

**First Addendum to Prospectus**

**This First Addendum should be read in conjunction with, and forms part of, the Prospectus for Generali Invest CEE plc (the "Company") dated 31 July, 2015 (hereinafter the "Prospectus"). All capitalised terms herein contained shall have the same meaning in this First Addendum as in the Prospectus unless otherwise indicated.**

The Directors of the Company accept responsibility for the information contained in this document and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document and the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Terms and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this First Addendum.

**1. Merger**

With effect from 1 January, 2016, Generali Investments CEE, a.s. (which was previously appointed as investment manager for the Company) has merged into ČP INVEST investiční společnost, a.s., (the existing manager for the Company) (the "Manager"). In addition the Manager has changed its name to Generali Investments CEE, investiční společnost, a.s. Accordingly, the Manager will now act as management company, investment manager and distributor (the "Manager").

Accordingly, the Prospectus shall be amended as follows:

(i) All references in the Prospectus to "ČP INVEST investiční společnost, a.s." (ČP INVEST) shall be replaced with references to "Generali Investments CEE, investiční společnost, a.s.".

(ii) The last paragraph on the cover page shall be deleted in its entirety and replaced with the following:

*"Generali Investments CEE, investiční společnost, a.s.*  
**MANAGER, INVESTMENT MANAGER and DISTRIBUTOR"**

(iii) The section of the Prospectus entitled "Directory - Generali Invest CEE plc – Manager, Global Distributor and Promoter" shall be deleted in its entirety and replaced with the following:

**"Manager, Investment Manager and Distributor**  
*Generali Investments CEE, investiční společnost, a.s. Na Pankráci 1658/123*  
*140 21 Praha*  
*Czech Republic"*

(iv) The section of the Prospectus titled "Directory, Generali Invest CEE plc –

Investment Manager” shall be deleted in its entirety.

- (v) The section of the Prospectus titled “Definitions – Administration Agreement” shall be deleted in its entirety and replaced with the following:

*“Administration Agreement” means the Administration Agreement dated 14<sup>th</sup> January, 2010 as amended by Side Letter dated 1<sup>st</sup> July, 2011, as amended and restated on 31 July, 2015 and as amended by Side Letter dated 1 January, 2016 between the Company, the Manager and the Administrator.”*

- (vi) The section of the Prospectus titled “Definitions – Custodian Agreement” shall be deleted in its entirety and replaced with the following:

*“Custodian Agreement” means the Custodian Agreement made between the Company and the Custodian dated 14<sup>th</sup> January, 2010 as amended by Side Letter dated 1<sup>st</sup> July, 2011, as amended and restated on 31 July, 2015 and as amended by Side Letter dated 1 January, 2016 between the Company and the Custodian.”*

- (vii) The section of the Prospectus titled “Definitions – Investment Manager” shall be deleted in its entirety and all references to the “Investment Manager” in the Prospectus shall be replaced with references to the “Manager”, save as otherwise provided for in this First Addendum.

- (viii) The section of the Prospectus titled “Definitions – Investment Management Agreement” shall be deleted in its entirety and all references to the “Investment Management Agreement” in the Prospectus shall be replaced with references to the “Management Agreement”.

- (ix) The section of the Prospectus titled “Definitions – Manager” shall be deleted in its entirety and replaced with the following:

*“Manager means Generali Investments CEE, investiční společnost, a.s. or any successor appointed by the Company to act as manager in accordance with the requirements of the Central Bank.”*

- (x) The section of the Prospectus titled “Definitions – Management Agreement” shall be deleted in its entirety and replaced with the following:

*“Management Agreement means the management, investment management and distribution agreement made between the Company and the Manager dated 31 July, 2015 and as amended and restated by an Agreement dated 1 January, 2016.”*

- (xi) The section of the Prospectus titled “Management and Administration - 4.4 Investment Manager” shall be deleted in its entirety.

