

**MAIN INFORMATION ABOUT THE COLLECTIVE INVESTMENT UNDERTAKING:**

Name	Open-Ended Harmonised Investment Fund INVL Baltic Fund (hereinafter, the 'Fund')
Statutory form of business	A harmonised investment fund without legal personality
Type	Open-ended composite investment fund
Currency of the Fund	Euro (EUR)
Date of commencement of activities	8 December 2005 The first date of calculation of the Fund's net asset value is 15 December 2005.
Duration of activities	Indefinite
Name of the Management Company	SB Asset Management UAB
Head office address	Gynėjų g. 14, 01109 Vilnius
Tel.	1813
E-mail address	info@sb.lt
Website address	www.sb.lt
Name of the Depository	SEB Bankas AB
Head office address	Konstitucijos pr. 24, 08105 Vilnius, Lithuania
Tel.	+370 5 268 2800
Fax	+370 5 268 2333

**Approved by the Board of the Management Company:**

Decision of the Board of BVP Investicijų Valdymas UAB of 30 September 2005 (Minutes No. P-2005/09/30-1K)  
 Amended by: Decision of the Board of 31 July 2006 (Minutes No. P-2006/07/31-2)  
 Amended by: Decision of the Board of 20 September 2006 (Minutes No. P-2006/09/20-1)  
 Amended by: Decision of the Board of 03 January 2007 (Minutes No. VPP-2007/01/03-1)  
 Amended by: Decision of the Board of Prudentis UAB of 17 January 2007 (Minutes No. VPP-2007/01/17-1)  
 Amended by: Decision of the Board of Prudentis UAB of 4 March 2009 (Minutes No. VPP-2009/03/04-1)  
 Amended by: Decision of the Board of Prudentis UAB of 11 November 2009 (Minutes No. 2009/11/11)  
 Amended by: Decision of the Board of Prudentis UAB of 4 January 2010 (Minutes No. 2010/01/04)  
 Amended by: Decision of the Board of Prudentis UAB of 29 June 2010 (Minutes No. 2010/06/29)  
 Amended by: Decision of the Board of Prudentis UAB of 3 August 2010 (Minutes No. 2010/08/03)  
 Amended by: Decision of the Board of Prudentis UAB of 20 August 2010 (Minutes No. 2010/08/20)  
 Amended by: Decision No. 02-28/2 of the Board of Finasta Asset Management UAB of 24 January 2013  
 Amended by: Finasta Asset Management on 1 July 2014 (Meeting Minutes No. 27)  
 Updated by: INVL Asset Management UAB on 2 April 2015 (Meeting Minutes No. 14)  
 Updated by: INVL Asset Management UAB on 11 November 2015 (Meeting Minutes No. 84)  
 Amended by: INVL Asset Management UAB on 18 January 2016 (Meeting Minutes No. 2). Date of entry into force 15 February 2016  
 Amended by: INVL Asset Management UAB on 25 August 2017 (Meeting Minutes No. 72). Date of entry into force 29 September 2017  
 Amended by: INVL Asset Management UAB on 12 November 2019 (Meeting Minutes No. 91). Date of entry into force 20 November 2019  
 Amended by: INVL Asset Management UAB on 12 April 2020 (Meeting Minutes No. 28). Date of entry into force 30 June 2021  
 Amended by: Decision No. SP23-(6.4)-115 of the Board of INVL Asset Management UAB of 28 September 2023. Date of entry into force 01 December 2023  
 Amended by: Decision No. 11 of the Board of SB Asset Management UAB of 14 December 2023. Date of entry into force 22 December 2023

