

# Consolidated Annual Report 2015

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VIG FUND uzavřený investiční fond, a.s.

**VIG  FUND**

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## 1. Index

1. Index.....	2
2. Basic Company Information.....	4
a) Members of the board of directors, supervisory board and auditor of the Company ....	4
b) Persons in which the Company had a qualified holding.....	7
c) Persons who had a qualified holding in the Company .....	8
d) Persons who were interconnected with the Company in personnel terms .....	8
e) Persons who acted in concert with the Company .....	9
f) Name of the Company and its identification pursuant to the International Securities Identification Numbering (ISIN) system or another Securities Identification Numbering (SIN) system .....	9
g) Changes to the facts registered in the Commercial Register .....	9
h) Facts with a significant impact on the performance of activities by the Company.....	9
3. Particulars of the Annual Report according to Section 291 of Act no. 240/2013 Coll. ....	10
a) Investment Company .....	10
b) Development of the Assets .....	10
c) Equity capital of the Group and the equity capital falling upon one share.....	10
d) Liabilities of the Group .....	10
e) Changes in the Statute of the Company.....	10
f) Remuneration of the employees and the management of VIG AM.....	11
g) Measures preventing the conflict of interest .....	11
h) The period for which the Company was set up.....	11
4. Particulars of the Annual Report according to Annex no. 2 to Decree No. 244/2013 Coll. ....	11
a) Portfolio manager.....	11
b) Depositary of the Company.....	11
c) The person who ensures the safekeeping or some other custody of the assets of the Company.....	12
d) Persons authorized to provide the Company with investment services .....	12
e) Identification of the assets.....	12
f) The development of the value of a share of the Company (as defined in annex no. 2 to Decree No. 244/2013 Coll.).....	12
5. Particulars of the Annual Report according to Section 118/4 of the Act on Capital Market - no. 256/2004 Coll. ....	12
a) Internal control system.....	12

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b) Statutory and Supervisory body of the Company .....	13
c) The rights and obligations related to the shares of the Company .....	14
d) Competence of the General meeting .....	14
e) Monetary or non-monetary benefits and principles of the remuneration of the members of Board of Directors and members of the Supervisory Board of the Company .....	16
f) Shares and options owned by the members of the Supervisory Board or members of the Board of Directors .....	16
g) Code of Corporate Governance of the Company .....	17
h) Remuneration charged by the auditors .....	17
i) Figures and information about the financial position, business activities and financial results .....	17
6. Information on facts that occurred after the date of balance sheet and are significant for fulfilling the purpose of the Annual Report .....	17
7. Report of the Board of Directors on Business Activities and Status of Properties .....	17
8. Expected Company development in 2016.....	18
9. Other information .....	18
10. Report on relationships between related parties .....	20
11. Report of the Supervisory Board.....	26
12. Related Parties and equity participation of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe.....	27
13. Consolidated financial statements for 2015 .....	32
14. Auditor's report.....	32

## 2. Basic Company Information

**Company:** VIG FUND uzavřený investiční fond, a.s.

**Company address:** Templová 747/5, 110 00 Praha 1 - Staré Město

**Legal form:** joint-stock company

**Identification no.:** 24220809

**Date of balance:** 31<sup>st</sup> December 2015

**Accounting period:** 1<sup>st</sup> January 2015 – 31<sup>st</sup> December 2015

VIG FUND uzavřený investiční fond, a.s. was founded by registration in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17896 on 1<sup>st</sup> March 2012 (hereinafter referred to as "VIG FUND" or the "Company").

The business objective is collective investment in accordance with Act no. 240/2013 Coll., on investment companies and investment funds, as amended, based on enrollment in the list of investment fund with legal personality kept by the Czech National Bank.

VIG FUND is a joint-stock company, managed by VIG Asset Management investiční společnost, a.s., ID no. 24838233, with registered office at 110 00 Praha 1, Templová 747/5, registered in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17131 (hereinafter referred to as "VIG AM" or "Investment Company").

The consolidated Annual Report includes the following companies which are fully consolidated: SK BM s.r.o., Bratislava and HUN BM Kft., Budapest (all together hereinafter referred to as the "Group"), for details see the Section b) below.

### **a) Members of the board of directors, supervisory board and auditor of the Company**

#### ***Board of Directors***

**VIG Asset Management investiční společnost, a.s.** - sole Member of the Board of Directors

Templová 747/5, 110 00 Prague 1 - Staré Město,  
Company ID no.: 248 38 233  
Function established on: 16<sup>th</sup> July 2014

*represented by:*

**Dipl. Ing. Caroline Mocker, MSc. MRICS**

**Chairperson of the Board of Directors VIG AM**

Function established on: 27<sup>th</sup> April 2011

- Graduate of the Vienna University of Technology (Architecture)
- Postgraduate studies at the Vienna University of Technology (Real Estate Management and Pricing)
- Member of Royal Institution of Chartered Surveyors

***Experience:***

- since 04/2011 International real estate expert (Vienna Insurance Group AG)
- 12/2010 - 03/2011 Project management "Smashing Suns" Franchise GmbH
- 07/2009 - 11/2010 Project manager of group investments (Bank Austria Real Invest GmbH)
- 01/2008 - 06/2009 Investment manager for Real Invest Austria (RIA) and Real Invest Europe (RIE)
- 01/2007 - 12/2007 Head of the Portfolio Management Department (Bundesimmobiliengesellschaft mbH)
- 11/2005 - 12/2006 Portfolio manager (Bundesimmobiliengesellschaft mbH)
- 02/1998 - 10/2005 Technical employee and work on free-lance basis

**Ing. Luděk Marek**

**Member of the Board of Directors VIG AM**

Function established on: 11<sup>st</sup> October 2011

- Graduate of the University of Economics in Prague, Faculty of Economics, Finances

***Experience:***

- since 2002 Head of the Treasury Division (Kooperativa pojišťovna, a.s., Vienna Insurance Group)
- 1993 – 2001 Head of the Portfolio and Liquidity Management Department (Kooperativa pojišťovna, a.s., Vienna Insurance Group)
- 1991 – 1993 Trade certificate for the area of business consulting
- 1987 – 1991 Česká státní pojišťovna – Economy Department
- 1985 – 1987 Československá obchodní banka

**Ing. Mag. Christoph Roiser**

**Member of the Board of Directors VIG AM**

Function established on: 11<sup>st</sup> October 2011

- Graduate of the Vienna University of Economics and Business (Business Economics, Production and IT Management)
- Study abroad at the University of Illinois at Urbana-Champaign, USA (Production)
- Study abroad at the Jiangxi University of Finance and Economics, China (International Management and Accounting)

**Experience:**

- since 2008 Deputy manager of the Real Estate Department,  
(WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group)
- 2005-2008 Business manager (general manager) of the  
"Electronic Assembly" operational unit for Central and Eastern Europe (Siemens AG Austria, Automation & Drives)
- 2002-2004 Senior Controller of Sales  
(Siemens AG Germany, Logistics & Assembly)
- 1999-2002 Project manager  
(Siemens AG Austria, Siemens Dematic)

**Supervisory Board****Dr. Martin Simhandl****Chairperson of the Supervisory Board**Function established on: 1<sup>st</sup> March 2012

- Graduate of the University of Vienna (Law)

**Experience:**

- since 11/2004 Member of the Board of Directors  
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 1994 - 2004 Management of subsidiaries  
(Head of Subsidiary Management since 1998)
- 1985 – 1993 Legal department (proxy holder since 1991)
- 1985 Start in Vienna Insurance Group

**Mag. Roland Gröll****Member of the Supervisory Board**Function established on: 1<sup>st</sup> March 2012

- Graduate of the Vienna University of Economics and Business

**Experience:**

- Since 01/2014 Head of the Financial and Accounting Department  
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 01/2010 – 12/2013 Member of the Board of Directors  
Donau Versicherung AG Vienna Insurance Group
- 10/2008 - 12/2013 Deputy of the Board of Directors  
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 02/2008-2010 Member of the Extended Board of Directors  
Vienna Insurance Group Wiener Städtische Versicherung AG
- since 03/2008 Head of the Financial and Accounting Department
- since 06/2003 Proxy holder, WIENER STÄDTISCHE Versicherung AG  
Vienna Insurance Group
- 05/2003-02/2008 Deputy manager of the Financial and Accounting Department
- 01/2001 Proxy holder
- 02/1994 Start in WIENER STÄDTISCHE Versicherung AG  
Vienna Insurance Group, Financial and Accounting Department

**Gary Wheatley Mazzotti****Member of the Supervisory Board**

Function established on: 17<sup>th</sup> April 2012

- Graduate of the University of Reading (Economics)
- ACA chartered accountant

Experience:

- Since 4/2014                      Member of the Board of Directors  
Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Since 3/2012                      Senior Executive  
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 10/2010-01/2012                  Senior Investment Director, PPF, a.s.
- 09/2008-10/2010                  Chief Financial Officer Private Equity Division, PPF, a.s.
- 09/2007-09/2008                  Chief Executive Officer, ENERGY 21, a.s.
- 01/2006-08/2007                  Chief Operating Officer, AAA Auto, a.s.
- 09/2001-12/2005                  Chief Financial Officer, AAA Auto, a.s.
- 04/1994-08/2001                  Finance Director,  
Sound and Media Group (Part of Virgin Group)
- 03/1991-04/1994                  Group Operational Review Manager, Atlantic Computers PLC
- 09/1988-03/1991                  Financial Controller, Greyhound Leasing

***Auditor***

The Financial statements of the Company have been audited by KPMG Česká republika Audit, s.r.o. (registration no. 71).

**b) Persons in which the Company had a qualified holding**

The Company has qualified interest in:

- **SK BM s.r.o.:** The Company holds 100 % of the shares of SK BM s.r.o., with its registered office at Štefanovičova 4, 816 23 Bratislava, ID no.: 46423427, registered in the Commercial Register at the Municipal Court Bratislava, File no. 77149/B. SK BM is a real estate company according to VIG FUND's statute and complies with the investment orientation of the fund according to its statute;

**Managing Director:**

Dipl. Ing. Caroline Mocker, MSc. MRICS

Ing. Mag. Christoph Roiser

- **HUN BM Kft:** The Company holds 100 % of the shares of HUN BM Korlátolt Felelősségű Társaság with its registered office at Baross utca 1, 1082 Budapest, Trade Register No: Cg.01-09-972521. HUN BM is a real estate company according to VIG FUND's statute and complies with the investment orientation of the fund according to its statute;

Managing Director:

Dipl. Ing. Caroline Mocker, MSc. MRICS

Ing. Mag. Christoph Roiser

**c) Persons who had a qualified holding in the Company**

VIG-CZ Real Estate GmbH, Vienna (72.23 %) and Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague (17.09 %) had a qualified holding in the Company.

**d) Persons who were interconnected with the Company in personnel terms**

The representatives of the sole Member of the Board of Directors and Members of the Supervisory Board of the Company had inter alia the following relevant mandates in the reported period:

**Dipl. Ing. Caroline Mocker, MSc. MRICS**

HUN BM Kft.	Managing Director
SK BM s.r.o.	Managing Director
VIG Asset Management investiční společnost, a.s.	Chairperson of Board of Directors
VIG AM Services GmbH	Managing Director
VLTAVA majetkovosprávní a podílová spol. s r.o.	Managing Director

**Ing. Mag. Christoph Roiser**

HUN BM Kft.	Managing Director
SK BM s.r.o.	Managing Director
Anděl Investment Praha s.r.o.	Managing Director
VIG Asset Management investiční společnost, a.s.	Member of Board of Directors
VIG AM Services GmbH	Managing Director

**Ing. Luděk Marek**

VIG ND, a.s.	Member of Board of Directors
VIG Asset Management investiční společnost, a.s.	Member of Board of Directors

**Dr. Martin Simhandl**

InterRisk Lebensversicherungs-AG Vienna Insurance Group	Member of the Supervisory Board
InterRisk Versicherungs-AG Vienna Insurance Group	Chairperson of the Supervisory Board
Sparkassen Versicherung AG Vienna Insurance Group	Member of the Supervisory Board
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	Member of the Board of Directors
VIG Asset Management investiční společnost, a.s.	Chairperson of the Supervisory Board
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Member of the Supervisory Board



**Mag. Roland Gröll**

KOOPERATIVA poist'ovňa, a.s. Vienna Insurance Group	Member of the Supervisory Board
Kooperativa pojišťovna, a.s. Vienna Insurance Group	Member of the Supervisory Board
VIG Asset Management investiční společnost, a.s.	Member of the Supervisory Board
VIG RE zajišťovna, a.s.	Member of the Supervisory Board
Wiener Osiguranje Vienna Insurance Group d.d., Zagreb	Member of the Supervisory Board

**Mr. Gary Wheatley Mazzotti**

Anděl Investment Praha s.r.o.	
Kooperativa pojišťovna, a.s. Vienna Insurance Group	Managing Director Member of Board of Directors
VIG Asset Management investiční společnost, a.s.	Member of the Supervisory Board
VIG ND, a.s.	Member of the Supervisory Board

**e) Persons who acted in concert with the Company**

In 2015, the Company did not act in concert with any person, who is not listed in paragraph a) to c).

**f) Name of the Company and its identification pursuant to the International Securities Identification Numbering (ISIN) system or another Securities Identification Numbering (SIN) system**

Name of the Company: VIG FUND uzavřený investiční fond, a.s.

Neither ISIN nor SIN was assigned to VIG FUND.

**g) Changes to the facts registered in the Commercial Register**

In the reported period no changes were made in the records in the Commercial Register.

**h) Facts with a significant impact on the performance of activities by the Company**

On 16<sup>th</sup> December 2015, the Company sold three properties:

- part of its real estate in the cadastral area of Místek, municipality of Frýdek-Místek, registered in the title deed 2903 and part of its real estate in the cadastral area of Sviadnov, municipality of Frýdek-Místek, registered in title deed No. 611,
- part of its real estate in the cadastral area of Rybáře, municipality of Karlovy Vary, registered in title deed No. 1303 and,
- its real estate in the cadastral area of Mladá Boleslav, municipality of Mladá Boleslav, entered in title deed No. 4064.

The liquidity, generated by these sales was used to repay a significant part of the Company's debts.

A considerable part of the Company's properties was leased to one individual tenant. In the course of a reorganizational process significant parts of these properties were leased to a new tenant.

### 3. Particulars of the Annual Report according to Section 291 of Act no. 240/2013 Coll.

#### a) Investment Company

VIG FUND was managed by VIG AM. VIG AM was granted the license to operate as an investment company by the Czech National Bank on 21<sup>st</sup> October 2011. In 2015, VIG AM managed the properties of the Company from the position of the sole member of the Board of Directors of the Company. The performance of the office of the sole member of the Board of Directors is governed by Act no. 240/2013 Coll. and by the Contract on performance of office executed on 17<sup>th</sup> July 2014.

#### b) Development of the Assets

Date	Assets of the Group
31.12.2014	TEUR 292,807
31.12.2015	TEUR 260,564

#### c) Equity capital of the Group and the equity capital falling upon one share

Date	Equity capital of the Group	Equity capital per share
31.12.2013	TEUR 109,668	EUR 9,020
31.12.2014	TEUR 129,753	EUR 7,576
31.12.2015	TEUR 131,775	EUR 7,694

No shares were repurchased by the Company and all shares were paid.

The profit per one share for the period 01.01.2015 – 31.12.2015 amounts to EUR 127. In the reported period, no dividend has been distributed.

#### d) Liabilities of the Group

Liabilities of the Group as of 31st December 2015: TEUR 128,789.

#### e) Changes in the Statute of the Company

In 2015 no changes were made in the Statute of the Company.

