

## APPENDIX NO. 2- WOOD & COMPANY OFFICE PODFOND

### 1. IDENTIFICATION OF SUB-FUND

The name of the sub-fund is: WOOD & Company Office podfond (“**Sub-Fund**”).

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

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

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

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

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

The Sub-Fund’s Investment Shares are approved for trading in the regulated market organised by Burza cenných papírů Praha, a.s. The Sub-Fund’s Investment Shares may be acquired by provision of non-monetary contribution. The provision of non-monetary contribution is subject to the conditions stipulated in article 10.11 of the Fund’s Statutes.

### 2. INVESTMENT STRATEGY

- 2.1 The Sub-Fund invests in commercial real estate in the Czech Republic, primarily in office buildings in Prague, Bratislava and Warsaw. The aim of the Sub-Fund is to create, optimize and actively manage diversified portfolio of the office buildings in good locations, with good-quality lessee portfolio, stable cash-flow a conservative debt ratio. . The Sub-Fund, in addition to other factors, monitors the environmental performance of its investments and the management of its assets, seeking to enhance the sustainability, resilience and long-term value of its real estate portfolio by identifying and addressing environmental risks, while aiming to minimize the negative impact on the environment and social values. The Sub-Fund uses a conservative level of debt. The Sub-Fund aims to achieve for its investors the long-term revenue corresponding with the assets of this type. . The Sub-Fund’s investment objective is to increase the value of its Investment Shares. The investment strategy is based on investments primarily in Real Estate Companies focused on building ownership, lease management and management of these buildings in a segment mainly containing office buildings and potentially other commercial assets located in capital cities, and later even in regional cities of Czech Republic, Slovakia and Poland. The Sub-Fund also possesses a liquid assets (entitlements for the payment of funds from an account, or possibly money market instruments), which usually form a minor part of the Sub-fund’s assets. In case of sale of ownership interest in one or more Real Estate Companies, however, liquid assets may constitute the majority of the Sub-Fund’s assets, until they are reinvested. The Sub-Fund issues a class denominated in euros (EUR Class of the Office Sub-Fund) and a class denominated in Czech crowns (CZK Class of the Office Sub-Fund). Currency risks of the EUR Class of the Office Sub-Fund and the CZK Class of the Office Sub-Fund shall be secured in such manner and in such cases as the management company deems appropriate. The recommended investment horizon is at least 5 years.

- 2.2 The Sub-Fund's returns are reinvested, with the effective result of an increased value of Investment Share.
- 2.3 The performance of the Sub-Fund's portfolio shall not be compared against any reference benchmark or market composite index.
- 2.4 The following may be acquired as the Sub-Fund's assets:
- (a) in particular, ownership interests in Real Estate Companies;
  - (b) Entitlements from loans and borrowings provided to the Real Estate Company or other company from the group of the Real Estate Company;
  - (c) Entitlements to payment of funds from accounts (such as bank deposits);
  - (d) Bonds or similar securities representing the right to repayment of the owed amount;
  - (e) Money market instruments;
  - (f) Financial derivatives
- 2.5 The sum of investments in assets failing to meet the conditions under Article 17b (1) c) of the Tax Act must always be less than 10% of the Sub-Fund's assets.
- 2.6 A financial derivative which is not approved for trading may be concluded on the Sub-Fund's account, if:
- (a) the value, to which the value of the derivative is linked, is only the interest rate, exchange rate or currency;
  - (b) the derivative is reliably and verifiably valued each business day;
  - (c) the Fund may, on its own initiative, at any time assign, withdraw or otherwise terminate the derivative for an amount agreeable between the parties under conditions which are not significantly unbalanced for any party, or else conclude a new derivative for such amount, which will compensate the underlying assets of the derivative in the manner stipulated in accordance with standard obligations methodology; and
  - (d) the derivative is concluded with a Permitted Counterparty which is subject to the supervision by ČNB, or by the supervisory authority of another member state, or by the supervisory authority of any other state.
- 2.7 The techniques for the management of the Sub-Fund are repo transactions and financial derivatives according to the Article 2.6. These management techniques only can be used if:
- (a) They are used solely for the purpose of effective management of the Fund and to reduce the risk associated with investing on the Sub-Fund's account, to reduce the costs associated with investing on the Sub-Fund's account, or to obtain additional capital or generate additional returns, providing that the pertinent risks are consistent with the Sub-Fund's risk profile;
  - (b) By using these techniques, the rules are not circumvented set by the Government Regulation and imposed by the Statutes, or the Sub-Fund's investment policy, and
  - (c) The Sub-Fund's debts arising from the use of these techniques are at all times fully covered by the Sub-Fund's assets.