SECTION I

TERMS AND ABBREVIATIONS

1. Capitalised terms used in the Rules, as defined in this section of the Rules, shall have the specific meanings set out below:
  - 1.1. Participant shall mean owner of units in the Fund.
  - 1.2. Depositary shall mean SEB Bankas AB, registration No. 112021238, office address: Konstitucijos pr. 24, 08105 Vilnius, Lithuania.
  - 1.3. Working Day shall mean a calendar day, excluding public holidays and rest days.
  - 1.4. Net Assets (NA) shall mean the difference between the value of the Fund's assets and its liabilities.
  - 1.5. Unit (hereinafter, the Fund unit) is a transferable security evidencing the obligations of the Fund to the holder of the security, i.e., the Participant.
  - 1.6. Derivatives are understood as defined in the Law on Markets in Financial Instruments of the Republic of Lithuania.
  - 1.7. Financial instruments are understood as defined in the Law on Markets in Financial Instruments of the Republic of Lithuania.
  - 1.8. Key Investor Information Document is a document providing investors with key information about the Fund and the Management Company.
  - 1.9. Money market instruments are understood as defined in the Law on Collective Investment Undertakings of the Republic of Lithuania.
  - 1.10. Distributor means the Management Company or a person who, on the basis of an agreement with the Management Company, carries out the sale of the Fund units and accepts applications for redemption of units, and performs any other actions set out in the agreement with the Management Company.
  - 1.11. Prospectus is a document intended for investors and the public that provides information about the Fund units.
  - 1.12. Supervisory Authority means the Bank of Lithuania, which, in accordance with the procedure established by the legislation of the Republic of Lithuania, performs the functions of licensing and supervision of management companies and collective investment undertakings.
  - 1.13. Rules shall mean these Rules, which are the instrument of incorporation of the Fund.
  - 1.14. Management Company (Management Company of the Fund) is SB Asset Management UAB, registration No. 306241274, office address Vilniaus m. sav., Vilniaus m., Gynėjų g. 14, data of the company are collected and stored in the Register of Legal Entities of the Republic of Lithuania, operating licence No. 22 issued by the Bank of Lithuania to the management company operating under the Law on Collective Investment Undertakings of the Republic of Lithuania.

Other terms used in the Rules shall have the same meaning as set out in the legal acts of the Republic of Lithuania regulating the activities of collective investment undertakings.

SECTION II.

INVESTMENT STRATEGY AND RESTRICTIONS FOR THE FUND. INVESTMENT SPECIALISATION IN A GEOGRAPHICAL AREA OR INDUSTRY

2. The objective of the Fund is to maximise the growth of assets for the benefit of the Fund's participants, while assuming a medium to higher level of risk, by investing in shares of companies operating in the Baltic States.
3. Investment strategy of the Fund: between 50 per cent and 100 per cent of the Fund's net assets may be invested in securities of companies listed on the Lithuanian, Latvian and Estonian stock exchanges. The remainder of the Fund's net assets may be invested in shares of companies developing part of their activities in the Baltic States which are quoted on other markets referred to in point 27 of the Prospectus of the Fund, as well as in other investment instruments specified in Section 5 of these Rules.
4. A benchmark is provided to measure the Fund's performance. For more information on the benchmark and how it is compiled, please refer to the Fund's Prospectus, the Key Investor Information Document and the website [www.sb.lt](http://www.sb.lt).
5. The assets of the Fund may consist only of:
  - 5.1. transferable securities and money market instruments included in the trading list of a market considered regulated and operating in the Republic of Lithuania or in another Member State according to the Law on Markets in Financial Instruments.
  - 5.2. transferable securities and money market instruments admitted to trading in another Member State on a market that is established, recognised, supervised and open to the public in accordance with established rules.
  - 5.3. transferable securities and money market instruments that are listed on the Oslo Stock Exchange (Norway) or traded on regulated markets in that country that operate in accordance with established rules and are recognised and open to the public.
  - 5.4. newly issued transferable securities, provided that the terms of the issue contain an obligation to admit the securities to trading on a regulated market and that the listing shall take place not later than one year from the date of issue, and that such exchange or market is located in countries referred to in paragraphs 5.1 to 5.3.
  - 5.5. Units and shares of harmonised and of such collective investment undertakings that meet the following conditions:
    - 5.5.1. undertakings the sole purpose of which is to accumulate, by means of a public offer of units or shares, the funds of individuals and to invest those funds collectively in transferable securities and/or other liquid assets by spreading out risk, and the units or shares of which must be redeemable at any time on demand by the holder, these undertakings are licensed in the Republic of Lithuania and subject to supervision at least as stringent as that in the European Union, or licensed in a State where supervision is at least as stringent as that in the European Union and where the supervisory authority is in cooperation with the relevant supervisory authority of another Member State or third country;

