**Information and communication for customers**

This document has been drawn up in accordance with Section 15 et seq. of Act No. 256/2004 Coll., on Capital Market Undertakings (hereinafter referred to as “CMUA”), Regulation No. 308/2017 Coll., on a more detailed regulation of certain rules for the provision of investment services (hereinafter referred to as “Regulation No. 308/2017 Coll.”), pursuant to Section 293 of Act No. 240/2013 Coll, on investment companies and investment funds (hereinafter also referred to as “AICIF”) and pursuant to Commission Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive. This document is also drawn up in accordance with Section 1843 of Act No. 89/2012 Coll., Civil Code (the “Civil Code”) for the purpose of concluding consumer contracts within the meaning of Section 1810 of the Civil Code, which are financial service contracts within the meaning of Section 1841 of the Civil Code.

Further information is available on the Company’s website, in the contractual documentation itself and, in the case of investment funds, in their respective rules.

1. **Information about the investment company:** CARDUUS Asset Management, investiční společnost, a.s., ID No.: 04113721, having its registered office at náměstí 14. října 642/17, Smíchov, 150 00 Prague 5, registered in the Commercial Register of the Municipal Court in Prague, Section B, Entry 20649 (hereinafter also referred to as the “Company”).

Contact details:

* at the registered office of CARDUUS Asset Management, investiční společnost, a.s., at náměstí 14. října 642/17, 150 00 Prague 5 – Smíchov (hereinafter referred to as the “Company’s registered office”);
* on the Company’s website www.carduus.cz;
* via the e-mail address office@carduus.cz;
* by telephone at the Company’s office, during business hours, from 10:00 a.m. to 4:00 p.m. at: 222 745 745.

1. **The Company’s** **main line of business:** activities of an investment company as defined in Section 7 of Act No. No. 2015/052464/CNB/570, file no. S-Sp-2014/00295/CNB/571 of 15 May 2015, which took effect on 16 May 2015 and consists of:
2. The management of investment funds (pursuant to Section 11(1)(a) of the AICIF) in the form of qualified investor funds and foreign funds comparable to a qualified investor fund, with the exception of qualified venture capital funds, pursuant to Article 3(b) of the directly applicable European Union regulation governing European venture capital funds and qualified social entrepreneurship funds, pursuant to Article 3(b) of the directly applicable European Union regulation governing European social entrepreneurship funds, in which the Company is entitled to exceed the applicable limit;
3. The management of a customer’s assets that include an investment instrument on the basis of discretionary management under a contractual arrangement (portfolio management) (pursuant to Section 11(1)(c) of the AICIF);
4. The provision of investment advice concerning investment instruments (pursuant to Section 11(1)(f) of the AICIF).

The Company declares that the aforementioned permission to operate as an investment company granted by the Czech National Bank has neither lapsed nor been restricted.

1. **Company Services:**
2. Collective investments through the investment funds (hereinafter referred to as the “Fund”), the purpose of which is to gather funds or items whose cash value can be established from several qualified investors by issuing shares of the Fund, and to make joint investments of the funds or items valued in cash collected on the basis of a set investment strategy, based, as a rule, on the principle of risk spreading, for the benefit of those qualified investors and further management of those assets. A customer invests in the Fund by subscribing for investment shares which the Fund is subsequently obliged to redeem. The detailed terms and conditions for the issue and redemption of investment shares are set out in the Fund’s Rules. Only a qualified investor as defined in Section 272(1) of the AICIF may be a shareholder of the Fund;
3. The management of a customer’s assets that include an investment instrument, on a discretionary basis under a contractual arrangement (portfolio management). The customer enters into a Customer Asset Management Agreement with the Company, including related contractual documentation, pursuant to which the Company manages the customer’s assets, consisting of investment instruments or cash (hereinafter referred to as the “Portfolio”), at the Company’s discretion and in accordance with a recommended investment strategy agreed by the customer, and the customer agrees to pay the Company the agreed fee. In managing the Portfolio, the Company acts in its own name on behalf of the customer. The customer is not entitled to give the Company instructions regarding the purchase or sale of investment instruments into or out of his portfolio, or any other instructions regarding the manner in which its portfolio is managed;
4. The provision of investment advice concerning investment instruments. The Company provides this service exclusively in relation to the investment strategies it offers (see (ii) above).
5. **Classification of customers:** in the event of the provision of an investment service consisting of the management of a customer’s assets that include an investment instrument, on a discretionary basis under a contractual arrangement (portfolio management) and in the event of the provision of investment advisory services relating to investment instruments, the Company classifies its customers into one of the following two categories:
6. A customer who is not a professional customer (non-professional customer);
7. A professional customer (including an eligible counterparty and professional customer on request).

For each of the above-mentioned categories of customers, the CMUA provides for different levels of compliance with obligations aimed at protecting the customer against risks arising from investing in financial markets. The highest level of protection is provided by the CMUA to retail customers and the lowest to eligible counterparties. Each customer is informed of his classification when signing contractual documentation with the Company. If that is not the case, the customer is considered to be a retail customer.

The Company may, on its own initiative or at the request of the customer concerned, treat a customer classified as a professional customer as a non-professional customer.

**Explanation of customer classification definitions:**

1. **A** **non-professional customer** is a customer who is not a professional customer;
2. **A professional customer** is a customer:

* who is a person referred to in Section 2a(1) of the CMUA,
* which is a legal entity established for the purpose of engaging in business pursuant to Section 2a(2) of the CMUA, and which, according to its most recent financial statements, meets at least two of the following three criteria (i) total assets of at least EUR 20,000,000; (ii) total annual net turnover of at least EUR 40,000,000; (iii) equity of at least EUR 2,000,000; or
* who has been included in the category of professional customers at his own request pursuant to Section 2b of the CMUA (professional customer upon request).

*A professional Customer* has the necessary investment expertise and experience to make his own investment decisions and properly assess the risks he is taking in relation to the investment service provided by the Company relating to the investment instrument and, in relation to investment advice, has a sufficient financial background to assume the associated investment risks appropriate to his investment objectives.

*A professional customer upon request* is a customer who is not a professional customer and who has been included in the category of professional customers upon his own request, pursuant to Section 2b of the CMUA. A professional customer upon request has, in relation to the investment services provided by the Company with investment instruments in respect of which he has been included in this category, the necessary experience in the field of investment in investment instruments and the expertise to make his own investment decisions and to understand all the risks associated with such an investment service.

