

# KEY INFORMATION DOCUMENT

## PURPOSE

In this document 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.

## PRODUCT

### Product

Investment shares of E ARETE INDUSTRIAL SICAV a.s., ISIN CZ0008048410, hereinafter referred to as the "Fund" (AIF)

### The Fund can be contacted

By phone: +420 226 808 901

Email: [info@arete.eu](mailto:info@arete.eu)

Via the website: <https://arete.eu>

### Product creator

Winstor investiční společnost a.s., Jungmannova 745/24, Nové Město, 110 00 Praha 1  
Winstor investiční společnost a.s. was granted a permission in the Czech Republic and is under supervision of the Czech national bank.

### Date of this document

1 February 2024

### Supervisory authority

Czech National Bank, with registered seat at Na Příkopě 28, 115 03 Praha 1, Czech Republic  
<http://www.cnb.cz>

**The product you are considering buying is complex and can be difficult to understand.**

## WHAT PRODUCT IS IT?

### TYPE

Investment shares E (IAE) issued by the investment fund, specifically fund of qualified investors, in the form of public limited company with variable capital, ARETE INDUSTRIAL SICAV a.s. It is a participation security issued by an investment Fund which is (i) an alternative investment fund within the meaning of Directive 2011/61/EU of the European Parliament and of the Council (hereinafter referred to as the "AIFMD") and (ii) a fund of qualified investors within the meaning of Act No. 240/2013 Coll., on investment companies and investment funds (hereinafter referred to as the "ZISIF") and (iii) a product that promotes environmental and social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on the disclosure of information related to sustainability in the financial services sector ("SFDR").

### OBJECTIVES

The Fund's investment strategy focuses on investments in income-producing real estate such as logistics and industrial complexes. The Fund's primary investment regions are the Czech Republic and the Slovak Republic, supplemented by Central Europe. The Fund's main source of income is rental income and the growth in the value of acquired properties over time. Properties are acquired using loan financing. This practice increases the potential yield of the product, but at the same time the product carries a higher risk of loss of the invested funds. The investor in the product participates in the return and loss of the Fund on a pro rata basis with all other investors in the Fund. However, in the event of a loss of the Fund, the investor participates up to the maximum amount of its investment. More detailed information you can find in the Fund's Statute and Articles of Association. Given the Fund's investment strategy and the nature of the assets in which it invests, sustainability risks are not included in the Fund's investment decisions as these are not perceived to be relevant to the Fund.

The Fund is a financial product according to Article 8 SFDR. In its investment activities, it thus promotes certain environmental and social characteristics, but its main goal are not sustainable investments. Fulfillment of the established environmental and social characteristics is monitored through the determination of qualitative and quantitative ESG indicators for each environmental and social area as well as for the area of proper administration and management (governance), the fulfillment of which the Fund takes into account in the analysis of each new investment and continuously supervises their compliance within the entire investment portfolio. More detailed information regarding the promoted environmental and social characteristics and the ESG indicators established for their promotion can be found in the Fund's statute.

### FOR WHOM THE PRODUCT IS INTENDED

This product may only be acquired by a qualified investor within the meaning of Section 272(1) of the AIFMD. The product is suitable for investors who intend to supplement their portfolio with alternative types of investments with a relatively conservative 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, if necessary, a quick monetization of their investment before the expiry of the planned investment horizon. The product is particularly suitable for investors who i) accept the limited liquidity of their investment, ii) are able to absorb the loss of their investment up to its full amount, iii) have knowledge and experience of investing in real estate (especially logistics and industrial), and iv) have knowledge and experience of investing through the use of loan financing.

Depository of the Fund is Komerční banka, a.s., with registered seat at Praha 1, Na Příkopě 33 čp. 969, PSČ 11407, IČO 453 17 054, company registered in the commercial register kept by Municipal court in Prague, insert B 1360.

