Custodian Bank is entitled to remuneration for performing the function of depositary, the amount of which is determined at each valuation of the Fund's assets and liabilities. The amount of remuneration is 45.000 Kč + VAT per month. The Custodian Bank's remuneration is paid retrospectively and is charged in Kč.
- 9.10 The Unit Holder does not pay any fee to the Company for keeping the Separate Records.
- 9.11 In addition to remuneration to the Company and compensation to the Custodian Bank, further costs paid from the assets of the Fund include:
- a) costs incurred in connection with the acquisition, ownership, operation, maintenance, etc. of Real Estate, as well as components and accessories thereof,
  - b) costs incurred in connection with the acquisition, ownership, operation, maintenance, etc. of a share in Real Estate Companies,
  - c) fees and commissions to investment firms and market organisers,
  - d) fees for custody and administration of investment instruments,
  - e) fees to banks for maintaining accounts and handling funds,
  - f) costs related to derivative transactions,
  - g) costs related to repo transactions,
  - h) external capital costs,
  - i) interest on loans and other borrowings received by the Fund,
  - j) administrative, court and notary fees,

- k) taxes,
- l) remuneration paid to real estate intermediaries in connection with acquisition or disposal of Real Estate or shares in Real Estate Companies,
- m) tax audit costs,
- n) legal services costs,
- o) interest on loans and borrowings received,
- p) court or notary fees,
- q) accounting audit costs,
- r) expert reports,
- s) costs of experts,
- t) other costs not expressly specified in clauses a) to r) necessarily and purposefully incurred by the Company acting with due diligence in connection with management of the Fund's assets.

9.12 All other costs and expenses relating to management of assets of the Fund that are not listed in Articles 9.1 to 9.11 of the Statute, are included in the remuneration to the Company and are payable by the Company, except for the costs directed towards meeting the Fund's Investment Objective.

#### **10. Additional data necessary for investors for informed assessment of investment**

10.1 The amount, for which the Unit Certificates are issued, may be increased by an entry fee (surcharge) pursuant to clause 9.2 of the Statute.

10.2 In addition to the Statute, the Company publishes the Key Information Document, both documents being continuously updated. Amendments to the Statute shall be based on a decision adopted by the Company's Board of Directors. The amendments are not subject to prior approval by the CNB; the CNB is to be notified of the amendments made without undue delay. The information in the Key Information Document must be consistent with the information contained in the Statute. New full versions of the Statute and the Key Information Document are published on the Company's website.

10.3 According to the AKAT CR fund classification methodology, the Fund is classified as a special real estate fund. The Fund aims to acquire a diverse range of assets as defined in the Statute. The Fund must not enter into commitments and similar contractual arrangements that are not reciprocally offset by consideration (e.g.: a reduction in the acquisition price of assets). The Fund invests at least 51% of its assets in Real Estate or Participating Interests in Real Estate Companies. This restriction does not apply in preparation for the acquisition of Real Estate or Participating Interests in Real Estate Companies, after the sale of Real Estate or Participating Interests in Real Estate Companies, or during the liquidation of the Fund's assets, when the limit may not be observed for a transitional period.



- 10.4 The Fund is intended for investors, for whom a special real estate fund investing in the Central and Eastern European region is a suitable part of their portfolio and who expect to remain in the Fund for at least 5 years. An investor should have at least basic knowledge of financial market instruments. The Fund is only suitable for investors, who are willing to accept certain market volatility and potential risks arising from the Fund's design, investment strategy and individual exposures.
- 10.5 Decisions on investments in property values are made by the Company in accordance with the investment strategy, in particular with regard to the investment objective under Article 5.1 of the Statute. The selection of individual investments is based mainly on a fundamental analysis of investment instruments and an assessment of their suitability in terms of the Fund's portfolio structure.
- 10.6 The Company uses the expertise and experience of its employees to provide professional care. The Company also uses the services of investment firms, which have been granted the relevant permit in accordance with Czech law, or foreign persons with a similar scope of activity, which have been granted the relevant foreign permit.
- 10.7 Dissolution of the Fund with liquidation occurs where any of the circumstances pursuant to Section 375 of the Act arises, which is in the following cases:
- a) the Company decides so,
  - b) the company shall be dissolved with liquidation and the CNB does not decide on the transfer of the Fund's management to another manager,
  - c) the Company ceases to be authorised to manage the Fund and the CNB does not decide to transfer the management of the Fund to another manager, or
  - d) the CNB or a court decides so.
- 10.8 Upon liquidation of the Fund, the Company shall monetise the assets in the Fund and satisfy the debts in the Fund within 6 months from the date of dissolution of the Fund, and shall pay to the Unit Holders their shares in the liquidation balance within 3 months from the date of monetisation of the assets in the Fund and satisfaction of the debts in the Fund. More detailed rules for the procedure for liquidation of the Fund are set out in Sections 375 to 379 of the Act.
- 10.9 The Fund may be transformed in one of the following ways:
- a) merger of mutual funds,
  - b) fusion of mutual funds,
  - c) transformation of the Fund into a joint-stock company,
  - d) transformation of the Fund into a standard fund.

