r2p invest SICAV, a.s.

We convert minuses to pluses

Qualified Investors
Fund of the SICAV form

Expected yield
for shareholders
up to

8,4%

p.a.

The value of an investment in a fund
can decline and rise and return of the initially
invested amount is not guaranteed.

www.r2pinvest.cz

r2p invest

I. Basic data

Focus of the fund

companies that provide financial loans and administration of receivables

Investment strategy

equity participation in business companies and providing loans to them

Expected yield of the Fund (IRR)

8,4% p.a.

for shareholders after taxation by type of investment strategy

Priority and dividend investment stocks

7,4 - 8,4% p.a.

for shareholders

Type of Fund	qualified investor fund in the form of SICAV.
Focus of the fund	companies that provide financial loans and management of receivables.
Investment Strategy	equity participation in trade companies and providing loans to companies.
Target value of assets	EUR 1 000 000 000.
Subscription of investment shares	monthly.
Securities	investment shares and dividend investment shares in book-entry form.

Priority investment shares

Expected return on the fund (IRR)	7.4-8.4% p. a. for shareholders after tax (after 3 years of holding shares).
Payment of returns	on an ongoing basis at the value of the investment share.
Redemptions of investment shares	quarterly; settlement within 12 months after the end of Q (for redemptions up to 3 years).

Dividend investment shares

Expected return on the fund (IRR)	7.4-8.4% p. a. for shareholders pre-tax.
Payment of returns:	quarterly dividend payment of 7.4% p.a. (subject to withholding tax of 15%); with appreciation higher than 7.4% p.a., however, a maximum of 8.4% p.a. continuously at the value of the investment share.

I. Basic data

Duration of the Fund	for an indefinite period.
Client's minimum investment	of CZK 1 million (for Section 272 1) h) to i) and 2) of the ZISIF); otherwise, the equivalent of 125000 EUR; subsequent investments (or for investors pursuant to the provisions of Section 272 (1) (a) to (h) of the ZISIF) 300 000 CZK.
Client's investment horizon	medium-term, 4 years.
Entry fee	up to 3% of the value of subscribed investment shares.
Exit fee	5% in the case of an application for redemption of investment shares within 3 years of issue or redemp-tion of more than 10 % of investment shares; 0% when requesting the purchase of investment shares from 3 years after the issue or on the purchase of less than 10% of investment shares.
Fund manager	AVANT investiční společnost, a.s.
Fund costs	max. 10% p. a. of the average value of assets.
Annual remuneration of the manager	0.5% p. a. of the value of the assets of the Fund.
The manager's performance fee	not charged.
The custodian bank	UniCredit Bank Czech Republic and Slovakia, a.s.
Auditor	EURO-Trend Audit, a.s.
Regulation and jurisdiction	the Czech National Bank and the Czech Republic.
Taxation of fund income	5% of the profit of the Fund.
Taxation of shareholders - natural persons	15% for redemption in up to 3 years, 0% for redemption after 3 years, withholding tax on paid dividend 15%.

II. Objectives of the Fund

Expected yield
for investors is

7,4 - 8,4% p.a.

after taxation, according
to the type of investment
shares

The Fund issues 3 types of investment shares, with the obligation to buy from investors:

For qualified investors from among the general public:

- priority investment shares
- dividend investment shares

The founders subscribe:

- performance investment shares
(their capital serves to ensure a minimum return for other types of shares).

The r2p invest SICAV, a.s. fund was established with the aim of maximizing the value of the funds of investors - shareholders of the fund, in the form of direct and indirect investments in loans and receivables, especially in the territory of Central Europe, Russia and Asia.

The set goal is primarily achieved by:

- the purchase of equity investments in trade companies operating in the territory Central Europe, Russia and Asia that provide loans, loan facilities and management of receivables,
- lending to these companies for both secured and unsecured loans and local market loans,
- lending to these companies to purchase both secured and unsecured portfolios receivables and their administration, primarily from local financial institutions,
- interest received on loans granted, dividends received from subsidiaries; and potentially to profit from the sale of equity investments.