Further practical information regarding the Fund is available for free in Czech language at: [www.winstor.cz/funds](http://www.winstor.cz/funds).

### DURATION OF THE FUND

The product does not have a set maturity date. The product creator is entitled to unilaterally cancel the product under certain conditions. The product cannot be automatically terminated.

### WHAT RISKS AM I TAKING AND WHAT RETURN COULD I ACHIEVE?

### SYNTHETIC RISK INDICATOR SRI



The Summary Risk Indicator (SRI) 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 movements in the markets or because we are unable to pay you. We have ranked this product as Class 6 out of 7, which is the second highest risk class.

This product is included in the relevant risk class due to the absence of a relevant historical data series or the absence of a benchmark with appropriate parameters. Attention to currency risk. This product is denominated in EUR and thus involves currency risk, returns may vary depending on currency fluctuations. This risk is not included in the above indicator. The SRI assumes that the product is retained for a minimum of 6 years. The actual risk may vary significantly if you request to redeem the product early. You may therefore recover less. The investor may have to pay significant additional costs to redeem the product early.

#### OTHER RISKS NOT TAKEN INTO ACCOUNT IN THE SRI

The risks affecting the value of logistics and industrial real estate, in particular the market and operational risks associated with the operation of logistics and industrial real estate and the risks associated with the financing of logistics and industrial real estate, are fundamental to the return of this product. The Fund also takes into account sustainability risks – i.e. risks representing environmental, social or governance events or situations which, if they occurred, could have an actual or potential material adverse impact on the value of an investment in the Fund.

#### MAXIMUM POSSIBLE LOSS OF INVESTED CAPITAL

This product does not include any protection against future market performance, so you could lose some or all of your investment. If we are unable to pay you the amount due, you could lose all of your investment.

#### PERFORMANCE SCENARIOS

This table shows how much you could get back over the next 6 years under different scenarios, assuming you invest EUR 100,000. The scenarios below 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 is changing and are not an accurate indicator. What you get will vary depending on how the market performs and how long you hold 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 all the costs of the product itself, but may not include all the 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 how long you have held the product.

One-time investment EUR 100,000 EUR		1 year	3 years	6 years
<b>Stress scenario</b>	How much you could get back after costs	72.395 EUR	64.297 EUR	70.749 EUR
	Average return each year	-27,61%	-13,69%	-5,60%
<b>Adverse scenario</b>	How much you could get back after costs	83.027 EUR	78.297 EUR	86.154 EUR
	Average return each year	-16,97%	-7,83%	-2,45%
<b>Moderate scenario</b>	How much you could get back after costs	100.239 EUR	106.838 EUR	117.559 EUR
	Average return each year	0,24%	2,23%	2,73%
<b>Favourable scenario</b>	How much you could get back after costs	100.897 EUR	108.914 EUR	122.150 EUR
	Average return each year	0,90%	2,89%	3,39%

#### WHAT HAPPENS IF THE FUND IS UNABLE TO MAKE A PAYOUT?

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

#### WHAT ARE THE COSTS ASSOCIATED WITH THE INVESTMENT?

The reduction in yield (RIY) shows how the total cost you pay will affect the investment return you could earn. Total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative cost of the product itself over three different holding periods. They include possible early termination penalties. The figures assume that you invest EUR 100,000. These figures are estimates and are subject to change in the future.

#### COST IN TIME

The person who sells or advises 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.

One-time investment EUR 100,000	If you divest after the 1st year	If you divest after the 3rd year	If you divest after the 6th year (recommended holding period)
<b>Total costs (EUR)</b>	6.567 EUR	14.713 EUR	25.643 EUR
<b>Reduction in yield (RIY) per year</b>	16,10%	5,02%	4,07%

## COMPOSITION OF COSTS

One-off costs	Cost of entry	3.00 %	The impact of the costs you pay when you enter investing. This is the maximum you pay, and you could pay less. This item mainly includes the cost of distributing the product.
	Exit cost	0.00 %	The cost impact of exiting your investment when it has reached the recommended holding period.
Ongoing costs	Transaction costs of portfolio	0.00 %	The impact of the cost of our purchases and sales of the underlying investments on the product.
	Other ongoing costs	3.34 %	The impact of the costs we incur each year to manage your investments.
Incidental costs	Performance fees	0.00 %	Impact of the performance fee.
	Fees for appreciation of portfolio	0.00 %	Impact of capital appreciation fee.