- 5.5.2. the protection of the rights of the participants in the undertakings, including the regulation of asset separation, borrowing, lending and the gratuitous transfer of assets, is at least as stringent as that afforded to harmonised collective investment undertakings under the Law on Collective Investment Undertakings of the Republic of Lithuania.
- 5.5.3. undertakings report on their activities on a half-yearly and annual basis, allowing an assessment of their assets and liabilities, profits and performance during the reporting period.
- 5.5.4. Not more than 10 per cent of their NA may be invested in units or shares of other collective investment undertakings.
- 5.6. deposits with a maximum maturity of 12 months, which can be withdrawn on request from credit institutions with registered offices in a Member State of the European Union or in another country with prudential supervision at least equal to that in the European Union.
- 5.7. Money market instruments that:
- 5.7.1. have been issued or guaranteed by a government, regional government, municipality or central bank of a European Union country, the European Central Bank, the European Union or the European Investment Bank, a non-European Union country, or one of the constituent entities of a federal state, or by an international organisation of which at least one European Union country is a member;
- 5.7.2. issued by an entity whose securities are traded on the regulated markets referred to in paragraphs 5.1 to 5.3 of these Rules.
- 5.7.3. have been issued or guaranteed by an entity whose operational risk is subject to supervision in accordance with the requirements of European Union law or with requirements that are at least as stringent as those of the European Union.
- 5.7.4. have been issued by a company meeting the criteria approved by the Supervisory Authority, which has capital and reserves of at least EUR 10 million, which prepares consolidated financial statements and performs the financing function of a group of companies, where the transferable securities of at least one of the companies within its group are admitted to trading on a regulated market, or is used for the issuance of securities financed by bank loans, and where investments in such instruments are protected at least to the extent specified in sub-paragraphs 5.7.1 to 5.7.3 of the Rules.
- 5.8. Derivatives in which the harmonised collective investment undertaking is allowed to invest, in accordance with the Law on Collective Investment Undertakings.
6. Restrictions on investment:
- 6.1. The Fund may invest not more than 5 per cent of its net assets in transferable securities or money market instruments issued by any one person, except in the cases set out in paragraphs 6.2, 6.5 and 6.6 of these Rules.
- 6.2. More than 5 per cent but not more than 10 per cent of net assets may be invested in transferable securities or money market instruments issued by a single person, provided that the aggregate amount of such investments does not exceed 40 per cent of net assets (this limitation does not apply to deposits and derivatives traded outside the markets provided for in the Law on Collective Investment Undertakings, provided the person is subject to prudential supervision).
- 6.3. Investments in deposits with a single credit institution may not represent more than 20 per cent of the Fund's net assets.
- 6.4. The total amount of investments in a single entity's securities, money market instruments, deposits and liabilities arising from derivative transactions entered into outside the markets provided for in the Law on Collective Investment Undertakings with a single person may not exceed 20 per cent of the value of the net assets of the Fund.
- 6.5. Investments in securities or money market instruments issued or guaranteed by a single issuer of a state of the European Union or their municipalities, another state or an international organisation of which at least one state of the European Union is a member, may not exceed 35 per cent of the value of the net assets of the Fund. The Supervisory Authority may authorise the investment in transferable securities or money market instruments referred to in this paragraph and of a higher proportion of the net assets, if the interests of investors are sufficiently protected in such a case, investment is made in at least 6 issues of transferable securities or money market instruments and not more than 30 per cent of net assets are invested in a single issue of transferable securities or money market instruments.
- 6.6. Investments in bonds issued by a credit institution which has its registered office in a Member State and which, in order to protect the interests of the bondholders, is subject to special supervision under the laws of that State, and which invests the proceeds from the issuance of the bonds, for the full duration of the term of the bonds, in assets sufficient to meet the claims of the bondholders and which would, in the event of the insolvency of the issuer, be able to meet the claims of the bondholders for the payment of the principal and the interest in priority order, shall be no more than 25 per cent of the net assets. Where more than 5 per cent but not more than 25 per cent of the net assets are invested in such bonds of a single issuer, the aggregate amount of such investments may not exceed 80 per cent of the net assets.
- 6.7. The limits set out in paragraphs 6.1 to 6.6 of the Rules may not be cumulative, and therefore the sum of investments in securities, money market instruments issued by one person, deposits and liabilities arising from derivative transactions with that person may not be more than 35 per cent of the Fund's net assets.
- 6.8. Not more than 20 per cent of the net assets may be invested in transferable securities and money market instruments issued by companies belonging to a group that is required to prepare consolidated financial statements.
- 6.9. Not more than 10 per cent of the net assets of the Fund may be invested in each of the entities referred to in paragraph 5.5 of the Rules. The total amount of investments in collective investment undertakings other than harmonised collective investment undertakings cannot exceed 20 per cent of the net assets.
- 6.10. The Fund's assets may not be invested in precious metals or in securities conferring rights thereto, but may be invested in cash.
- 6.11. Shares held by the Management Company in any entity issuing shares, together with shares held in that entity by harmonised collective investment undertakings managed by the Management Company, may not carry more than 1/10 of the total voting rights at the general meeting of shareholders of the issuing entity.