**Reassigning customers between categories:**

1. **Reassignment in the case of a non-professional customer.** Anon-professional customer who meets at least two of the following criteria:
2. executed in each of the last 4 consecutive quarters in the relevant financial market area trades in the investment instrument to which the request relates in a significant volume and in an average of at least 10 trades per quarter;
3. the amount of its assets consisting of cash and investment instruments corresponds to a minimum of EUR 500,000;
4. engaged for at least 1 year, or is engaged, in a financial market activity in connection with his employment, profession, or function that requires knowledge of the transactions or services to which the request relates;

can be classified as a professional customer (a so-called professional customer upon request) on the basis of a written request. The request must be made in writing and must make it clear which trade or trades in the investment instrument or investment service it concerns. The request must be accompanied by a declaration specified in Section 2b(2) of the CMUA.

A professional customer upon request shall be reclassified from the professional customer category back to the non-professional customer category on the basis of a written request. A customer may also be reclassified as a non-professional customer without the customer’s prior request, if the Company notifies the customer that it considers him to be a non-professional customer.

1. **Reassignment in the case of a professional customer.** Aprofessional customer may be classified as a non-professional customer upon agreement with the Company. A professional customer may also be classified as a non-professional customer without prior agreement or request from the customer, if the Company notifies the customer that it considers him to be a non-professional customer.

A customer who was originally classified as a professional customer on the basis of Section 2a(1) or (2) of the CMUA (i.e., not a professional customer upon request) may be reclassified from the category of non-professional customer back to the category of professional customer upon request. This request need not meet the requirements set out in paragraph (i) above.

1. **Investment instruments that can be included in the customer’s portfolio:**
2. **Bonds**.

A bond is a fungible security or registered security (hereinafter collectively referred to as a "security") that carries a right to repayment of the amount due and an obligation on the part of the issuer to satisfy that right. Thus, the purchase of a bond means that the purchaser lends the issuer of the bond a certain amount of money on the terms and conditions given at the time of issue of the bond. The issuer is legally obliged to pay a coupon yield, usually annual or semi-annual, and to repay the nominal value on the maturity date of the bond. Coupon yields are payable at annual or semi-annual intervals from the date of issue. Bonds are issued with maturities of up to several decades. Large corporations and large banks in particular choose to raise funds by issuing bonds (corporate bonds).

A fixed income bond is a bond whose yield is set at a fixed rate of interest on the nominal value and is usually paid annually; semi-annual or quarterly payments are also possible. The upside is a fixed yield, known in advance. In the secondary market, bonds are usually easily transferable. The downside may be higher nominal values of bonds and often long maturities. The longer the maturity, the higher the risk.

A floating rate bond is a bond whose yield is determined by a floating interest rate. This rate is set according to a precise formula on a specific date for a specific period (e.g., every 6 months for the following 6 months, etc.), is derived from money market rates and is increased or decreased by a margin, depending on the creditworthiness of the issuer, the time to maturity, or other factors. The yield can also be linked to an inflation index. The upside is a yield that replicates money market rates. They are better able to replicate inflation, if the benchmark interest rate is inflation-adjusted. They are usually easily transferable. The downside is a lower return for investors in markets with declining rates than for a fixed-rate bond. In a market with rapidly rising rates, an issuer with lower creditworthiness may have problems paying out returns or repaying the bonds.

A discounted bond is a bond that is issued at a price lower than its nominal value. The difference between the nominal value and the sale price is referred to as the discount. It follows that a zero-coupon bond has no coupon payments between the date of issue and maturity. The upside is that the investor is not subject to reinvestment risk (the risk of investing the coupons received at a lower interest rate). The downside is the high sensitivity of the bond price to the interest rate. It does not carry any cash flow to maturity.

A Eurobond is a bond issued in the capital markets denominated in a currency other than the currency of the country in which the bond is issued. The issuer may be a state, a local government, or a private company. The bond issued is usually underwritten by an international community of several banks and subsequently sold to investors whose domicile is usually outside the country in which the issuer is domiciled and the country in whose currency the bond was denominated.

A convertible bond is a bond that can be exchanged for shares of the company concerned at the request of the holder during a certain period and on terms that are set in advance. If a company issues different types of shares, the shares for which the bonds may be exchanged must be specified. The advantage of a fixed yield is an upside. These instruments give investors the right to participate in the rise in the price of a share or share index, etc., but may not require a share in any loss. The downside is that the interest paid to investors is usually lower than the yield of conventional bonds and may even be zero. The bonds are also not very liquid.

Equity-linked bonds represent an indirect investment in shares. The coupon yield is lower than market yield (even substantially, there may be none). The price of the bond is linked to the underlying asset – a stock market index, currency, commodity, etc. Investors may benefit from capital protection, which means they always get back at least their initial investment. At the same time, they share in the profits of the underlying asset to which the bond is linked, but not in the potential losses. The participation in the underlying asset can vary (100%, but it can be higher or lower). The upside is the advantage of a fixed yield. These instruments give investors the right to participate in the price increase of a stock or stock index, etc., but may not require participation in any potential loss. The downside is that the interest paid to investors is usually lower than the yield of conventional bonds and may even be zero. The bonds are also not very liquid.

Prepayable bonds are linked to an early redemption option. This can be exercised by the issuer or the holder, depending on the terms of issue. The early redemption option gives the issuer or holder the right to redeem the bond early at a fixed price agreed in advance. Early redemption by the holder limits the risk of rising interest rates and the associated decrease in the value of the bond. The downside is that the interest paid to investors is usually lower than the yield of conventional bonds and may even be zero. The bonds are also not very liquid.

The rating of the quality of a bond issuer is carried out by specialised firms – rating agencies (e.g., Standard & Poor’s, Moody’s, Bloomberg) – which assess the risk of default, based on a number of criteria. These criteria include the company’s business activities, its financial structure, the financial and economic situation of the country and the sector in which the company operates. In a narrow sense, a rating is an assessment of the likelihood that the rated entity will fulfil its commitments, primarily in the form of interest and principal payments, arising from the issuance of securities, particularly bonds. Rating agencies use a rating scale ranging from AAA (primary debtors) to AA, A, BBB, BB, and up to C or D (a very low rating). Within bonds, 2 categories of rating grades are distinguished: long-term and short-term. In terms of the tracking of ratings in customers’ portfolios, there are long-term ratings grades.

In particular, the following risks are associated with bonds:

* Credit risk (which can be caused by currency movements, interest rate fluctuations, or fluctuations in supply and demand in the securities markets) can be low, medium-to-high for bonds, depending on the creditworthiness (rating) of the borrower. The higher the rating, the lower the risk.
* Liquidity risk (the risk of incurring additional costs in converting an asset into cash) can be low, medium-to-high for bonds, depending on the creditworthiness of the issuer, the size of the issue, the breadth of the secondary market, etc. Medium-to-high risk is associated with less liquid bonds, e.g., convertible bonds, senior bonds, equity-linked bonds, etc.
* Currency risk (the value of the investment may be affected by exchange rate changes) may be none for bonds denominated in CZK, or low, medium-to-high for bonds denominated in foreign currencies, depending on the exchange rate movements of the bond currency against CZK.
* Interest rate risk (the value of the investment can be affected by movements in market interest rates) can be low (e.g., for floating rate, convertible, senior, etc. bonds, if they have a shorter maturity – less than 1 year), medium-to-high (e.g., fixed income bonds, discounted – the risk increases with increasing maturity; the price of a fixed rate bond is primarily dependent on interest rate movements. Investors may also sustain a loss if the bond is sold before maturity).