**f) Remuneration of the employees and the management of VIG AM**

Remuneration	
Number of managers	3
Number of other employees	6
Fixed component of the remuneration	EUR 196,361
Variable component of the remuneration	EUR 56,629

**g) Measures preventing the conflict of interest**

In connection with the provision of Act No. 240/2013 Coll., Commission delegated regulation (EU) No 231/2013 of 19<sup>th</sup> December 2012 and Decree No. 244/2013 Coll., providing for more detailed regulations applicable to act in investment companies and investment funds, the Investment Company defined in its internal rules (see also Article 5. g) of this Annual Report) following to prevent the conflict of interest:

- the processes relating to closing deals by persons having special relationships to the Investment Company,
- the processes leading to identification of conflicts of interest, preventing any prospective conflicts of interests, limiting possibilities that a conflict of interests occurs and managing conflicts of interest,
- the rules of the exercise of voting rights.

**h) The period for which the Company was set up**

The Company was set up for an indefinite period.

## 4. Particulars of the Annual Report according to Annex no. 2 to Decree No. 244/2013 Coll.

**a) Portfolio manager**

The management of assets is carried out by representatives of VIG AM. Identification data and description of experience of representatives of VIG AM are stated in part 2 of this annual report.

**b) Depositary of the Company**

In the reported period, Česká spořitelna, a.s., with registered office at 140 00 Praha 4, Olbrachtova 1929/62, ID no. 45244782, registered in the Commercial Register of the Municipal Court in Prague, Section B, File no. 1171, was the only depositary of the Company. In the reported period, the Company paid the amount of TEUR 44 to its depositary.

**c) The person who ensures the safekeeping or some other custody of the assets of the Company**

In 2015, Česká spořitelna, a.s. ensured safekeeping or other custody of the assets of the Company.

**d) Persons authorized to provide the Company with investment services**

The Company did not trade in securities in the reported period; therefore no broker or investment firm performed activities of an investment firm for the Company.

**e) Identification of the assets**

As of 31<sup>st</sup> December 2015, the Company's assets consisted of:

Name of Assets	Acquisition value	Fair value
Investment Properties	TEUR 252,394	TEUR 233,560
Shares in Subsidiaries	TEUR 0	TEUR 0
Loans to group entities	TEUR 0	TEUR 0
Trade and tax receivables	TEUR 1,246	TEUR 1,246
Cash and cash equivalents	TEUR 22,857	TEUR 22,857
Accrued assets	TEUR 1,480	TEUR 1,480
Other assets	TEUR 100	TEUR 100

**f) The development of the value of a share of the Company (as defined in annex no. 2 to Decree No. 244/2013 Coll.)**

The value of a share of the Company increased from EUR 7,576 (as at 31<sup>st</sup> December 2014) to EUR 7,694 (as at 31<sup>st</sup> December 2015).

The value of the shares does not copy any index or other indicator.

**5. Particulars of the Annual Report according to Section 118/4 of the Act on Capital Market - no. 256/2004 Coll.**

**a) Internal control system**

The internal control system is generally a part of the usual, daily activity and helps to achieve the Company's strategic and business objectives and reduces the risks to which the Company

is exposed, notably the operational risk. The internal control system is an integral part of the Company's management.

The levels of the internal control system are composed of:

- control carried out by each personnel during the work performance,
- control carried out by the Board of Directors and managing personnel during both the discharge of their managing functions and the performance of their work,
- activities by compliance,
- activities by internal audit.

The internal control system also includes activities by the Supervisory Board carried out in accordance with the law, the Articles of Association and Supervisory Board resolutions.

The internal control system includes the consistent monitoring of the changing environment, including the evaluation of related risks, and the subsequent adaptation of organizational structures, capacities, equipment, procedures and activities.

The internal control system includes regular reconciliation and physical control; the physical control is mainly concerned with limiting access to the tangible property, investment instruments and other financial assets and with regular asset inventory checks.

The control activities consist of the supervision of compliance with:

- universally binding legislation,
- binding measures of supervisory bodies, their methodical materials, instructions and opinions,
- internal regulations, limits,
- process of giving approval and authorization for transactions above the stipulated limits,
- economical and effective performance of activities and transactions, verifying transaction details,
- verifying outputs of systems and risk management methods in use,
- ethical standards, standards and habits generally recognized in the financial market,
- contractual relationships,
- economical and efficient performance of activities.

## **b) Statutory and Supervisory body of the Company**

### **Board of Directors**

The Company's Board of Directors has one Member. Member of the Board of Directors is elected and removed by the Supervisory Board. A member of the Board of directors may only be a person within the meaning of Section 9 (1) of Act no. 240/2013 Coll.

Members of the Board of Directors can be elected repeatedly. The term of office of Members of the Board of Directors is five years.

The Board of Directors is the governing body of the Company. The Board of Directors decides on all matters of the Company which are not reserved for the competence of the General Meeting or the Supervisory Board under universally binding regulations or Articles of Association of the Company.

### **Supervisory board**

The Supervisory Board has three Members. Members of the Supervisory Board are elected and removed by the General Meeting. The Supervisory Board elects and removes the Chairperson and Vice-Chairperson of the Supervisory Board from among its Members. A person may be elected a Member of the Supervisory Board repeatedly. The term of office of Supervisory Board Members is five years. The office of a Supervisory Board Member also expires by election of a new Supervisory Board Member.

The Supervisory Board is the Company's supervisory body.

The Supervisory Board takes decisions at its meetings. The Supervisory Board takes decisions by absolute majority all Members' votes, with each Member always having one vote. The Supervisory Board is able to adopt decisions if at least half of its Members, including the Chairperson, or, if absent, the Vice-Chairperson, are present at its meeting. In case of a deadlock, the Chairperson, or, if absent, the Vice-Chairperson, shall have the decisive vote.

The Supervisory Board may adopt decisions even outside its meetings, by vote in writing or, where appropriate, by fax, e-mail, etc.

#### **c) The rights and obligations related to the shares of the Company**

The registered capital of the Company is divided into 17,127 (seventeen thousand one hundred and twenty seven) ordinary registered shares issued as share certificates, with the nominal value of CZK 200 (in words: two hundred Czech crowns) per share. Each share entitles its holder to one vote in voting at the General Meeting. The same rights and obligations are associated with all the Company's shares. These rights and obligations are set out in the relevant provisions of the Company's Articles of Associations and Act No 90/2012 Coll., on companies and cooperatives (hereinafter referred to as the "Corporations Act").

#### **d) Competence of the General meeting**

The General Meeting is the Company's supreme body. The General Meeting consists of all shareholders present. Shareholders may be present and vote at the General Meeting with the use of technical means. Decisions may be made per rollam.

The General Meeting shall have a quorum if shareholders who hold shares with the total nominal value or number equaling 60 % (sixty percent) of the registered capital of the Company are present or participate in the General Meeting by technical means.

The sole competence of the General Meeting includes:

- a. decisions on assumption of effect of acts on behalf of the Company prior to its incorporation;
- b. decisions to change the Articles of Association unless the change is due to an increase in registered capital which was delegated, by a General Meeting resolution, to the Company's Board of Directors or unless the change is due to other legal circumstances; the right of the asset manager to change the Articles of Association under Section 277 (2) of the Investment Companies and Investment Funds Act, pertaining to the governing body, is not affected;
- c. decisions on an increase or decrease of the registered capital, on authorization of the Board of Directors to adopt decision(s) on an increase of the registered capital and on any set-off of a pecuniary receivable due from the Company against a receivable for paying up the issue price;
- d. decisions on the possibility to acquire or, to accept as collateral, treasury shares or shares of a controlled person;
- e. appointment and removal of a liquidator of the Company;
- f. election and removal of Members of the Supervisory Board;
- g. laying down the policies for the activities of the Board of Directors and the Supervisory Board, and approving the instructions binding on the Board of Directors and on the Supervisory Board;
- h. approving the regular or extraordinary financial statements and the consolidated financial statements and, where required by law, also the interim financial statements; decisions to distribute profit or to settle loss (in compliance with Article 28 of the Articles of Association), and the determination of royalties and due dates, as well as the place of dividend and royalty payments;
- i. remuneration decisions in respect of Members of the Supervisory Board;
- j. discussing the report on the Company's business activities and on the balance of its assets;
- k. discussing the proposals and measures put forward by the Board of Directors under Article 18 (4) of the Articles of Association;
- l. approval of the report of the Supervisory Board on the review of the annual financial statements and the profit distribution proposal as well as other outcomes of supervision activities of the Supervisory Board that the Supervisory Board presents (Section 449 (1) of the Corporations Act);
- m. decision to wind up the Company with liquidation, and approval of the proposal to distribute the proceeds of the liquidation;
- n. decisions on a merger or demerger or, where appropriate, a decision to change the Company's legal form;
- o. discussion of the final report on the progress of liquidation;
- p. approving the agreement on the performance of an office of a Member of the Supervisory Board under Section 59 (2) of the Corporations Act;
- q. decisions to preclude or restrict the preferential right to subscribe new shares under Section 488 of the Corporations Act;
- r. suspension of performance of the office of a member of a body or issue of a prohibition of execution of a contract in case of conflict of interest (Sections 54 - 58 of the Corporations Act);

- s. granting authorization to the Board of Directors to determine the issue price of the shares issued in relation to registered capital increase;
- t. appointing the auditor of the Company;
- u. decisions on other matters of the Company which the Corporations Act, the Investment Companies and Investment Funds Act or other legal regulations or the Articles of Association include in the competence of the General Meeting.

#### Decision making

The General Meeting takes decisions by a simple majority of votes of the shareholders present, unless the law stipulates other majority or the Articles of Association stipulate a higher number of votes to pass a resolution.

#### **e) Monetary or non-monetary benefits and principles of the remuneration of the members of Board of Directors and members of the Supervisory Board of the Company**

##### **Remuneration for the members of the Board of Directors**

The remuneration according to the agreement on the performance of office consists of a fixed and a variable component and a success fee.

The variable component is derived from the average value of the Company's assets.

The success fee is paid in case the Cash to Equity of the Company exceeds defined threshold.

The fee covers the total remuneration of VIG AM for its activities and responsibilities as an investment company for VIG FUND.

Fee	TEUR 593
Non-monetary remuneration	none

##### **Remuneration of Supervisory Board members**

The Supervisory Board members do not receive any monetary or natural income from the Company for the performance as Supervisory Board members.

Members of the Supervisory Board:

- Dr. Martin Simhandl
- Mag. Roland Gröll
- Gary Wheatly Mazzotti

#### **f) Shares and options owned by the members of the Supervisory Board or members of the Board of Directors**

Neither member of the Supervisory Board nor a member of the Board of Directors of the Company or closely related individuals own stock or similar securities representing a share in the Company, nor hold any options or similar investment instruments related to the stock or similar security representing a share in the Company, nor be the contracting parties of such contracts or have such contracts concluded in their favor.



**g) Code of Corporate Governance of the Company**

Corporate governance is assured by VIG AM. VIG AM complies with all applicable legal regulations. Additionally a system of internal rules has been implemented by VIG AM, with the aim to assure good corporate governance of the Company. The board of directors, the Supervisory Board and the employees are fully committed to the system of internal rules. Internal rules are available at the Company's headquarter.

**h) Remuneration charged by the auditors**

During 2015 the Company's auditors charged a remuneration of EUR 28,000.

**i) Figures and information about the financial position, business activities and financial results**

Information about the financial position, business activities and financial results are stated in part 13 of this annual report.

**6. Information on facts that occurred after the date of balance sheet and are significant for fulfilling the purpose of the Annual Report**

No significant events occurred after the Balance Sheet date.

**7. Report of the Board of Directors on Business Activities and Status of Properties**

In 2015, the Company concentrated on the optimization of its asset allocation. On the one hand this resulted in the sale of a part of its retail portfolio: On 16<sup>th</sup> December 2015 the Company sold properties in Frýdek-Místek, Karlovy-Vary and Mladá Boleslav. On the other hand new lease agreements were signed for a significant part of the Company's remaining retail portfolio respectively promising negotiations with potential tenants were held.

The liquidity resulting from the asset disposal was used to repay part of the Company's debts in order to improve the Company's debt financing structure.

Since 1<sup>st</sup> January 2015 the standard income tax rate of 19 % is applicable (instead of 5 % before). Thus the Company's current income tax increased significantly.

Thus the economic activities of the Group ended with a profit of TEUR 2,022 for the period from 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015.

## The portfolio of VIG FUND

<i>Property</i>	<i>Location</i>
BBC - C	Prague
Havlíčkova Plaza	Prague
Burzovní Palác	Prague
Jasna	Warsaw
Libra	Warsaw
Retail Portfolio	Czech Republic
Retail Portfolio	Slovakia
Retail Portfolio	Hungary

## Status of Properties

### Assets

In balance sheet as of 31<sup>st</sup> December 2015, the Company reported assets amounting to TEUR 260,564 (out of which TEUR 233,560 consists of investment properties and shares).

### Liabilities

Total liabilities of the Company amount to TEUR 128,789.

### Registered share capital

The Company's registered share capital amounts to TCZK 3,425.4.

The management of the Company is not aware of any other facts that would significantly affect the financial situation of the Company as of the date of generating the annual report for 2015. The management is furthermore not aware of any substantial lawsuits (active or passive) that could affect the financial situation of the Company for 2015.

## 8. Expected Company development in 2016

The Company will continue its growth strategy by acquiring additional real estate investments in Central and Eastern Europe and on managing the already acquired properties.

## 9. Other information

### **Activities in the area of research and development**

The Company is currently not active in the area of research and development.

### **Activities in the area of environmental protection and labor-law relations**

With respect to environmental protection and labor-law relations, the Company adheres to the corresponding legally binding regulations.

**Organizational units abroad**

The Company has no organizational unit abroad but holds two properties in Poland directly.

**Information on lawsuits or arbitrations**

The Company was not involved in lawsuits or arbitrations in 2015. The Board of Directors hereby declares that to its knowledge, the consolidated annual report gives a true and fair view of the financial position, business activities and results of the Company and of the consolidated group for the reported period and a true and fair view of the future outlook for the financial situation, business activities and financial results.

18<sup>th</sup> March 2016



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VIG Asset Management investiční společnost, a.s. (Member of the Board of Directors),  
*represented by Dipl. Ing. Caroline Mocker and Ing. Mag. Christoph Roiser*

## 10. Report on relationships between related parties

**The controlled company: VIG FUND uzavřený investiční fond, a.s.**

The Company is part of the Vienna Insurance Group consolidation group with the ultimate parent company being VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna, Austria.

### Company purpose

The Company, being a fund of qualified investors, enables other companies within the VIG Group to invest into real estate market in CEE.

**The controlling companies:**

Shareholder	Share on registered capital
VIG-CZ Real Estate GmbH, Vienna	72.23 %
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	17.09 %
VIG RE zajišťovna, a.s., Prague	3.39 %
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	0.77 %
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	0.77 %
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	0.43 %
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	0.69 %
Poist'ovňa Slovenskej sporitel'ne, a.s. Vienna Insurance Group, Bratislava	0.77 %
Komunálna poisťovňa, a.s. Vienna Insurance Group, Bratislava	1.02 %
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group, Bratislava	1.54 %
Wiener Osiguranje Vienna Insurance Group d.d., Zagreb	1.29 %
V.I.G ND, a.s., Prague	0.01 %
<b>Total</b>	<b>100.00 %</b>

**Method and means of controlling**

Company is controlled through ownership of shares. VIG AM serves as the sole director of the company.

**Related Parties**

A list of the subsidiaries of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is stated in part 12 of this annual report.

**Real concern**

The Company did not conclude any control agreement with Related Parties.