Merger of mutual funds is regulated by Sections 382 to 397 of the Act. The merger is carried out according to the approved merger project. The CNB permission is required for the merger. The administrator of the mutual fund to be dissolved by the merger shall publish on its website the decision of the CNB on the authorisation of

the merger and the statute of the mutual fund to be created by the merger within one month of the date of entry into force of this decision. At the same time, it shall publish a notice on its website about the establishment of the right to redeem the Unit Certificate.

10.10 The publication of this notice shall entitle the unit holders of the merging mutual funds to redeem the unit certificate without deduction; however, an amount corresponding to the reasonable costs incurred by the management company in connection with the redemption of the unit certificate may be deducted. This entitlement expires 2 months after the date of publication of the notice. The merging mutual funds are dissolved and the holders of the securities issued by them become the unit holders of the newly created mutual fund upon the expiry of the specified period on the record date of the merger. Detailed rules for the procedure for the merger of the Fund are set out in the Act.

10.11 Fusion of mutual funds is regulated by Sections 398 to 413 of the Act. The fusion is carried out according to an approved fusion project, which requires permission from the CNB. The administrator of the mutual fund to be dissolved by the fusion shall publish on its website the decision of the CNB on the authorisation of the fusion and the statute of the receiving mutual fund within one month of the date of entry into force of this decision. At the same time, it shall publish a notice on its website about the establishment of the right to redeem the unit certificate. The publication of this notice shall entitle the unit holders of the mutual fund, that is to be dissolved by fusion, to redeem the unit certificate without deduction; however, an amount corresponding to the reasonable costs incurred by the management company in connection with the redemption of the unit certificate may be deducted. This entitlement expires 2 months after the date of publication of the notice. The fusing mutual funds are dissolved and the holders of the securities issued by them become the unit holders of the receiving mutual fund upon the expiry of the specified period on the record date of the fusion. The administrator of the receiving mutual fund is obliged, within 3 months from the record date of the fusion, to exchange for the unit holders of the dissolved mutual fund their unit certificates for the unit certificates of the receiving mutual fund in the ratio determined according to the amount of the fund capital in the mutual fund attributable to the unit certificate of the dissolved mutual fund as of the record date of the fusion. Detailed rules for the procedure for the fusion of the Fund are set out in the Act.

10.12 The Fund may be transformed into a joint-stock company with variable share capital. The transformation is governed by Sections 414 to 424 of the Act. The transformation is carried out according to an approved transformation project, which requires permission from the CNB. The Company shall publish the CNB's decision on the authorisation of the transformation within one month from the date of entry into force of this decision, as well as the transformation project, the memorandum of association and the statute of the joint-stock company with variable share capital into which the Fund is to be transformed. At the same time, the Company shall publish a notice on its website about the establishment of the right to redeem the Unit

Certificate. The administrator of the joint-stock company into which the Fund has been transformed shall, within 3 months from the effective date of the transformation, arrange for the exchange of the Unit Certificate for a share of the newly established joint-stock company or for an investment share of the newly established joint-stock company with a variable share capital in a proportion determined according to the value of the Unit Certificate as of the effective date of the transformation. Detailed rules on how to proceed in the case of the Fund transformation are set out in the Act.