- 6.12. The Fund may purchase a maximum of:
- 6.12.1. 10 per cent of the total number of non-voting shares in the issuer.
  - 6.12.2. 10 per cent of all bonds and other forms of non-equity securities of the issuer.
  - 6.12.3. 25 per cent of the units or shares of another collective investment undertaking.
  - 6.12.4. 10 per cent of the money market instruments issued by a single issuer.
- 6.13. The prohibition set out in sub-paragraphs 6.12.2 to 6.12.4 of the Rules may be disregarded at the time of acquisition if the aggregate value of those securities or money market instruments cannot be calculated.
- 6.14. The limits set out in sub-paragraphs 6.12.2 and 6.12.4 of these Rules do not apply to securities or money market instruments issued or guaranteed by the State or municipalities.
7. Temporary deviation from the investment rules:
- 7.1. The Fund may depart from the investment restrictions set out above if it exercises the right of first refusal on transferable securities or money market instruments held. In this case, as well as in the case of non-compliance with the requirements of the investment rules due to reasons beyond the control of the Management Company, the non-compliance must be rectified as soon as possible, but not later than within 6 months.
  - 7.2. The Fund's investment portfolio may fall outside the requirements set out in paragraphs 6.1 to 6.9 of these Rules for a period of 6 months from the date on which the Supervisory Authority has granted the authorisation to approve its instruments of incorporation, to select a depository and, if applicable, the authorisation for a management company authorised in another Member State to manage the collective investment undertaking.
8. Specialisation of the Fund in a geographical area or industry:
- 8.1. The Fund shall limit its activities to a geographical area, investing only in the Baltic Sea region, Northern Europe, the UK and Germany.
  - 8.2. The Fund does not have any industry or investment style specialisation.

### III. RIGHTS AND OBLIGATIONS OF PARTICIPANTS

9. Fund Participants have the following rights:
- 9.1. to request at any time that the Management Company redeem his/her units in the Fund.
  - 9.2. to receive the remainder of the Fund being wound up.
  - 9.3. to receive information about the Fund as provided for by the legislation of the Republic of Lithuania.
  - 9.4. to sell, gift or otherwise transfer the ownership of the Fund units to third parties.
  - 9.5. other rights provided for in the Rules, the Fund's Unit Purchase and Sale Agreement and legal acts.
10. Fund Participants have the following obligations:
- 10.1. to notify the Distributor in writing within a maximum of ten (10) days of any change in the Participant's particulars (name, surname or company name, residential or head office address, current account, telephone number, e-mail address and other details).
  - 10.2. when selling, gifting or otherwise transferring the ownership or management right to the units of the Fund, to enter into a written agreement with the transferee of the units of the Fund, one copy of which must be submitted to the Distributor within three (3) working days.
  - 10.3. other obligations set out in the Fund's Prospectus, the Fund's Unit Purchase and Sale Agreement and in the legislation.