**Contracts and agreements concluded between entities within the Group**

The following contracts between the Company and entities within the group were in force in the reported period:

<b>Contract</b>	<b>Contracting party of the Group</b>
Insurance Policy No. 7720716986 and Amendment no. 1 to the Insurance Policy No. 7720716986	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7720794414 and Amendment no. 1 to the Insurance Policy No. 7720794414	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7720826500 and Amendment no. 1 to the Insurance Policy No. 7720826500	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy Type 9802 No. 31770 (Property against all risks insurance)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1301 No. 000051879 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 31769 (Property against all risks insurance)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1301 No. 000051880 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 23046 (Property against all risks insurance)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1301 No. 000033390 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 22536 (Property against all risks insurance) and Amendment No. 1	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1301 No. 000032349 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Loan Agreement and Amendment no. 1 to the Loan Agreement	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group

Loan Agreement 1	Wiener Städtische Versicherung AG Vienna Insurance Group Donau Versicherung AG Vienna Insurance Group Sparkassen Versicherung AG Vienna Insurance Group
Loan Agreement 2	Wiener Städtische Versicherung AG Vienna Insurance Group Sparkassen Versicherung AG Vienna Insurance Group Donau Versicherung AG Vienna Insurance Group InterRisk Lebensversicherung-AG Vienna Insurance Group InterRisk Versicherung-AG Vienna Insurance Group
Loan Agreement 3	InterRisk Lebensversicherung-AG Vienna Insurance Group
Loan Agreement 4	Wiener Städtische Versicherung AG Vienna Insurance Group Donau Versicherung AG Vienna Insurance Group Sparkassen Versicherung AG Vienna Insurance Group
Loan Agreement 5	Wiener Städtische Versicherung AG Vienna Insurance Group Donau Versicherung AG Vienna Insurance Group Sparkassen Versicherung AG Vienna Insurance Group
Contract on performance of office	VIG Asset Management investiční společnost, a.s.
Sub-lease contract	VIG Asset Management investiční společnost, a.s.
Service contract	SK BM s.r.o
Guarantee agreement	SK BM s.r.o
Service contract	HUN BM Korlátolt Felelősségű Társaság
Guarantee agreement	HUN BM Korlátolt Felelősségű Társaság
Agreement on subscription and purchase of notes	Kooperativa poisťovňa, a.s., Vienna Insurance Group Komunálna poisťovňa, a.s., Vienna Insurance Group Poisťovňa Slovenskej sporiteľne, a.s., Vienna Insurance Group
Agreement on subscription and purchase of notes	Kooperativa poisťovňa, a.s., Vienna Insurance Group Česká podnikatelská poisťovňa, a.s., Vienna Insurance Group Compensa Life Vienna Insurance Group SE

	InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group Poist'ovňa Slovenskej sporitel'ne, a.s., Vienna Insurance Group Wiener Städtische Versicherung AG Vienna Insurance Group Sparkassen Versicherung AG Vienna Insurance Group DONAU Versicherung AG Vienna Insurance Group
Lease contract and Amendments	KAPITOL pojišť'ovací a finanční poradenství, a.s.
Insurance policy no. 7720921271	Kooperativa pojišť'ovna, a.s., Vienna Insurance Group
Insurance policy no. 7720847496	Kooperativa pojišť'ovna, a.s., Vienna Insurance Group
Insurance policy no. K4-X560.142-1	Donau Versicherung AG, Vienna Insurance Group
Insurance contract of Baumax Portfolio	Donau Vienna Insurance Group

**Other proceedings at the instigation or in the interest of Related Parties**

The Company executed no other proceedings in the interest of Related Parties and did not receive or realize other provisions in the interest of or based on instructions of Related Parties.

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**Transactions with Related Parties**

<b>Transactions with related parties</b>	<b>2015</b>	<b>2014</b>
<b>STATEMENT OF FINANCIAL POSITION</b>		
Accrued assets	29	3
Interest bearing liabilities	23 693	51 798
Bonds and interests	43 439	45 149
Trade payables	10	6
Other payables	22	13
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Indirect expenditures	-595	-665
Operating expenses	-10	0
Interest expenses	-3 496	-2 123
Insurance paid	-71	-46



## Conclusion

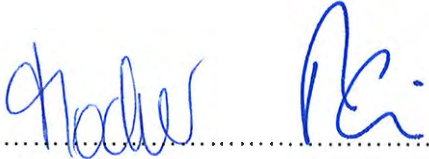
The Company is embedded in the network of Vienna Insurance Group and uses benefits from membership in this international group.

Processing of the Report on relations between Related Parties was ensured by the Board of directors of the Company.

The Board of directors of the Company claims that no damage for the Company was incurred in respect of the contracts listed above, their implementation and relationships with Related Parties.

All agreements with related parties were closed and are performed at arm's length, conditions and all contractual fulfillments, both received and provided, were provided at conditions usual in business relationships.

18<sup>th</sup> March 2016



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VIG Asset Management investiční společnost, a.s. (Member of the Board of Directors),  
*represented by Dipl. Ing. Caroline Mocker and Ing. Mag. Christoph Roiser*

## 11. Report of the Supervisory Board

The Supervisory Board has received the annual financial statements for 2015 from the Board of Directors as well as the report on business activities and the status of properties of the Company dating to 31<sup>st</sup> December 2015. The Supervisory Board has carefully read and reviewed these documents. Based on this review, the Supervisory Board has unanimously agreed to approve the annual financial statements prepared by the Board of Directors and the Board of Directors' proposal on the distribution of result of 2015.

Furthermore, the Supervisory Board notes that it was able, both as a whole and individually, through its Chairman and deputies, to supervise the activities of the Company. This was also achieved through regular meetings with representatives of the member of the Board of Directors, which provided sufficient explanation and evidence of the business activities of the Company based on official books and written documents.

In 2015, one Shareholder's Meeting was held, as well as three meetings of the Supervisory Board.

The Supervisory Board hereby informs the Shareholder's Meeting that the Company's annual financial statements for 2015 were audited by KPMG Česká republika Audit, s.r.o. (registration no. 71), an auditing company; that the Supervisory Board obtained, reviewed and discussed the financial statements of the Company, and that said review and its final result did not give rise to any issues. The Supervisory Board hereby declares that it has nothing to append to the auditor's report.

In April 2016

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**Dr. Martin Simhandl**

Chairperson of the Supervisory Board

## 12. Related Parties and equity participation of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

Company	Registered Office	Interest %
<b>Consolidated Companies</b>		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY, Sofia	Bulgaria	100,00
"Baltikums Vienna Insurance Group" AAS, Riga	Latvia	100,00
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H., Wien	Austria	100,00
"POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warschau	Poland	99,43
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A., Bukarest	Romania	99,48
Andel Investment Praha s.r.o., Prag	Czech Republic	100,00
Anif-Residenz GmbH & Co KG, Anif	Austria	99,90
Arithmetica Versicherungs- und Finanzmathematische Beratungs-Gesellschaft m.b.H., Wien	Austria	100,00
BCR Asigurari de Viata Vienna Insurance Group S.A., Bukarest	Romania	93,98
BML Versicherungsmakler GmbH, Wien	Austria	100,00
Blizzard Real Sp. z o.o., Warschau	Poland	100,00
Bulgarski Imoti Asistans EOOD, Sofia	Bulgaria	100,00
Business Insurance Application Consulting GmbH, Wien	Austria	100,00
Businesspark Brunn Entwicklungs GmbH, Wien	Austria	100,00
Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni, Chisinau	Moldawia	99,99
CAL ICAL "Globus", Kiew	Ukraine	100,00
CAPITOL, akciová spoločnosť, Bratislava	Slowakia	100,00
CENTER Hotelbetriebs GmbH, Wien	Austria	80,00
COMPENSA Holding GmbH, Wiesbaden	Germany	100,00
Central Point Insurance IT-Solutions GmbH, Wien	Austria	100,00
Ceská podnikatelská pojist'ovna, a.s., Vienna Insurance Group, Prag	Czech Republic	100,00
Compensa Life Vienna Insurance Group SE, Tallinn	Estonia	100,00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group, Warschau	Poland	100,00
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warschau	Poland	99,94
Compensa Vienna Insurance Group, uzdaroji akcine draudimo bendrove, Vilnius	Lithuania	100,00
DBLV Immobesitz GmbH, Wien	Austria	100,00
DBLV Immobesitz GmbH & Co KG, Wien	Austria	100,00
DBR-Liegenschaften GmbH & Co KG, Stuttgart	Germany	100,00
DBR-Liegenschaften Verwaltungs GmbH, Stuttgart	Germany	100,00
DONAU Versicherung AG Vienna Insurance Group, Wien	Austria	99,24
DVIB GmbH, Wien	Austria	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH, Wien	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH, Wien	Austria	100,00
ELVP Beteiligungen GmbH, Wien	Austria	100,00
ERSTE Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	95,00
Erste osiguranje Vienna Insurance Group d.d., Zagreb	Croatia	95,00
GPIH B. V., Amsterdam	Netherlands	91,11
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H., Wien	Austria	100,00
HUN BM Korlátolt Felelősségű Társaság, Budapest	Hungary	100,00

INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP", Sofia	Bulgaria	99,38
INTERSIG VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	89,98
Joint Stock Company for Insurance and Reinsurance Makedonija Skopje - Vienna Insurance Group, Skopje	Macedonia	94,25
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100,00
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warschau	Poland	99,98
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100,00
Joint Stock Company Insurance Company GPI Holding, Tiflis	Georgia	90,00
Joint Stock Company International Insurance Company IRAO, Tiflis	Georgia	100,00
KOMUNÁLNA poisťovna, a.s. Vienna Insurance Group, Bratislava	Slowakia	100,00
KOOPERATIVA poisťovna, a.s. Vienna Insurance Group, Bratislava	Slowakia	100,00
Kaiserstraße 113 GmbH, Wien	Austria	100,00
Kapitol poisťovací a finanční poradenství, a.s., Brünn	Czech Republic	100,00
Kooperativa, poisťovna, a.s. Vienna Insurance Group, Prag	Czech Republic	98,39
KÁLVIN TOWER Immobilienentwicklungs- und Investitionsgesellschaft m.b.H., Budapest	Hungary	100,00
LVP Holding GmbH, Wien	Austria	100,00
MAP Bürodienstleistung Gesellschaft m.b.H., Wien	Austria	100,00
MH 54 Immobilienanlage GmbH, Wien	Austria	100,00
Neue Heimat Oberösterreich Holding GmbH, Wien	Austria	87,07
OMNIASIG VIENNA INSURANCE GROUP S.A., Bukarest	Romania	99,47
PFG Holding GmbH, Wien	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG, Wien	Austria	92,88
Private Joint-Stock Company "Insurance company" Ukrainian insurance group", Kiew	Ukraine	100,00
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNAZHA VIENNA INSURANCE GROUP", Kiew	Ukraine	100,00
Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP", Kiew	Ukraine	97,80
PROGRESS Beteiligungsges.m.b.H., Wien	Austria	60,00
Palais Hansen Immobilienentwicklung GmbH, Wien	Austria	56,55
Passat Real Sp. z o.o., Warschau	Poland	100,00
Pension Insurance Company Doverie AD, Sofia	Bulgaria	92,58
Poisťovna Slovenskej sporiteľne, a.s. Vienna Insurance Group, Bratislava	Slowakia	95,00
Poisťovna České sporitelny, a.s. Vienna Insurance Group, Pardubice	Czech Republic	95,00
Projektbau GesmbH, Wien	Austria	100,00
Projektbau Holding GmbH, Wien	Austria	90,00
Rathstraße 8 Liegenschaftsverwertungs GmbH, Wien	Austria	100,00
Ray Sigorta Anonim Sirketi, Istanbul	Türkei	94,96
SECURIA majetkovosprávna a podielová s.r.o., Bratislava	Slowakia	100,00
SIGMA INTERALBANIAN VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	89,05
SK BM s.r.o., Bratislava	Slowakia	100,00
SVZ GmbH, Wien	Austria	100,00
SVZI GmbH, Wien	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH, Wien	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG, Wien	Austria	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH, Wien	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	66,70
Skandia Zycie Towarzystwo Ubezpieczen Spolka Akcyjna, Warschau	Poland	100,00
Sparkassen Versicherung AG Vienna Insurance Group, Wien	Austria	95,00
T 125 GmbH, Wien	Austria	100,00
TBI BULGARIA EAD, Sofia	Bulgaria	100,00

TBIH Financial Services Group N.V., Amsterdam	Netherlands	100,00
UNION Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	100,00
Untere Donaulände 40 GmbH & Co KG, Wien	Austria	100,00
V.I.G. ND, uzavřený investiční fond a.s., Prag	Czech Republic	100,00
VIG FUND uzavřený investiční fond, a.s., Prag	Czech Republic	100,00
VIG Properties Bulgaria AD, Sofia	Bulgaria	99,97
VIG RE zajišťovna, a.s., Prag	Czech Republic	100,00
VIG REAL ESTATE DOO, Belgrad	Serbia	100,00
VIG Real Estate GmbH, Wien	Austria	100,00
VIG-CZ Real Estate GmbH, Wien	Austria	100,00
VLTAVA majetkovosprávní a podílová spol.s.r.o., Prag	Czech Republic	100,00
Vienibas Gatve Investments OÜ, Tallinn	Estonia	100,00
Vienibas Gatve Properties SIA, Riga	Latvia	100,00
Vienna Life Vienna Insurance Group Biztosító Zártkörűen Működő Részvénytársaság, Budapest	Hungary	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group, Bendern	Liechtenstein	100,00
WGPV Holding GmbH, Wien	Austria	100,00
WIENER RE akcionarsko društvo za reosiguranje, Beograd, Belgrad	Serbia	100,00
WIENER STÄDTISCHE Beteiligungs GmbH, Wien	Austria	100,00
WIENER STÄDTISCHE Finanzierungsdienstleistungs GmbH, Wien	Austria	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Wien	Austria	99,90
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H., Wien	Austria	100,00
WILA GmbH, Wien	Austria	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group, Skopje	Macedonia	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG, Wien	Austria	100,00
WSV Immoholding GmbH, Wien	Austria	100,00
Wiener Osiguranje Vienna Insurance Group ad, Banja Luka	Bosnien und Herzegowina	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje, Beograd, Belgrade	Serbia	100,00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje, Zagreb	Croatia	99,47

***Companies consolidated by the equity method***

AIS Servis, s.r.o., Brünn	Czech Republic	100,00
Alpenländische Heimstätte, gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H., Innsbruck	Austria	94,84
Benefita, a.s., Prag	Czech Republic	100,00
Beteiligungs- und Immobilien GmbH, Linz	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH, Linz	Austria	25,00
CPP Servis, s.r.o., Prag	Czech Republic	100,00
CROWN-WSF spol. s.r.o., Prag	Czech Republic	30,00
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H., Wien	Austria	99,77
Gemeinnützige Industrie-Wohnungsaktiengesellschaft, Leonding	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH, Kapfenberg	Austria	55,00
Gewista-Werbegesellschaft m.b.H., Wien	Austria	33,00
GLOBAL ASSISTANCE, a.s., Prag	Czech Republic	100,00
Global Expert, s.r.o., Pardubice	Czech Republic	100,00
HOTELY SRNI, a.s., Prag	Czech Republic	100,00
KIP, a.s., Prag	Czech Republic	100,00
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH, Linz	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Wien	Austria	23,37
Österreichisches Verkehrsbüro Aktiengesellschaft, Wien	Austria	36,58