- (xii) The fourth paragraph of the section of the Prospectus titled 4. “Management and Administration – 4.6 Custodian” shall be deleted in its entirety and replaced with the following:

*“The Custodian will be obliged, inter alia, to ensure that the issue and repurchase of Shares in the Company is carried out in accordance with the relevant legislation and the Memorandum and Articles of Association of the Company. The Custodian will carry out the instructions of the Manager unless they conflict with the UCITS Regulations or the Articles of Association of the Company. The Custodian is also obliged to enquire into the conduct of the Company in each financial year and report thereon to the Shareholders.”*

- (xiii) The section of the Prospectus titled 4. “Management and Administration – 4.8 Conflicts of Interest” shall be deleted in its entirety and replaced with the following:

*“The Directors, the Manager, any investment manager, the Administrator and the Custodian and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities and over-the-counter derivatives (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Manager may advise or manage other Funds and other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the Company or its Funds.*

*Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.*

*There is no prohibition on transactions with the Company by the Manager, any investment manager, the Administrator, the Custodian, or entities related to each of the Manager, the Administrator or the Custodian including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are conducted at arm’s length and are in the best interests of Shareholders and*

- (a) the value of the transaction is certified by a person who has been approved by the Custodian as being independent and competent (or a person who has been approved by the Manager as being independent and competent in the case of transactions involving the Custodian); or*
- (b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or*
- (c) where the conditions set out in (a) and (b) above are not practical, the Custodian is satisfied that the transaction is conducted at arm’s length*

*and is in the best interests of Shareholders (or in the case of a transaction involving the Custodian, the Directors are satisfied that the transaction is conducted at arm's length and is in the best interests of Shareholders.*

*The Custodian (or the Manager in the case of transactions involving the Custodian must document how it has complied with the provisions of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Custodian (or the Manager in the case of transactions involving the Custodian) must document their rationale for being satisfied that the transaction conformed to the principles outlined above.*

*The Manager or any investment manager or a company associated with any of them may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances, the Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue.*

*Details of interests of the Directors are set out in the Section of the Prospectus entitled "Statutory and General Information".*

- (xiv) The section of the Prospectus titled 4. "Management and Administration – 4.10 Cash/Commission Rebates and Fee Sharing" shall be deleted in its entirety and replaced with the following:

*"Where the Manager, any investment manager or any of their delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, financial derivative instruments or techniques and instruments for the Company or a Fund, the rebated commission shall be paid to the Company or the relevant Fund as the case may be. The Manager, any investment manager or their delegates may be reimbursed out of the assets of the Company or the relevant Fund for reasonable properly vouched costs and expenses directly incurred by any investment Manager or its delegates in this regard. The Manager will not receive any additional fee for the arrangement and management of the provision of brokerage services to the Company."*

- (xv) The section of the Prospectus titled "5. Fees and Expenses - 5.2 – Operating Expenses and Fees" shall be deleted in its entirety and replaced with the following:

*"The Company will pay all its operating expenses and the fees hereinafter described as being payable by the Company. Expenses paid by the Company throughout the duration of the Company, in addition to fees and expenses payable to the Manager, the Administrator, the Custodian and the Paying Agent appointed by or on behalf of the Company include but are not limited to brokerage and banking commissions and charges, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, consultancy fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company costs of preparation, translation, printing and distribution of reports and notices, all marketing*

*material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Company and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class."*

- (xvi) The section of the Prospectus titled "5. Fees and Expenses - 5.4 – Management Fees" shall be deleted in its entirety and replaced with the following:

*"The Manager shall be entitled to a Management Fee which shall be set out in the relevant Supplement. The Manager may convey a portion of or all of such fees, as a case may be, to its delegates (if any), as well as to professional advisers as commission for their services.*

*The Manager may waive or reduce the fees charged to certain Shareholders at its discretion. Any such waiver may be affected either by way of rebate to the relevant Shareholders account or by the purchase of bonus Shares by the Manager for the Shareholder.*

*The Manager shall be entitled to receive out of pocket expenses from the Company."*

- (xvii) The section of the Prospectus titled "5. Fees and Expenses - 5.5 - Investment Manager's Fees" shall be deleted in its entirety.