The fund‘s investments are designed as medium to long-term, so it is particularly suitable for investors with an investment horizon of 4 years.

III. Benefits of Investing Through a Qualified Investors Fund

- Professional management of equity and loans.
- Low entry fees.
- Zero exit fees for a 3-year holding period.
- Lower 5% income tax rate for investment funds.
- Possibility of exemption from income tax for investors when purchasing investment shares after 3 years.
- Regular quarterly payment of a dividend advance in the amount of minimum returns (7.4% p.a.) for investors in dividend investment shares (subject to withholding tax of 15%).
- Higher portfolio diversification.
- Portfolio size increases the manager‘s negotiating position.
- Possibility to finance part of the portfolio by bank loan or by issuing bonds - the leverage will not exceed 300% of the fund’s capital.
- Information on the risks associated with investing are contained in the fund rules and KID.

IV. Reasons for Investing in the Fund

- Above-standard expected return on preference and dividend investment shares of 8,4% p.a.
- Priority share in the fund's profit of up to 8.4% p.a.
(relative to the fund founder - holding performance investment shares).
- Provision of a minimum return on preferred investment shares of 7.4% p.a., even in the case of a lower profit or loss of the fund. The minimum yield allows the redistribution of fund capital from holders of performance and investment shares (founders of the fund) in favor of holders of preference and dividend investment shares (external investors), up to the amount of such fund capital which is attributable to performance investment shares.
- Secondary share of the potential loss of the fund. The loss is primarily covered by the fund's capital, from the holders of performance investment shares.
- Investing in real assets with stable value growth. Professionally managed loans and receivables represent a stable and estimable return in the form of principal and interest received.
- Professional background of the Fund manager that cooperates with an investment group that has a long-term international experience in lending and receivables management.
- Diversification of investments into more geographic territories.

V. Investment Strategy and Process

The investment strategy of r2p invest SICAV, a.s. is to maximize risk spread by diversifying investments into companies that provide loans and credit, buy or manage receivables. The fund reinvests the proceeds of the fund's assets.

The investment process has several phases:

- **Selection** of suitable investments.
- Submission of proposals to the fund's investment committee, together with a proposal of the required price and quality parameters.
- Approval of the plan by the fund's investment committee.
- Investments.

Investment process criteria:

a) Acquisition of a company (SPV)
The investment committee always requires detailed financial criteria for the investment's effectiveness.
One of the most important criteria is "investment cash flows".

b) Lending to companies
Sufficient collateral is crucial for the investment committee to approve the credit risk.

c) Purchases of portfolios of secured and unsecured receivables
A precise analysis of return on investment is crucial, together with the overall potential of the portfolio.

The fund relies on the truly extensive and long-term experience of the Fund founder in the target markets in all three investment areas. Detailed information on the investment strategy and process is provided in the statutes of the fund.

VI. List of the Projects of the Fund

Investing in OOO MKK „Vyruchai Dengi“ specializes in providing sales finance and retail loans in the Russian Federation (RF). It ranks in the TOP 10 financial and credit companies in Russia (measured by total portfolio size). „Vyruchai Dengi“ currently operates in 8 cities of the RF and plans further expansion.

Key Company Information:

- One of the strongest players in his segment.
- 312 employees.
- 154 000 clients.
- As of September, this year 2019 has seen the issue of more than 1.7 billion rubles.
- In total, it has issued more than 5.2 billion rubles.

In the area of retail lending, the Fund plans to invest in other SPVs, in particular in Kazakhstan and Sri Lanka.

OOO MKK „FAIRDIP Finance“ (FD) specializes in providing secured loans in the Russian Federation. FD focuses on the SME segment. The total portfolio as of 6/2019 was more than 1 billion rubles. Loans under collateral always up to 35% LTV.

VI. List of the Projects of the Fund

MBA CONSULT PTE. LTD. is the parent company of the MBA Consult group the subsidiaries of which deal with credit risk management for companies in the banking, insurance, mobile operator, energy, government and municipal sectors, as well as for others. The MBA Consult group operates through its subsidiaries in the Czech Republic, Slovakia, the Russian Federation, Kazakhstan, India, Indonesia, China and the Philippines.

