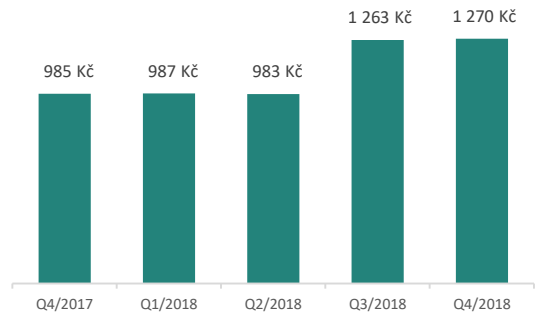


# BDO Investment, Industry sub-fund

## Summary

- BDO Investment SICAV a.s., Industry sub-fund collects resources from a limited number of ‘accredited investors’ to invest in promising companies in traditional sectors of the manufacturing industry in the Czech Republic.
- The investment horizon of the sub-fund is five years. On entry, the investor acquires shares at a price reflecting the value of the asset. The sub-fund then invests those funds by purchasing ownership interests in selected companies. At exit, the investor sells the shares back to the sub-fund for a price based on the current value of the asset. The value of the sub-fund asset is calculated quarterly. The portfolio is evaluated by an independent expert institution every year.
- In the 12/2017 to 12/2018 period, the net asset value (NAV) of the sub-fund per investment share grew by almost 29%.
- The BDO Investment SICAV a.s. founders are the companies BDO Advisory s.r.o. and BDO Tax s.r.o., while BDO Advisory s.r.o. is also the expert advisor for the fund. The expert advisor searches for and evaluates investment opportunities and manages the sub-fund portfolio.
- BDO is one of the largest advisory firms with a global span. It has operated in the Czech Republic since 1991.

Development of net asset value per share (NAV) at the end of the calendar quarter



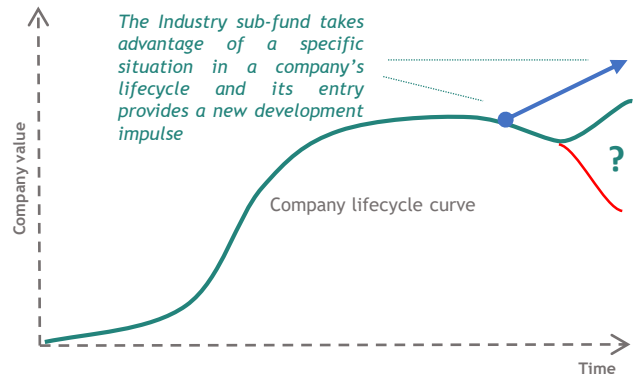
The investment shares had a nominal value of CZK 1 000 in the given period. The first shares were issued on 23/11/2017.

The NAV is determined quarterly by the sub-fund administrator. At the end of the accounting period (30/9), an expert opinion is prepared by an independent expert institution. In the meantime, the NAV is determined from the sub-fund accounts.

Source: AMISTA IS, sub-fund annual report

## Investor profile

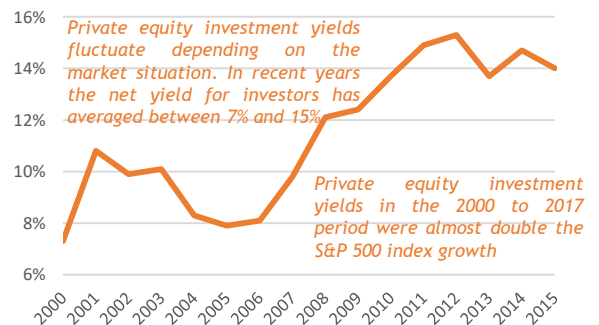
- Investment in this sub-fund is exclusively intended for accredited investors pursuant to Section 272 of Act No 240/2013, on management companies and investment funds.
- A typical investor is a former company owner seeking the best solution for the money they obtained after successfully selling their firm. They are an active investor willing to share their experience with the portfolio companies as much as they can.
- The minimum investment is CZK 1,000,000. An investment into companies inherently has limited liquidity. It is therefore anticipated that the investor's funds will be tied to the sub-fund for at least five years, which corresponds to the expected lifespan of the individual investment.