Volatility of bonds can be low (especially for floating rate bonds; for fixed income bonds, it usually increases with increasing time to maturity), medium (for discounted bonds), or high (for convertible, senior, and similar bonds, the price of the bonds is affected by the volatility of the price of the underlying asset).

1. **Shares**

A share is a security issued by a joint stock company, which carries with it the shareholder’s right to participate in its profits and in the proceeds of liquidation upon its dissolution with liquidation. Furthermore, the rights of a shareholder of a joint stock company are associated with a share – the right to participate in the management of the company, to attend general meetings and vote at them, to be elected to the company’s bodies, etc. Shares constitute the share capital of a joint stock company; their number and nominal value must be entered in the Commercial Register. Shares are traded on stock exchanges.

There are different types of shares. Ordinary shares are common, as well as preference shares, but the articles of association of a joint-stock company may provide for the issuance of very special types of shares. The price of a share is determined by supply and demand on the financial markets. Both external (political events, international and national economic and monetary situation, emotional and irrational factors, etc.) and internal factors (the financial, technical, and commercial situation of the company, the investment plan, the outlook for the company and the economic sector in which it operates) play a role in determining the price.

The upside of shares is mainly their higher yield compared to, for example, bonds. The downside is that neither the guaranteed profit nor the payment of the company’s profit share (dividend) is known in advance, and price fluctuations are usually higher than with bonds. Investing in shares requires knowledge of the market and monitoring of all factors affecting the share price. Investing in shares is more suitable for larger investors with more capital.

In particular, the following risks are associated with equities:

* Credit risk (which may be caused by currency movements, interest rate fluctuations or fluctuations in supply and demand in the securities markets) can be medium-to-high for shares. There is no guarantee of a return on investors’ money, share price fluctuations are generally high, and the value of shares may fall to zero in the event of a company’s bankruptcy. Other creditors are satisfied in priority to shareholders.
* Liquidity risk (the risk of incurring additional costs in converting an asset into cash) can be low, medium-to-high for equities, depending on the quality of the company, market capitalisation, the market on which the shares are listed, whether they are listed at all, etc.
* Currency risk (the value of the investment may be affected by changes in the exchange rate) may be none for shares in CZK, low, medium-to-high for shares in foreign currency, depending on the exchange rate movements of the share currency against CZK.
* Interest rate risk (the value of an investment can be affected by movements in market interest rates) can be low, medium-to-high for shares, depending on the share and the investment climate. A rise in interest rates will have a negative impact on share prices, as some shares are more sensitive to interest rate changes than others.

The volatility of shares is medium-to-high. It depends largely on the creditworthiness of the company, trends in the sector in which the company operates and on general trends in the stock markets. Speculative shares (e.g., very young technology companies) are riskier than shares in companies with stable businesses. Given that there is a significant risk of price fluctuations, it is possible that investors may sustain financial losses on the shares.

1. **Exchange Traded Funds (ETFs).**

An exchange-traded fund (ETF) is a modern financial instrument that enables the purchase of the entire basis of a selected stock index or other underlying assets in a single trade. The investment can be selected by index (STOXX50, Dow Jones, Nasdaq), by economic segment (energy, pharmaceuticals, telecommunications, automotive, etc.) and, last but not least, by geographic region (Asia, Europe, emerging markets, etc.). ETFs are a type of open-ended collective investment fund and the securities issued by them are exchange-traded. ETFs are comprised of assets consisting of various assets. The most popular index ETFs are equity funds, commodity funds (Exchange Traded Commodities, ETC), or various forms of bonds (Exchange Traded Notes, ETN). ETNs are structured bonds issued for fixed periods, whose return, like that of ETFs, depends on the performance of the underlying asset that determines the price of the bond. They are essentially a combination of the characteristics of ETFs and bonds.

The upside of ETFs is the ability to invest in a specific sector or country of your choice while diversifying risk. By purchasing an ETF that represents an entire portfolio of shares, risk diversification is as significant as buying all the shares in the ETF portfolio, but with a much lower capital requirement than buying shares directly. ETFs are therefore suitable for investors with less capital. The downside is that ETF trading is mostly standardised, and trading takes place in so-called years and their integer multiples. The choice of ETFs is limited by their supply and therefore it is often not possible to find one that meets the needs of an investor’s portfolio structure.

The following risks are particularly relevant to ETFs:

* Credit risk (which can be caused by currency movements, interest rate fluctuations or fluctuations in supply and demand in the securities markets) can be low, medium-to-high for ETFs, depending on the composition of the ETF and its internal diversification.
* Liquidity risk (the risk of incurring additional costs when converting an asset into cash) can be medium-to-high for ETFs, depending on the issuing company and the market on which the ETFs are listed. Generally, liquidity tends to be rather good.
* Currency risk (the value of the investment may be affected by changes in the exchange rate) may be none for ETFs investing in investment instruments denominated in CZK, low, medium-to-high for ETFs investing in investment instruments denominated in foreign currencies, depending on the exchange rate movements of the share currency against CZK.
* Interest rate risk (the value of an investment can be affected by movements in market interest rates) can be low, medium-to-high for ETFs, depending on the structure of the ETF and the investment climate. A rise in interest rates will have a negative impact on share prices. Some shares are more sensitive to changes in interest rates than others, and the risk depends on the composition of the assets in the ETF’s portfolio.

Volatility in ETFs can be low, medium-to-high. It depends on the structure of the ETF and the shares in the ETF portfolio. However, the volatility of ETFs is usually lower than that of individual shares, because the price fluctuations of the shares in the ETF portfolio offset each other, thereby diversifying risk.

1. **Derivatives.**

Derivatives are financial instruments whose value is derived from the value of underlying assets (e.g., share, equity indices, currencies, interest rates, commodities, etc.). However, the value of a derivative is also determined by a number of other factors, such as the movement of interest rates, the maturity period, and the volatility of the underlying assets. Derivatives are useful as a market risk management tool. Derivatives require no or only a little initial net investment, which is lower than would be required for other types of instruments. Derivatives are negotiated and settled at a future date, with a longer negotiation-to-settlement period than that of spot transactions. Derivatives exist as exchange-traded and over-the-counter (OTC), as firm (representing both a right and an obligation) and contingent (one party has a right, the other an obligation, provided that the first party’s right is exercised), or are divided according to the underlying assets. Each group of derivatives carries with it certain specificities, while respecting the general characteristics mentioned above.