- 2.8 The Sub-Fund may use for purposes of calculating the total exposure:
- (a) The method of gross asset value; or
  - (b) Another advanced risk measurement method.
- 2.9 The Sub-Fund may grant a loan or borrowing.
- 2.10 The Sub-Fund's assets may not be used to provide loans or borrowings, make donations, secure other person's debts or satisfy any debts unrelated to its management.
- 2.11 The Sub-Fund enables to subordinate its loans or borrowings to other loans or borrowings, usually as a part of bank financing.
- 2.12 The Sub-Fund may issue a bond.
- 2.13 For the sake of efficient management, the Sub-Fund may utilise leverage. With the use of leverage, only transactions may be concluded on the Sub-Fund's account that are consistent with permissible investment tools. The leverage ratio shall not exceed 100% of the Sub-Fund's capital.

### 3. CLASSES

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

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

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

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

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

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

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

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

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

$$AV_{t-1} = NAV_{t-1} + \Delta DPP_{T-1} + FMP_{EUR;T-1} + VO_{EUR;t-1} +$$

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

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

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

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

<i>FX</i>	CZK/EUR exchange rate according to ČNB
<i>NAV</i>	Fund Capital (in EUR)
<i>ΔDPP</i>	change of the total amount of the Sub-Fund's tax liability (in EUR) after deduction of $\Delta DP_{CZK}/FX$

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

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

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

<i>AV<sub>t</sub></i>	Fund Capital on day <i>t</i> before taking into account items: $\Delta DPP_T$ , $FMP_{EUR,T}$ , $FMP_{CZK,T}/FX_t$ , $VO_{EUR,t}$ , $VO_{CZK,t}/FX_t$ , $\Delta Z_{CZK,T}/FX_t$ , $\Delta DP_{CZK,T}/FX_t$
<i>NAV<sub>CZK</sub></i>	fund capital of the CZK Class (in CZK)
<i>NAV<sub>EUR</sub></i>	fund capital of the EUR Class (in EUR)

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

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

## 5. RISK PROFILE

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

- (iii) Legal risks - arising from the fact that there may be an impairment in the value of the Sub-Fund's assets due to legal defects of real estate and Real Estate Companies acquired into the Sub-Fund's assets, for example due to the existence of a third party lien, encumbrances, pre-emptive rights, etc.;
  - (iv) Risks associated with debt financing - due to the possibility of financing acquisitions or construction of real estate with loans or borrowings, there is also a corresponding increase in the risk of adverse economic impacts on the Sub-Fund's assets in case of a wrong investment decision, or as a consequence of other causes with the effective result of impairment of the Sub-Fund's assets. Received external funding usually is secured by a property lien in favour of the provider of the loan or borrowing. Such loans are repaid mainly by income from rental of real estate. In case of inability to repay the external financing, there may be a loss of property of the Real Estate Company, or of the Sub-Fund's assets. This will have negative consequences in the form of impairment of the Sub-Fund's assets;
  - (v) Other real estate risks - mainly related to a higher risk of correct valuation of the property. In the case of real estate, pertinent investments typically have a long-term horizon, and thus are subject to increased political risks and a higher risk of reduced liquidity of the investment;
  - (vi) Risk of valuation of non-financial assets – the assets are valued when purchased and subsequently annually by an expert's opinion drafted by an independent qualified expert appointed by the Fund, although the final value of the asset is determined only by its sale price. If the valuation by an independent qualified expert proves to be different from the sale price of the asset, this could have a negative impact on the net asset value of the Sub-Fund.
  - (vii) Sustainability risks - mainly related to the potential inaccuracy of the collected data in comparison to the reality, failure of the technological equipment of the properties, failure of the established processes related to sustainable behaviour or sudden increase in the costs of operation or maintenance of the properties due to extreme weather or negative climatic changes. If these events were to occur, there could be a distortion or non-compliance with the promoted environmental and/or social properties, which could adversely affect the value of the Investment Shares.
- (b) Other Risks
- (i) Market risks - due to the impacts of the developments in financial markets on the prices and value of different types of the Sub-Fund's assets. These mainly include equity risks pertinent to the impact of changes in market prices of shares, and interest rate risks reflecting the impact of changes in market interest rates on the market value of debt instruments;
  - (ii) Credit risks - due to the issuer of an investment tool being in default with its obligations, or due to its overall financial failure. These risks increase with the choice of financial instruments issued by lower quality issuers. The Sub-Fund may invest in investment tools issued by a broad range of issuers without restrictions as to their rating;
  - (iii) Settlement risks - due to failure to deliver purchased investment tools by the opposite party, non-payment or delayed transaction. The choice of opposite parties is limited to quality banks and quality finance companies that meet the

