

Communication of key information

In this communication you will find key information about this investment product. It is not promotional material. The provision of this information is required by law to help you understand the nature, risks, costs, potential returns and losses associated with this product and to compare it with other products.

General information

PRODUCT NAME		ISIN
Dividend investment shares r2p invest SICAV, a.s.		CZ0008044609
NAME OF PRODUCT CREATOR	WEBSITE	PHONE
r2p invest SICAV, a.s.	www.avantfunds.cz	+420 267 997 795
THE SUPERVISORY AUTHORITY RESPONSIBLE FOR OVERSEEING THE PRODUCT MANUFACTURER		DATE OF DRAFTING/LAST MODIFICATION
Czech National Bank		December 12, 2022
NOTICE		
THE PRODUCT YOU ARE CONSIDERING BUYING IS COMPLEX AND CAN BE DIFFICULT TO UNDERSTAND.		

What kind of product is it?

PRODUCT TYPE
Priority investment shares issued to the investment fund r2p invest SICAV, a.s. This is a participating security issued to an investment fund which is: <ul style="list-style-type: none"> an alternative investment fund within the meaning of Directive 2011/61/EU of the European Parliament and of the Council ("AIFMD"); and a fund of qualified investors within the meaning of Act No. 240/2013 Coll., on Investment Companies and Investment Funds (hereinafter referred to as "ICIF").
PRODUCT OBJECTIVES

The Fund's investment strategy is primarily to invest in equity trading companies managing diversified portfolios of secured and unsecured consumer credit receivables, generally acquired from financial institutions. Investments are generally in the form of the acquisition of equity or the provision of credit. Geographically, the fund's strategy is primarily focused on the Czech and Slovak Republics, Cyprus, India and Singapore. The Fund's earnings are generated through capital appreciation of investments and/or through the ongoing collection of dividends and/or interest payments on loans. Investments are generally made using loan financing, and for investments in certain countries the Fund may finance its activities in the relevant currencies, thereby reducing currency risk. Credit financing increases the potential yield of the product, but at the same time, the product carries a significantly higher risk of loss of the invested funds. The relationship between the return of the underlying asset portfolio and the return of the product is not entirely direct. The distribution of the product's return can be complex and difficult to understand and it is therefore essential that the investor familiarises himself with its parameters before making an investment. Investors in the product are allocated the realised appreciation of the Fund's portfolio on a priority basis up to a maximum of 10% p.a. of the product value. In the event of underperformance of the portfolio or in the event of a loss suffered by the Fund's portfolio, the priority return of the product up to an amount equivalent to 9% p.a. of the value of the product is debited to the value of the investors' investments in investment income shares issued to the Fund. In accordance with the Fund's dividend policy applicable to the product, the Fund pays a dividend of 10% p.a. to holders in the form of quarterly advances and annual settlements, where its current performance permits. The product's yield that is not paid as a dividend is reinvested.

INTENDED RETAIL INVESTOR
This product may only be acquired by a qualified investor within the meaning of Section 272(1) of the ISIF Act. The product is suitable for investors who intend to supplement their portfolio with alternative types of investments with a relatively dynamic risk-return profile, whose performance is generally not dependent on the performance of traditional investment instruments (shares, bonds). The product is not suitable for investors who require a quick monetization of their investment before the end of the planned investment horizon.
Investor's investment horizon: min. 4 years
The product is particularly suitable for investors who: <ul style="list-style-type: none"> are able to absorb the loss of a significant part of the invested amount; accept the limited liquidity of their investment; have knowledge and experience in equity investing and lending; have knowledge and experience of investing using credit financing.

What risks am I taking and what return could I achieve?