S - budovy, a.s., Prag	Czech Republic	100,00
S IMMO AG, Wien	Austria	10,22
Sanatorium Astoria, a.s., Karlsbad	Czech Republic	100,00
SCHWARZATAL Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH, Wien	Austria	55,00
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft, Wien	Austria	54,17
S-správa nemovitosti, a.s., Prag	Czech Republic	100,00
SURPMO, a.s., Prag	Czech Republic	100,00
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Wien	Austria	60,00
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H., Wien	Austria	54,17
VBV - Betriebliche Altersvorsorge AG, Wien	Austria	23,56
WNH Liegenschaftsbesitz GmbH, Wien	Austria	100,00
<b>Non-consolidated companies</b>		
"Assistance Company "Ukrainian Assistance Service" LLC, Kiew	Ukraine	100,00
"Compensa Services" SIA, Riga	Latvia	100,00
"DUNAJ - Finanse" - Spolka z ograniczona odpowiedzialnoscia, Warschau	Poland	50,00
"Medical Clinic "DIYA" LLC, Kiew	Ukraine	100,00
AISMP Meditzinski Tsentar Bulstrad Zdrave EOOD, Sofia	Bulgaria	100,00
Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group, Podgorica	Montenegro (Rep.)	100,00
Alpenlachs Soravia GmbH, Wien	Austria	33,30
Amadi GmbH, Wiesbaden	Germany	100,00
Anif-Residenz GmbH, Anif	Austria	99,90
AQUILA Hausmanagement GmbH, Wien	Austria	100,00
AREALIS Liegenschaftsmanagement GmbH, Wien	Austria	50,00
Autosig SRL, Bukarest	Romania	100,00
B&A Insurance Consulting s.r.o., Moravská Ostrava	Czech Republic	49,00
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia, Warschau	Poland	100,00
Brunn N68 Sanierungs GmbH, Wien	Austria	50,00
Bulstrad Trudova Meditzina EOOD, Sofia	Bulgaria	100,00
Camelot Informatik und Consulting Gesellschaft m.b.H., Villach	Austria	99,48
CAPITOL BROKER DE PENSII PRIVATE S.R.L., Bukarest	Romania	100,00
CAPITOL INTERMEDIAR DE PRODUSE BANCARE S.R.L., Bukarest	Romania	100,00
CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L., Bukarest	Romania	100,00
CAPITOL Spolka z Ograniczona odpowiedzialnoscia, Warschau	Poland	100,00
CARPLUS Versicherungsvermittlungsagentur GmbH, Wien	Austria	100,00
CCA EDV für Versicherungswirtschaft GmbH, Wien	Austria	24,28
Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia, Warschau	Poland	100,00
DIRECT-LINE Direktvertriebs-GmbH, Wien	Austria	100,00
DV Asset Management EAD, Sofia	Bulgaria	100,00
DV CONSULTING EOOD, Sofia	Bulgaria	100,00
DV Invest EAD, Sofia	Bulgaria	100,00
DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H., Wien	Austria	100,00
EBS Wohnungsgesellschaft mbH Linz, Linz	Austria	25,00
EBV-Leasing Gesellschaft m.b.H., Wien	Austria	100,00
EGW Wohnbau gemeinnützige Ges.m.b.H., Wiener Neustadt	Austria	100,00
Erste Bank und Sparkassen Leasing GmbH, Wien	Austria	49,00
Erste Biztositasi Alkusz Kft, Budapest	Hungary	100,00
ERSTE drustvo s ogranicenom odgovornoscju za upravljanje obveznim i dobrovoljnim mirovinskim fondovima, Zagreb	Croatia	25,30
European Insurance & Reinsurance Brokers Ltd., London	United Kingdom	85,00
EXPERTA Schadenregulierungs-Gesellschaft mbH, Wien	Austria	100,00
Finanzpartner GmbH, Wien	Austria	50,00
Foreign limited liability company "InterInvestUchastie", Minsk	Weissrussland	100,00
Gain Capital SA, SICAV-FIS Real Estate Car Parks I, Luxembourg	Luxemburg	40,01

GELUP GmbH, Wien	Austria	33,33
GEO HOSPITALS LLC, Tiflis	Georgia	100,00
GGVier Projekt-GmbH, Wien	Austria	55,00
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG, Wien	Austria	23,33
Glamas Beteiligungsverwaltungs GmbH, Wien	Austria	23,33
GLOBAL ASSISTANCE SERVICES s.r.o., Prag	Czech Republic	100,00
GLOBAL ASSISTANCE SLOVAKIA s.r.o., Bratislava	Slowakia	100,00
Global Services Bulgaria JSC, Sofia	Bulgaria	100,00
Henderson Global Investors Immobilien Austria GmbH, Wien	Austria	35,00
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH, Wien	Austria	100,00
InterRisk Informatik GmbH, Wiesbaden	Germany	100,00
Jahorina auto d.o.o., Brcko	Bosnien und Herzegowina	100,00
Jahorina Konseko Progres a.d., Pale	Bosnien und Herzegowina	28,00
Joint Stock Company "Curatio", Tiflis	Georgia	100,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje, Skopje	Macedonia	100,00
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company, Minsk	Weissrussland	98,26
KWC Campus Errichtungsgesellschaft m.b.H., Klagenfurt	Austria	50,00
Lead Equities II Auslandsbeteiligungs AG, Wien	Austria	21,59
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG, Wien	Austria	21,59
LiSciV Muthgasse GmbH & Co KG, Wien	Austria	23,33
MC EINS Investment GmbH, Wien	Austria	50,00
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság, Budapest	Hungary	100,00
People's Pharmacy LLC, Tbilisi	Georgia	50,00
PFG Liegenschaftsbewirtschaftungs GmbH, Wien	Austria	83,57
Privat Joint-Stock Company "OWN SERVICE", Kiev	Ukraine	100,00
Renaissance Hotel Realbesitz GmbH, Wien	Austria	40,00
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H., Wien	Austria	51,00
S.C. CLUB A.RO S.R.L., Bucharest	Romania	100,00
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama, Zagreb	Croatia	100,00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH, Wien	Austria	100,00
Slovexperta, s.r.o.	Slowakei	100,00
Soleta Beteiligungsverwaltungs GmbH, Wien	Austria	23,33
Soravia Food Market GmbH, Wien	Austria	33,30
Sparkassen-Versicherungsservice Gesellschaft m.b.H., Wien	Austria	100,00
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE, Warsaw	Poland	100,00
Spoldzielnia Vienna Insurance Group IT Polska, Warschau	Poland	100,00
SVZ Immoholding GmbH & Co KG, Wien	Austria	100,00
SVZ Immoholding GmbH, Wien	Austria	100,00
TBI Info EOOD, Sofia	Bulgaria	100,00
Thermenland Congress Center Loipersdorf GmbH & Co KG, Loipersdorf	Austria	32,26
TOGETHER Internet Services GmbH, Wien	Austria	24,99
UAB "Compensa Services", Vilnius	Lithuania	100,00
UNION-Informatikai Szolgáltató Kft., Budapest	Hungary	100,00
Untere Donaulände 40 GmbH, Wien	Austria	100,00
Uzdaroji akcine draudimo brokeriu bendrove "FINSALTAS", Vilnius	Lithuania	100,00
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H., Wien	Austria	33,33
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100,00
Vienna International Underwriters GmbH, Wien	Austria	100,00
VIG AM Services GmbH, Wien	Austria	100,00
VIG Asset Management investicni spolecnost, a.s., Prag	Czech Republic	100,00

VIG Management Service SRL, Bucharest	Romania	100,00
VIG Services Bulgaria EOOD, Sofia	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K., Tirana	Albania	100,00
VIG Services Ukraine, LLC, Kiew	Ukraine	100,00
VILE BARELINE d.o.o., Zagreb	Croatia	30,00
VÖB Direkt Versicherungsagentur GmbH, Graz	Austria	50,00
VVTH GmbH, Wien	Austria	33,33
WAG Wohnungsanlagen Gesellschaft m.b.H., Linz	Austria	25,00
Wien 3420 Aspern Development AG, Wien	Austria	33,33
Wiener Städtische Donau Leasing GmbH, Wien	Austria	100,00
WSBV Beteiligungsverwaltung GmbH, Wien	Austria	100,00
WSV Beta Immoholding GmbH, Wien	Austria	100,00
WSV Vermögensverwaltung GmbH, Wien	Austria	100,00

### 13. Consolidated financial statements for 2015

### 14. Auditor's report





***VIG FUND uzavřený investiční fond, a.s.***

Consolidated Financial Statements

for the year ended 31st December 2015

## **VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Identification number: 242 20 809

Legal form: joint-stock company

Subject of business: collective investment

Date of Consolidated Financial Statements: 31st December 2015

Date of preparation: 18th March 2016

## CONTENT

A.	CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
B.	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5
C.	CONSOLIDATED CASH FLOW STATEMENT	6
D.	STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	7
E.	GENERAL INFORMATION	8
1.	INFORMATION CONCERNING THE GROUP	8
1.1	<i>Description of the Parent Company</i>	8
1.2	<i>Establishment of the Parent Company</i>	8
1.3	<i>Statutory bodies in the course of the accounting period</i>	8
1.4	<i>Employees</i>	9
1.5	<i>Shareholders</i>	9
2.	ACCOUNTING PRINCIPLES	10
3.	BASIS OF CONSOLIDATION	10
4.	ACCOUNTING POLICIES	10
5.	INVESTMENT OBJECTIVE AND INVESTMENT POLICY	15
6.	PRINCIPLES OF VALUATION OF GROUP'S ASSETS	15
7.	INFORMATION ON RISKS, RISK PROFILE	16
F.	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	19
1.1	<i>General information on the consolidated financial statements</i>	19
1.2	<i>Investment properties</i>	19
1.3	<i>Tax receivables</i>	20
1.4	<i>Trade receivables</i>	20
1.5	<i>Other receivables</i>	20
1.6	<i>Cash and cash equivalents</i>	21
1.7	<i>Accrued assets</i>	21
2.1	<i>Share capital</i>	22
2.2	<i>Other reserves</i>	22
2.3	<i>Retained earnings</i>	22
2.4	<i>Interest bearing liabilities - loans</i>	22
2.5	<i>Interest bearing liabilities - bonds</i>	23
2.6	<i>Other payables, non-current part</i>	24
2.7	<i>Trade payables</i>	24
2.8	<i>Provisions</i>	25
2.9	<i>Accrued liabilities</i>	25

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

2.10	<i>Tax liabilities current and deferred</i>	25
2.11	<i>Other payables, current part</i>	26
2.12	<i>Financial instruments</i>	27
3.1	<i>Rental income and operating costs</i>	27
3.2	<i>Result from property transaction</i>	28
3.3	<i>Operating expenses</i>	28
3.4	<i>Other operating income</i>	28
3.5	<i>Indirect expenditures</i>	29
3.6	<i>Interest income</i>	29
3.7	<i>Other financing revenues</i>	29
3.8	<i>Interest expenses</i>	29
3.9	<i>Foreign currency gain/loss</i>	29
3.10	<i>Taxes</i>	29
3.11	<i>Operating segments</i>	30
3.12	<i>Related party information</i>	35
G.	INFORMATION ON THE DISTRIBUTION OF PROFIT	35
H.	DATA ON SECURITIES ISSUED BY THE COMPANY	36
I.	SUBSEQUENT EVENTS	36

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>As at 31st December</i>			
<i>In thousands of eura</i>	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>			
<b>Non-current assets</b>		<b>233 560</b>	<b>268 380</b>
Investment properties	1.2	233 560	268 380
<b>Current assets</b>		<b>27 004</b>	<b>24 427</b>
Tax receivables	1.3	39	8 081
Trade receivables	1.4	1 207	1 255
Other receivables	1.5	1 321	1 357*
Cash and cash equivalents	1.6	22 857	11 954
Accrued assets	1.7	1 480	1 774*
Other assets		100	6
<b>Total assets</b>		<b>260 564</b>	<b>292 807</b>

\* The comparative balances were reclassified by the Company. For more please refer to 1.5 Other receivables.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

<i>As at 31st December</i>			
<i>In thousands of euro</i>	Note	2015	2014
<b>Equity</b>			
Share capital	2.1	133	133
Capital reserve	2.2	91 049	91 049
Transaction reserve	2.2	35 465	54 686
Profit / (Loss) of the current period		2 022	-19 221
Retained earnings	2.3	3 106	3 106
<b>Total equity</b>		<b>131 775</b>	<b>129 753</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>		<b>118 123</b>	<b>144 396</b>
Loans, non-current part	2.4	53 800	74 906
Bonds issued	2.5	43 632	45 149
Other payables, non-current part	2.6	533	752
Deferred tax liabilities	2.10	20 158	23 589
<b>Current liabilities</b>		<b>10 666</b>	<b>18 658</b>
Loans, current part	2.4	3 653	13 035
Trade payables	2.7	1 686	1 825
Provisions	2.8	142	139
Accrued liabilities	2.9	1 454	1 988*
Current tax liabilities	2.10	2 902	840
Other payables, current part	2.11	829	831*
<b>Total liabilities</b>		<b>128 789</b>	<b>163 054</b>
<b>Total equity and liabilities</b>		<b>260 564</b>	<b>292 807</b>

\* The comparative balances were reclassified by the Company. For more please refer to 2.9 Accrued liabilities.

b

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the year ended 31st December*

<i>In thousands of euro</i>	<b>Note</b>	<b>2015</b>	<b>2014</b>
Rental income	3.1	26 248	16 458
Result from property transaction	3.2	-9 111	0
Operating costs charged to tenants	3.1	2 637	1 458
Operating expenses	3.3	-3 914	-2 375
<b>Net operating income</b>		<b>15 860</b>	<b>15 541</b>
Other operating income	3.4	107	70
Indirect expenditures	3.5	-897	-994
<b>Earnings before interest, taxes, depreciation, amortization and fair value unrealized gains/(losses)</b>		<b>15 070</b>	<b>14 617</b>
Revaluation of investment property	1.2	-8 081	-11 341
<b>Operating result</b>		<b>6 989</b>	<b>3 276</b>
Interest income	3.6	1	6
Other financing revenues	3.7	84	284
Interest expenses	3.8	-4 944	-3 578
Foreign currency gain/(loss)	3.9	56	-181
Other financing expenses		-5	0
<b>Financial result</b>		<b>-4 808</b>	<b>-3 469</b>
<b>Net result before taxes</b>		<b>2 181</b>	<b>-193</b>
Current income tax	3.10	-3 590	-614
Deferred income tax	3.10	3 431	-18 414
<b>Consolidated profit/(loss) after tax</b>		<b>2 022</b>	<b>-19 221</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**C. CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31st December

<i>In thousands of euro</i>	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax		2 181	-193
Adjustments to reconcile profit before tax to net cash flows:			
Valuation loss on investment property	1.2	8 081	11 341
Change in provisions	3.5	3	1
Interest income	3.6	-1	-6
Interest expense	3.8	4 944	3 578
Result from property transaction	3.2	9 111	0
Working capital adjustments			
Decrease/(increase) in trade and other receivables and accruals		8 271	-8 447
(Decrease)/increase in trade, other payables and accruals		-995	496
Income tax paid		-1 452	-422
<b>Net cash flow from operating activities</b>		<b>30 143</b>	<b>6 348</b>
<b>Cash flows from investment activities</b>			
Investments in properties and acquisition of businesses, net of cash acquired	1.2	-764	-89 924
Sales of buildings	3.2	18 472	0
Interest received		1	6
<b>Net cash from/(used in) investment activities</b>		<b>17 709</b>	<b>-89 918</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		0	59 501
Redemption of borrowings - repayment of bank loan	2.4	-2 383	-2 345
Redemption of borrowings - repayment of other loans from group companies	2.4	-28 105	-53 646
Proceeds from issue of share capital		0	43 227
Bonds issued/(paid)	2.5	-1 517	45 039
Dividend paid		0	-3 921
Interest paid		-4 944	-3 412
<b>Net cash from/(used in) financing activities</b>		<b>-36 949</b>	<b>84 443</b>
<b>Net increase in cash and cash equivalents</b>		<b>10 903</b>	<b>873</b>
Effect of acquisitions of businesses, cash acquired		0	340
Cash and cash equivalents at 1st January 2015/1st January 2014	1.6	11 954	10 741
<b>Cash and cash equivalents at 31st December</b>		<b>22 857</b>	<b>11 954</b>