Futures involve the purchase or sale of an asset at a rate agreed in advance by the parties involved. The settlement of the trade takes place on the term currency date (generally later than 2 business days after the trade date). Futures are generally standardised contracts – they are traded on an exchange and only quantities, maturities, etc. set in advance can be traded.

An interest rate swap is an agreement in which the parties agree on the principal amount and the periods over which they will pay each other agreed interest payments. Throughout the interest rate swap period, one party pays interest based on a fixed interest rate and the other party pays an interest rate based on a floating reference rate. Both methods of deriving the interest rates are determined at the time of entering into the IRS, with one rate fixed and the other floating being the usual way, but other combinations are possible.

A currency swap is an agreement between parties on the purchase of one currency and sale of another currency with settlement in the spot currency, while buying back the second currency and selling the first currency with settlement in the forward currency. Both transactions are entered into at the same time and volume.

A forward is the purchase or sale of an asset (e.g., bonds, shares, currencies, interest rates) at a rate agreed in advance by the parties involved. Settlement of the trade takes place on the term currency date (generally later than 2 business days from the trade date). Unlike futures, forwards are generally in OTC form, i.e., are concluded by mutual agreement between the counterparties only. Therefore, they can be traded in any quantity, with any maturity, etc., but their liquidity may be lower. Interest rate agreements (FRAs) have a specific use.

Interest rate agreements (FRAs) are transactions in which the volume (nominal value of funds), fixed interest rate (FRA rate), reference interest rate, and the period in the future over which interest is to be calculated, are agreed in advance. In FRA transactions, no funds equivalent to the nominal value are transferred, only an amount resulting from the difference between the interest rates (FRA rate and the chosen reference rate) as at a chosen date and for a chosen period. An investor may purchase FRAs if he expects interest rates to rise in the future, and benefit from the positive difference between the higher reference rate and the FRA rate agreed today. An investor may also sell an FRA, because he expects interest rates to decline, and accept the difference between the fixed rate he receives from the FRA buyer today and the lower future interest rate he agrees to pay the FRA buyer for the selected period.

An option represents the right to buy or sell a certain amount of an underlying asset (e.g., currency or shares) at a price agreed in advance by the parties involved, as at an agreed date. An option to buy a given instrument is referred to as a call option and an option to sell as a put option. In options, two parties face each other – the buyer and the seller. The buyer of a call option has the right, but not the obligation, to decide on the maturity date or during the maturity period whether to buy the underlying asset, and the seller then has the obligation to sell the asset. The buyer of a put option has the right, but not the obligation, to decide on the maturity date or during the maturity period whether to sell the underlying asset and the seller of that option is then obliged to buy it. The buyer of an put option shall pay the seller an option premium for the right to decide.

The upside of derivatives are low initial capital requirements and hedging against adverse developments. Exchange-traded derivatives generally have good liquidity.

The downside is that it is not always possible to negotiate a derivative transaction that reflects the exact needs of the investor. With specifically negotiated terms (OTC contracts), the downside is the low liquidity of the contract and even the non-existence of a secondary market, in case of the need to terminate the contract before maturity. For exchange contracts, the downside is the need to adapt to standardised contracts and the need to make deposits. In general, these types of trades are more demanding in terms of qualification requirements and experience of investors.

The following risks are mainly related to derivatives:

* Credit risk (which may be caused by currency movements, interest rate fluctuations or fluctuations in supply and demand in the securities markets) may be none (for the seller of an option); low (for the buyer of an exchange-traded option, for exchange-traded fixed futures contracts, for OTC trades depending on time to maturity, counterparty rating, and settlement method); medium-to-high (for OTC trades depending on time to maturity, counterparty rating and settlement method, for the buyer of OTC options, depending on the creditworthiness of the seller).
* Liquidity risk (the risk of incurring additional costs when converting an asset into cash) can be low (for exchange-traded fixed futures contracts), medium-to-high (depending on the type of underlying asset, OTC market).
* Currency risk (the value of the investment can be affected by changes in the exchange rate) can be none, low, medium-to-high for derivatives. It depends on the type of derivative and the currency of the underlying asset.
* Interest rate risk (the value of an investment can be affected by movements in market interest rates) can be low, medium-to-high for derivatives. It depends on the type of derivative, the currency of the underlying asset, or the time to maturity of the option.

The volatility of derivatives can be low, medium-to-high depending on the type of derivative, the type of underlying asset, the maturity of the option, the relationship between the spot and strike price, interest rate movements, etc.

1. **Money market instruments.**

Money market instruments usually come in the form of a term deposit, certificate of deposit, treasury bill, or bill of exchange. However, they may also come in other forms.

Term deposit accounts are deposits in Czech crowns or foreign currencies, usually short-term (usually up to 12 months), but longer periods are not excluded. Investors deposit an amount for a certain period (typically in days - e.g., 7 days, or in months - e.g., 6 months) at an interest rate agreed in advance. The chosen term can usually be extended repeatedly, but the interest rate varies according to the current rate set at the time of extension. Interest is paid at maturity and can either be paid out or (in the case of extension) reinvested.

The upside of term deposits is the return of the amount deposited, which is known in advance and guaranteed by the bank’s creditworthiness. In the case of term deposits in a foreign currency, the return also depends on the trend of the exchange rate. Another positive feature is the flexibility in both the length of the investment and the amount. Term deposits can also be used by investors with smaller capital.

The downside is lower liquidity and the fact that the pay-out (withdrawal) of the deposited funds is tied to the expiry of the selected period. An increase in the interest rate during the agreed period is not reflected in term deposits that have already been agreed.

Certificates of deposit are issued by banks or other trading companies. These debt securities may be denominated in Czech crowns or in foreign currencies and are issued as securities. Unlike short-term government bonds, their trading on the secondary market is very limited.

The upside of certificates of deposit is usually a higher interest rate compared to government bonds, which depends on the creditworthiness of the issuer.

The downside is that an increase in the interest rate during the specified period is not reflected in investments that are already in progress.

Treasury bills are short-term debt securities issued by the Ministry of Finance of the Czech Republic (they are also issued by the Czech National Bank, the US government, etc.). They are government bonds with a maturity of up to 12 months. There is both a primary and a secondary market for these securities. The liquidity of the market is mainly provided by banks and other institutional investors.

The upside of treasury bills is the person of the issuer and their high liquidity.

The downside is that an increase in the interest rate during the specified period is not reflected in investments that are already in progress.

