



Arca Capital
CEE

Better way
to the top

Fund strategy and portfolio

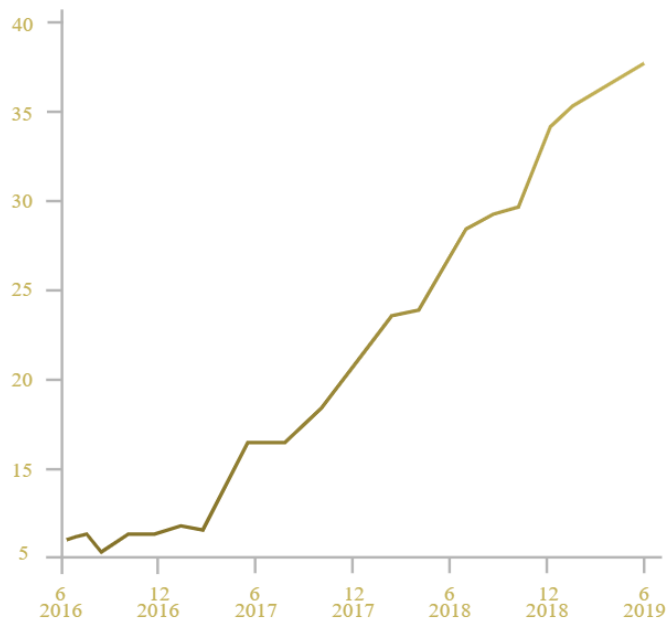
Our strategy brings Arca Capital CEE fund investors attractive returns. We diversify our portfolio so that always brings certainty of fund's return and having potential of the above-standard yields thanks to our unique know-how.

We appreciate
your trust

Thanks to our unique strategy and excellent know-how we achieve the long-term positive economic results. We generate for our shareholders attractive returns up to 15% p.a. Our investment strategy is same for our own resources as well as resources of our clients.

Development of equity capital of the fund:

(in million EUR; over the last period)



EXISTENCE OF THE FUND:	11 YEARS
PROFITABLE PERIOD:	11 YEARS
AVERAGE RETURN:	7,66 % P.A.*
NET YIELD OF A CLIENT:	56 % **

*FOR THE PERIOD OF THE LAST 3 YEARS

**SINCE THE FUND WAS ESTABLISHED

Fund specification

FUND'S ASSETS:	NEARLY 40 MILLION EUR
TARGETED RETURN:	4-18 % P.A.
AVERAGE RETURN:	7,66 % P.A. (FOR THE PERIOD OF THE LAST 3 YEARS)
PUBLIC TRADABILITY:	PRAGUE STOCK EXCHANGE
MAIN INVESTMENTS:	PRIVATE EQUITY ASSETS PUBLICLY TRADED COMPANIES FINANCIAL MARKET INSTRUMENTS
INVESTMENT HORIZON:	MIN. 5 YEARS
MINIMAL INVESTMENT:	FROM 125.000 EUR
CURRENCY:	CZK
DIVIDENDS:	IN 2019 SUGGESTED 35 % OF THE PROFITS
TAX ALLOWANCES:	5 % CORPORATE INCOME TAX
ENTRY FEES:	NONE
TOTAL COST RATIO (TER):	UP TO 2 % P.A.

Issuance information

ISIN:	CZ0008042900
REFERENCE PRICE:	151 000 CZK
TRADING LAUNCHED ON:	1 AUGUST 2019
TYPE OF SECURITIES:	SHARES
FORM OF SECURITIES:	REGISTERED SHARES
FORM OF POSSESSING:	BOOK-ENTRY SHARES
NOMINAL VALUE OF SHARES:	100 000 CZK
MARKET:	PRAGUE STOCK EXCHANGE
SEGMENT:	FUNDS OF QUALIFIED INVESTORS
VOLUME:	608 400 000 CZK
NUMBER OF SHARES ISSUED:	6084 PCS
ISSUANCE TRANSFERABILITY:	FREELY TRANSFERABLE

WE HAVE CREATED FOR OUR INVESTORS SO CALLED "SAFE BET" INVESTING STRATEGY

- Investment in **fixed-rate financial market instruments** that pose minimal risk brings certainty of fund's return
- Stable growth potential also represent **private equity assets** of the fund
- We have been achieving the above-standard yields in the tens of percent by investing in **exclusive opportunities in capital markets**

- ✓ Investment strategy is determined based on consistent detailed analysis
- ✓ We continuously monitor and evaluate global opportunities and trends within individual sectors of the economy
- ✓ Regional investment focused on the **EU and US markets**

WE INVEST IN THE COMPANY SHARES WHICH ARE UNDERVALUED FOR SOME REASON BUT HAVE THE HIGH RETURN POTENTIAL IN THE FUTURE. THANKS TO OUR UNIQUE KNOW-HOW WE INITIATE IMPROVEMENTS IN THE COMPANY TO ACHIEVE ITS REAL VALUE.