Source: BDO

## Sub-fund investment strategy

- The sub-fund primarily focuses on companies operating in traditional sectors with a demonstrable history and business story. Companies under consideration have their own customer portfolio and operate on a relatively stable market not subject to dramatic changes. The management has a vision of where they want to take the company and the experience to make that vision a reality.
- The sub-fund is an active investor. It works to acquire a significant ownership interest in the companies in which it invests, enabling it to influence the company's subsequent development. Smaller interests are offered to the company management.
- The Industry sub-fund exclusively invests in companies in which it can be of clear benefit, reflected in investment value growth. The growth in value lies in the development of the company's potential, optimisation of its internal processes, reduction in costs and better exploitation of internal resources.
- The average gross yield of the sub-fund during the investment period is anticipated at 10% to 15% p. a. In the 12/2017 to 12/2018 period, the yield achieved was almost 29%. The remuneration for the sub-fund expert advisor is based on the appreciation of the investors' funds.
- The investment risk is in accordance with the expected yield. In addition to the general situation on the market, which influences the attractiveness of the individual companies, there are specific risks each investment is subject to.



Source: Preqin Quarterly Update: Private Equity & Venture Capital Q3 2018

## Summary of basic information

Sub-fund name	BDO Investment, Industry sub-fund
Foundation	2/5/2017
Duration	Unlimited
Founders	BDO Advisory s.r.o. (67%), BDO Tax s.r.o. (33%)
Manager & administrator	AMISTA investiční společnost, a.s.
Expert advisor	BDO Advisory s.r.o.
Depository	Česká spořitelna, a.s.
Supervisory authority	Czech National Bank
Legal form	Joint-stock company with variable registered capital (SICAV)
Form of shares	Book-entered, registered
Minimum investment	CZK 1 000 000 with the option of additional investments. For higher amounts it is possible to use a <i>capital call</i> , where the investor is asked for a promise of funds that are physically provided only at the moment of implementation of the investment opportunity
Investment horizon	5 years
Valuation period	Calendar quarter; valued by an independent expert at the end of a fiscal year (30/9)
Target gross yield	10% to 15% p.a.
Entry fee	0% to 3%
Exit fee	30% within 5 years of the original investment (the liquidity of the sub-fund investment is limited, and short-term investments are undesirable as they damage other investors). No fee after 5 years from the original investment
Annual fund management fee	2% of the average value of the sub-fund capital
Performance fee	20% of the total annual appreciation of the sub-fund capital exceeding three times the annual inflation in the given year

Detailed information is available in the sub-fund statute, also available upon request, or at [www.amista.cz/bdoinvestment](http://www.amista.cz/bdoinvestment)

## Sub-fund portfolio



Sub-fund entry: 2017  
Interest 14.44%  
[www.sanborn.cz](http://www.sanborn.cz)

SANBORN a.s. is a leading manufacturer of precision steel components and parts for the energy, petrochemical and transportation industries. A supplier for the most important global manufacturers of turbines and generators. The company has extensive know-how in mechanical engineering and its technical equipment enables it to produce competitive high-added-value products.



Sub-fund entry: 2018  
Interest 30%  
[www.misterine.com](http://www.misterine.com)

Misterine s.r.o. specialises in developing applications for augmented reality for industrial use. It cooperates with the European Space Agency and GE Aviation. The investment is a complementary addition to the Industry sub-fund portfolio.

## Investment committee



Ing. Petr Kymlička

Petr Kymlička is a partner at BDO Advisory s.r.o. He has been involved in strategic business management and mergers and acquisitions (M&A) for 25 years. Before founding BDO Advisory s.r.o. he worked in the senior management of domestic branches of important global consulting companies.



Ing. Tomáš Brabenec

Tomáš Brabenec is a partner at BDO Appraisal services - Znalecký ústav s.r.o. He is a Czech and Slovak expert witness in economics and business valuation, and a member of the American Society of Appraisers. He has focused on business valuation for 15 years.



Mgr. Ing. Karel Kučera

Karel Kučera focuses on business development and international trade, in particular between the EU and Asia. He led the CzechInvest agency from 2014 to 2018 which, during his time there, arranged investments totalling over EUR 7 billion. At BDO Advisory s.r.o. he is responsible for advising investors entering the Central European market.

## Contact details for investors

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