### IV. RIGHTS AND OBLIGATIONS OF THE MANAGEMENT COMPANY AND THE TRANSACTIONS WHICH THE MANAGEMENT COMPANY MAY ENTER INTO AND CARRY OUT FOR THE ACCOUNT AND BENEFIT OF THE FUND

11. The Management Company's obligations in managing the Fund:
- 11.1. to act honestly, fairly and professionally in the best interests of the Fund and its participants and to ensure market integrity;
  - 11.2. to act with due care, professionalism and diligence;
  - 11.3. to have and use the tools and procedures necessary for the operation;
  - 11.4. to disclose sufficiently to the Participant the information relevant and necessary for the Participant;
  - 11.5. to have an organisational structure that prevents conflicts of interest between the Management Company and its Participants, between participants of several funds managed by the Management Company, between the Fund managed by the Management Company and its participants or between several collective investment undertakings managed by the Management Company;
  - 11.6. to have sound administrative and accounting procedures, controls and safeguards over the processing of electronic data and an adequate internal control mechanism, including rules for personal transactions in financial instruments by employees of the Management Company and for transactions in financial instruments for the account of the Management Company, and to ensure that the origin, parties, content, time and place of all transactions relating to the Fund managed by the Management Company can be ascertained, and that the assets are invested in accordance with the requirements set out in the Fund's documents and in the legislation;
  - 11.7. to ensure that investment management decision-makers meet the statutory requirements on reputation, qualifications and work experience;
  - 11.8. to have and follow a set of procedures for making investment decisions;
  - 11.9. to ensure that the data, documents and information relating to investment decisions taken, transactions concluded, applications made by investors to acquire or redeem units of the Fund or other transactions carried out are retained for a period of at least 10 years from the date on which the investment decision was taken, the transaction was executed, the

application was made, or the transaction was carried out, unless a longer retention period for the documents is provided for by legislation;

- 11.10. to comply with regulatory capital, prudential and other operational requirements;
- 11.11. to define and implement remuneration policies;
- 11.12. to comply with the requirements applicable to the maintenance of accounts for financial instruments when maintaining the register of unit holders of collective investment undertakings;
- 11.13. to comply with the Supervisory Authority's instructions;
- 11.14. other obligations set out in the Rules, the Prospectus and the legislation.
- 12. The Management Company's rights in managing the Fund:
  - 12.1. to hold, use and dispose of the Fund's assets on a fiduciary basis, subject to the restrictions set out in the Rules and regulations;
  - 12.2. to enter into and carry out, for the account and benefit of the Fund, transactions relating to the management of the Fund's assets and transactions relating to the sale and redemption of units of the Fund;
  - 12.3. to make deductions from the Fund's assets as specified in the Rules;
  - 12.4. the Management Company may, in order to ensure more efficient management, delegate part of its management functions to another company entitled to provide the relevant services, in accordance with the procedures laid down by law, but this shall not relieve the Management Company of its liability;
  - 12.5. to suspend the sale and redemption of the Fund units in the cases and under the conditions set out in the Fund's documents and/or in the legal acts.
  - 12.6. Once the issue of units of the Fund has been registered with the Baltic Central Securities Depository (NASDAQ CSD), the units of the Fund may be accounted for with any custodian of accounts.

## V. THE METHODOLOGY, AMOUNT AND PAYMENT OF REMUNERATION AND OTHER EXPENSES

### CHAPTER 1. GENERAL INFORMATION ON THE REMUNERATION OF THE MANAGEMENT COMPANY AND THE DEPOSITARY AND OTHER COSTS

- 13. General information on calculating remuneration and costs:
  - 13.1. The Rules set maximum amounts for remuneration and costs. The specific amounts of remuneration provided for in Clauses 18 and 27 of the Rules are determined by the Board of the Management Company and the specific amounts applicable are indicated in the Prospectus and on the website of the Management Company at [www.sb.lt](http://www.sb.lt). The specific amounts of the other costs provided for in the Rules are determined and recorded in the respective contracts with the service providers.
  - 13.2. After the end of the calendar year, the amounts of remuneration and costs calculated in accordance with the Rules shall be adjusted. Overpayments of the Fund during the year shall be repaid to the Fund and arrears of the Fund shall be paid to the Management Company and/or the Depositary within thirty (30) days after the end of the financial year. The amount of the Fund's overpayments is added to the Fund's NA value.
- 14. The total maximum amount of expenditure covered by the Fund's resources is 3.5 per cent of the average annual value of the Fund's net assets.
- 15. The Management Company shall collect and keep records to support the calculation of salaries and other expenses.
- 16. All other costs not provided for in the Rules or in excess of the limits set shall be borne by the Management Company at its expense.