10.13 Contact point for additional information:

**WOOD & Company investiční společnost, a.s.**

Prague 1 - Nové Město, náměstí Republiky 1079/Ia, Postal code 110 00

Phone: 222 096 111, Fax: 222 096 696, e-mail: [fondy@wood.cz](mailto:fondy@wood.cz), [www.woodis.cz](http://www.woodis.cz)

10.14 Taxation of income of the Fund is governed by Act No. 586/1992 Coll. on income tax, as amended (hereinafter referred to as the "**Tax Act**").

10.15 The income tax rate of the Fund follows Section 21 of the Tax Act.

10.16 The Tax Act also governs taxation of income or profits from holding or transferring Unit Certificates. Applicable regime of taxation of income or profits of Unit Holders depends on valid and effective tax regulations at the time they have been made and may not necessarily be the same for every Unit Holder. For Unit Holders that are non-resident taxpayers, the applicable taxation regime is governed alongside the Tax Act additionally also by respective international treaties on the avoidance of double taxation. 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.

10.17 The Company provides information to Unit Holders and the CNB as follows:

- a) on the Company's website [www.woodis.cz](http://www.woodis.cz) it publishes the Fund's annual report no later than 4 months after the end of the accounting period and the semi-annual report no later than 2 months after the end of the first 6 months of the accounting period. The Company submits these reports to the CNB. The reports shall be fully available to Unit Holders in the Company's registered office and shall be sent to them upon request without undue delay.
- b) The Company website [www.woodis.cz](http://www.woodis.cz) informs Unit Holders:
  - i. monthly on the value of the Unit Certificate and on the Fund capital,
  - ii. monthly on the number of Unit Certificates issued and redeemed, on the amounts for which these Unit Certificates have been issued and redeemed, and on the structure of the Fund's assets as of the last day

of the month.

10.18 In case of using leverage for investments in the Fund, the annual report on the Fund shall include the following information:

- a) on the extent of the leverage used by the Fund,
- b) on changes in the extent of the use of leverage, on guarantees provided in connection with the use of leverage, as well as on any changes concerning the authorisation to further use the financial collateral provided or comparable collateral under foreign law,
- c) on the share of assets, that are subject to special measures due to low liquidity, in the total assets of the Fund.

10.19 In accordance with Article 6 of the SFDR, the Fund Manager is required to disclose:

- a) the manner in which Sustainability-Related Risks are incorporated into the Fund's investment decisions, and
- b) the results of an assessment of the likely impacts of the Sustainability-Related Risks on the Fund's returns.

As the Fund is focused on investments in various types of real estate, real estate companies and financial assets, in particular bonds or similar securities representing the right to repayment of outstanding amounts and money market instruments, the Fund's investment decision-making primarily considers criteria other than the selected financial asset's attitude towards sustainability factors as defined in the SFDR and its potential susceptibility to Sustainability-Related Risk. In deciding whether to invest in an investment security issued by a collective investment fund that does not redeem securities or book-entry securities issued by it or by a comparable foreign investment fund, the Fund shall take into account, inter alia, whether the manager of such fund complies with any of the corporate governance codes.

The Fund hereby discloses that selected Sustainability-Related Risks, which are described in more detail in the relevant section of the Statute, in particular risks associated with investments in real estate and Real Estate Companies such as environmental risks, may affect the value of the Unit Certificate. These risks are weighed in the Fund's decision making on investing into a particular real estate property or Real Estate Company as part of its comprehensive due diligence. Potential negative effects of factors causing Sustainability-Related Risks shall be reflected in the calculation of the value of the Fund through the periodic valuation of the Fund's assets and liabilities, and ultimately also in the value of the Unit Certificate.

10.20 Potential material negative effects of factors causing Sustainability-Related Risks, to which the financial asset owned by the Fund would be potentially exposed, may be reflected in the calculation of the value of the Fund capital through the periodic valuation of the Fund's assets and liabilities, and thus ultimately also in the

value of the Unit Certificate. However, given the diversification of the assets acquired by the Fund, such risk is marginal.

10.21 The Fund does not consider any indicators of major adverse impacts on sustainability factors, as it does not yet have sufficient data to make a qualified assessment of sustainability-related risks and adverse impacts of investment decisions. The underlying investments of this Fund do not reflect the EU criteria for environmentally sustainable economic activities.