**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

## D. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

<i>In thousands of euro</i>	Note	Share capital	Legal reserve	Capital reserve	Transaction reserve	Profit of the current period	Retained earnings	Total equity
<b>Opening balance as of 1st January 2014</b>		<b>97</b>	<b>18</b>	<b>47 858</b>	<b>54 686</b>	<b>6 279</b>	<b>730</b>	<b>109 668</b>
Loss after tax		0	0	0	0	-19 221	0	-19 221
Transfer to legal reserve		0	3	0	0	-3	0	0
Transfer of legal reserve		0	-21	0	0	0	21	0
Shares issued		36	0	43 191	0	0	0	43 227
Dividend distribution		0	0	0	0	-3 921	0	-3 921
Transfer of the prior year result		0	0	0	0	-2 355	2 355	0
<b>Closing balance as of 31st December 2014</b>		<b>133</b>	<b>0</b>	<b>91 049</b>	<b>54 686</b>	<b>-19 221</b>	<b>3 106</b>	<b>129 753</b>
Profit after tax		0	0	0	0	2 022	0	2 022
Transfer of the prior year result	2.2	0	0	0	-19 221	19 221	0	0
<b>Closing balance as of 31st December 2015</b>		<b>133</b>	<b>0</b>	<b>91 049</b>	<b>35 465</b>	<b>2 022</b>	<b>3 106</b>	<b>131 775</b>

## **VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

### **E. GENERAL INFORMATION**

#### **1. INFORMATION CONCERNING THE GROUP**

##### **1.1 Description of the Parent Company**

The Company:	VIG FUND uzavřený investiční fond, a.s.
Identification number:	242 20 809
Date of Establishment:	The Company was set up by the Articles of association on 27th November 2011. The Company was registered into the Commercial Register on 1st March 2012.
Registered Office:	Prague 1, Templová 747/5, postcode 110 00
Legal form:	joint-stock company („akciová společnost“)
Subject of business:	collective investment
Trade Register File Nr:	Section B, entry 17896 of the Commercial Register kept by the Municipal court in Prague
Country of incorporation:	Czech Republic
Accounting period:	1st January 2015 – 31st December 2015

The Company is a special fund of qualified investors pursuant to the Act No 240/2013 Coll., on Investment Companies and Investment Funds („Act“).

The Company has been established for an indefinite period of time.

The Company has entrusted the management of its assets to investment company VIG Asset Management investiční společnost a.s., ID no. 24838233, having its registered office at Prague 1, Templová 747, post code 110 01, registered in the Commercial Register administered by the Municipal court in Prague, section B, insert 17131.

##### **1.2 Establishment of the Parent Company**

The Company has been established on 1st March 2012.

With the decisive day 1st January 2014 the Company (being the acquiring company) merged through a merger by acquisition with HAVLÍČKOVA INVESTMENT, a. s. (being the acquired company). The merger was registered as of 31st May 2014.

With the same decisive day 1st January 2014 the Company (being the acquiring company) merged by law through a merger by acquisition with Burzovní Palác Investment s.r.o. (being the acquired company). The Company has control over Burzovní Palác Investment s.r.o. since 15th May 2014, as at this date the Company took over into its accounting the assets, liabilities and equity of the acquired company in the amount and structure, as arose from the financial statements of the acquired company as of 15th May 2014. The merger was registered as of 31st December 2014.

##### **1.3 Statutory bodies in the course of the accounting period**

The Board of Directors members are:

<b>Name</b>	<b>Function</b>	<b>From (date)</b>	<b>To (date)</b>
Dipl.-Ing. Caroline Mocker	Board of Directors member	1. 3. 2012	16. 7. 2014
Ing. Luděk Marek	Board of Directors member	1. 3. 2012	16. 7. 2014
Ing. Mag. Christoph Roiser	Board of Directors member	1. 3. 2012	16. 7. 2014
VIG Asset Management investiční společnost a.s.	Board of Directors	16. 7. 2014	31. 12. 2015

From 16th July 2014 the Board of Directors is represented by the company VIG Asset Management investiční společnost, a.s.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The Supervisory Board members are:

Name	Function	From (date)	To (date)
Dr. Martin Simhandl	Chairperson of Supervisory Board	1.3.2012	31.12.2015
Gary Wheatley Mazzotti	Supervisory Board member	17.4.2012	31.12.2015
Mag. Roland Gröll	Supervisory Board member	1.3.2012	31.12.2015

**1.4 Employees**

The Group had no employees in 2015 and 2014. All Group activities are provided by suppliers.

**1.5 Shareholders**

The Company is a part of the VIG consolidation group with ultimate parent company being VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna, Austria, the ultimate shareholder.

The shareholders as of 31st December 2015 and 2014 are as follows:

Shareholder	Share on registered capital	
	2015	2014
VIG-CZ Real Estate GmbH, Vienna	72.23%	72.23%
VIG RE zajišťovna, a.s., Prague	3.39%	3.39%
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	17.09%	17.09%
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Ins. Group, Warsaw	0.77%	0.77%
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Ins. Group, Warsaw	0.77%	0.77%
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	0.43%	0.43%
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	0.69%	0.69%
Poist'ovna Slovenskej sporitel'ne, a.s. Vienna Insurance Group, Bratislava	0.77%	0.77%
Komunálna poistovna, a.s. Vienna Insurance Group, Bratislava	1.02%	1.02%
KOOPERATIVA poistovna a.s. Vienna Insurance Group, Bratislava	1.54%	1.54%
Wiener Osiguranje Vienna Insurance Group d.d., Zagreb	1.29%	1.29%
VIG ND, a.s.	0.01%	0.01%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

### 2. ACCOUNTING PRINCIPLES

The consolidated financial statements of the Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This follows §19a sec. 1 of the Accounting Act as stated in the Articles of Association. The consolidated financial statements are presented in thousands of Euro (rounded according to the commercial rounding method).

The Company follows the Business Corporations Act as a whole in the process according to Article 777 et seq. 5 of the Act No 90/2012 Coll.

### 3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (all together „the Group“) as at 31 December each year. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

The consolidated financial statements of the Group include the following companies which are fully consolidated:

Name of company	Country	Ownership in %		Consolidation	
		2015	2014	2015	2014
HUN BM Kft.	HU	100	100	Yes	Yes
SK BM s.r.o.	SK	100	100	Yes	Yes

### 4. ACCOUNTING POLICIES

#### Functional and presentation currency

The Company and its subsidiaries determined Euro as their functional currency in accordance with IAS 21.

The presentation currency of these Consolidated Financial Statements is Euro.

#### Business operations in foreign currency

The Group records foreign currency transactions at the exchange rate at the date of the relevant transaction. Any resulting foreign currency gains or losses are recognised in the consolidated income statement of the relevant business year. Used foreign currencies are CZK, HUF and PLN.

The foreign currency translation of business operations (transactions) was based on the current exchange rates. As of reporting dates the following exchange rates were used:

FX rates EUR	Currency unit	31.12.2015	31.12.2014
HUF	1	315.98	315.54
CZK	1	27.025	27.725
PLN	1	4.264	4.273

#### Investment properties - classification

The "Investment properties" item consists of investment properties and properties under development that are held neither for own use, nor for sale in the ordinary course of business, but to earn rental income and for capital appreciation.

## VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

### Investment properties - valuation

All investment properties are measured according to the fair value model specified as one of the option under IAS 40. Under this model, the investment properties are measured at fair value at the relevant reporting date. Differences compared with the current book value prior to revaluation (fair value of previous year plus subsequent/additional acquisition) are recognised in the consolidated statement of comprehensive income under "Revaluation of investment property".

### Sensitivity analysis

The properties owned by Group are valued annually at fair market value by the external appraisers. The values determined by these experts are heavily dependent on the underlying assumptions. A change in the underlying assumptions can therefore lead to fluctuations in the value of a property.

The table below illustrates the sensitivity of the property value to a change in rental income and yield. An increase of rental income by 2.5 % respectively 5 % and unchanged Yield will lead to an increase of the value of the properties by TEUR 4,212 respectively TEUR 8,437. On the other side a decline of rental income would lead to an according reduction in the asset values.

In case of a Yield increase by 0.25 % respectively 0.5 % and leaving the rental income unchanged the values of the properties would decrease by TEUR 8,902 respectively TEUR 17,147. A Yield decrease would result in the opposite effect, namely accordingly higher asset values.

Combination of changes in rental income as well as Yield changes and subsequent fair value of the property are shown in the table below.

		Relative change in rental income				
		-5.00%	-2.50%	0.00%	2.50%	5.00%
Relative Yield changes	-0.50%	244,233	248,915	253,607	258,289	262,981
	-0.25%	234,265	238,722	243,169	247,616	252,063
	0.00%	225,095	229,321	233,560	237,772	241,997
	0.25%	216,617	220,633	224,658	228,674	232,710
	0.50%	208,739	212,586	216,413	220,259	224,086

### Determination of fair value

The relevant fair value of investment properties is established, if a value is not indicated by binding purchase agreements. The Company applies valuation method which is based on capitalized income approach and uses current and market rental income and yields obtained by direct or indirect comparison with sales of comparable real estate in the market for the calculation (Level 3 of fair value hierarchy). The valuations are carried out by independent real estate valuation experts in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS) unless another method is more appropriate.

### Receivables and other financial assets

Trade receivables from the provision of services, other receivables and other financial assets are measured initially at fair value, and thereafter at amortised cost, applying the effective interest-rate method with deduction for any reduction for impairments.

### Cash and cash equivalents

Cash and cash equivalents include cash, as well as bank balances with original maturities of three months or less from the acquisition date. Bank balances with original maturities of more than three months are recognised under the receivables and other assets.

### Borrowing cost

Borrowing costs consist of interest and other costs which occur in connection with the borrowing of funds. Borrowing cost is recognized using the effective interest method.

### Other financial liabilities

Other financial liabilities, such as trade payables, are assigned to the category "financial liabilities at amortised cost" (FLAC) and measured upon receipt at fair value, and thereafter at amortised acquisition cost.

## **VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

### **Interest bearing liabilities**

All loans and bonds are initially recognized at fair value less directly attributable transaction cost. After initial recognition, loans and bonds are measured at amortized cost using the effective interest method.

### **Derivative financial instruments**

The Group uses derivative financial instruments in order to hedge against risks. In particular, the Group entered into a loan agreement with a variable interest rate having the obligation from this agreement to enter into an interest rate swap with the loan creditor to fix the interest rate. The Group considered the swap as embedded derivative as it constitutes one unit with the underlying financial instrument. Therefore, the Group does not account for the swap separately from the underlying loan agreement.

### **Impairment**

In accordance with IAS 36, the Group performs impairment tests when there are indications that an asset may be impaired. The Group determines the recoverable amount, which is the higher of the fair value less the cost of selling and value in use. If the carrying amount of an asset exceeds the recoverable amount, the difference is recognised as an impairment loss. If there is an indication that the reasons for impairment no longer exist or have decreased, the impairment loss is reversed to the carrying amount of the respective asset.

### **Provisions and contingent liabilities**

Provisions are recognised if the Group has legal or constructive obligations towards a third party due to a past event and the obligation is likely to lead to an outflow of funds. Such provisions are stated at the value which can be determined by the best possible estimate at the time the consolidated financial statements are prepared. Long-term provisions (provisions to be settled in more than one year) are discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### **Current taxes**

The income tax expense for the accounting period is calculated from the taxable income using the tax rate enacted and applicable in the Czech Republic, Poland, Hungary and Slovakia. Current income tax assets and liabilities are measured at amounts which are expected to be received from or paid to the respective tax authority.

### **Deferred taxes**

Deferred taxes are recognized on all temporary differences between the tax values of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which it can be utilised.

Deferred tax is measured at the enacted tax rates that are expected to apply to the year when the underlying asset or liability will be settled.

Since the Company (VIG FUND uzavřený investiční fond, a.s.) is a fund in accordance with the Act, it was subject to 5% corporate income tax rate for the fiscal period 2014. As of 31st December 2013 the enacted corporate income tax rate for the fiscal period starting with the 2015 was 0%. Due to this fact, the Group assumed that long term differences between the tax value of assets and liabilities and their carrying amount in the consolidated financial statements would never be materially realized. Consequently until 2013, the Group did not recognize the respective deferred tax in particularly from investment property.

During 2014, a new 19% income tax rate was enacted for the years 2015 onwards. Due to this fact, the Group recognized deferred tax from long term portion of temporary differences between the tax and carrying values of assets and liabilities in 2014.

The Hungarian entity (HUN BM Kft.) is subjects to 19 % corporate income tax rate, the Slovak entity (SK BM s.r.o.) is subjects to 22 % corporate income tax rate in 2015. Both entities recognize deferred tax from all temporary differences between the tax values of assets and liabilities and their carrying amount.

### **Operating lease contracts**

The Group has entered into commercial property leases on its investment property portfolio. The Group determined that it retains all the significant risks and rewards of ownership of these properties. Therefore, the Group accounts for the leases as operating leases.

## **VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Praguc 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

### **Recognition of revenues**

Rental income is recognised on a straight-line basis over the term of the lease unless a different method is more appropriate to the existing circumstances. Agreed incentives, such as one-off payments, are not applied. Other incentives, such as rent-free periods or reduced rents for a certain period are applied for some tenants in accordance with the lease contracts, and recognized on straight-line basis.

### **Judgments and estimates**

When preparing the consolidated financial statements, the Group's management uses judgments and estimates. These judgments and estimates affect the recognition and value of assets, liabilities, income, expenses and the information given in the notes.

The judgments and estimates on fair value of investment properties carry a risk that they may lead to a material adjustment in their value. The fair value of investment properties is determined based on appraisals prepared by independent property experts. The appraisals are based on discounted cash flow models. The preparation of these appraisals involves the use of assumptions, such as applied yield and expected cash flow from rentals. A change in these assumptions may lead to an increase or decrease in the value of the investment properties.