### CHAPTER 2. REMUNERATION TO THE MANAGEMENT COMPANY

- 17. The remuneration to the Management Company for the management of the Fund shall be paid from the Fund's resources.
- 18. The annual remuneration to the Management Company for the management of the Fund may be up to 2 per cent of the average annual value of the Fund's net assets (this does not include the remuneration charged by the Management Company for the distribution of the Fund units).
- 19. The remuneration due to the Management Company for the management of the Fund is calculated on a daily basis based on the value of the Fund's net assets on that day. The remuneration for that day is calculated by multiplying the value of the Fund's net assets for that day by the annual remuneration percentage and dividing by the number of days in the year. The number of working days in the relevant year is used to calculate the remuneration.
- 20. The remuneration to the Management Company as distributor of the Fund units shall not exceed 3 per cent of the amount invested by the investor.
- 21. The remuneration to the Management Company for the management of the Fund and for the distribution of the Fund units shall be paid for each month by the tenth (10th) day of the following month.

### CHAPTER 3. REMUNERATION TO THE DEPOSITARY

- 22. The remuneration to the Depositary for its depositary services shall be paid from the Fund's resources.
- 23. The annual remuneration to the Depositary for services rendered under the Agreement shall not exceed, in aggregate, 0.25 per cent of the average annual net asset value of the Fund.
- 24. Remuneration to the Depositary is calculated on an accrual basis on each working day, on a delivery-versus-payment basis. Remuneration to the Depositary is paid in accordance with the terms and conditions set out in the Services Agreement.
- 25. The Depositary must provide the Management Company with reports and documents confirming that the Depositary Fee has been calculated correctly.

**CHAPTER 4. REMUNERATION TO DISTRIBUTORS**

26. The remuneration to the Distributor for the distribution of the Fund units shall be paid from the investor's funds.
27. The remuneration to the Distributor for the costs of distribution of the Fund units shall not exceed 5 per cent of the amount invested by the investor.
28. The remuneration due to the Distributor shall be calculated at the time of the sale of Fund units.

**CHAPTER 5. REMUNERATION FOR AUDITING**

29. The annual remuneration to the Fund's auditor shall not exceed 0.5 per cent of the average annual value of the Fund's net assets.
30. The remuneration to the auditor is accrued by dividing the amount payable for audit services on each working day by the number of working days in the year. The remuneration to the audit firm shall be paid in accordance with the terms and conditions set out in the Services Agreement.

**CHAPTER 6. OTHER COSTS**

31. The Fund's resources are used to cover the following costs related to the management of the Fund:
  - 31.1. remuneration to financial intermediaries for services rendered (transaction costs, costs of fee-free instructions to transfer financial instruments, costs of the safekeeping of financial instruments, etc.). These costs shall be capped at 0.75 per cent of the average annual value of the transactions made. The remuneration to intermediaries shall be calculated on each working day if at least one transaction is settled on that day. Remuneration shall be paid in accordance with the procedures established by the intermediaries.
  - 31.2. Remuneration to consultants for legal services and representation, litigation and legal costs and other legal expenses incurred by the Management Company in defending the interests of the Participants and/or the Fund may amount to a maximum of 1 per cent of the average annual value of the Fund's net assets.
  - 31.3. Bank charges (including, but not limited to, charges to banks and other credit institutions for domestic and international payment orders). These costs are calculated based on the rates set by the credit institutions whose services are used.
  - 31.4. Fees to NASDAQ CSD: a) a one-off Fund registration fee; b) a quarterly account maintenance fee; c) a material securities event servicing fee; d) a list of security holders fee; e) an annual fee; etc.
  - 31.5. Fees payable to the Management Company's agent NASDAQ CSD and to the operator of the accounts of the Register of Participants and personal Fund unit accounts.
  - 31.6. The Fund's share of the fee to the Supervisory Authority for the supervision of supervised financial market participants, calculated in accordance with the provisions of the Description of the Methodology for Calculation and Payment of the Fees of Supervised Financial Market Participants.
  - 31.7. Fees to providers of financial indices used in the Fund's benchmark for index composition information and historical data.
  - 31.8. Other costs related to the operation of the Fund that are not paid periodically or in accordance with a set procedure (the funds to cover these costs are accumulated in the Fund's account and transferred as and when such costs arise).
  - 31.9. The expenses referred to in paragraphs 31.3. to 31.8. of the Rules may amount to not more than five-tenths (0.5) per cent of the average annual value of the Fund's net assets.