AGGREGATE RISK INDICATOR (SRI)							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 12.5%; text-align: center;">1</td> <td style="width: 12.5%; text-align: center;">2</td> <td style="width: 12.5%; text-align: center;">3</td> <td style="width: 12.5%; text-align: center;">4</td> <td style="width: 12.5%; text-align: center;">5</td> <td style="width: 12.5%; text-align: center; background-color: #333; color: white;">6</td> <td style="width: 12.5%; text-align: center;">7</td> </tr> </table> <p style="text-align: center;"><-----></p> <p>Lower risk Higher risk</p>	1	2	3	4	5	6	7
1	2	3	4	5	6	7	
<p> NOTICE</p> <p>The SRI assumes that you will keep the product for at least 4 years. The actual risk may vary significantly if you request to buy the product early. You may recover less.</p>							
VERBAL DESCRIPTION OF SRI							
<p>The aggregate risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely the product is to lose money due to market movements or because we are unable to pay you.</p> <p>We have ranked this product as Class 6 out of 7, which is the second highest risk class.</p> <p>This product is placed in the appropriate risk class due to the absence of a relevant historical data series or the absence of a benchmark with appropriate parameters.</p> <p>In particular, the credit risks of the borrowers are fundamental to the return of this product. Given that the Fund invests in investments denominated in foreign currencies, currency risk is a significant component affecting the product's return.</p> <p>This product does not include any protection against future market performance so you could lose some or all of your investment.</p> <p>If we are unable to pay you the amount owed, you could lose all of your investment.</p>							

AVANT investiční společnost, a.s.

Hvězdova 1716/2b, Nusle, 140 00 Praha 4 • Czech Republic

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PERFORMANCE SCENARIO

This table shows how much you could get back over the next 4 years under different scenarios, assuming you invest CZK 2,000,000. These scenarios illustrate how your investment could work. You can compare them with scenarios for other products. The scenarios presented are an estimate of future performance based on past evidence of how the value of this investment varies and are not an accurate indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you could get back in a market emergency and does not take into account a situation where we are unable to pay you.

The figures shown include any costs of the product itself but may not include any costs you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

These scenarios show how much you could get back after costs, depending on the length of time you have held the product:

SCENARIO		Product holding 1 year	Product holding 2 years	Product holding 4 years
Stress scenario	How much you could get back after costs	2 014 661	2 194 135	2 739 726
	Average return each year	0,7 %	4,7 %	8,2 %
Adverse scenario	How much you could get back after costs	2 014 661	2 194 135	2 739 726
	Average return each year	0,7 %	4,7 %	8,2 %
Moderate scenario	How much you could recover after costs	2 034 661	2 236 231	2 842 437
	Average return each year	1,7 %	5,7 %	9,2 %
Favourable scenario	How much you could recover after costs	2 034 661	2 236 231	2 842 437
	Average return each year	1,7 %	5,7 %	9,2 %

What happens if the fund is unable to make a payout?

ABSENCE OF GUARANTEES AND COMPENSATION SYSTEMS FOR THE PRODUCT

An investor may face a financial loss as a result of the failure of the product manufacturer, and such loss is not covered by the investor compensation or guarantee scheme.

What costs are associated with the investment?

SUMMARY COST INDICATOR (RIY)

The reduction in yield (RIY) shows the impact that the total cost you pay will have on the investment return you could earn. Total costs take into account one-off, ongoing and incidental costs.

The costs shown here are the cumulative cost of the product itself over three different holding periods. They include possible deductions for early termination. The figures assume that you invest CZK 2,000,000. These details are estimates and are subject to change in the future.

COSTS IN TIME

The person selling or advising you about the product may charge you different costs. If so, this person will provide you with information about these costs and explain the impact that any costs will have on your investment over time.

Investment 2 mil.	If you ask for a buyout after 1 year	If you ask for a buyout after 2 years	If you ask for a buyout after 4 years
Total costs (CZK)	183 691	213 576	155 419
Impact on revenue (RIY) per year	9,18%	5,06%	1,57%

COST COMPOSITION

The table below shows:

- the impact of each year's different types of expenses on the investment return you could earn at the end of the recommended holding period;
- the importance of the different categories of costs. Tato tabulka ukazuje dopad na výnos ročně

One-off costs	Cost of entry	0,81 %	The impact of the costs you pay when you enter investing.
	Cost of output		This is the maximum you pay, and you could pay less. This item mainly includes the cost of distributing the product.
Ongoing costs	Portfolio transaction costs		The impact of the cost of exiting your investment when it has reached the recommended holding period.
	Other ongoing costs	0,76 %	The cost impact of our purchases and sales of the underlying investments on the product.
Incidental costs	Performance fees		The impact of the costs we incur each year to manage your investments.
	Capital appreciation fees		The impact of the performance fee.