### **Standards and interpretations announced, but not yet adopted by the EU**

The following changes or revisions to standards and interpretations had been announced as of the balance sheet date, but have not yet been adopted by the EU and are therefore not applicable:

<b>Standard/Interpretation</b> <i>[IAS 8.31 (a), 8.31(c)]</i>	<b>Nature of impending change in accounting policy</b> <i>[IAS 8.31 (b)]</i>	<b>Possible impact on financial statements</b> <i>[IAS 8.31 (e)]</i>
<b>Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations</b>  (Effective for annual periods beginning on or after 1 January 2016; to be applied prospectively. Early application is permitted.)	These Amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interests in the joint operation will not be remeasured.	The Group expects that the Amendments, when initially applied, will not have a material impact on the consolidated financial statements because the Group has no Interests in Joint Operations.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

Standard/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of impending change in accounting policy [IAS 8.31 (b)]	Possible impact on financial statements [IAS 8.31 (e)]
<p><b>Amendments to IAS 1</b></p> <p>(Effective for annual periods beginning on or after 1 January 2016. Early application is permitted.)</p>	<p>The Amendments to IAS 1 include the following five, narrow-focus improvements to the disclosure requirements contained in the standard.</p> <p>The guidance on materiality in IAS 1 has been amended to clarify that:</p> <ul style="list-style-type: none"> <li>• Immaterial information can detract from useful information.</li> <li>• Materiality applies to the whole of the financial statements.</li> <li>• Materiality applies to each disclosure requirement in an IFRS.</li> </ul> <p>The guidance on the order of the notes (including the accounting policies) have been amended, to:</p> <ul style="list-style-type: none"> <li>• Remove language from IAS 1 that has been interpreted as prescribing the order of notes to the financial statements.</li> <li>• Clarify that entities have flexibility about where they disclose accounting policies in the financial statements.</li> </ul>	<p>The Group expects that the amendments, when initially applied, will not have a material impact on the presentation of the consolidated financial statements of the Group.</p>
<p><b>Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation</b></p> <p>(Effective for annual periods beginning on or after 1 January 2016; to be applied prospectively. Early application is permitted.)</p>	<p>Revenue-based depreciation banned for property, plant and equipment</p> <p>The amendments explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. New restrictive test for intangible assets</p> <p>The amendments introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.</p>	<p>It is expected that the Amendments, when initially applied, will not have material impact on the Group's consolidated financial statements as the Group does not apply revenue-based methods of amortisation/depreciation.</p>
<p><b>Amendments to IAS 16 Property Plant and Equipment and IAS 41 Agriculture</b></p> <p>(Effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted.)</p>	<p>These amendments result in bearer plants being in the scope of IAS 16 Property, Plant and Equipment, instead of IAS 41 Agriculture, to reflect the fact that their operation is similar to that of manufacturing.</p>	<p>The Group does not expect that the amendments, when initially applied, will have material impact on the consolidated financial statements as the Group has no bearer plants.</p>



Standard/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of impending change in accounting policy [IAS 8.31 (b)]	Possible impact on financial statements [IAS 8.31 (e)]
<p><b>Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions</b></p> <p>(Effective for annual periods beginning on or after 1 February 2015. The amendments apply retrospectively. Earlier application is permitted.)</p>	<p>The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. Namely that they are:</p> <ul style="list-style-type: none"> <li>- set out in the formal terms of the plan;</li> <li>- linked to service; and</li> <li>- independent of the number of years of service.</li> </ul> <p>When these criteria are met, a company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered.</p>	<p>The Group does not expect the Amendment to have any impact on the consolidated financial statements since it does not have any defined benefit plans that involve contributions from employees or third parties.</p>

## 5. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The objective of the Group is to increase the value of the managed assets in the long term by investing in the following assets:

- a. immovable property, including accessories thereof, and in interest in real estate companies that generate regular income, particularly in countries in which VIG Group operates or intends to operate; if VIG Group enters a new market, the Group can also invest in this market.
- b. liquid assets with lower risk, especially deposits on the bank accounts, money market instruments and bonds.

The Group will reinvest income from investments in accordance with investment objectives.

The Company is designed for qualified investors pursuant to the Act No 240/2013 Coll., on Investment Companies and Investment Funds (hereinafter Act). The Company is designed for investments by investors who are experienced in trading of the assets in which the Company predominantly invests. The Company is suitable for investors who are ready to keep an investment in the Company for at least 5 years. Third parties give no guarantees with a view to protect investors.

The Company is a fund of qualified investors in terms of the classification of collective investment funds according to risk and type of assets in which it predominantly invests, focusing on direct or indirect real estate investments generating regular income and on investments into liquid assets with lower risk. The Group is not a capital guaranteed fund.

## 6. PRINCIPLES OF VALUATION OF GROUP'S ASSETS

The assets and liabilities arising from the Group's investment activities are subject to valuation at their fair value. The method of setting the fair value of the Group's assets and liabilities is laid down according to IFRS 13.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

## VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The real estates and participations in real estate companies owned by the Group, are valued in accordance with the Act, on a regular basis, once a year, as of 31st December.

The Group's consolidated financial statements are subject to approval of the General Meeting, in accordance with the Group's Articles of Association. The Group's consolidated financial statements must be audited.

### 7. INFORMATION ON RISKS, RISK PROFILE

#### Credit risk

Credit risk is the risk that an issuer or a counterparty fails to keep their obligations resulting in the financial loss of the Group – The credit risk should be primarily based on the failure by entities with payments to the Group to fulfil their obligations.

The Group primarily minimises those risks by screening its counterparties, by setting the limits on the amounts of receivables due from individual counterparties and by appropriate contractual arrangements.

The maximum credit risk represents the amounts reported under financial assets in the statement of financial position.

The following table summarizes the Group's exposure to credit risk:

Credit risk	Trade receivables		Cash and cash equivalents	
	2015	2014	2015	2014
General allowance	0	0	0	0
Specific allowance	58	66	0	0
Past due, not impaired	45	17	0	0
Neither past due, nor impaired	1 162	1 238	22 857	11 954

#### Liquidity risk

Liquidity risk is the risk that financial liabilities cannot be settled at the time they are payable. An important aspect in managing of the liquidity risk is to secure necessary cash position to be able to pay the Group's financial liabilities when they are due. The Group manages its liquidity position by monitoring expected and actual cash inflows and outflows on a regular basis. Further the Group maintains cash and liquid deposits to meet the unexpected liabilities.

The following table shows the contractually agreed repayments of financial liabilities:

Liquidity risk	1 year		1 - 5 years		more than 5 years	
	2015	2014	2015	2014	2015	2014
Interest bearing liabilities	3 653	13 035	15 773	20 914	81 659	99 141
Trade payables	1 686	1 825	0	0	0	0
Other payables	829	831	533	752	0	0
<b>Total</b>	<b>6 168</b>	<b>14 930</b>	<b>16 306</b>	<b>21 666</b>	<b>81 659</b>	<b>99 141</b>

#### Currency risk

Currency risk is a subset of market risk, when the value of assets and liabilities is denominated in a foreign currency and may be affected by a change in the exchange rate.

The inflow of rental income, the interest bearing liabilities, as well as other business transactions of the Group, are denominated in euro, which is the Group company's functional currency. Inflows from service charges are generated in CZK, PLN or HUF, but the related costs are also denominated in CZK, PLN or HUF, respectively. Therefore, the Group has no significant currency risk exposure.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The following table summarizes the Group's exposure to currency risk:

Currency risk	Assets		Liabilities		Net exposure	
	2015	2014	2015	2014	2015	2014
CZK	1 797	1 667	4 826	3 115	-3 029	-1 448
PLN	1 073	8 268	293	8 543	780	-275
HUF	62	48	0	23	62	25
<b>Total</b>	<b>2 932</b>	<b>9 983</b>	<b>5 119</b>	<b>11 681</b>	<b>-2 187</b>	<b>-1 698</b>

**Market risk and property-specific risk**

The value of investment may decrease or increase, with the return on the initially invested amount not guaranteed. Given possible unforeseeable deviations on financial and real estate markets, the Group cannot guarantee achieving the targets set. A previous performance of the Group does not guarantee the same performance in a future period.

Risks associated with the economic development - The Group's investments may be susceptible to economic slowdowns or recessions, which could lead to financial losses and a decrease in revenues, earnings and assets. An economic slowdown or recession, in addition to other economic and non-economic factors such as an excess supply of properties, low inflation etc. could have a negative impact on the values of the Issuer's investments.

Risk of the unstable present value of the securities issued by the Group, due to the asset structure or the method of managing the Group's assets - The volatility of the real estate market and other liquid assets may also lead to the volatility of the value of the Group's shares. Particularly at the beginning of the Group's existence, the individual real estate assets will make up a significant proportion to all of the Group's assets, and thus an unfavourable development of a price of an individual real estate asset may have a significant impact on the development the Group's stock prices.

Market risks, arising from the effect of changes of the overall market developments on the prices and values of the individual types of the Group's assets - The development of exchange rates, interest rates, credit spreads and, where appropriate, other market indicators always has an impact on the value of assets in general. The degree of this influence depends on the exposure of the Group's assets to those risks (such as the payment of rent in euro, a change in the market value of a bond at the time of an interest rate change, etc.).

Settlement risk - This risk primarily consists of counterparty's failure when a transaction should be settled. These risks are primarily minimised by selecting credible counterparties, by settling investment instrument transactions within reliable settlement systems and, if real estate asset transactions are involved, by using quality legal institutes to govern such transactions.

Risk of insufficient liquidity, based on a certain asset of the Group not being encashed in time at a reasonable price - Given the nature of the real estate market, which may make up a substantial portion of the Group's assets, we need to point out that encashing an immovable property in an effort to obtain the best price requires time. In an extreme scenario, the liquidity risk may lead to a liquidity crisis.

Currency risk, where the value of an investment may be affected by a change in the exchange rate - Currency risk is a subset of market risks, which are described above.

Risk of losing the assets placed into custody - The Group's assets are placed into custody with the Depositary, if its nature does not preclude it. Nevertheless the risk of losing those assets may exist, due to insolvency, negligence or wilful act of this party.

Risk associated with the Group's investment specialisation in certain industries, countries or regions, other parts of the market or certain types of assets - The investment specialisation of the Group in the immovable property in countries in which VIG Group operates or intends to operate involves a systematic risk, when the development in this sector influence a significant portion of the Group's portfolio. This systematic risk is addressed by diversification, i.e. the distribution of investments.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

Concentration risk - The Group operates exclusively in the real estate business and its economic results are dependent on continued existence of tenants willing and being able to pay the rent for their leases.

A considerable part of the Group's portfolio is of the same usage (retail – single tenant), which leads to a concentration risk. Acquisitions of multi-tenant properties with different usage and disposal of some retail properties resulted in a decline of the concentration risk already in the past and will be further reduced by additional acquisitions, leading to a higher degree of diversification.

Risk of dissolution of the Group for reasons laid down by law – The Group may be dissolved, for example by reasons of a decision on a merger or a division of the Group, equity lower than CZK 50,000,000, liquidation of the Group.

Risks associated with the defects or damage of investment property – Investment property may be affected by defects, for example by hidden defects or defects that occur after a longer period of time. Further, a considerable damage to the real estate caused by natural disasters or other unforeseeable events could occur. This might lead to the necessity of sudden repair works and may, consequently, result in a significant decrease of the real estate market value. This risk may be reduced by (i) hiring good construction supervisors, (ii) contractual liability for defects, (iii) by ensuring that the warranty and post-warranty service is of a good quality and (iv) by proper insurance policy.

Risks associated with the acquisition of foreign immovable property – For foreign immovable property, we need to point out political risks, economic risks or risks of legal instability. These risks may particularly lead to the occurrence of unfavourable conditions in respect of using (selling) the immovable property, for example because of foreign or legal restrictions, economic recession or, in the extreme scenario, nationalisation or expropriation.

Risks associated with a lower degree of inspection by the Depositary – In accordance with Article 21(4) of the Act, the Investment Group has arranged a lower degree of Depositary's inspection in the depository contract for the Group. This risk may particularly lead to deficiencies in the activities the inspection of which by the Depositary has been precluded and replaced with inspection by the Investment Group or the Investment Manager.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1.1 General information on the consolidated financial statements**

These consolidated financial statements of VIG FUND uzavřený investiční fond, a.s. (together with its subsidiaries hereinafter „the Group“) are the financial statements prepared in accordance with International Financial Reporting standards as adopted by European Union.

The accounting period for 2015 is a twelve month period from 1st January 2015 to 31st December 2015.

All figures are in thousands of euros except when otherwise stated.

**1.2 Investment properties**

The investment properties were valued using a discounted cash flow method, specifically in the form of the hard core and top-slice method. The application of the hard core and top-slice method involves the following: Net income generated by the property – up to the market rent (hard core component) – is capitalized at a normal market interest rate as a perpetual yield over the entire term (term of the rental contract plus subsequent rental). The top-slice component (the net income that exceeds the market rent) is then discounted at a risk-adjusted market interest rate.

The expert valuations are carried out once a year by independent, professional experts for the purpose of preparing the annual financial statements as at 31 December. The professional experts are provided with the necessary information, such as current rentals, by the Company's asset management. The experts also make estimates, among others, for the occupancy, future rental income, scheduled investments and expected returns.

An increase in the input factors rentable space and rental income per square meter would lead to an increase in fair value, while a decrease in these parameters would cause a decrease in fair value. An increase in the input factors discount rate and vacancy rate would lead to a reduction in fair value, while a reduction in these factors would result in a higher fair value.

The capitalization rate of the portfolio ranges from 5.08 % to 9.75 %.

Occupancy rate of the total portfolio is approximately 84 %. Total rentable area amounts to 129,900 sqm.

The development of the fair value of investment properties is shown below:

<b>Investment properties</b>	<b>Total</b>
<b>Balance as of 1st January 2014</b>	<b>189 400</b>
New investments 2014	89 845
Revaluation	-10 865
<b>Balance as of 31st December 2014</b>	<b>268 380</b>
New acquisitions of investment properties and other additions	764
Revaluation	-8 081
Carrying amount of sold properties	-27 503
<b>Balance as of 31st December 2015</b>	<b>233 560</b>

The market value of the properties assigned as collateral for external financings totals to TEUR 233,560 as of 31st December 2015 and TEUR 268,380 as of 31st December 2014. During the reported period some buildings in the carrying amount of TEUR 27,503 were sold.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**1.3 Tax receivables**

	Tax receivables		
	2015	change	2014
Income tax	26	26	0
VAT	5	-8 075	8 080
Real estate tax	0	-1	1
Other tax	8	8	0
<b>Total</b>	<b>39</b>	<b>-8 042</b>	<b>8 081</b>

The opening balance of VAT in the amount of TEUR 8,080 resulted from the excess tax deduction in connection with the purchase of buildings in Poland and was received during the current period.

The closing balance of tax receivables represents mainly the income tax from Hungary in the amount of TEUR 26.

**1.4 Trade receivables**

The opening balance represents trade receivables in the gross amount of TEUR 1,183 and advance payments in the amount of TEUR 138. The closing balance represents trade receivables in the gross amount of TEUR 1,156 and advance payments in the amount of TEUR 109, most not due on 31st December 2015.

An impairment is recognised for receivables that are past due, and all uncollectible receivables had been adjusted accordingly as of the reporting date. Change in the impairment is recognized in the statement of comprehensive income in the line "Operating expenses".

**Age structure of trade receivables as of 31st December**

Age structure	2015		2014	
	Acquisition costs total	Impairment	Acquisition costs total	Impairment
before due date	1 162	0	1 238	0
1 - 30 days	30	0	17	0
31 - 180 days	18	-5	5	-5
181 - 360 days	2	0	28	-28
overdue more than 1 year	53	-53	33	-33
<b>Total</b>	<b>1 265</b>	<b>-58</b>	<b>1 321</b>	<b>-66</b>

**1.5 Other receivables**

Other receivables	2015	2014
Estimated receivable	909	922
Accrued income	412	393
Other receivable	0	42
<b>Total</b>	<b>1 321</b>	<b>1 357</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The opening balance of other receivables amounted to TEUR 42 and was increased by the amount of TEUR 1,315, which was reclassified from accrued assets. The Group reclassified these immaterial items as the management of the Group believes that the new classification better reflects the financial position of the Group.

Reclassification of comparative balances	2014		
	after reclassification	change	before reclassification
Other receivables	1 357	1 315	42
Accrued assets	1 774	-1 315	3 089
<b>Total</b>	<b>3 131</b>	<b>0</b>	<b>3 131</b>

The closing balance as well as the opening balance of estimated receivable mainly represents the estimates for uninvoiced service charges and operating expenses in the amount of TEUR 909 and TEUR 922 in 2015 and in 2014, respectively.