10.22 The supervisory body is the CNB. 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](mailto:info@cnb.cz)

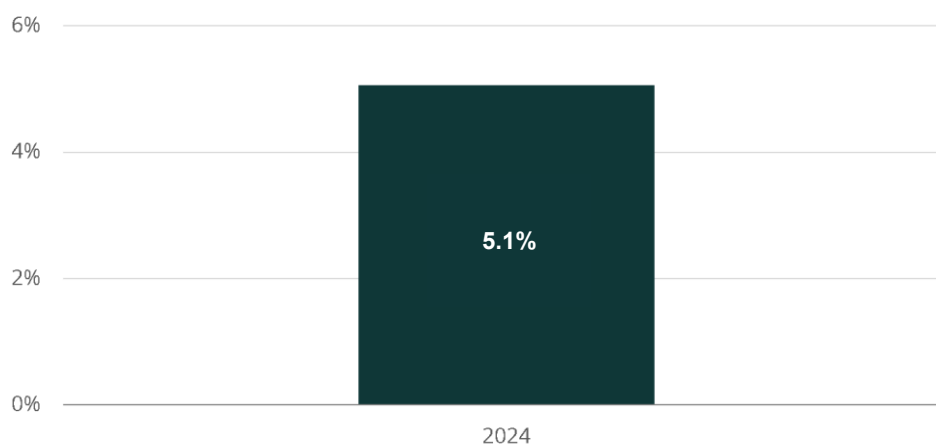
10.23 Registration of the Fund in the list maintained by the CNB and the fact of state supervision by the CNB are no guarantees of return on investment or of the Fund's performance. They cannot exclude the possibility of a breach of legal obligations or the Statute by the Company, the Custodian Bank or other person, and they do not guarantee compensation for any damage caused by such a breach.

10.24 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.

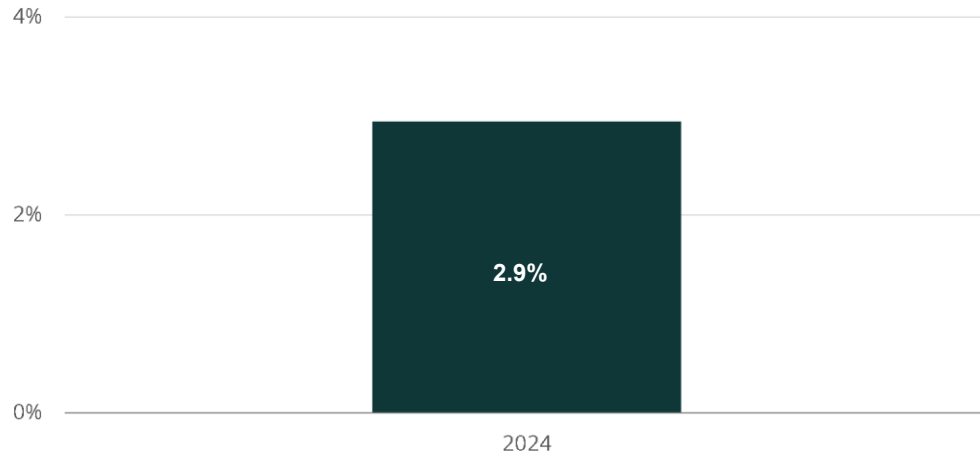
## **11. Historical Performance**

11.1 The Fund was established in 2023.

11.2 Historical performance of the Fund's CZK Class



11.3 Historical performance of the Fund's EUR Class



11.4 As the CZK Institutional Class and EUR Institutional Class are newly established, there is no historical performance data available.

11.5 Historical performance data are no guarantee of the Fund's performance in future periods and their viability as indicators of future performance is limited.

## **Part II.**

### **Final Provisions**

- 1.1 The Board of Directors of the Company declares that the information given in this Statute is true and complete.
- 1.2 The Statute of the Fund has been approved by the Board of Directors of the Company.
- 1.3 This version of the Statute takes effect on 1 November 2025.

In Prague on 31. October 2025



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**Miroslav Nosál**

Chairman of the Board of Directors  
WOOD & Company investiční společnost, a.s.