Bills of exchange are a security which embody an obligation of the issuer to pay the amount of the bill to the person named in the bill at a specified time (promissory note), or the issuer commands a third party (the drawer) to pay the amount of the bill to the person named in the bill on his behalf (third-party bill).

The upside is that bills of exchange generally have a higher interest rate than a term deposit with the same maturity, and the interest rate generally increases with the length of the maturity and the amount invested.

The downside is that there is a higher credit risk depending on the creditworthiness of the issuer and the rigidity of the bill of exchange relationship (the need to fulfil the statutory requirements of the bill of exchange).

The following risks are mainly associated with money market instruments:

* Credit risk (which can be caused by currency movements, interest rate fluctuations or fluctuations in supply and demand on the securities markets) is usually low (term deposits are opened with banks, treasury bills are issued by government entities) or medium-to-high (certificates of deposit and bills of exchange, depending on the creditworthiness of the issuer).
* Liquidity risk (the risk of incurring additional costs when converting an asset into cash) tends to be low (for term deposits with a maturity of up to one year, for treasury bills depending on the size of the issue) or medium-to-high (for term deposits with a longer maturity, for certificates of deposit, treasury bills and bills of exchange depending on the size of the secondary market and the creditworthiness of the issuer).
* Currency risk (the value of the investment may be affected by changes in the exchange rate) is usually none (for instruments in CZK), low to higher (for instruments in foreign currencies it increases with the length of the maturity period and depends on exchange rate movements of the foreign currency against CZK).
* Interest rate risk (the value of the investment may be affected by movements in the market interest rate) may be low (for term deposits maturing within 1 year, for certificates of deposit, treasury bills and short-term bills of exchange), medium (for term deposits maturing within 3 years, for longer-term bills) or high (for term deposits maturing over 3 years, for bills maturing over several years).

Volatility is not a decisive consideration for these instruments.

1. **The types of trades that can be made with the above investment instruments in the portfolio:**

**Instructions to buy or sell** are executed in banks on customer accounts through the trading systems of banks or through direct orders [to the banks] with which the Company cooperates and with which the customer has an individual account.

Transactions such as the **buying or selling of shares, bonds, exchange-traded funds (ETFs), transactions in derivatives or money market instruments** are carried out in banks.

1. **The objective of managing a customer’s assets that include an investment instrument, based on the discretionary nature of the contractual arrangement (portfolio management), risk, and the Company’s discretionary restrictions:**

Our goal is to maximize the value of our customers’ invested funds based on their investment expertise and experience, financial background, and investment objectives. Dealing in investment instruments involves risks that may affect the profitability or loss of any investment. Investing in investment instruments is not suitable for everyone and there is a possibility that the customer may not achieve the expected return on each investment.

The usual risks associated with investing in investment instruments include:

* Market risk – the potential risk of a loss in the value of assets in the event of an adverse change in market conditions. Market risk includes, for example, changes in equity prices (equity risk), commodity prices (commodity risk), interest rates or exchange rates (interest rate risk and currency risk).
* Credit risk – the risk of an issuer defaulting on its obligations. In the extreme case, there is a risk of losing the entire investment.
* Counterparty risk – the risk of loss arising from the failure of a counterparty to a trade to meet its obligations.
* Concentration risk – the probability of loss resulting from over-concentration of funds in one or a few assets in one entity.
* Liquidity risk – results from the inability to convert the investment portfolio into cash at short notice.
* Operational risk – the risk of loss in the event of human error, fraud, or information systems deficiencies.
* Geopolitical risk – the risk that the returns on an investment may be jeopardised or the nominal value of the investment may be jeopardised as a result of political changes.
* Risks associated with real estate investments
  + - The risks of not having a rental property occupied;
    - Risks of construction defects in real estate;
    - Risk of an environmental burden in a property;
    - Risks associated with the acquisition of real estate abroad;
    - Risks associated with the bankruptcy of a real estate company;
    - Risks associated with incorrect valuation of real estate or participation in a real estate company;
    - Restitution risk and risk associated with similar ownership claims;
    - Natural hazards and safety risks;
    - The risks associated with shared ownership of real estate.

1. **Risks associated with financial services:** Due to potentially unpredictable fluctuations in financial markets, the Company cannot guarantee the achievement of its investment objectives. The rates, prices, yields, returns, appreciation, performance, or other parameters achieved by individual investment instruments in the past can in no way serve as an indicator or guarantee of future rates, prices, yields, appreciation, performance, or other parameters of such or similar investment instruments, and may vary over time, i.e., rise or fall. Expected or possible returns are not guaranteed, past returns are not a guarantee of future returns, the value of an investment may fluctuate over time, and the return on the original investment is not guaranteed. Neither is the performance achieved by the Fund or individual investment strategies in previous periods guaranteed for future periods.

Detailed information about the risks associated with investing in the Fund’s investment shares is provided in the Fund’s Rules; detailed information on the risks associated with the service of managing a customer’s assets that include an investment instrument, on the basis of discretionary contractual arrangements (portfolio management), is provided in the contractual documentation, in particular in the General Business Terms and Conditions.

1. **Information on the method and frequency of valuation of investment instruments in a customer’s portfolio:**

The value of a customer’s portfolio as at a given date is determined as the sum of the values of its individual instruments as valued by the Company, as follows:

1. For shares and derivatives: by the closing price achieved on the valuation date on the regulated or unregulated market where the share or derivative was purchased;
2. For bonds: by the average of the market makers’ bid prices (as a percentage of the nominal value of the bond) on the valuation date, multiplied by the nominal value of the bond. The primary source of prices is the average benchmark bond prices as determined by the relevant regulated market, with Reuters and Bloomberg being the secondary sources. To this price is also added the accrued aliquot interest yield determined according to the terms of issue of the bond in question;
3. For treasury bills: at the price determined in the short-term bond market according to the current yield on the valuation date;
4. For investment fund securities: at the redemption price published on the valuation date;
5. For buy & sell operations and the repo: at the price of the underlying asset plus the accrued yield at the valuation date;
6. For term deposits: at cost plus accrued interest income at the valuation date;
7. For funds: in nominal terms.

If an investment instrument is not traded on a regulated market, the last closing price achieved on the regulated market where the investment instrument was last traded will be used for valuation purposes.

1. **Benchmarks against which the performance of a customer’s portfolio will be compared:**

The benchmark index published by Bloomberg corresponding to the type of investment instrument will be used as the benchmark.