The opening balance as well as the closing balance of accrued income includes accrual for rent linearization.

**1.6 Cash and cash equivalents**

Cash and cash equivalents include the credit bank balances of bank accounts in the amount of TEUR 22,857 as of 31st December 2015 and TEUR 11,954 as of 31st December 2014, respectively. The Group has no cash on hand.

**1.7 Accrued assets**

Accrued assets	2015	2014
Pre-paid expenses	1 480	1 774
Estimated receivable	0	0
Accrued income	0	0
<b>Total</b>	<b>1 480</b>	<b>1 774</b>

The Group records the pre-paid expenses which are mainly represented by accrued expenses for easement for using surrounding land for parking.

The opening balance of estimated receivables and accrued income in the amount of TEUR 1,315 was reclassified to other receivables. For more please refer to 1.5 Other receivables.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**2.1 Share capital**

Type of shares	Number as of		Nominal value	Unpaid
	2015	2014		
registered	17 127 pcs.	17 127 pcs.	200 CZK	0 CZK

As of 31st December 2014 the share capital of the Group as recorded in the Commercial Register totalled TCZK 3,425 and consisted of 17,127 shares with a nominal value of CZK 200 per share. All shares are fully paid in and authorised. During the reported period there were no changes in share capital.

All shares are voting shares.

**2.2 Other reserves**

Other reserves	2015	2014	Distribution possibility
Capital reserve	91 049	91 049	Yes
Transaction reserve	35 465	54 686	Yes
<b>Total</b>	<b>126 514</b>	<b>145 735</b>	

The transaction reserve has been decreased by TEUR 19,221 which represents the coverage of the loss of the Group for the year 2014.

**2.3 Retained earnings**

The opening balance of the retained earnings includes the profit after tax of the previous years amounting to TEUR 3,106.

**2.4 Interest bearing liabilities - loans**

The structure of the interest bearing liabilities is as follows:

Loans	2015			2014		
	Principal amount	Accrued Interest	Total	Principal amount	Accrued Interest	Total
Bank loans	33 760	0	<b>33 760</b>	36 143	0	<b>36 143</b>
Other loans	23 693	0	<b>23 693</b>	51 798	0	<b>51 798</b>
<b>Total</b>	<b>57 453</b>	<b>0</b>	<b>57 453</b>	<b>87 941</b>	<b>0</b>	<b>87 941</b>
thereof: short-term	3 653	0	<b>3 653</b>	13 035	0	<b>13 035</b>
thereof: long-term	53 800	0	<b>53 800</b>	74 906	0	<b>74 906</b>



**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

As of 31st December 2015 the terms of interest-bearing liabilities are as follows:

Loan	Signed on	Principal amount	Already repaid of principal	Due date	Interest rate
Investment Loan 1	29.11.2011	48 081	26 140	31.12.2026	4.05%
Investment Loan 2	12.12.2012	18 000	1 924	31.12.2024	3.95%
Investment Loan 3	19.12.2013	9 000	609	31.12.2025	3.95%
Investment Loan 4	29.11.2011	12 526	3 341	31.12.2026	4.05%
Investment Loan 5	29.11.2011	4 394	2 535	31.12.2026	4.05%

The agreed interest rate for all Investment Loans is fixed except for the part of a bank creditor with whom a variable interest rate was agreed on. For this purpose an interest rate swap was entered into to fix the variable interest rate. The interest is calculated quarterly on the basis of actual/360 method. The principal amount repayments are to be made quarterly started on 31st December 2012 (Loan 1, 4, 5), on 30th June 2013 (Loan 2) and on 30th June 2014 (Loan 3).

During 2015, Investment Loan 1 was partially repaid with the repayment amounting to TEUR 17,233 and Loan 5 with the repayment amounting to TEUR 1,487.

As security for the loans the Group provides the following collaterals:

- Mortgage on the land or the land and building
- Pledge of receivables (from rental agreements, insurance contracts etc.)
- Pledge of bank accounts (accounts for rental payments)

The following table summarizes the carrying amounts of assets pledged as collateral:

Assets pledged as collateral	2015	2014
Investment properties	233 560	268 380
Trade receivables from rental incomes	1 067	1 062
Cash and cash equivalents	22 857	11 954

## 2.5 Interest bearing liabilities - bonds

On 26th November 2014 the Company issued two bonds in the nominal amount of TEUR 32,000 and TEUR 13,000. The bonds bear interest at a fixed rate. Interest on bonds shall be payable semi-annually on 26th May and 26th November of each year. Part of the nominal value is redeemed semi-annually at the same date as interest. Unless redeemed early or repurchased by the issuer, the bonds shall be fully repaid on 26th November 2034. The bonds are registered for trading on the Regulated Market of the Prague Stock Exchange.

The bonds are bearer securities in book-entry form with the nominal amount of TEUR 100 each.

The Company's obligations under the bonds are secured by a first-ranking mortgage over the real estate Jasna and Libra in Poland and Burzovní Palác in the Czech Republic.

Bonds issued	ISIN	Nominal value	Maturity	Issue price	Number of notes	Coupon
Bond Prague	CZ0003704298	13 000	26. 11. 2034	100.8 %	130	3.95 % p.a.
Bond Warsaw	CZ0003704280	32 000	26. 11. 2034	101.0 %	320	4.05 % p.a.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Praguc 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The carrying amount of bonds amounts to TEUR 43,632. This value includes the accrued interests of TEUR 165. The effective interest rates do not differ significantly from the coupon rates.

Bonds issued	2015	2014
Nominal value of bonds	43 480	45 000
Interests on bonds	165	171
Agio	-13	-22
<b>Total</b>	<b>43 632</b>	<b>45 149</b>

Assets pledged as collateral	2015	2014
Investment properties	96 000	92 180

**2.6 Other payables, non-current part**

The other payables, non-current part includes long-term security deposits of the tenants amounting to TEUR 533 and TEUR 752 for 2015 and 2014, respectively.

**2.7 Trade payables**

The position is made up of the unpaid invoices for provision of services and advance payments for services from tenants. The detailed information is shown in the following tables:

Trade payables	2015	2014
Accounts payable	526	540
Advanced payments	1 160	1 285
<b>Total</b>	<b>1 686</b>	<b>1 825</b>

**Age structure of accounts payable as of 31st December**

Age structure	2015			2014		
	Accounts payable - inland	Accounts payable - foreign	Advanced payments	Accounts payable - inland	Accounts payable - foreign	Advanced payments
before due date	482	11	1 160	439	100	1 285
< 30 days	19	3	0	0	0	0
<60 days	0	2	0	1	0	0
<90 days	2	0	0	0	0	0
<120 days	4	3	0	0	0	0
<b>Total</b>	<b>507</b>	<b>19</b>	<b>1 160</b>	<b>440</b>	<b>100</b>	<b>1 285</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**2.8 Provisions**

Provisions	Other provisions		Total
	2014	139	
Use		0	0
Release		0	0
Creation		0	0
Effect of FX variance		3	3
	<b>2015</b>	<b>142</b>	<b>142</b>
thereof: short-term		142	142
thereof: long-term		0	0

Other provisions mainly relate to the planned donation of the part of investment property in the BB C Building C, s.r.o. to the city of Prague, specifically sewerage and water series.

**2.9 Accrued liabilities**

Accrued liabilities	2015	2014
Accrued revenues	1 454	1 988
Estimated payables	0	0
<b>Total</b>	<b>1 454</b>	<b>1 988</b>

The accrued revenues represent rent and service charges revenue invoiced in advance amounting to TEUR 1,454 and TEUR 1,988 in 2015 and in 2014, respectively.

The opening balance of estimated payables in the amount of TEUR 761 was reclassified to other payables, current part. The Group reclassified these immaterial items as the management of the Group believes that the new classification better reflects the financial position of the Group.

Reclassification of comparative balances	2014		
	after reclassification	change	before reclassification
Accrued liabilities	1 988	-761	2 749
Other payables	831	761	70
<b>Total</b>	<b>2 819</b>	<b>0</b>	<b>2 819</b>

**2.10 Tax liabilities current and deferred**

The tax liabilities consist of the liabilities for value added tax, corporate income tax and deferred tax.

Tax liabilities	2015	2014
Value added tax	417	517
Corporate income tax	2 485	323
Deferred tax	20 158	23 589
<b>Total</b>	<b>23 060</b>	<b>24 429</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

Deferred tax liabilities	2015	2014
Deferred tax liabilities	20 158	23 943
Deferred tax assets	0	-354
<b>Total</b>	<b>20 158</b>	<b>23 589</b>

**2.11 Other payables, current part**

Other payables, current part	2015	2014
Estimated payables	795	761
Other payables	34	70
<b>Total</b>	<b>829</b>	<b>831</b>

The opening balance of estimated payables in the amount of TEUR 761 was reclassified from accrued liabilities. For more please refer to 2.9 Accrued liabilities.

Estimated payables mainly represent estimates for service charges, media and repairs in the amount of TEUR 425.

Estimated payables	2015	2014
Legal consulting	115	8
Other consultancy	143	17
Accounting	28	21
Tax advisory	21	15
Regular services (management fee, depositary fee, etc.)	23	177
Audit	20	30
Service charges, media, repairs	425	445
Interests from loans	13	13
Services regarding bonds	0	35
Other services	7	0
<b>Total</b>	<b>795</b>	<b>761</b>

The other payables represent the short-term deposit and retention in the amount of TEUR 34 and TEUR 70 in 2015 and in 2014, respectively.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**2.12 Financial instruments**

The values of financial assets and liabilities are as follows:

Financial instruments	2015		2014	
	carrying amount	fair value	carrying amount	fair value
<b>Financial assets:</b>				
Trade receivables	1 207	1 207	1 255	1 255
Other receivables	1 321	1 321	1 357	1 357
Cash and cash equivalents	22 857	22 857	11 954	11 954
<b>Total</b>	<b>25 385</b>	<b>25 385</b>	<b>14 566</b>	<b>14 566</b>
<b>Financial liabilities:</b>				
Loans, non-current part	53 800	55 864	74 906	76 811
Loans, current part	3 653	3 653	13 035	13 035
Bonds issued	43 632	44 937	45 149	45 149
Trade payables	1 686	1 686	1 825	1 825
Other payables, non-current part	533	533	752	752
Other payables, current part	829	829	831	831
<b>Total</b>	<b>104 133</b>	<b>107 502</b>	<b>136 498</b>	<b>138 403</b>

Tax, trade and other receivables are generally considered to be current or are carried net of any necessary valuation adjustments and, for this reason, fair value reflects the carrying amount. The same applies to cash and cash equivalents.

The fair value of the loans and bonds was determined based on discounted cash flow calculation. The calculation is based on other observable inputs such as applied interest rates (Level 2 of fair value hierarchy).

Interest, trade and other payables are considered to be current and the carrying amount reflects the fair value.

**3.1 Rental income and operating costs**

The Group generates rental income and income from operating costs charged to tenants in connection with investment property:

Revenue	2015	2014
Rental income	26 248	16 458
Operating costs charged to tenants	2 637	1 458
<b>Total</b>	<b>28 885</b>	<b>17 916</b>

## **VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The Group has entered into operating lease agreements with business tenants on its investment property. The lease agreements are denominated in euros and linked to the inflation rate. Future minimum rental income under operating leases as of 31st December is as follows:

<b>Future minimum rental income</b>	<b>2015</b>	<b>2014</b>
not later than one year	13 261	19 224
between 1 and 5 years	32 180	60 990
more than 5 years	43 031	74 879

The Group has no contingent rents.

### **3.2 Result from property transaction**

<b>Result from property transaction</b>	<b>2015</b>
Sale of properties after transaction costs	18 392
Carrying amount of sold properties	-27 503
<b>Result from property transaction</b>	<b>-9 111</b>

In December 2015 the Company sold buildings with the total result of TEUR 9,111.

### **3.3 Operating expenses**

Operating expenses represent direct operating expenses arising from the investment property and are mainly recharged to tenants. The increase in 2015 is mainly caused by the costs related to the investment property in Poland which was acquired in the end of 2014.

<b>Operating expenses</b>	<b>2015</b>	<b>2014</b>
Energy consumption	1 310	737
Repairments	391	347
Brokerage fee	63	20
Facility management	94	132
Property and asset management	293	100
Security	308	184
Insurance	73	50
Easement	213	214
Real estate tax	285	188
Legal and other consultancy	276	38
Other	608	365
<b>Total</b>	<b>3 914</b>	<b>2 375</b>

### **3.4 Other operating income**

The Group generates other revenues in the amount of TEUR 107 and TEUR 70 in 2015 and 2014, respectively.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**3.5 Indirect expenditures**

Indirect expenditures	2015	2014
Management fee	593	662
Custodian fee	44	39
Audit and legal fees	55	117
Administration fees	185	143
Bank charges	6	2
Other services	11	32
Provisions	3	-1
<b>Total</b>	<b>897</b>	<b>994</b>

Investment management fees are represented by the management fee of VIG Asset Management investiční společnost, a.s. in the amount of TEUR 593 and TEUR 662 in 2015 and 2014, respectively.

Custodian fees consist of the depositary fee of the depositary bank in accordance with the depositary contract in the amount of TEUR 44 and TEUR 39 in 2015 and 2014, respectively.

Provisions represent mainly the valuation adjustment to the provision related to the investment properties in the amount of TEUR 3. For further information see also 2.8 Provisions.

**3.6 Interest income**

Interest income represents the credit interest from current bank account in the amount of TEUR 1 and TEUR 6 in 2015 and 2014, respectively.

**3.7 Other financing revenues**

The balance of other financing revenues amount to TEUR 84 and TEUR 284 in 2015 and 2014, respectively.

**3.8 Interest expenses**

Interest expenses amount to TEUR 4,944 and TEUR 3,578 in 2015 and 2014, respectively. Thereof TEUR 3,496 relates to interest to related parties in 2015 and TEUR 2,123 in 2014.

For further information see also 2.4 and 2.5 Interest bearing liabilities.

**3.9 Foreign currency gain/loss**

Foreign currency loss amounts to TEUR 56 and TEUR -181 in 2015 and 2014, respectively.

**3.10 Taxes**

The following table shows details on income tax costs:

Other costs - Corporate income tax	2015	2014
Income tax on ordinary activities - due	3 590	614
Income tax on ordinary activities - deferred	-3 431	18 414
<b>Total</b>	<b>159</b>	<b>19 028</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The following table shows details on movement in deferred tax balances:

Movement in deferred tax balances	Net balance at 1 January	Recognised in profit or loss	Net balance at 31 December
2015			
Investment properties	-23 943	3 917	-20 026
Other	354	-486	-132
Net tax assets (liabilities)	-23 589	3 431	-20 158
2014			
Investment properties	-5 279	-18 664	-23 943
Other	0	354	354
Net tax assets (liabilities)	-5 279	-18 310	-23 589

The following table explains the relationship between accounting profit and tax expense:

	2015	2014
Net result before tax	2 181	-193
Corporate income tax rate	19%	5%
Expected tax	414	0
Tax reconciliation:		
Adjustment to tax base	-242	374
Non-deductible expenses	45	13
Non-taxable income/ Amounts deducted from tax	-17	-225
Recognition of tax losses	-11	-11
Income tax paid in foreign jurisdiction	76	75
Other changes	25	-7
Influence of foreign tax rates	-131	55
<b>Income tax without influence of tax rate changes</b>	<b>159</b>	<b>274</b>
<b>Effective tax rate in %, current</b>	<b>7%</b>	<b>n/a</b>
Tax rate changes	0	18 754
<b>Income tax total</b>	<b>159</b>	<b>19 028</b>

**3.11 Operating segments**

Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker.

