

Rules for the control of
**marketing
materials**

Rules for Presentation and Marketing of Qualified Investor Funds (QIFs)

I. Presentation of financial products in general:

Principles of promoting financial products, including QIFs:

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| <p>a) provision of true and complete (i.e. unbiased) information,</p> <p>b) no withholding of important facts,</p> | <p>c) clarity and comprehensibility of the message,</p> <p>d) honest (fair) conduct.</p> |
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II. Provision of information on QIFs in general

- 1) Provision of information means giving information about QIF parameters, QIF investment strategy, founders, manager, administrator, depositary, auditor, valuer, values of QIF's property and (current and historical) shares or assets and transactions, except for the information which constitutes trade secrets of the QIF or its manager or, where appropriate, administrator. Provision of information must not have the effect of marketing, any and all documentation must relate only to the QIF, no documents on investment shares or units may be presented.
- 2) Information on a particular QIF may be provided only by a person who is related to the QIF, for example:

<p>a) founder of the fund (not every shareholder, e.g. investment shares only),</p> <p>b) member of the supervisory board,</p> <p>c) authorized agent,</p>	<p>d) member of the investment committee,</p> <p>e) member of the board of directors or management board in the case of an autonomous fund.</p>
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- 3) This person cannot, on principle, market the QIF and communicate:

<p>a) information which constitutes or may constitute trade secrets of the QIF or its manager or, where appropriate, administrator,</p> <p>b) information in relation to which the QIF or the manager has committed not to disclose it (obligations arising from NDAs, transaction parameters, pending investment opportunities etc.),</p> <p>c) information which may cause harm to the QIF, manager or administrator or damage their reputation and good name,</p>	<p>d) information on QIF's investors and shareholders,</p> <p>e) advantages of the QIF presented in such a way that the audience or meeting participants have a reason to feel manipulated to invest in the QIF, e.g. by the words "it's an offer you cannot decline", "who wouldn't invest in such a fund?" etc.</p>
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Where the QIF's securities are admitted to trading on a regulated market, the above person may be also a person with access to inside information; in such a case, the person has to consider whether the information he/she is about to disclose to a third party falls within the so-called inside information in accordance with relevant legislation.

III. Free marketing of investments in a QIF by a person related to the QIF

- 1) Marketing of investments in an QIF means the marketing of securities issued by the QIF or other marketing of becoming a QIF investor. The difference between giving information and marketing usually lies in the active guidance and persuasion of the audience or meeting participants to become investors/shareholders of the QIF. Giving information on the existence of a particular QIF is, of course, advertising which is aimed at persuading people to make an investment; nevertheless, general proclamations such as “invest in the funds” etc. could be considered advertising too. Therefore, marketing is not “only” advertising but it also includes provision of more extensive and in-depth information about the QIF and presentation of underlying documents, as is expressed for example in Section 302 of the ICIFA in the form of attaching the following to the notification referred to therein:

<ol style="list-style-type: none"> a) the current key information document of the fund (KID) b) the current rules of the fund, c) the current annual report of the fund, and 	<ol style="list-style-type: none"> d) where appropriate, the current semi-annual report of the fund if compiled after the preparation of the current annual report under point c), which applies for example to listed funds.
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- 2) A QIF may be marketed (free of charge), in the context of his/her capacity in the QIF, by a person who is a member of a QIF’s body and has passed the investment intermediary test (the obligation of the person ensuring the marketing), for example:

<ol style="list-style-type: none"> a) authorized agent, b) member of the investment committee, 	<ol style="list-style-type: none"> c) member of the board of directors or management board in the case of an autonomous fund.
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- 3) Since the members of senior management of investment companies and autonomous funds are approved by the Czech National Bank (CNB), including the assessment of their credibility, expertise and professional experience, it can be concluded that senior management members do not need to pass the investment intermediary test to be able to carry out the marketing; nevertheless, we still recommend those persons to pass the test.

- 4) Communication of information is governed by the above rules for the provision of information on QIFs.

- 5) Investment intermediary test: <https://www.vsfs.cz/?id=2425-investicni-poradci>

- 6) It is not considered marketing of investments in a QIF within the meaning of the ICIFA if the investor decides to invest in the QIF on his/her own initiative – we recommend to have this confirmed in writing in the subscription agreement or subscription order.

IV. Fee-based marketing of investments in a QIF

- 1) QIFs may be marketed (against payment) only by a person who holds the relevant license for the provision of investment services in accordance with the Capital Market Undertakings Act (an investment intermediary – II), and under the conditions laid down in relevant legislation:
 - a) Investment intermediary: <https://www.vsfs.cz/?id=2425-investicni-poradci>
 - b) Tied agent of an II: <https://www.vsfs.cz/?id=2425-investicni-poradci>

- 2) Introducing broker:
- a) MAY only provide the person ensuring the marketing of investments in a QIF with contact details of a potential investor,
 - b) MUST NOT perform any activity leading to intermediation, for example deliver underlying documents, accept underlying documents, fill in forms etc.,
 - c) is entitled only to one-off remuneration – it must not be linked to the amount of the investment, it may be based on the amount of the initial charge,
 - d) is not entitled to ongoing remuneration,
 - e) must not at the same time be the founder of the fund, member of the supervisory board, authorized agent, member of the investment committee or member of the board of directors or management board in the case of an autonomous fund.