1. **Tied agent and investment intermediary:** In providing its services,theCompany works with investment intermediaries but does not use its own bound agents. The investment intermediaries with whom the Company works are registered in the Czech Republic, the Slovak Republic, or the United Kingdom.
2. **Method of payment and method of delivery or performance:**
3. In the case of subscription of investment shares of the Fund, the payment method is agreed in the agreement on the subscription, issue, and redemption of investment shares concluded between the customer and the Fund, represented by the Company. However, the method of payment is always cashless. The investment shares are issued by crediting the securities owner’s (customer’s) asset account, which is kept in the register pursuant to the Capital Market Undertakings Act;
4. In the case of discretionary management of customer assets that include an investment instrument under a contractual arrangement (portfolio management), the method of payment is agreed in the Customer Asset Management Agreement and related contractual documentation. This service is then provided to the customer on an ongoing basis throughout the term of the agreement;
5. In the case of the provision of investment advice concerning investment instruments, the Company provides this service exclusively in relation to the investment strategies it offers (see point (ii) above). This service is not separately chargeable.
6. **The period of validity of the agreement:**
7. In the case of investment in the Fund, the agreement binds the parties for at least the period of time during which the customer is a shareholder of the Fund, i.e., for the period of time during which he owns at least one investment share of the Fund or its sub-fund;
8. In the case of the management of the customer’s assets that include an investment instrument on a discretionary basis within the framework of a contractual arrangement (portfolio management), the agreement is usually concluded for an indefinite period and binds the contracting parties for at least the period during which the Company provides its services to the customer on the basis of this agreement.
9. **Notice concerning the possibility or impossibility of withdrawing from the agreement:** In accordance with Section 1847(a) of the Civil Code, the customer has no right to withdraw from an agreement within 14 days from the conclusion of the agreement under Section 1846 of the Civil Code, because financial services contracts where the agreed price of financial services depends on price fluctuations on financial markets that are beyond the entrepreneur’s control, such as services related to foreign exchange, money market instruments, transferable securities, shares in collective investment funds, financial futures contracts (futures), including equivalent cash-settled instruments, interest rate forward contracts (FRAs), interest rate and foreign exchange swaps or equity swaps on foreign exchange values and investment instruments, options to buy or sell any of the above instruments, including equivalent cash-settled instruments, are excluded from the possibility of withdrawal.
10. **Notice concerning the right of either party to terminate the Agreement early or unilaterally:**
11. In the case of investment in the Fund, unilateral termination of the contractual obligation is possible only by the customer – the owner of the investment shares of the Fund, who is entitled to request the redemption of all or any number of investment shares owned by him in accordance with the Fund’s Rules. Detailed terms and conditions for the issuance and redemption of investment shares are set out in the Fund’s Rules. In the event of redemption of all investment shares, the contractual relationship between the customer and the Company relating to the Fund is terminated. The Articles also set out the procedure in the event of the termination of the Fund;
12. In the case of the management of the customer’s assets that include an investment instrument, the agreement may also be terminated by written notice from the customer or the Company at their discretion within the framework of a contractual arrangement (portfolio management). The details are regulated directly in the customer’s asset management agreement.
13. **Cost of means of remote communication**: There are no special costs associated with entering into any contractual documentation with the Company by means of distance communication, other than the cost of verifying the signature and identity of the customer and the postage costs associated with the delivery of the signed agreement to the Company.
14. **The aggregate price of the service provided:**
15. In the case of investment in the Fund, entry and exit fees may be charged according to the rules of the Fund or its sub-funds. Given that the Fund’s investment shares are registered, other fees include fees associated with the maintenance of the customer’s asset account;
16. In the case of management of the customer’s assets that include an investment instrument, on a discretionary basis within the framework of a contractual arrangement (portfolio management), the entry fee and regular remuneration are agreed directly in the contractual documentation concluded with the customer. Other payments associated with the provision of this service may include fees, charges, deductions, or similar payments charged by third parties.
17. **Tax background:** the Company does not provide tax advice to its customers and therefore advises customers that a tax advisor should be consulted for each individual situation. Accordingly, the Company recommends that customers always consult their legal and tax advisors regarding the tax consequences of buying, selling, and holding investment and other instruments and receiving capital gains under the tax laws applicable in the Czech Republic and the countries in which they are resident, as well as in countries where the proceeds from the holding and sale of investment instruments may be subject to tax.

In the case of individuals who have securities included in their business assets, the income from the sale of these securities is subject to the standard tax regime. In the case of individuals who do not have securities included in their business assets, income from the sale of securities is exempt from income tax at this time if the period between the acquisition and transfer of those securities on sale or return exceeds 3 years. Any transfer within the investment portfolio is also considered to be a transfer of securities; this occurs quite frequently in the rebalancing of the portfolio as the Company sells or buys in response to market movements in securities.

1. **Indication of the EU Member State whose legislation the Company takes as a basis for establishing relations with the Customer:** The Company, its activities, and all its contractual documentation are subject to the laws of the Czech Republic and directly applicable legislation of the European Union.
2. **Applicable law and jurisdiction:** Thelaw applicable to any disputes between the customer and the Company shall be Czech law. Any disputes shall be resolved by Czech courts, whose subject matter and local jurisdiction shall be determined in accordance with Act No. 99/1963 Coll., the Code of Civil Procedure. In the case of customers who are citizens of another state, the jurisdiction of the court will be determined in accordance with the laws of the European Union or under the rules of private international law.
3. **Subject of out-of-court dispute resolution between the customer and the Company:** in accordance with Act No. 634/1992 Coll., on consumer protection, a customer who is a consumer has a right to out-of-court resolution of any disputes between the customer and the Company that are consumer disputes as defined by the Act. The subject of the out-of-court settlement of consumer disputes between the customer and the Company concerning the management of the customer’s assets that include an investment instrument on the basis of discretionary contractual arrangements (portfolio management) and the provision of investment advice relating to investment instruments is a financial arbitrator, as defined in Act No. 229/2002 Coll., on Financial Arbitrators. Further information about the financial arbitrator and the resolution of consumer disputes through the financial arbitrator can be obtained at the financial arbitrator’s registered office, Legerova 1581/69, Prague 1, 110 00, tel.: 257042070, e-mail: arbitr@finarbitr.cz. The website of the Financial Arbitrator is www.finarbitr.cz. However, in the area of investment fund management, qualified investors are not consumers and therefore the provisions of the Consumer Protection Act on out-of-court settlement of consumer disputes do not apply to qualified investor funds.
4. **Information about the language of the negotiations:** Thecompany deals with customers, provides all its contractual documentation, and fulfils its information obligations towards customers in the Czech language.
5. **Method of communication:** Communication between the Company and the customer takes place primarily by e-mail, on the Company’s website or by telephone; this does not apply to the conclusion, amendment, or termination of an agreement or investment strategy and to cases when the customer has chosen paper form as the permanent medium in the Customer Asset Management Agreement.
6. **Provision of information about services:** In the case of the provision of the service of investment management of a customer’s assets that include an investment instrument on a discretionary basis under a contractual arrangement (portfolio management), the Company provides the customer with regular information on the management and the state of his portfolio on a calendar month basis. In the case of investment funds managed by the Company, information under the AICIF is provided to the extent and within the time limits set out in the fund’s Rules, in particular via the Company’s website.
7. **Handling of complaints and claims:** TheCompany shall handle customer complaints and claims in accordance with the Complaints Procedure which is available on the Company’s website. The customer is also entitled to contact the supervisory authority, which is the Czech National Bank.
8. **Conflict of** **interest rules:** The Company shall identify and manage conflicts of interest between the Company and its customers or between its customers in accordance with applicable law; this shall also apply to potential customers. In order to prevent conflicts of interest, the Company has drawn up an internal regulation which introduces measures consisting, in particular, of the separation of activities with a potential for conflicts of interest, the establishment of rules for employee transactions, the prohibition of competition between persons with a special relationship with the Company, the independent control of persons involved in the provision of investment services, staff training, etc. If it is not possible to avoid the adverse effect of a conflict of interest on the interests of the customer, despite the measures taken, the Company shall, before providing the investment service, provide the customer with information on the nature or source of the conflict of interest, which will enable the customer to properly take the conflict of interest into account. The Company shall provide further information on the management of conflicts of interest on a durable medium.