requirements imposed by state supervisory bodies and have the necessary mandatory competences and qualifications;

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

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

## **6. FEES AND EXPENSES**

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

- 6.1 The fixed management fee is imposed for each Class at each valuation of the assets and liabilities of the relevant Class, from the initial valuation of the assets and liabilities

of the relevant Class. The fixed management fee of 1% p.a. is determined by the following formula:

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

$t$	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 before day $t$
$T$	period starting on the day following day $t - 1$ and ending on day $t$
$FMP$	fixed management fee
$N$	total number of Investment Shares of the Class
$NAUV$	fund capital of the Class per Investment Share of the Class
$n$	number of days in period $T$
$x$	number of days in the relevant year

The fixed management fee is paid quarterly in proportional instalments.

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

- (a) If  $y$  is less than 365, the gross performance of a share class is determined by the formula:

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

- (b) If  $y$  is more than 365, the gross performance of a share class is determined by the formula:

$$r_t = \sqrt[y/365]{\frac{GAUV_t}{GAUV_m}} - 1$$

$m$	last day of the previous reference period in which entitlement to performance bonus last arose (or on the day of initial issue of Investment Shares)
$r$	gross performance of the Class
$y$	number of days from day $m$ to day $t$
$GAUV$	fund capital of the Class before taking into account the performance bonus per Investment Share of the Class

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

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

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

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

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

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

The entitlement to performance bonus arises only if:

$$NAUV_t \geq NAUV_m$$

Otherwise:

$$VO_t = 0$$

- 6.3 The remuneration for the performance of the Custodian Bank's function is set at a fixed monthly amount of CZK 45.000 plus value added tax. The amount is payable to the Custodian Bank every calendar month.
- 6.4 The remuneration for the performance of the office of the Administrator is a percentage of the fixed management fee paid by the Sub-Fund.
- 6.5 For other fees and expenses paid from the Sub-Fund's assets see Part 11 of the Statutes; in addition to the fees and expensed specified therein, other expenses may be incurred in connection with the acquisition, operation or sale of real estate and/or ownership interests in Real Estate Companies, which are also paid from the Sub-Fund's assets, in particular pertinent legal and other consultancy services, audit expenses, land registry fees, costs associated with the activities of real estate agents, energies and utilities, maintenance and repairs, insurance, development, operating costs, and due diligence costs.

## B. Fees paid by the Investor

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

- (d) 0 % if the request for redemption of Investment Shares is submitted more than 5 years after the Investment Date.

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

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

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

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

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

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

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

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

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

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

## 7. OTHER IMPORTANT INFORMATION

- 7.1 The initial value at which the issue of Investment Shares is launched after the creation of the Sub-Fund is set to EUR 1. This amount may be increased by an entry fee (surcharge) pursuant to Point 6.6 of this Appendix.
- 7.2 Valuation of the Sub-Fund's assets and liabilities is performed regularly four times a year always to 31 March, 30 June, 30 September and 31 December of the calendar year. The first valuation of the Sub-Fund is due on start of its investment activities (expected after the first investment in Real Estate Company). Valuation of Real Estate Companies is carried out on the basis of supporting documentation, namely expert opinions which were drafted to a day no longer than six (6) months ago. The Administrator ensures Extraordinary Valuation of the Sub-Fund as the need may be in accordance with Point 9.6 of the Statutes.
- 7.3 The Investment Share value is announced at the latest by the end of the third calendar month after the day on which valuation of the Sub-Fund's assets and liabilities was carried out.