- (xviii) The second paragraph of the section of the Prospectus titled "6. The Shares - 6.1 – General" shall be deleted in its entirety and replaced with the following:

*"The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach*

*of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, any relevant investment managers, the Custodian, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.”*

- (xix) The fifth paragraph of the section of the Prospectus titled “6. The Shares - 6.1 – General” shall be deleted in its entirety and replaced with the following:

*“None of the Company, the Manager, the Administrator or the Custodian or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Manager and the Administrator shall, however, employ reasonable procedures to confirm that instructions are genuine.”*

- (xx) Paragraph (g) (iv) of the section of the Prospectus titled “6. The Shares - 6.6 – Net Asset Value and Valuation of Assets” shall be deleted in its entirety and replaced with the following:

*“the remuneration of the Manager, any investment manager, the Administrator, the Custodian, any distributor and any other providers of services to the Company accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);”*

- (xxi) All paragraphs under the heading “8. Statutory and General Information - 8.13 Material Contracts” shall be deleted in their entirety and replaced with the following:

**“8.13 Material Contracts**

*The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:-*

- (a) *Management Agreement between the Company and the Manager dated 31 July, 2015 as amended and restated by an Agreement dated 1 January, 2016 under which Generali Investments CEE, investiční společnost, a.s. was appointed as manager of the Company. The Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Manager has the power to delegate its duties in accordance with the Central Bank’s requirements. The Management Agreement provides that the Company shall indemnify and keep indemnified and hold harmless the Manager and each of its directors, officers, servants, employees, agents and appointees from and against any and all actions, proceedings, damages, claims, demands,*

*costs, losses, liabilities and costs or expenses including legal and professional fees and expenses which may be brought against or directly or indirectly suffered or incurred by the Manager in the performance or non-performance of its obligations or duties other than due to the fraud, bad faith, negligence or wilful default of the Manager or persons designated by it of its obligations or duties under the Management Agreement.*

*(b) Administration Agreement between the Company and the Administrator dated 14<sup>th</sup> January, 2010 as amended by Side Letter dated 1<sup>st</sup> July, 2011, as amended and restated on 31 July, 2015 and as amended by Side Letter dated 1 January, 2016 between the Company, the Manager and the Administrator under which the Administrator was appointed to manage and administer the affairs of the Company on behalf of the Manager, subject to the terms and conditions of the Administration Agreement. The Administration Agreement may be terminated by each party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Administrator has the power to delegate its duties subject to the requirements of the Central Bank and provided that the minimum activities required by the Central Bank to be carried out in Ireland are performed in Ireland. The Agreement provides that subject to Clause 11.4 of the Administration Agreement, the Administrator (and its employees, servants or agents) shall be indemnified by both the Manager and the Company and held harmless from and against all or any losses, liabilities, demands, damages, costs, claims or expenses whatsoever and howsoever arising (including without limitation, legal fees reasonably incurred by the Administrator ("Claims") on a full indemnity basis and other costs, charges and expenses incurred in enforcing or attempting to enforce the indemnity) which the Administrator may suffer or incur in acting as Administrator (including, without limitation, acting on Proper Instructions or other directions under which it is authorised to act or rely pursuant to this Agreement) other than by reason of its fraud, bad faith, negligence, wilful default, recklessness, unjustifiable failure to perform its obligations or its improper performance of them.*

## **2. Appointment of Directors**

With effect from 13 November, 2015 Mr. Patrik Hudec was appointed as a Director of the Company. With effect from 24 November 2015, Mr. Martin Brož was appointed as a Director of the Company.