As part of its conflict-of-interest management rules, the Company has also introduced rules for the exercise of voting rights that it follows if the Company exercises voting rights associated with participating securities (particularly shares or similar securities representing an interest in a company or other legal entity), as well as interests in companies or other legal entities that it has acquired for the investment funds or customer portfolios it manages. Where a person is required to attend and vote at a general meeting or similar body of a legal entity on behalf of a managed investment fund or customer, that person may not also vote on his or her own behalf or on behalf of another shareholder or partner of that legal entity. This does not apply if the Management Board of the Company has given written instructions to such person regarding voting and at the same time disclosed well in advance of the relevant general meeting or similar body of the legal entity that the person who will vote on behalf of the Company at such body may have a conflict of interest.

The Company may accept from or provide an incentive[[1]](#footnote-2) to a third party if:

1. The incentive is intended to improve the quality of the service provided and does not conflict with the Company’s obligation to provide its services with professional care, competently, honestly, fairly, and in the best interests of customers; or
2. The incentive enables or is necessary for the provision of investment services and its nature does not conflict with the Company’s obligation to provide its services with professional care, competently, honestly, fairly, and in the best interests of Customers, in particular if custody fees, settlement fees, transfer agent fees, administrative fees, or legal fees are concerned.
3. **Information about the Guarantee Fund:**
4. In the case of investment in the Fund, the Company is not a participant in the Securities Traders’ Guarantee Fund or any other guarantee fund;
5. In the case of the management of a customer’s assets that include an investment instrument on a discretionary basis under a contractual arrangement (portfolio management), the Company is a participant in the Securities Traders’ Guarantee Fund. The Guarantee Fund is not a state fund. It is a legal entity that provides a guarantee system from which compensation is paid to customers of securities traders (or other entities that are required by law to pay contributions to the Guarantee Fund). The Company pays contributions to the Guarantee Fund in accordance with Section 132a of the CMUA. In the event that the Company, due to its financial situation, is unable to meet its debts consisting of the delivery of assets to customers and is unlikely to meet them within 1 year, or in the event that a court issues a decision on the Company’s bankruptcy or issues another decision resulting in the Company’s customers not being able to effectively claim the relinquishment of their assets from the Company, the Guarantee Fund shall provide funds for compensation arising from such inability. Reimbursement from the Guarantee Fund shall be provided for a customer’s assets that could not be relinquished to the customer for reasons directly related to the Company’s financial situation. For the purpose of calculating the compensation, the values of all components of the customer’s assets that could not be relinquished for reasons directly related to the Company’s financial situation, including the customer’s co-ownership interest in property co-owned with other customers, shall be added together as at the date on which the Guarantee Fund received notification from the Czech National Bank of the Company’s above-mentioned insolvency. From the resulting amount, the value of the customer’s liabilities to the Company due on the date on which the Guarantee Fund received notification from the Czech National Bank shall be deducted. The fair values of the investment instruments in force on the date on which the Guarantee Fund receives notification from the Czech National Bank of the Company’s insolvency shall be used to calculate the compensation. In calculating the compensation, the Guarantee Fund may also take into account the contractual arrangements between the Company and the customer, if those are standard, in particular the actual interest or other returns to which the customer was entitled on the date on which the Guarantee Fund received the notification from the Czech National Bank. Compensation shall be granted to the customer in an amount equal to 90% of the amount calculated in accordance with the above procedure, but a maximum of the equivalent to EUR 20,000 in Czech crowns shall be paid to each customer of the Company. Compensation from the Guarantee Fund must be paid within 3 months from the date of the verification of the notified claim and calculation of the compensation amount. The CNB may, in exceptional cases, at the request of the Guarantee Fund, extend this period by a maximum of 3 months. The detailed regulation of the Guarantee Fund and the conditions for drawing compensation from it are regulated by the CCL in its provisions under Sections 128 to 134.
6. **Name and registered office of the authority responsible for supervision:** theCzech National Bank, having its registered office at Prague 1, Na Příkopě 28, post code 115 03.
7. **Protection of customers’ personal data:** Pursuant to Regulation (EU) No 2016/679 of the European Parliament and of the Council (“GDPR”), the Company processes its customers’ personal data for the following purposes:
8. Negotiation of an agreement and, if relevant, its subsequent performance:

The Company will process the personal data of customers (including potential customers) to the extent specified in this Agreement, including the Investment Questionnaire (the “Personal Data”) for the purpose of negotiating and executing the Agreement on Subscription, Issue and Redemption of Investment Shares or Agreement on the Management of a Customer’s Assets (collectively hereinafter referred to as the “Agreement”). The Company will process the Personal Data manually, by automated means, in electronic and paper form through its responsible employee or through a processor (a list of the categories of processors is available at the Company’s registered office and on its website at www.carduus.cz, or may be sent to the customer upon request, including a specification of the particular processors processing the personal data of the customer who submitted the request), which will transmit the personal data to the Company and the Company will store it in its information system. Personal data will be processed for the duration of the contractual relationship or, to the extent necessary, after its termination, for the period prescribed by law or necessary to settle mutual rights and obligations, but no longer than 10 years after its termination. The provision of the aforementioned personal data for the stated purpose is voluntary; nevertheless, it is necessary for the performance of the agreement. In the event of a refusal to provide them, the agreement cannot be concluded.