- 7.4 Investment Shares are redeemed from the Investor within the following terms:
- (a) within six (6) months of the end of the calendar quarter, in which the request for redemption was received under the Contract, if the requested redemption of Investment Shares does not exceed the amount of CZK 30,000,000 according to the last announced value of Investment Shares;
  - (b) within twelve (12) months of the end of the calendar quarter, in which the request for redemption was received under the Contract, if the requested redemption of Investment Shares exceeds the amount of CZK 30,000,000 according to the last announced value of Investment Shares.

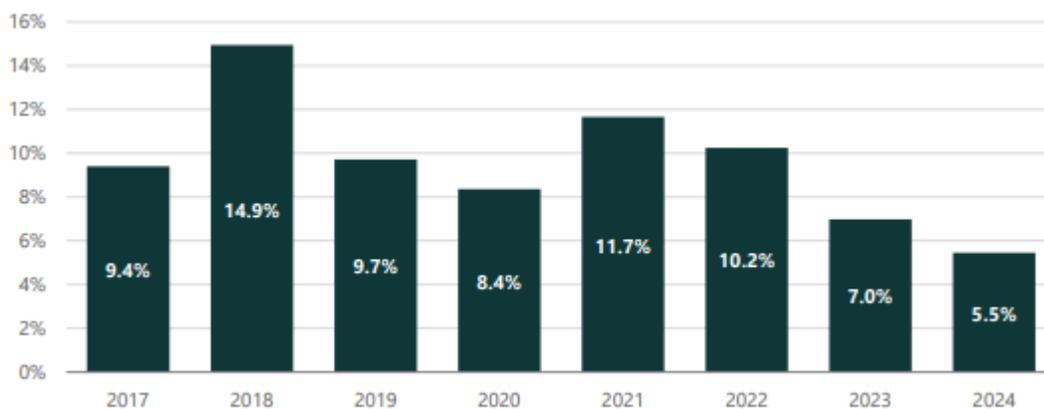
If, upon receipt of the request for redemption of Investment Shares of any relevant Class, the Investment Shares of one Class are owned by less than 100 Investors and the requested redemption of Investment Shares of such Class does not exceed CZK 10,000,000 according to the last announced value of Investment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

- 7.5 The Fund may suspend in accordance with the Act issuance or redemption of Investment Shares of the Sub-Fund for a maximum period of two (2) years where necessary for reasons of protection of Investors' rights or their legally protected interests.

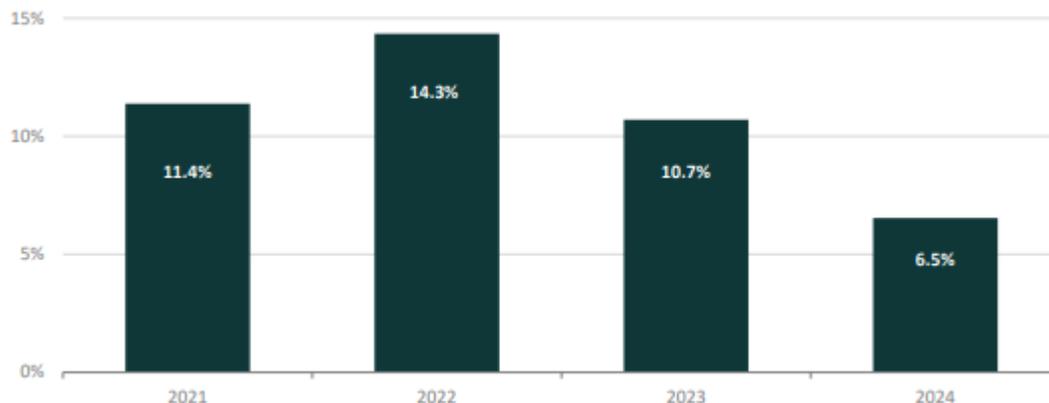
## 8. HISTORICAL PERFORMANCE

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

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



**D. Historical performance of the CZK Class of the Office Sub-Fund**



**9. INFORMATION ON SUSTAINABILITY**

This Sub-Fund promotes, amongst other characteristics, environmental characteristics in the sense of Article 8 of the SFDR Regulation. In accordance with the SFDR Regulation, the Sub-Fund provides information in relation to sustainability in Appendix 2a of the Statutes below.