Structure of the portfolio

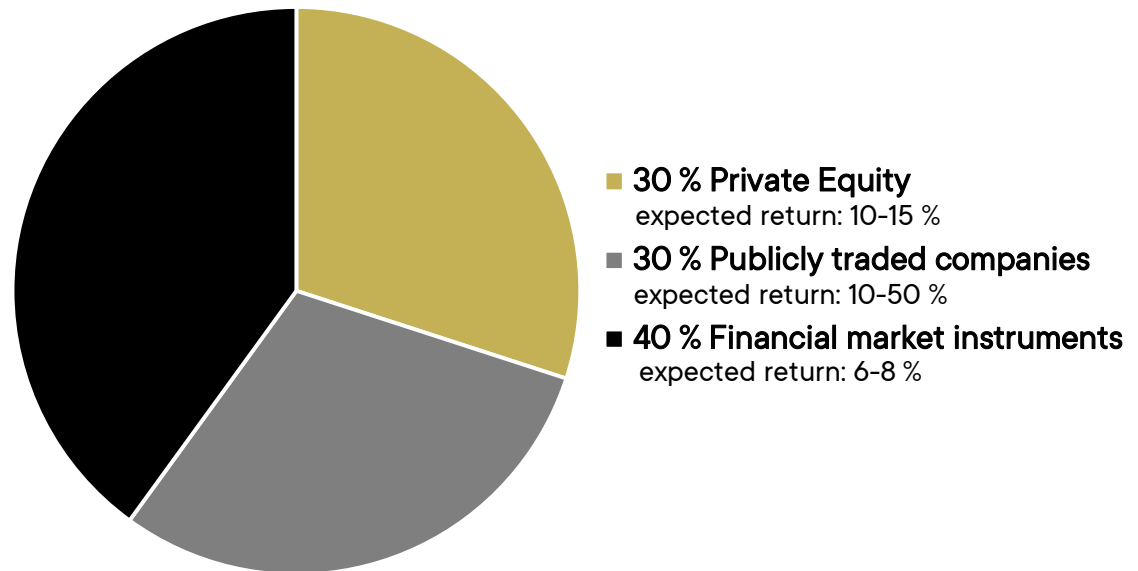
By diversifying our portfolio we generate stable yields for our investors despite of the market fluctuations. Investment mix of the fund brings yields at least in the amount exceeding inflation rate to our investors over the individual economic cycles.

INVESTMENT MIX OF THE FUND:

- **Private equity projects**
with a stable growth potential
- **Publicly traded companies**
with great return potential
- **Other financial market instruments**
Regular financial income

Structure of the portfolio may be changed according to microeconomic and macroeconomic developments.

PLANNED STRUCTURE OF THE INVESTMENT MIX:



PRIVATE EQUITY ASSETS

Stable growing potential

- Across the sectors; the current orientation mainly on food and real estate sectors
- Currently in portfolio:

Ondrášovka Holding, a.s.



- ✓ Strategic investment in food industry
- ✓ Stable asset with a growth potential
- ✓ A holding company ONDRASOVKA a.s. (70 %) and Karlovarska Korunni s.r.o. (100 %)
- ✓ A significant position in the market with soft drinks, mineral waters, syrups
- ✓ A well-know brand with 2. position in Czech Republic market in bottled mineral water business (roughly 24 % market share)



FINANCIAL MARKET INSTRUMENTS

Provide regular financial income

- Investments in fixed-rate financial market instruments bring a certainty of fund's return
- Achieving a minimum income in the amount exceeding the inflation rate and the above-standard yields in the market
- This currently represents a proportion of nearly 70 % of the fund portfolio
- Types of investment instruments: **Bonds**

Receivables

Bills of exchange

INVESTMENT IN FIXED-RATE FINANCIAL MARKET
INSTRUMENTS THAT POSE MINIMAL RISK BRINGS
CERTAINTY OF FUND'S RETURN.