Given that the Company cooperates with partner banks in the performance of an Agreement on the Management of a Customer’s Assets, with which the customer enters into separate contractual documentation on the basis of which an individual investment account is opened by the partner banks, the Company processes the customer’s personal data for the partner banks and transfers that data to them for the purpose of fulfilling the obligation to identify the customer, which the partner banks are obliged to fulfil within the framework of measures against the legalisation of proceeds of crime and financing of terrorism under the laws applicable in the place of the partner banks’ registered office or branches. The provision of the customer’s personal data for this purpose is voluntary; nevertheless, it is necessary for the performance of the Agreement on the Management of the Customer’s Assets; in the event of refusal to provide it, the agreement cannot be concluded.

(ii) Identification and control of the customer pursuant to Act No. 253/2008 Coll., on certain measures against the legalisation of proceeds of crime and financing of terrorism, as amended (hereinafter referred to as the “AML Act”) and legislation implementing it:

In connection with the conclusion of the agreement, the Company is obliged to carry out identification and control of a customer in accordance with the AML Act and the legislation implementing it, in particular Regulation No. 218/2008 Coll. (from 1 October 2018 Regulation No. 67/2018 Coll.), on certain requirements with respect to a system of internal policies, procedures, and controls against the laundering of the proceeds of crime and financing of terrorism. In order to comply with its statutory obligations, the Company will process customers’ personal data to the extent provided for by the above-mentioned legislation. The Company will process the personal data manually, automatically, in electronic and paper form through its responsible employee or through a processor (a list of the categories of processors is available at the Company’s registered office and on its website at www.carduus.cz, or may be sent to the customer upon request, including a specification of the particular processors processing the personal data of the customer who submitted the request), which will transfer the personal data to the Company and the Company will store it in its information system for the duration of the contractual relationship and for 10 years after its termination. In the event that the Company concludes that a transaction is suspicious within the meaning of the AML Act, the personal data of the customer concerned will be transferred to the relevant public authorities. The provision of personal data for the stated purpose is mandatory and necessary for the fulfilment of the Company’s obligations under the relevant legislation. In the event of a refusal to provide them, the Agreement cannot be concluded.

In collecting data about a customer, the Company is entitled, pursuant to the AML Act, to make inquiries into property records or other databases to determine the assets or property conditions of natural persons and legal entities and to use the resulting findings to verify the credibility and risk profile of the customer or to verify the accuracy of the information provided by the customer on the basis of the information found.

In collecting data about a customer, the Company is entitled, if the AML Act so provides, to make copies of or extracts from the documents presented, i.e., identity card, driving licence, passport, or other identification document, and to process the information thus obtained in order to fulfil the purpose of the act. A photocopy of a customer’s identity document will be kept by the Company together with the customer’s other data for as long as the customer’s personal data is processed. In connection with the making of a photocopy of the customer’s identification document, the customer acknowledges that the Company also processes for identification purposes the image of the customer contained in the identification document.

(iii) Compliance with the reporting obligation within the framework of international cooperation in tax administration:

In order to fulfil the obligations set out in Act No. 164/2013 Coll., on international cooperation in tax administration and on amending other related acts, as amended (hereinafter referred to as the “Act on International Cooperation in Tax Administration”), the Company will process personal data of customers to the extent specified in Section 13k of the Act on International Cooperation in Tax Administration. The Company will notify personal data for the stated purpose to the tax administrator, i.e., the specialised revenue authority, which may further transfer the data to the competent tax administrator in the customer’s country of tax residence. The Company will process the personal data manually, automatically, in electronic and paper form through its responsible employee or through a processor (a list of the categories of processors is available at the Company’s registered office and on its website at www.carduus.cz, or may be sent to the customer upon request, including a specification of the particular processors processing the personal data of the customer who submitted the request), which will transfer the personal data to the Company and the Company will store them in its information system for the duration of the contractual relationship and for the period provided for by the relevant legislation. The provision of the aforementioned personal data for the stated purpose is mandatory and necessary for the fulfilment of the Company’s obligations under the International Cooperation in Tax Administration Act. In the case of refusal to provide them, the Agreement cannot be concluded.

1. On the basis of the consent granted, the Company will process the customers’ personal data to the extent of their name, surname, telephone, and e-mail address for:
   1. Marketing purposes, i.e., in particular, for the purpose of offering services, sending information about events, services, and other activities, and measuring customer satisfaction;
   2. Sending commercial communications by electronic means pursuant to Act No. 480/2004 Coll., on certain information society services and on amendments to certain acts, as amended.

The provision of the aforementioned personal data is voluntary and is based on written consent, which constitutes a separate document. With the customer’s consent, personal data may be transferred to recipients, an up-to-date list of which is available at the Company’s registered office and on its website at www.carduus.cz, or may be sent to the customer upon request. The Company will process personal data for the stated purpose manually, by automated means, in electronic and paper form through its responsible employee for a maximum period of 10 years from the date of consent to processing, except for the sending of commercial communications, where consent is granted for an indefinite period. The consent given to the processing of personal data may be withdrawn by the customer at any time, in whole or in part, by letter delivered to the Company’s registered office or electronically to the Company’s e-mail: office@carduus.cz.

Information on the rights of the data subject:

The Company, as the data controller, hereby informs that the customer has a right to access and portability of personal data in relation to the purposes stated in points (i) and (iv). Should the customer discover or believe that the Company is carrying out processing of his personal data which is contrary to the protection of his private and personal life or contrary to the law, in particular if the personal data is inaccurate with a view to the purpose of its processing, the customer may ask the Company for an explanation or demand that the Company remedy the situation thus created. In particular, this may involve the rectification, completion, or erasure of personal data or restriction of the processing of the customer’s personal data. The customer also has the right to lodge a complaint with the Data Protection Authority if he believes that the processing of his personal data violates the relevant personal data protection legislation. The Company is entitled to disclose the customer’s personal data to public authorities to the extent provided for by law. In the event of questions or requests to exercise rights relating to the protection of personal data, the customer may contact the controller by e-mail: [office@carduus.cz](mailto:office@carduus.cz). The Company is entitled to disclose your personal data to public authorities to the extent provided for by law. The contact details of the Company’s Data Protection Officer can be found on its website at www.carduus.cz.

1. **Validity period of the data provided:** Theinformation provided above shall remain valid until it is changed or updated, in particular due to changes in legislation, changes in the Company, or changes in the Fund’s Rules or contractual documentation.

Prague, 01 September 2021

Valid and effective from: 01 September 2021

1. An incentive is a payment or other monetary or non-monetary benefit, including research. A payment or other advantage, whether monetary or non-monetary, received from or provided to a customer or a person acting on a customer's behalf is not considered an incentive. [↑](#footnote-ref-2)