In Prague, on 1<sup>st</sup> December 2025

**Sustainable investment**

means investment in economic activity that contributes to environmental or social objective, where it does not significantly harm any environmental or social objective and the companies in which it is invested comply with good governance practices.

**The EU taxonomy is** a classification system set out in the Regulation (EU) 2020/852 establishing a list of **environmentally**

**sustainable economic activities.** The Regulation does not contain a list of socially sustainable economic activities. Sustainable investment with environmental The objectives may or may not be consistent with the taxonomy.

**Product name:** WOOD & Company, investment fund with variable share capital, as – WOOD & Company Office sub-fund (hereinafter referred to as the "Sub-fund" or also "financial product")

**Legal entity identification code persons:** 315700GIZKN949SMA411

## Environmental and/or social characteristics

### Did this financial product aim to be a sustainable investment?

Yes	No
<input type="checkbox"/> Made <b>sustainable investments with an environmental objective of: ___%</b> <input type="checkbox"/> into economic activities that qualify as environmentally sustainable according to the EU taxonomy <input type="checkbox"/> into economic activities that do not qualify as environmentally sustainable according to the EU taxonomy <input type="checkbox"/> Made <b>sustainable investments with a social objective of ___%</b>	<input type="checkbox"/> <b>It promoted environmental/social (E/S) features</b> and, although it did not pursue a sustainable investment objective, it had sustainable investments of ___%, namely <input type="checkbox"/> investments with an environmental objective in economic activities that qualify as environmentally sustainable according to the EU taxonomy <input type="checkbox"/> investments with an environmental objective in economic activities that do not qualify as environmentally sustainable according to the EU taxonomy <input type="checkbox"/> investments with a social objective <input checked="" type="checkbox"/> He promoted E/S features but <b>did not perform any sustainable investments</b>



### To what extent have the environmental and/or social properties promoted by this financial product been fulfilled?

and) **Promoting energy efficiency in buildings**

The electrical and total energy consumption per m2 of GBA is monitored for each building forming the underlying asset of the Sub-Fund . During the reference period, an energy audit was carried out in the Harfa shopping center and administrative building.

**b) Responsible water management**

Measurement of water intensity per m2 of the building was initiated for each building forming the underlying asset of the Sub-Fund .

**c) Careful waste management and active recycling**

Waste intensity monitoring was initiated in each building forming the underlying asset of the subfund and tenants were offered a wide range of waste sorting options, including weighing.

**d) Reducing greenhouse gas emissions**

The intensity of emissions, respectively, is monitored for each building forming the underlying asset of the Sub-Fund. Carbon intensity per m2 of building area. This value depends not only on the efficient operation of the building, but also on the energy mix in the country, the share of emission-free energy from energy suppliers in individual countries, tenants' requirements for the purchase of emission-free energy and the price of emission-free energy from suppliers. The last variable in particular can cause year-on-year fluctuations in the result.

**Sustainability**

**indicators** measure how the environmental or social properties promoted by a financial product are achieved.

● **What were the results of the sustainability indicators?**

Individual SPVs within the Office Sub-fund monitor the following sustainability indicators:

(calculated per m2 of energy-related area according to PENB, weighted average of the portfolio)

Energy intensity	158.85 kWh/m2
Energy consumption intensity	91.66 kWh/m2
CO2 intensity	0.061 kgCO2eq/m2
Water intensity	0.216 m3/m2
Waste intensity	1.539 kg/m2

● **...and compared to previous periods?**

In previous periods, the indicators were not reported.

● **What were the sustainable investment objectives that the financial product partially implemented, and how did the sustainable investments contribute to these objectives?**

The Sub-Fund does not have sustainable investment objectives.