V. Remuneration of members of QIF's bodies

- 1) Members of the supervisory board, authorized agents, members of the QIF's investment committee and members of the board of directors or management board in the case of an autonomous fund may be remunerated from the fund's/sub-fund's assets as well as from the investment part of the QIF under standard and usual conditions while maintaining cost-effectiveness and due professional care of the manager.
- 2) Fixed amounts (on a monthly basis) as well as variable / performance-based remuneration, which may reflect various economic parameters (profit, NAV growth etc.), are permitted.

Instructions for Marketing Materials

- 1) Marketing materials, including websites, which serve to promote financial services must comply with the following principles:
 - provide true and complete (i.e. unbiased) information,
 - no withholding of important facts,
 - clarity and comprehensibility of the message, honest and fair conduct.
- 2) All marketing materials, including websites, must include mandatory disclaimers under the Marketing Material Control Rules (each material is specified in the Rules) in a font size that is sufficiently visible.
- 3) Basic parameters of the fund (<https://www.avantfunds.cz/cs/fondy/avant-ceska-pole-2015-otevreny-podilovy-fond-2/>) must be included in large marketing materials (memoranda, brochures, presentations etc.); small marketing materials should specify at least the investment horizon for investments.
- 4) Where any abbreviations/acronyms are used in marketing materials, their meaning needs to be explained, e.g. PIS (preference investment shares).
- 5) In marketing materials, use the fund name according to the Companies Register (the first mention of the fund and the mandatory disclaimer); in other cases, you can use the short name of the fund according to the fund rules in force.

- 6)** Where any company names are mentioned in marketing materials, it is necessary to give full name according to the Companies Register, or it is possible to use other versions but the first mention of the company must refer to the full name according to the Companies Register, e.g. AVANT Investment Company.
- 7)** Where the marketing materials bear a partner's logo, it is necessary to obtain written consent to publication of the logo from the entity concerned.
- 8)** If you wish to publish a photograph(s) of AVANT IS' employees, it is necessary to obtain consent to publication of the photograph(s).
- 9)** If the expected yield is specified in the marketing material, it is necessary to enter time specification: p.a., p.m., for example 5.5% p.a.
- 10)** Any information on the hypothetical return (e.g. model calculations or yield) can be given only in the absence of information on the past performance for the current fund and provided that:
- the information is not misleading,
 - the calculation method and the data and models used cannot raise unreasonable expectations regarding future yield levels,
 - the calculation method must be based on the fund's investment horizon,
 - it is clearly stated that it is a hypothetical performance.
- Therefore, we recommend that the promotion should not include any numerical forecasts or estimates of the product's possible future performance.
- 11)** Any subjective opinions should be avoided in marketing materials, in particular the following expressions: we promise, we assure, we guarantee, we believe....
- 12)** It is forbidden to use the following terms and their modifications in marketing materials: risk-free, guaranteed, secured, warranted, certain, safe....
- 13)** Marketing materials must not contain the statement that purchase of securities is a form of saving money.
- 14)** Where marketing materials contain specific market figures (e.g. interest rates) or specific market situations (e.g. economic development), it is necessary to specify the source (a link is sufficient for electronic versions).
- 15)** Where marketing materials contain charts or tables, it is necessary to briefly describe what purpose they serve, what they show (the legend) or, where appropriate, the source of the data used and the calculation method.
- 16)** Where it is a marketing material of a fund, the persons referred to in the material may act as: founder of the fund, supervisory board member, investment committee member, employee of the fund manager (AVANT IS), or fund partners (but those have to hold investment or founder shares or have a partnership agreement with the fund). The following titles cannot not be used: fund manager, fund Compliance, HR, director....

- 17)** Where the fund applies a redistribution mechanism, it is possible to use the following text in marketing materials as approved by the Compliance Department of AVANT IS (the text must be used in its entirety): *Guaranteed minimum yield on preference* investment shares of ... % p.a., including in cases of a lower profit or even loss of the fund. The guarantee is a form of redistribution of the fund capital from the holders of performance* investment shares (founders of the fund) to the holders of preference* investment shares (external investors) up to the amount of the fund capital attributable to the performance investment shares.*

***they may be called otherwise**

- 18)** All funds which are actively offered to the qualified public must have the following contact details specified in this format:

AVANT investiční společnost, a.s.	City Tower
Ing. Michal Brothánek,	Hvězdova 1716/2b
Sales Director and Member of the Board of Directors	140 00 Praha 4 - Nusle
M: +420 603 800 134	
michal.brothanek@avantfunds.cz	

Mandatory Particulars Required for the Fund's Websites

- 1) Company name, address (registered office), details of entry in the register, including section and insert, and identification details.**

(in accordance with the Civil Code in conjunction with the Business Corporations Act (Section 7 of Act No. 90/2012 Sb.))