Key Group Information:

- One of the strongest players in CEE, CIS and Asia.
- Leader in the CZ and RU markets.
- 23 years of experience
- 8 branches, 14 call centers.
- More than 25 million unique receivables under management.
- Since its foundation, more than $ 1 billion has been recovered for our clients.
- 4 trillion EUR assets under management.

The Fund will continue to purchase portfolio of secured and unsecured receivables in cooperation with the international group MBA Consult.

VII. Corporate Governance

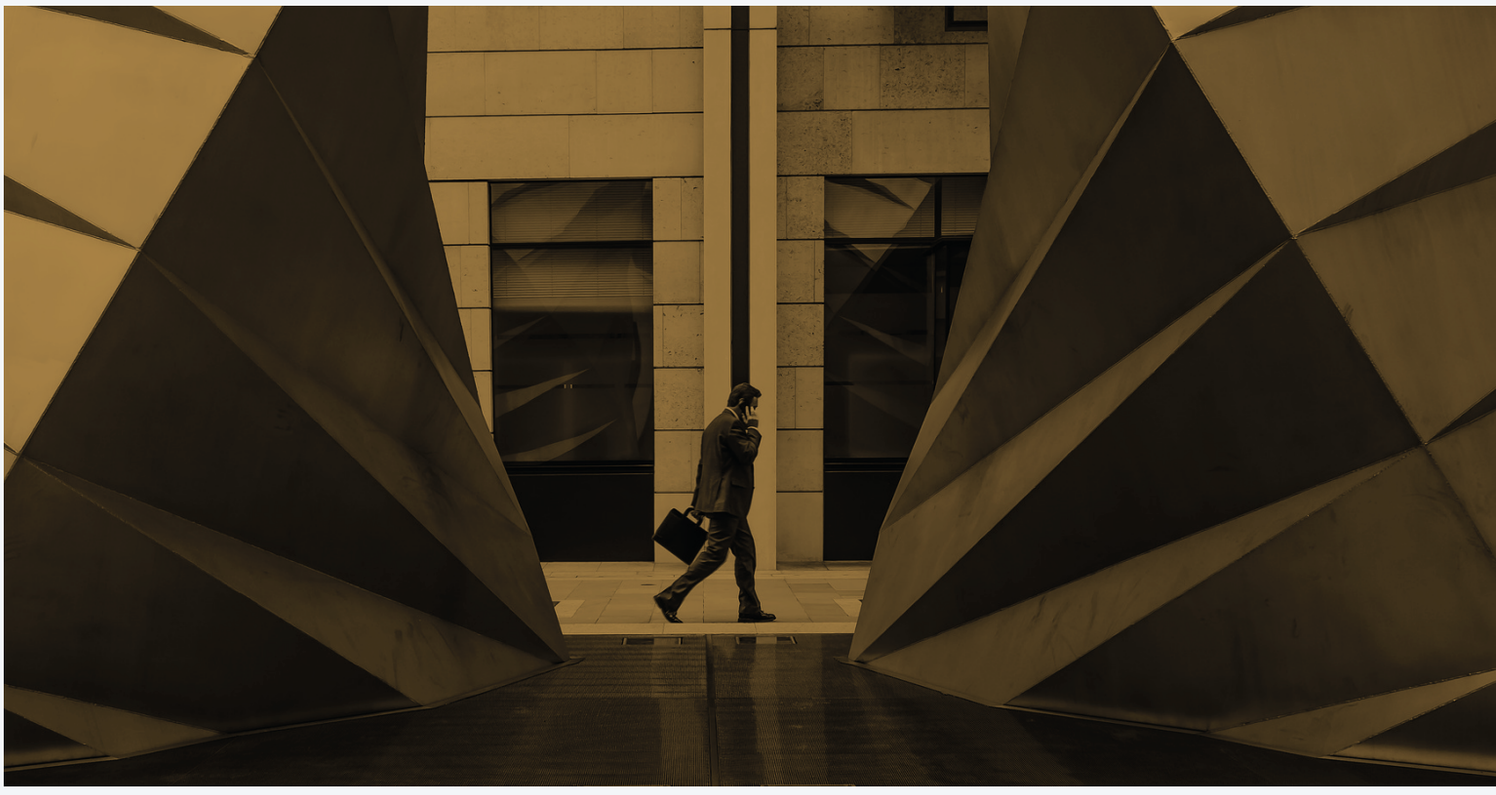
Auditor	It checks the keeping of the fund‘s accounting and compliance with the rules for the management of the fund‘s assets.
CNB	The Czech National Bank records the fund in the list of investment funds, supervises the activities of the fund, investment company and depository bank, requires regular reports on the fund‘s management, and imposes sanctions.
Depository bank	It continuously monitors the management of the fund‘s assets, the purpose of each item in the fund‘s account must be documented by the depositary, and ensures the safekeeping of the fund‘s securities.
Fund	Fund of qualified investors pursuant to s. 128 of Act No. 240/2013 Coll., on Investment Companies and Investment Funds (ZISIF), under the supervision of the CNB and the depository bank. The fund owns SPVs (100%) and provides subordinated loans to SPVs (equity).
Investment process	Each investment project is subject to an analysis of economic viability (AEV), the investment is further assessed by the investment committee and finally decided upon by the statutory director.
Investment company	It manages the fund‘s assets in accordance with the statutes of the Fund and ZISIF, acts on its behalf, signs contracts on behalf of the fund, fulfills the fund‘s obligations to the government (accounting, taxes), the CNB (monthly financial statement reporting, infor-mation on changes) and towards the custodian bank. The activities of the investment company are continuously monitored by the custodian bank and the CNB. The investment company shall inform the investors of the Fund of the value of the investment stock, issue and buy the investment stock and maintain a list of shareholders.
Shareholder	An investor who, by issuing an investment share, acquires an interest in the fund assets and the right to redeem investment shares within the terms of the Statute in consideration of the current value declared by the investment company.
Statutes	Basic document of the Fund that defines the investment strategy, investment limits, rules of decision and management of the fund, the manner and frequency of calculation of the value of the in-vestment stock and the fund‘s cost, specifies the scope of the de-positary‘s activities and the reporting obligations of the fund.
SPV	A project company owned and controlled by the fund that provides loans and manages receivables.