● **How significant were the sustainable investments that the financial product partially made that did not harm any environmental or social objective of sustainable investments?**

The Sub-Fund does not have sustainable investment objectives.

How were indicators of adverse impacts on sustainability factors taken into account?

ON

Were the sustainable investments in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

ON

The main adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employment issues, respect for human rights and the fight against corruption and bribery.

The EU taxonomy sets out the "do no significant harm" principle, according to which investments that comply with the taxonomy should not significantly harm the objectives of the EU taxonomy, and is complemented by specific Union criteria.

The "do no significant harm" principle applies only to those underlying investments of a financial product that take into account the EU criteria for environmentally sustainable economic activities. The underlying investments of the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Other sustainable investments must not significantly harm any environmental or social objectives.



### How did this financial product take into account the main adverse impacts on sustainability factors?

The financial product did not take into account the main adverse impacts on sustainability factors due to the lack of all relevant data for the given reference period. Some data on the adverse impacts on the sustainability of the financial product require data collection beyond the data currently available (e.g. data on biodiversity, etc.). The Fund will gradually introduce data collection over the following periods.



### What were the largest investments of this financial product?

The list includes investments that represent **the largest share of investments** of the given financial product during the reference period, which is: 01.03.2024-31.12.2024

The biggest investment	Industry	Assets in %	Country
Aupark Tower Bratislava sro	CZ-NACE: L68	10.78 %	SK
BBC Five ABC, Inc.	CZ-NACE: L68	9.33 %	SK
Astrum Holding sp.zoo (loan)	CZ-NACE: L68	9.31 %	PL
Lakeside Office 1, as	CZ-NACE: L68	8.01%	SK
GreenPoint Holding sro	CZ-NACE: L68	5.85%	CZ
LO2 Ltd.	CZ-NACE: L68	5.57 %	SK
Hadovka Holding sro (loan)	CZ-NACE: L68	5.44 %	CZ
Aupark Tower Bratislava sro (credit)	CZ-NACE: L68	5.35%	SK
SA Business Center sro	CZ-NACE: L68	5.16%	SK
Greenline Holding sro (loan)	CZ-NACE: L68	5.03%	CZ
Hadovka Holding sro	CZ-NACE: L68	4.96 %	CZ
Tower Holding sp. z oo (loan)	CZ-NACE: L68	4.57 %	PL
Lakeside Office1, as (credit)	CZ-NACE: L68	4.11%	SK
BBC Five ABC, Inc. (credit)	CZ-NACE: L68	3.74 %	SK
Greenline Holding sro	CZ-NACE: L68	3.57 %	CZ



## What was the proportion of sustainability-related investments?

### Asset allocation

describes the proportion of investments in specific assets.

To be consistent with the EU taxonomy, the criteria for **fossil gas** include emission reduction and transition to renewable energy or low-carbon

fuel by the end of 2035. As for **nuclear energy**, the criteria include comprehensive safety and waste

management rules.

### Supporting activities

directly enable other activities to contribute significantly to the environmental objective.

### Transitional activities

are activities for which low-carbon alternatives are not yet available and, among other things, their greenhouse gas emission levels correspond to best practices.

### What was the asset allocation?

Cash	2.67%
Equity participations	53.76%
Loans and credits	42.91%
Bonds	0.63%
Other financial assets (FX)	0.03%



### In which economic sectors were investments made?

Investments were made in the real estate sector, or rather, they intersect between the quaternary sector (investment management and consulting) and the secondary sector (construction).



### To what extent were sustainable investments with an environmental objective in line with the EU taxonomy?

0%.