The Group has a single group of related services being the rental of investment properties exclusively. Segment information is provided on the basis of geographic areas, being the basis on which the Group manages its interests. Revenue is attributed to a country or region based on the location of the Group company reporting the revenue.



**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

The tables below present segment information on the revised basis, with prior years amended to conform to the current year presentation.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>As at 31st December</i>	<b>2015</b>						
<i>In thousands of euro</i>	<b>CZ</b>	<b>PL</b>	<b>HUN</b>	<b>SK</b>	<b>Total segments</b>	<b>Consolidation</b>	<b>Total</b>
<b>Assets</b>							
<b>Non-current assets</b>	<b>161 652</b>	<b>64 562</b>	<b>5 160</b>	<b>23 910</b>	<b>255 284</b>	<b>-21 724</b>	<b>233 560</b>
Investment properties	139 928	64 562	5 160	23 910	233 560	0	233 560
Investment - Shares	21 724	0	0	0	21 724	-21 724	0
<b>Current assets</b>	<b>16 681</b>	<b>8 468</b>	<b>1 212</b>	<b>649</b>	<b>27 010</b>	<b>-6</b>	<b>27 004</b>
Tax receivables	0	0	39	0	39	0	39
Trade receivables	989	218	0	0	1 207	0	1 207
Other receivables	1 390	-69	0	0	1 321	0	1 321
Cash and cash equivalents	12 739	8 296	1 173	649	22 857	0	22 857
Accrued assets	1 463	23	0	0	1 486	-6	1 480
Other assets	100	0	0	0	100	0	100
<b>Total assets</b>	<b>178 333</b>	<b>73 030</b>	<b>6 372</b>	<b>24 559</b>	<b>282 294</b>	<b>-21 730</b>	<b>260 564</b>

<i>As at 31st December</i>	<b>2015</b>						
<i>In thousands of euro</i>	<b>CZ</b>	<b>PL</b>	<b>HUN</b>	<b>SK</b>	<b>Total segments</b>	<b>Consolidation</b>	<b>Total</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>	<b>71 834</b>	<b>31 767</b>	<b>2 085</b>	<b>12 437</b>	<b>118 123</b>	<b>0</b>	<b>118 123</b>
Loans, non-current part	43 759	0	1 690	8 351	53 800	0	53 800
Bonds issued	12 548	31 084	0	0	43 632	0	43 632
Other payables, non-current part	466	67	0	0	533	0	533
Deferred tax liabilities	15 061	616	395	4 086	20 158	0	20 158
<b>Current liabilities</b>	<b>9 056</b>	<b>345</b>	<b>178</b>	<b>1 093</b>	<b>10 672</b>	<b>-6</b>	<b>10 666</b>
Loans, current part	2 649	0	169	835	3 653	0	3 653
Trade payables	1 675	11	0	0	1 686	0	1 686
Provisions	135	0	0	12	147	-5	142
Accrued liabilities	1 285	161	9	0	1 455	-1	1 454
Current tax liabilities	2 601	55	0	245	2 901	0	2 901
Other payables, current part	711	118	0	0	829	0	829
<b>Total liabilities</b>	<b>80 890</b>	<b>32 112</b>	<b>2 263</b>	<b>13 530</b>	<b>128 795</b>	<b>-6</b>	<b>128 789</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

 For the year ended 31st  
December

**2015**

<i>In thousands of euro</i>	<b>CZ</b>	<b>PL</b>	<b>HUN</b>	<b>SK</b>	<b>Total segments</b>	<b>Consolidation</b>	<b>Total</b>
Rental income	15 518	4 679	2 999	3 052	26 248	0	26 248
Result from property transaction	-9 111	0	0	0	-9 111	0	-9 111
Operating costs charged to tenants	1 472	1 099	0	66	2 637	0	2 637
Operating expenses	-2 446	-1 325	-62	-81	-3 914	0	-3 914
<b>Net operating income</b>	<b>5 433</b>	<b>4 453</b>	<b>2 937</b>	<b>3 037</b>	<b>15 860</b>	<b>0</b>	<b>15 860</b>
Other operating income	111	28	15	0	154	-47	107
Indirect expenditures	-693	-177	-20	-54	-944	47	-897
<b>Earnings before interest, taxes, depreciation, amortization and fair value unrealized gains/losses</b>	<b>4 851</b>	<b>4 304</b>	<b>2 932</b>	<b>2 983</b>	<b>15 070</b>	<b>0</b>	<b>15 070</b>
Revaluation of investment property	-5 115	94	-900	-2 160	-8 081	0	-8 081
<b>Operating result</b>	<b>-264</b>	<b>4 398</b>	<b>2 032</b>	<b>823</b>	<b>6 989</b>		<b>6 989</b>
Interest income	0	0	0	1	1	0	1
Dividend income	1 470	0	0	-1 470	0	0	0
Other finance revenues	156	4	0	0	160	-76	84
Interest expenses	-3 114	-1 294	-137	-399	-4 944	0	-4 944
Foreign currency gain/loss	-67	128	-4	0	56	0	56
Other finance expenses	-4	0	-20	-57	-81	76	-5
<b>Financial result</b>	<b>-1 559</b>	<b>-1 162</b>	<b>-161</b>	<b>-1 926</b>	<b>-4 808</b>	<b>0</b>	<b>-4 808</b>
<b>Net result before taxes</b>	<b>-1 823</b>	<b>3 235</b>	<b>1 871</b>	<b>-1 102</b>	<b>2 181</b>	<b>0</b>	<b>2 181</b>
Current income tax	-2 430	-304	-392	-464	-3 590	0	-3 590
Deferred income tax	3 217	-244	85	373	3 431	0	3 431
<b>Profit (loss) after tax</b>	<b>-1 036</b>	<b>2 687</b>	<b>1 564</b>	<b>-1 193</b>	<b>2 022</b>	<b>0</b>	<b>2 022</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – COMPARATIVE INFORMATION

<i>As at 31st December</i>					2014		
<i>In thousands of euro</i>	CZ	PL	HUN	SK	Total segments	Consolidation	Total
<b>Assets</b>							
<b>Non-current assets</b>	<b>193 516</b>	<b>64 450</b>	<b>6 060</b>	<b>26 070</b>	<b>290 096</b>	<b>-21 716</b>	<b>268 380</b>
Investment properties	171 800	64 450	6 060	26 070	268 380	0	268 380
Shares	21 716	0	0	0	21 716	-21 716	0
<b>Current assets</b>	<b>14 380</b>	<b>8 570</b>	<b>580</b>	<b>897</b>	<b>24 427</b>	<b>0</b>	<b>24 427</b>
Tax receivables	1	8 080	0	0	8 081	0	8 081
Trade receivables	921	110	0	224	1 255	0	1 255
Other receivables	1 356	1	0	0	1 357	0	1 357
Cash and cash equivalents	10 359	348	580	667	11 954	0	11 954
Accrued assets	1 743	31	0	0	1 774	0	1 774
Other assets	0	0	0	6	6	0	6
<b>Total assets</b>	<b>207 896</b>	<b>73 020</b>	<b>6 640</b>	<b>26 967</b>	<b>314 523</b>	<b>-21 716</b>	<b>292 807</b>

<i>As at 31st December</i>					2014		
<i>In thousands of euro</i>	CZ	PL	HUN	SK	Total segments	Consolidation	Total
<b>Liabilities</b>							
<b>Non-current liabilities</b>	<b>94 418</b>	<b>32 632</b>	<b>3 702</b>	<b>13 644</b>	<b>144 396</b>	<b>0</b>	<b>144 396</b>
Loans, non-current part	62 499	0	3 222	9 185	74 906	0	74 906
Bonds issued	12 956	32 193	0	0	45 149	0	45 149
Other payables, non-current part	685	67	0	0	752	0	752
Deferred tax liabilities	18 278	372	480	4 459	23 589	0	23 589
<b>Current liabilities</b>	<b>8 224</b>	<b>8 931</b>	<b>403</b>	<b>1 100</b>	<b>18 658</b>	<b>0</b>	<b>18 658</b>
Trade payables	1 396	342	87	0	1 825	0	1 825
Provisions	131	0	0	8	139	0	139
Accrued liabilities	1 645	153	4	186	1 988	0	1 988
Loans, current part	3 681	8 226	293	835	13 035	0	13 035
Tax payables	686	64	19	71	840	0	840
Other payables, current part	685	146	0	0	831	0	831
<b>Total liabilities</b>	<b>102 642</b>	<b>41 563</b>	<b>4 105</b>	<b>14 744</b>	<b>163 054</b>	<b>0</b>	<b>163 054</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – COMPARATIVE INFORMATION***For the year ended 31st December***2014**

<i>In thousands of euro</i>	<b>CZ</b>	<b>PL</b>	<b>HUN</b>	<b>SK</b>	<b>Total segments</b>	<b>Consolidation</b>	<b>Total</b>
Rental income	12 927	584	764	2 183	16 458	0	16 458
Operating costs charged to tenants	1 305	87	0	66	1 458	0	1 458
Operating expenses	-2 105	-137	-49	-86	-2 375	0	-2 375
<b>Net operating income</b>	<b>12 127</b>	<b>534</b>	<b>715</b>	<b>2 163</b>	<b>15 541</b>	<b>0</b>	<b>15 541</b>
Other operating income	64	27	31	0	122	-52	70
Indirect expenditures	-923	-37	-25	-59	-1 046	52	-994
<b>Earnings before interest, taxes, depreciation, amortization and fair value unrealized gains/losses (EBITDA)</b>	<b>11 268</b>	<b>524</b>	<b>721</b>	<b>2 104</b>	<b>14 617</b>	<b>0</b>	<b>14 617</b>
Revaluation of investment property	-8 606	905	-2 960	-680	-11 341	0	-11 341
<b>Operating result (EBIT)</b>	<b>2 662</b>	<b>1 429</b>	<b>-2 239</b>	<b>1 424</b>	<b>3 276</b>	<b>0</b>	<b>3 276</b>
Interest income	5	0	0	1	6	0	6
Dividend income	719	0	-60	-659	0	0	0
Other financing revenues	360	0	0	0	360	-76	284
Interest expenses	-2 761	-232	-152	-433	-3 578	0	-3 578
Foreign currency gain/loss	4	-181	-4	0	-181	0	-181
Other financing expenses	0	0	-19	-57	-76	76	0
<b>Financial result</b>	<b>-1 673</b>	<b>-413</b>	<b>-235</b>	<b>-1 148</b>	<b>-3 469</b>	<b>0</b>	<b>-3 469</b>
<b>Net result before taxes (EBT)</b>	<b>989</b>	<b>1 016</b>	<b>-2 474</b>	<b>276</b>	<b>-193</b>	<b>0</b>	<b>-193</b>
Current income tax	-222	-75	-50	-267	-614	0	-614
Deferred income tax	-18 382	-372	289	51	-18 414	0	-18 414
<b>Profit or loss after tax</b>	<b>-17 615</b>	<b>569</b>	<b>-2 235</b>	<b>60</b>	<b>-19 221</b>	<b>0</b>	<b>-19 221</b>

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**3.12 Related party information**

Transactions with related parties are carried out at arm's length. The Parent Company is defined in part E 1.5 Shareholders.

Transactions with the related parties	2015	2014
<b>STATEMENT OF FINANCIAL POSITION</b>		
Accrued assets	29	3
Interest bearing liabilities	23 693	51 798
Bonds and interests	43 439	45 149
Trade payables	10	6
Other payables	22	13
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Indirect expenditures	-595	-665
Operating expenses	-10	0
Interest expenses	-3 496	-2 123
Insurance paid	-71	-46

**G. INFORMATION ON THE DISTRIBUTION OF PROFIT**

If the Company shows a profit for an accounting period, the profit may not be necessarily distributed; it may be used for reinvestments with a view to increase the Company's assets, as part of the Company's financial management.

The General Meeting of the Company may, pursuant to the Commercial Code, decide to distribute profit (dividend) among shareholders. The dividend is determined as the ratio of the nominal value of shareholder's shares to the nominal value of all of the Company's shareholders' shares as at the date of the dividend payment determined to that end by the Company's General Meeting. The Company may not make advance payments in respect of profit sharing.

The determining date for claiming the dividend is a date determined by the Fund's General Meeting. That day may not precede the date of holding the General Meeting which decided to pay dividends, and may not fall beyond the day when the dividend is due.

Dividend is due within six months of the date when the General Meeting resolution to distribute profit is adopted; however, the dividend paid out by money transfer to shareholder's account is not due sooner than one month after the shareholder provide the Company with the bank account number to which the dividend should be remitted.

Dividend is paid out via bank transfer to a shareholder's account.

The limitation period applicable to the right for dividends payment which has been decided by the Company's General Meeting is four years after the elapse of the due date.

If the Company shows a loss for an accounting period, the General Meeting may decide, while approving the consolidated financial statements for the accounting period in which the loss occurred, to settle the loss from the Company's resources.

**VIG FUND uzavřený investiční fond, a.s.**

Templová 747/5, Prague 1, 110 00

Consolidated Financial Statements for the year ended 31st December 2015

**H. DATA ON SECURITIES ISSUED BY THE COMPANY**

The Company issues ordinary shares which are not quoted, registered in the European official market, or accepted for trading in a market which is not a regulated market pursuant to the Act on Capital Market Business.

The Company's shares are registered shares. Shares may be transferred only subject to the conditions stipulated by the applicable legal regulations, the Articles of Association and by the Statute.

The Company's shares are securities in certificated form.

The nominal value of one share is CZK 200 (in words: two hundred Czech crowns). The nominal value of all shares issued by the Company is the same.

The Company's shares may not be publicly offered or promoted.

**I. SUBSEQUENT EVENTS**

No significant events incurred between the financial statement date and the date of consolidated financial statements preparation, that could have an impact on the financial position of the Group.

18th March 2016



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VIG Asset Management investiční společnost, a.s. (Member of the Board of Directors), represented by  
Dipl. Ing. Caroline Mocker and Ing. Mag. Christoph Roiser





**KPMG Česká republika Audit, s.r.o.**  
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Česká republika

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Fax +420 222 123 100  
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This document is an English translation of the Czech auditor's report.  
Only the Czech version of the report is legally binding.

## **Independent Auditor's Report to the Shareholders of VIG FUND uzavřený investiční fond, a.s.**

We have audited the accompanying consolidated financial statements of VIG FUND uzavřený investiční fond, a.s., prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as of 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and the notes to these consolidated financial statements including a summary of significant accounting policies and other explanatory notes. Information about VIG FUND uzavřený investiční fond, a.s. is set out in Note 1 to these consolidated financial statements.

### *Statutory Body's Responsibility for the Consolidated Financial Statements*

The statutory body of VIG FUND uzavřený investiční fond, a.s. is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as the statutory body determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Obchodní rejstřík vedený  
Městským soudem v Praze  
oddíl C, vložka 24185.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

IČ 49619187  
DIČ CZ699001996



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the financial position of VIG FUND uzavřený investiční fond, a.s. as of 31 December 2015, of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

*Other information*

Other information is defined as information (other than the consolidated financial statements and our auditor's report) included in the consolidated annual report. The statutory body is responsible for the other information.

Our opinion on the consolidated financial statements of VIG FUND uzavřený investiční fond, a.s. as of 31 December 2015 does not cover the other information and we do not express any form of opinion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information included in the consolidated annual report is not materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, whether the annual report is prepared in accordance with applicable legislation and whether such information otherwise does not appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Prague  
18 March 2016



KPMG Česká republika Audit, s.r.o.  
Registration number 71



Vladimír Dvořáček  
Partner  
Registration number 2332