VIII. Introducing the Manager

AVANT investiční společnost

AVANT investiční společnost, a.s. specializes in setting up and managing qualified investor funds. In recent years, AVANT IS has become the most dynamically growing investment company in the Czech Republic and is currently the largest investment company on the market of qualified investor funds.

AVANT investiční společnost, a.s. manages and administers 102 investment funds and sub-funds with a total asset value of over CZK 39 billion as of 30 September 2019. AVANT IS has gained its market position primarily by its personalized approach to client, experience, flexibility and quality of the services provided.
The managed funds invest in commercial real estate, housing projects, agricultural land, receivables, ownership interests in start-up projects or in existing companies, which it helps in further development.



IX. Notice

r2p invest SICAV, a.s. is a qualified investor fund. Only qualified investors within the meaning of Section 272 of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, may become an investors of the fund. The investment company warns investors that the value of the investment in the fund may decrease or increase and that the return on the originally invested amount is not guaranteed.
The performance of the Fund in previous periods does not guarantee the same or higher performance in the future. The investment in the fund is intended to generate returns in the medium and long term and is therefore not suitable for short-term speculation. Potential investors should consider, in particular, the specific risks that may arise from the investment objectives of the Fund as set out in its Statute. The investment objectives are reflected in the recommended investment horizon as well as in the fund's fees and costs.

The key fund information (KID) and Statutes of the Fund are available at:
www.avantfunds.cz/informacni-povinnost.
The information can be obtained in paper form from the registered office of AVANT investiční společnost, a.s. ROHAN BUSINESS CENTRE, Rohanské nábřeží 671/15 (reception B), 186 00 Prague 8, Czech Republic. More information on the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA) can be obtained at
www.avantfunds.cz/dulezite-informace.

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