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How long should I hold the investment? Can I withdraw my money early?

RECOMMENDED HOLDING TIME

Investment horizon: at least 4 years

The investor is advised to hold the product for the intended life of the fund. The investment horizon of the fund has been set taking into account the expected development of the underlying asset market. Early redemption is associated with additional liquidity costs on the part of the Fund and therefore early redemption is subject to a significant haircut. The income associated with ownership of the Fund's assets may not be sufficiently reflected in the value of the investment for early redemption purposes prior to the time of the final sale of the portfolio.

Early redemption of a product may force early or unfavorable monetization of the Fund's assets, which may adversely affect the value of the product.

THE PROCEDURE FOR CANCELLING AN INVESTMENT AND WHEN CANCELLATION IS POSSIBLE

Submission of a written request for redemption of the product delivered:

- in person at the Administrator's office: AVANT investiční společnost, a.s., CITY TOWER, Hvězdova 1716/2b, 140 00 Prague 4, on working days between 9 a.m. and 4 p.m;
- in person at the representative of the investment fund or the administrator, on working days between 9 a.m. and 4 p.m;
- by post with a certified signature to the address of the administrator: AVANT investiční společnost, a.s., CITY TOWER, Hvězdova 1716/2b, 140 00 Prague 4;
- in other ways regulated by the fund's statutes.

The Administrator is obliged to buy back the product/investment shares from investors:

- within 9 months after the end of the calendar quarter in which it received the investor's request to redeem investment shares, if the redemption is for investment shares issued within three years prior to the redemption request;
- within 6 months after the end of the calendar quarter in which it received the investor's request to redeem the investment shares, in other cases.

Early redemption of the product may have the following consequences on the risk-return profile of the product:

- **Redemption of the product at a horizon shorter than the recommended holding period may result in an overall lower appreciation than expected by the investor.**

The Product will be redeemed for an amount equal to the current value of the Investment Shares for the date on which the request to redeem the Investment Shares is received, which value means the value of the Investment Shares determined retrospectively to the last day of the period in which the request to redeem the Investment Shares is received.

FEES AND PENALTIES FOR PRODUCT REDEMPTION

When redeeming product/investment shares, exit fees of:

- 5% of the value of the product if the investor has made a redemption request for investment shares issued within three years prior to the redemption request and at the same time more than 10% of the volume of his investment shares is redeemed in a calendar year;
- 0% of the total value of the investment shares being redeemed if
 - (a) the relevant shareholder has made a request to redeem investment shares issued within 3 years prior to the request for redemption and at the same time less than 10% of its investment shares are redeemed in a calendar year; or
 - (b) the relevant shareholder has made a request to redeem investment shares issued more than 3 years before the request for redemption.

How can I make a complaint?

FILING A COMPLAINT

Complaints about the product, the actions of the product creator or distributor, or the advisor must be submitted in writing via the administrator:

- in person at the Administrator's office: AVANT investiční společnost, a.s., CITY TOWER, Hvězdova 1716/2b, 140 00 Prague 4, on working days between 9 a.m. and 4 p.m;
- by post to the administrator's address: AVANT investiční společnost, a.s., CITY TOWER, Hvězdova 1716/2b, 140 00 Prague 4;
- by e-mail to info@avantfunds.cz;
- via the form on the website avantfunds.cz.

Other relevant information

INFORMATION DOCUMENTS TO BE PROVIDED TO THE INVESTOR IN THE PRE-CONTRACTUAL OR POST-CONTRACTUAL PHASE

1. Constitution ("Statut" in CZ)
2. Statutes ("Stanovy" in CZ)
3. Securities Subscription Agreement
4. Identification and Audit Questionnaire
5. Investment questionnaire for the assessment of eligibility
6. Affidavit of the investor in the qualified investor fund
7. Declaration of tax residency

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