Accordingly, the Prospectus shall be amended as follows:

- (i) References to "Mr. Martin Brož (Czech)" and "Mr. Patrik Hudec (Czech)" shall be added to the section of the Prospectus titled "Directory, Generali Invest CEE Plc- Directors".
- (ii) The following paragraphs shall be added under the heading "4. Management and Administration - 4.1 Directors":

**“Mr. Martin Brož (Czech)**

*Martin Brož has worked in the asset management business since 1999 when he started working in the asset management department of CSOB (Ceskoslovenska obchodni banka, a.s.) as a junior banking trainee. In 2002 he moved from the position of Head of Portfolio Administration in CSOB to the newly setup CSOB Asset Management – the specialized asset management and fund management company of KBC Group for Czech Republic and Slovakia. In 2005 he graduated from the Banking Institute Prague, with a bachelors degree in Banking/Banking Management. In 2012 he left CSOB Asset Management where he had held the Position of Head of Architecture and Application Management for new challenge in Raiffeisen to build a pension company and fund management company from scratch. He was working as Head of Operations for Raiffeisen Pension Company and as COO for Raiffeisen Investment Company until 2015 when he joined Generali Group as Head of Operations & IT for Local Investment Management in CEE. As of January 2016 he become member of the Board of directors of Generali Investments CEE with responsibility for Finance and Operations.”*

**“Mr. Patrik Hudec (Czech)**

*Mr. Patrik Hudec is senior portfolio manager responsible for fund management in Generali Investments CEE, a.s. He joined a predecessor of the company in 2005. He holds a master degree from the Faculty of Mathematics and Physics - Charles University in Prague, Bloomberg Products Certificate in Fixed Income and in Equity and obtained broker licenses and a portfolio management license of the Czech National Bank.”*

- (iii) References to “Mr. Martin Brož ” and “Mr. Patrik Hudec” shall be added to the fourth and seventh paragraphs under the heading “4. Management and Administration - 4.2 Manager”.
- (iv) The section of the Prospectus titled “8. Statutory and General Information - 8.9 – Directors’ Interests” shall be deleted in its entirety and shall be replaced in its entirety:

*“Ms. Alexandra Hájková, Mr Karel Novák, Mr Radek Moc, Mr Martin Brož and Mr Patrik Hudec are employees of the Manager or members of the same group of companies as the Manager. Other than this, none of the Directors has or has had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof.*

**3. Listing of Sub-Funds of the Company**



- (i) The table in the section of the Prospectus titled “2. The Company - 2.1 – General” shall be deleted in its entirety and replaced with the following sentence:

*“As at the date of this Prospectus, the Company has the following Funds:*

- (i) Premium Conservative Fund, Generali Invest CEE plc;*
- (ii) Corporate Bonds Fund, Generali Invest CEE plc;*
- (iii) Global Equity Fund, Generali Invest CEE plc;*
- (iv) New Economies Fund, Generali Invest CEE plc;*
- (v) Oil Industry and Energy Industry Fund, Generali Invest CEE plc;*
- (vi) Commodity Fund, Generali Invest CEE plc;*
- (vii) Emerging Europe Fund, Generali Invest CEE plc;*
- (viii) Emerging Europe Bond Fund, Generali Invest CEE plc;*
- (ix) Premium Balanced Fund, Generali Invest CEE plc;*
- (x) Dynamic Balanced Fund, Generali Invest CEE plc; and*
- (xi) Premium Dynamic Fund, Generali Invest CEE plc.”*

#### **4. Central Bank UCITS Regulations**

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 were commenced on 1 November, 2015.

Accordingly, the Prospectus shall be amended as follows:

- (i) The section of the Prospectus titled “Definitions – UCITS Notices” shall be deleted in its entirety and replaced with the following:

*“Central Bank UCITS Regulations” means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Undertakings for Collective Investment in Transferable Securities) Regulations) 2015 or such other amending or replacement regulations issued from time to time by the Central Bank as the competent authority with responsibility for the authorisation and supervision of UCITS.”*

- (ii) All references in the Prospectus to “UCITS Notices” shall be replaced with references to “Central Bank UCITS Regulations”.

Dated: 1 January, 2016