PUBLICLY TRADED COMPANIES

High return potential

- Investment opportunities in the **European and US stock markets**
- Based on our **unique know-how and excellent knowledge** of the investment environment, we are able to evaluate undervalued stocks
- **The market brings interesting opportunities with the potential for high appreciation** in situations when stock titles are temporarily undervalued and stocks of quality businesses are sold at surprisingly low prices
- Such situation may occur during bear market, recession or single negative event/panic selling which increases pressure to share price. This leads a lot of times to great opportunities
- Our stock picking method is mainly driven by patience, prudence and foresight principles which usually select certain undervalued stocks. Based on our previous experience, we expect certain action in these companies which has ability to increase the value of share price
- These opportunities arise once in a few weeks or months

Explore our investment stories

We can properly evaluate the opportunities in publicly traded companies that offer attractive return. Thanks to our unique strategy and excellent know-how we have achieved the above-standard yields, ie by selecting these successful projects.

INVESTMENT STORY: O2 CZECH REPUBLIC

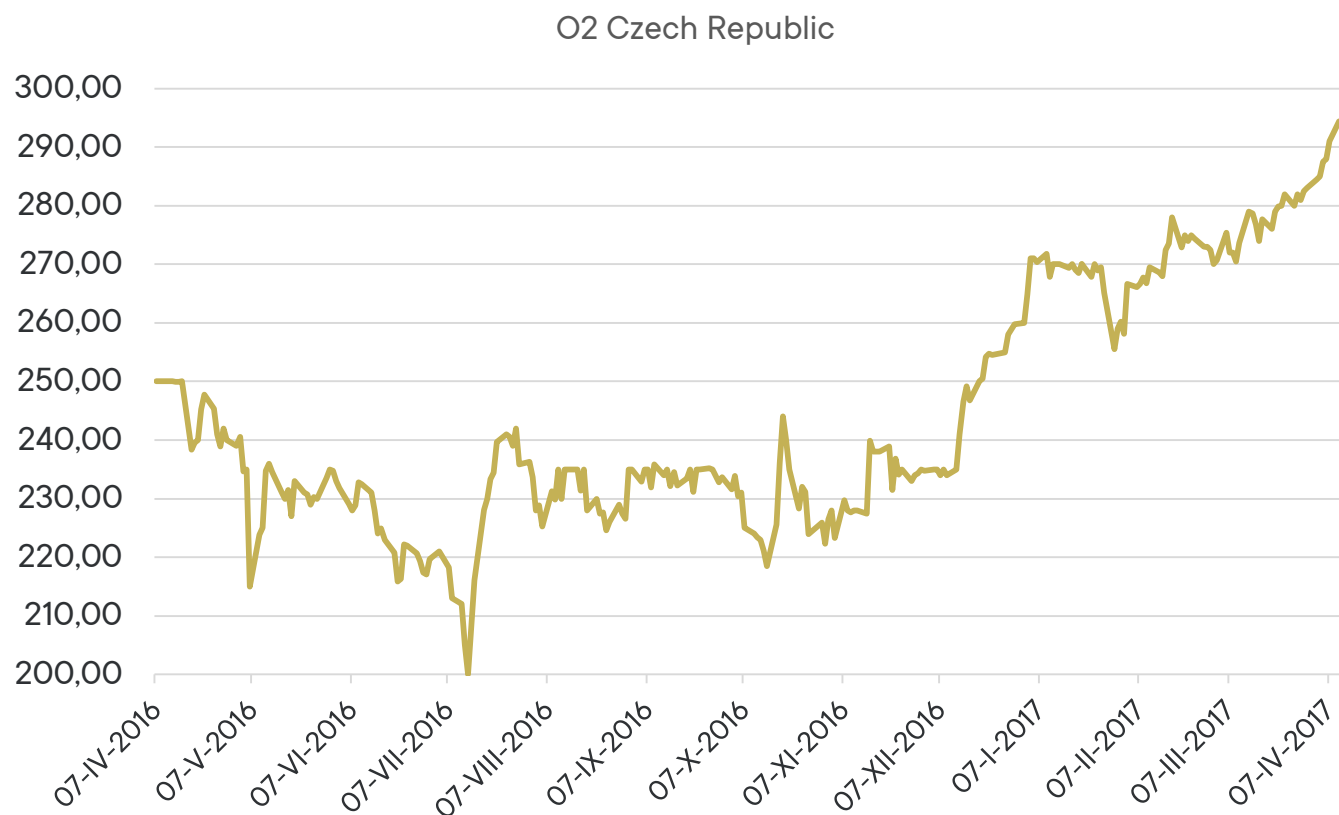


RETURN OF THE PROJECT: 33 %

- We took advantage of the growth potential of O2 Czech republic shares and the interesting dividend policy of this stock title. Together with the company shares return to the international MSCI index resulted in the renewed increase of the share price allowing us to exit from the project successfully.
- The proportion in O2 shares represented at the time of purchase over 30 % of total assets of the fund. Thus, represented a proportion of 59 % on the increase of equity capital for the period of project implementation. Return of the project was 33 %.