## HOW LONG SHOULD I HOLD THE INVESTMENT? CAN I WITHDRAW MY MONEY EARLY?

It is recommended to hold the product for at least 6 years. Due to the investment strategy and the limited diversification of the portfolio, the value of the product may be subject to significant fluctuations during the investment cycle. At the same time, the value of the underlying assets (or their future returns) may not be sufficiently reflected in the value of the product for early redemption purposes. Early redemption of the product may force early or unfavourable monetization of the Fund's assets, which may also adversely affect the value of the product.

## THE PROCEDURE FOR CANCELLING AN INVESTMENT AND WHEN CANCELLATION IS POSSIBLE

A written request for redemption of a product may be delivered i) in person at the registered office of the management company: Winstor investiční společnost a.s., Jungmannova 745/24, 110 00 Prague 1, Czech Republic, ii) by post with a certified signature to the address of the registered office of the management company: Winstor investiční společnost a.s., iii) in other ways regulated by the Fund's Statute.

The Fund's management company shall arrange for the redemption of the product within twenty-four (24) months after the end of the calendar month in which it receives the investor's request for redemption of the investment shares.

A request for redemption of investment shares can be made at any time. However, the investment shares shall not be redeemed before 30 April 2027. Redemption requests made during the period referred to in the second sentence shall be treated as if they had been made on the first business day following the expiry of the period, i.e. on 30 April 2027.

The product will be redeemed at its current value as announced retrospectively for the period in which the Fund's management company received the request to redeem the investment shares. Redemption may also have the consequences set out below.

Early redemption of the product before the recommended investment horizon of 6 years may have the following impact on the risk-return profile of the product: early redemption may be made at a time of adverse price situation in the market of the underlying assets. In the event of an early redemption, the valuation of the product may be materially different from the valuation in the event of a sale of the underlying assets at the point in time of the Fund's planned investment horizon.

## PRODUCT REDEMPTION FEES AND PENALTIES

**Redistribution Factor 3** - A periodic monthly deduction from the gross present value of investment shares E determined based on the relative profitability of the total investment in investment shares E.

Individual investor return	Amount of deduction
$0\% < IRR_{it}$	20 %

Detailed rules for the calculation of Redistribution Factor 3 are set out in the Fund's Statute.

## HOW CAN I MAKE A COMPLAINT?

Complaints about a product, the actions of a product creator or product distributor, or an adviser must be made in writing to the management company:

- in person at the registered office of the management company: Winstor investiční společnost a.s., Jungmannova 745/24, Nové Město, 110 00 Prague 1, Czech Republic;
- by post to the address of the management company: Winstor investiční společnost a.s., Jungmannova 745/24, Nové Město, 110 00, Prague 1, Czech Republic;
- by e-mail to [info@winstor.cz](mailto:info@winstor.cz);
- via the form on the website <https://www.winstor.cz>.

## OTHER RELEVANT INFORMATION

Information documents to be provided to the investor at the pre-contractual or post-contractual stage: i) Statute, ii) Articles of Association, iii) Subscription Agreement, iv) Identification and Control Questionnaire, v) Investment Questionnaire, vi) Declaration of the investor in the Qualified Investor Fund, vii) Declaration of Tax Residency, if the investor is a tax resident outside the Czech Republic. The current version of the Articles of Association and the Fund's Statute will be provided to the investor only upon its request in case of subsequent changes.