For example:	Name:	xxx SICAV, a.s.
	Registered office:	City Tower, Hvězdova 1716/2b, 140 00 Praha 4 - Nusle
	Company ID No.:	xxx xx xxx
	Tax ID No.:	CZxxxxxxxx
	File ref.:	B xxxxx kept by the xxxx Court in xxxxx

- 2) Where it is a website of a joint stock company, it has to contain additional information on convening the general meeting and other related details.**

We deal with this by using a disclaimer with a link to the website of AVANT IS, section "Information obligation"/ "We inform", where all that is required is inserted. (the link here: <https://www.avantfunds.cz/en/obligation/>)

- 3) GDPR**

We deal with this by using a disclaimer with a link to the website of AVANT IS, section "Important information". (the link here: <https://www.avantfunds.cz/en/gdpr/>)

- 4) KID – Key Information Document**

We deal with this by a using a disclaimer with a link to the website of AVANT IS, section "Information obligation" / "We inform", where the Key Information Document is inserted (the KID for the publicly offered class of shares is published). (the link here: <https://www.avantfunds.cz/en/obligation/>)

5) Reference to GDPR must be made in any contact form

For example: I consent to the processing of personal data, or: <https://www.avantfunds.cz/en/gdpr/>, or state the abridged version of the text: Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (hereinafter referred to as "GDPR") entered into force on 25 May 2018. By your subsequent e-mail communication, you consent to the processing of your personal data in the context of provision of our services.

**6) Information enhancing the credibility and transparency of websites
– recommendation to publish also the data box and LEI (Legal Entity Identifier)**

This is only a recommendation, it is not mandatory.

7) Mandatory disclaimers under the Marketing Material Control Rules

A summary forms part of the annex to the Agreement on Investment Fund Presentation Rules which has been concluded with the founders of the fund.

Mandatory disclaimers

1. Newspaper articles, reports, articles on internet news journals, presentations, newsletters shall contain the following text, which may be included in tiny letters as a foot-note:

- 1.1. The Fund is a fund of qualified investors according to Act No. 240/2013 Coll., on Investment Companies and Investment Funds, the shareholders of which may only become qualified investors as defined in Section 272 of this Act. The administrator wants investors to take note of the fact that the value of the investment may fluctuate and 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.
- 1.2. Key information document of the fund (KID) is available on <https://www.avantfunds.cz/en/obligation/>. The document may be obtained in a hard-copy form in the place of registered seat of the company AVANT investiční společnost, a.s., ROHAN BUSINESS CENTRE, Rohanské nábřeží 671/15 (reception B) 186 00 Prague 8.
- 1.3. The above mentioned information is information character only and does not represent an offer for a contract or a public offer according to provisions of the Civil Code.

2. Billboards and roll-ups, stitched books, folders, posters shall contain the following text, which may be included in tiny letters as a foot-note:

2. 1. AVANT investiční společnost, a.s., is the administrator of the funds of qualified investors according to Act No. 240/2013 Coll., the shareholders of which may only be qualified investors as defined in Section 272 of this Act.
2. 2. Key information document of the fund (KID) is available on <https://www.avantfunds.cz/en/obligation/>. The document may be obtained in a hard-copy form in the place of registered seat of the company AVANT investiční společnost, a.s., ROHAN BUSINESS CENTRE, Rohanské nábřeží 671/15 (reception B) 186 00 Prague 8.

2. 3. Other important information for investors is available on: <https://www.avantfunds.cz/en/important-information/>.
3. **No additional text is necessary on banners, which are a part of the sklik campaign (the banners are too small). However, we require that the potential investor, having clicked on the banner, should always get to the web and to the bookmark of the particular fund: e.g. <http://rgi-fond.cz/zakladni-informace/>, which must contain the disclaimer.**
4. **It is necessary to include the following text on the websites of the funds, in memos and factsheets:**
 4. 1. AVANT investiční společnost, a.s., is the administrator of the funds of qualified investors according to Act No. 240/2013 Coll., the shareholders of which may only be qualified investors as defined in Section 272 of this Act.
 4. 2. Key information document of the fund (KID) is available on <https://www.avantfunds.cz/en/obligation/>. The document may be obtained in a hard-copy form in the place of registered seat of the company AVANT investiční společnost,a.s., ROHAN BUSINESS CENTRE, Rohanské
 4. 3. Other important information for investors is available on: <https://www.avantfunds.cz/en/important-information/>.

Contact

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Hvězdova 1716/2b
140 00 Praha 4 - Nusle

Phone: **+420 277 000 144**
E-mail: **info@avantfunds.cz**

More information about the fund at:
www.avantfunds.cz