Development of **O2 Czech Republic** share price for the period of project implementation:

(In CZK)



INVESTMENT STORY: UNIPETROL

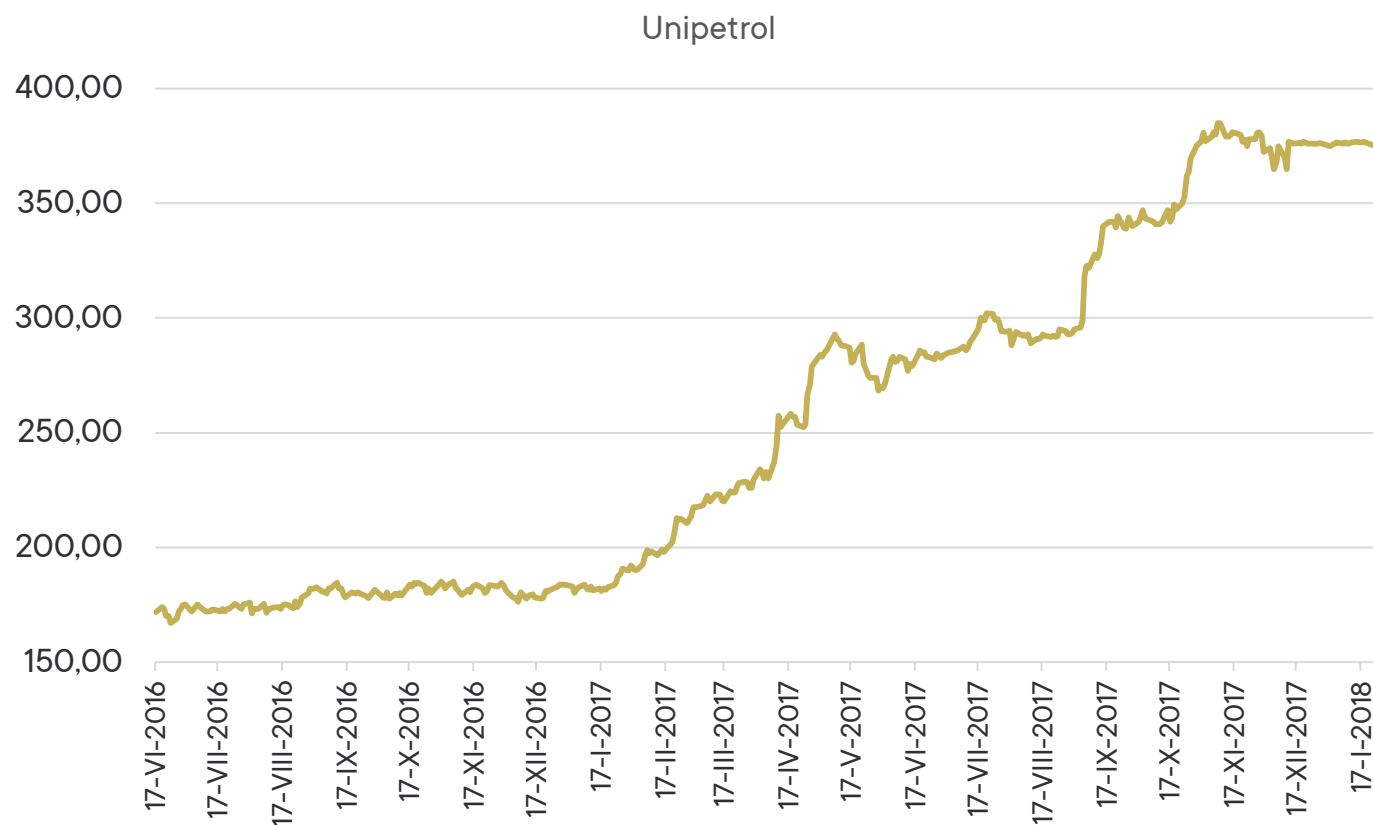


RETURN OF THE PROJECT: 115 %

- We invested in refinery Unipetrol when the market had not yet properly appreciated its positive development. The shares were compressed to an extremely low level due to illegible strategy of a majority shareholder and also as a result of a accident in the industrial area Záluží. However, Unipetrol benefited from high refining and petrochemical margins, also due to a great insurance contract. Therefore, the company could report record profits. Moreover, company had very strong balance sheet without any debt and with a surplus cash. The reopening of the damaged ethylene unit and the approval of the dividend had a great impact on the increase of the share price, which was crowned by a voluntary takeover bid made by a majority shareholder.
- The investment in Unipetrol shares at that time represented only 6.3 % of total assets of the fund, nevertheless, this project raised the equity capital of the fund by 31 %. Return of the project was 115 %.

Development of **Unipetrol** share price for the period of project implementation:

(In CZK)



Trading on Prague Stock Exchange

Arca Capital CEE is an exchange-traded fund on Prague Stock Exchange, the market segment for funds of qualified investors. The Stock Exchange brings numerous benefits to the shareholders of the fund and provides a higher level of control over fund operations.

ISIN: CZ0008042900

ARCA CAPITAL CEE IS TRADED ON PRAGUE STOCK EXCHANGE

A public tradability brings a number of benefits to the shareholders

- Stock Exchange brings the opportunity to sell the shares anonymously, without being dependent on one particular interested person
- Stock Exchange is a tool for matching supply to demand. Thus a shareholder has the possibility to buy or sell shares of the fund on the public stock market at any time at the price set by him
- The possibility of selling the shares on the stock market allowing an increase of liquidity of shares
- Exemption from personal income tax on the transfer of shares
- Admission of the fund to Stock Exchange requires the establishment of Audit Committee which represents a higher level of control over the fund operations.

WE ARE A SUBJECT TO SUPERVISION AND REGULATION OF LEADING INSTITUTIONS

SUPERVISION AND CONTROL: **ČESKÁ NÁRODNÍ BANKA (CZECH NATIONAL BANK)**

AUDITOR: **PRICEWATERHOUSECOOPERS AUDIT, S.R.O.**

DEPOSITARY: **UNICREDIT BANK**