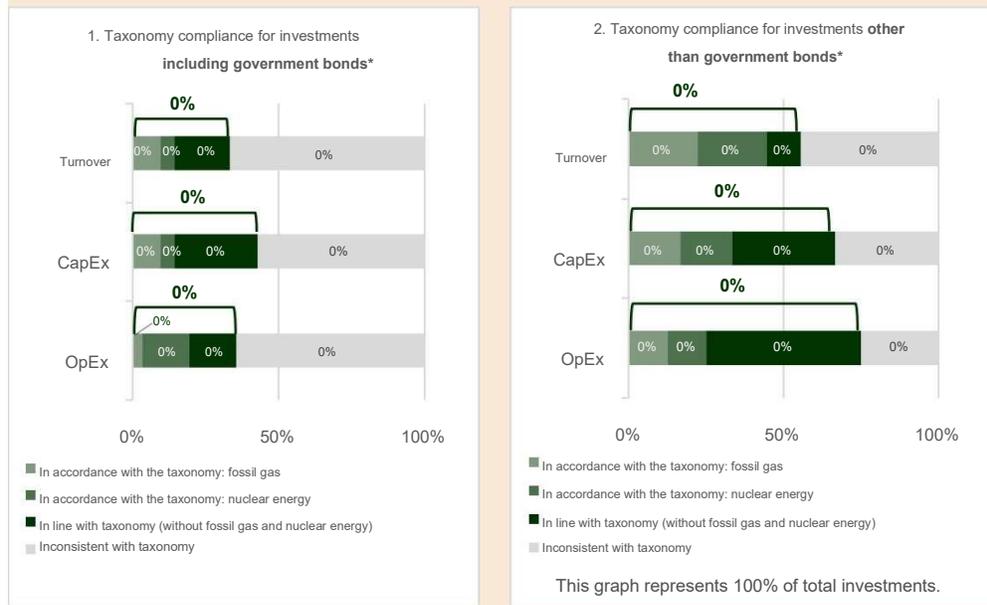
● **Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup> ?**

- Yes:
  - Fossil gas
  - Nuclear energy
- No

Activities in accordance with the taxonomy are expressed as a proportion on:

**turnover** representing the share of income from the environmental activities of the companies in which it is invested, **capital expenditure (CAPEX)** representing green investments of investee companies, e.g. in the transition to a green economy, **operating expenses (OPEX)** representing green operating activities of investee companies.

The graphs below show in green the percentage of investments that were compliant with the EU taxonomy. Given that there is no appropriate methodology for determining taxonomy compliance for sovereign bonds\*, the first graph shows taxonomy compliance in relation to all investments of the financial product, including sovereign bonds, while the second graph shows taxonomy compliance only in relation to investments of the financial product in non-sovereign bonds.



\* For the purposes of these charts, "government bonds" represent all government exposures.

● **What was the proportion of investment in transitional and support activities?**

0%

● **What was the percentage of investments that were in line with the EU taxonomy compared to previous reference periods?**

0%

<sup>1</sup> Fossil gas and/or nuclear energy activities will only be compliant with the EU taxonomy if they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any objective of the EU taxonomy - see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that are compliant with the EU taxonomy are set out in Commission Delegated Regulation (EU) 2022/1214.

... are sustainable investments with an environmental objective that **do not take into account criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the proportion of sustainable investments with an environmental objective that were not in line with the EU taxonomy?**

100% - Our investments generally demonstrate compliance with the EU Taxonomy in the area of substantial contribution, but due to lack of data, we are unable to demonstrate full compliance in the areas of DNSH.



**What was the share of socially sustainable investments?**

0%



**What investments were included in the “Other” item, what was their purpose and were there any minimum environmental or social safeguards?**

The other item includes: cash, bonds and FX.

Purpose: liquid component, exchange rate differences.

These items did not follow minimum environmental or social safeguards.



**What measures were taken to meet environmental and/or social performance during the reference period?**

During the reference period, the Due Diligence process was supplemented with questions regarding PENB, building operations and sustainable certifications. The aim will be to contribute to the detection of Environmental risks when selecting investment opportunities.

Emphasis is placed on the energy efficiency of the operation of the underlying assets and monitoring compliance with the CRREM curve.

The core Sustainability Standards have been implemented into the operating rules of the underlying assets.



**How did this financial product perform compared to the benchmark?**

This financial product has not chosen any benchmark due to its classification.

- **How does a benchmark differ from a broad market index?**

**ON**

- **How did this financial product perform on sustainability indicators to determine the benchmark's compliance with the environmental or social characteristics claimed?**

**ON**

**Benchmarks** are indices measuring whether a financial product achieves the environmental or social characteristics it claims to have.

- *How did this financial product perform compared to the benchmark?*

**ON**

- *How did this financial product perform compared to the broad market index?*

**ON**