



CZECH FARMLAND FUND

Report on Fund development

April 2015

Dear Investors,

We would like to present to you a summary report to brief you on how your investments have been developing so far. The Fund share price has grown by 3.02% over the first six months since their first trade date. As at 1st January 2015, the Czech Farmland Fund held more than 80% of its investments in high-quality farmland. Almost the farmland consists of arable land of which more than 60% is black earth, i.e. so called "chernozem" (it is a black-coloured soil containing a high percentage of humus and is very fertile). The high proportion of high quality plots of land in the Fund portfolio is very important for its growth potential. The farmers who tend these plots of land would be profitable even without the agricultural subsidies and their ever improving economics translate into growing demand for these plots of land.

Another important reason for long-term growth of the Fund share price is consolidation of the ownership of plots of land acquired by the Fund. The Fund continues to create ever denser network of plots and create larger complexes of plots within particular cadastres, as shown in the second chart.

The third important reason for future growth is income from rental of the plots owned by the Fund to the farmers. Rental income currently amounts to 2.5% from the market value of the Fund's farmland assets. Our goal is to further increase rental income in the coming years: there is room on the side of the farmers to pay such higher rental.

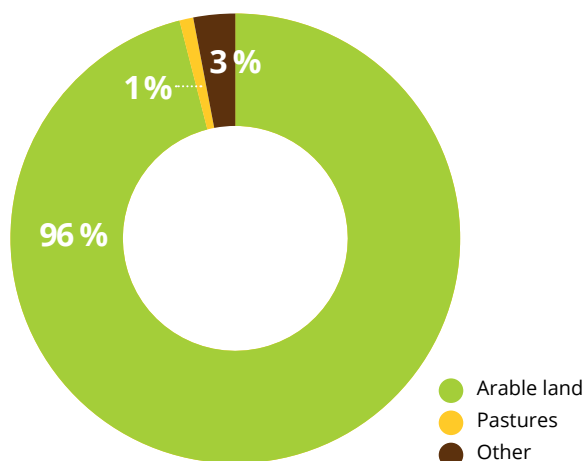
The Fund started the year 2015 with very high quality farmland in its portfolio and the best prerequisites for further growth of the value of its shares. We will keep you updated on the next developments of the Czech Farmland Fund portfolio.

Yours faithfully

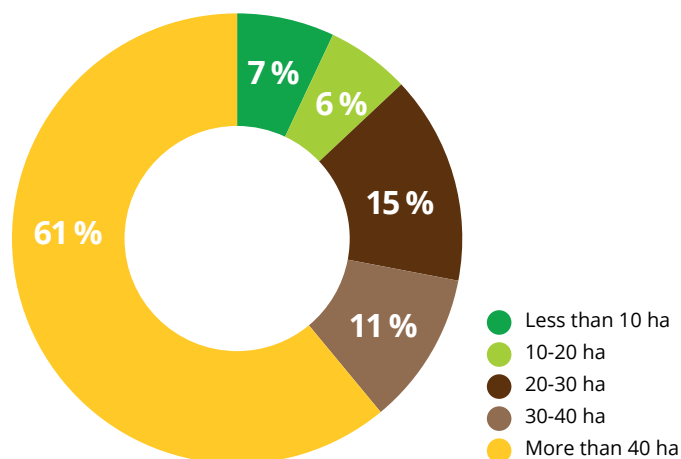
Marek Smýkal
Chairman of the Board of Directors

Martin Burda
Member of the Board of Directors

Structure of Czech Farmland Fund's portfolio



Plots in the portfolio classified by their assignment to larger units



Fund mission

The Fund's primary mission is to protect real value of our investors' assets by making investments in Czech agricultural land.

Investment strategy

The Fund focus is on purchasing high quality agricultural plots, in particular those located in the Elbe Basin area. The investment strategy builds both on the low purchase prices and on the Fund's ability to create larger land units by way of gradually purchasing plots from small owners and to achieve higher rental returns (on) and improved efficiency at management of the plots.

Yield and risk

| | |
|-----------------------|--|
| Total targeted yield: | 6 % p.a.-10 % p.a. |
| Risk: | Conservative structure of the Fund that includes only quality farmland and cash held on the Fund accounts. |
| Liquidity: | Regular dealing days of the Fund have been set at 30th April and 31st October. The Fund's Board of Directors may, should the investors be so interested, set extraordinary dealing days outside the foregoing two regular terms. |
| Investment period: | Minimum 5 years |

Fund basic characteristics

| | |
|---------------------------|---|
| Name: | Czech Farmland Fund (Český fond půdy), a sole sub-fund of Český fond SICAV plc |
| Administrator: | Valetta Fund Services Limited |
| Regulator: | Maltese Financial Services Authority |
| Auditor: | KPMG |
| Transfer agent: | Conseq Investment Management, a.s. |
| Minimum investment: | CZK 3,500,000 (equivalent of EUR 125,000) |
| Share types: | Accumulation shares and dividend paying shares |
| Denomination: | CZK |
| Entry fee: | 3 % |
| Management fee: | 1 % p.a. |
| Participation in profits: | 20 % |
| Exit fee: | 0 %, once the minimum 5-year investment period has expired |
| Investment termination: | In order to protect investors' interests, a share buyback requires a 12-month prior notice; a 20% early redemption fee calculated from the value of the shares applies if the investor requests a buyback earlier than 5 years from the date of the investment in the Fund. |



Fund core data

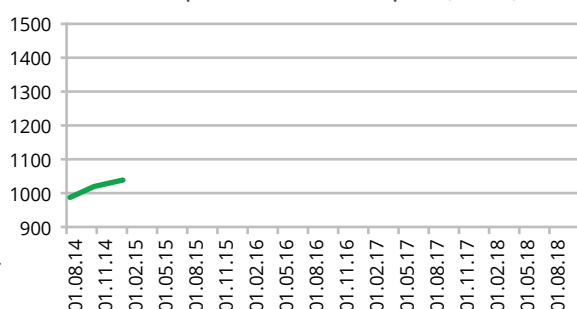
| | |
|------------------------------|-----------------|
| Total assets: | CZK 222 million |
| Accumulation share price: | CZK 1,030.23 |
| Dividend paying share price: | CZK 1,030.23 |
| Yield since Fund formation: | 3.02%* |
| Next dealing day of Fund: | 30. 4. 2015 |

* The yield as calculated from the first dealing day of the Fund, i.e. from 7 Aug. 2014 onwards.

Development of Fund share price

The Fund share price grew by 3.02% over the period from the first dealing day of 7th August 2014 to 31st January 2015. The price of the dividend paying shares and accumulation shares of the Fund has been still identical since no dividend payout to the dividend paying stock shareholders has taken place as yet.

Development of Fund share price (in CZK)



"Buy land, they're not making it anymore." Mark Twain

www.fondpudy.cz

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