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 Arca Capital CEE

Why should you invest with Arca Capital CEE?

Unique investment strategy with the goal of maximising profit for shareholders while maintaining the safest investments.

„I have been doing business and investing in Central and Eastern European region and on the US markets for more than 20 years. We apply our knowledge of the investment environment to create and control strategy of the fund. We choose mix investment opportunities that have been increasing the value of our clients' finances for 11 years. We have a unique know-how that brings attractive appreciation. I believe that our successful results will convince you of this.“

Pavol Krupa, Chairman of the Supervisory Board
of Arca Capital CEE



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MOST SUCCESSFUL WORLD INVESTORS APPRECIATE OUR INVESTMENT STRATEGY

For example, one of the most successful US investors Carl Icahn publicly appreciated our activities and expressed support to us. We have established relationship and cooperation with Mr. Icahn.



 **Carl Icahn** 
@Carl_C_Icahn 

Arca Capital makes a lot of good points about \$AFSI
[[prnewswire.com/news-releases/...](https://prnewswire.com/news-releases/)]
See also, Important Information: sec.gov/Archives/edgar...

 **Arca Capital to Work With Icahn to Oppose ...**
PRAGUE, May 21, 2018 /PRNewswire/ -- Arca Capital, one of the largest shareholders of AmTrust Financial Services, Inc., plans to work prnewswire.com

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DO YOU NEED ANY FURTHER INFORMATION? CONTACT US

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ADDITIONAL INFORMATION CONCERNING THE PUBLICATION OF THE FUND'S PROSPECTUS

Prospectus of Arca Capital CEE, closed-end investment fund, a.s. shares has been approved by the Czech National Bank and is published on the company's website (Information and documents section, Company documents subsection). It can also be obtained in a paper form at the issuer's registered office at Doudlebská 1699/5, 140 00 Prague, Czech Republic.

DISCLAIMER

The investment is intended exclusively for persons meeting the definition of qualified investor under the Section 272 of the Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended. The return on the investment is not warranted or otherwise guaranteed, detailed information is included in the Fund's statute, which is available at the headquarters of Fund and on the company's website (Information and documents section, Company documents subsection).