**VI. CONDITIONS AND PROCEDURE FOR CHANGING THE MANAGEMENT COMPANY AND THE DEPOSITARY**

32. The Management Company's right to manage the Fund ends:
  - 32.1. upon transferring management to another management company.
  - 32.2. when the Supervisory Authority revokes the Management Company's licence.
  - 32.3. following the compulsory winding-up of the Management Company.
  - 32.4. when the Management Company enters bankruptcy proceedings.
  - 32.5. in other cases provided for in the legislation of the Republic of Lithuania.
33. If the Management Company's right to manage the Fund ends and management is not transferred to another management company, the Fund's Depositary shall temporarily take over management. The Management Company must notify the Depositary of the end of its right to manage the assets. In such case, the Depositary shall have all the rights and obligations of the Management Company. The Depositary must transfer management to another management company within 3 months of taking over management. A Fund that has not been transferred to another management company within 3 months must be dissolved.
34. The Depositary may be changed:
  - 34.1. if the Depositary fails to perform, or does not properly perform, its obligations under the contract;
  - 34.2. by agreement between the Depositary and the Management Company;
  - 34.3. at the direction of the Supervisory Authority;
  - 34.4. for other valid reasons.
35. The Depositary and/or the Management Company shall be changed upon the Management Company's Board's decision to change the Depositary or the Management Company, except for the cases provided for in paragraphs 32.2 to 32.4 of the Rules, where the Fund's assets are transferred to another depositary for safekeeping or to another management company for management, irrespective of the wishes of the Management Company.

36. A change of the Management Company or the Depository is subject to the prior authorisation of the Supervisory Authority.

**VII. TERMS AND PROCEDURE FOR THE SALE AND REDEMPTION OF FUND UNITS**

37. Terms and procedure for selling units of the Fund:

37.1. A Participant may purchase Fund units on working days at the places of distribution specified in the Prospectus by entering into a Fund Unit Purchase and Sale Agreement in accordance with the procedure set out in the Prospectus for the purchase of Fund units on a one-off or periodic basis. When a Participant enters into a Sub-Fund Unit Purchase and Sale Agreement, the cash shall be converted into Sub-Fund units:

- a) at the price on the day of receipt of the Unit Purchase and Sale Agreement/application at the Management Company (day T+0), provided that the Unit Purchase and Sale Agreement/application is received at the Management Company by 11:00 a.m. and the cash is received by 11:59 p.m. of that same day (T+0);
- b) at the price of the next Working Day (T+1) following the receipt of the Unit Purchase and Sale Agreement/application at the Management Company, provided that the Unit Purchase and Sale Agreement/application is received at the Management Company after 11:00 a.m. and the cash is received by 11:59 p.m. on the same day (T+0);
- c) at the price on the date of receipt of the cash, if the cash is received after the date of receipt of the Unit Purchase and Sale Agreement/application.
- d) If a Participant enters into a Fund Unit Purchase and Sale Agreement, payment under the agreement shall be made to the Fund account specified in the Prospectus not later than on the third working day following the date of conclusion of the Fund Unit Purchase and Sale Agreement (for single purchase), or the date of the payment stipulated therein (for a recurring purchase). A Fund Unit Purchase and Sale Agreement for the purchase of Sub-Fund units on a one-off basis shall specify the amount of money for which the investor purchases the Sub-Fund units, and an agreement providing for a periodic purchase of the Fund units shall specify the amount of, and the frequency of, the periodic payment, the timing of the payment, and any other relevant conditions.

37.2. Funds received under the Fund Unit Purchase and Sale Agreement shall be converted into Fund units in accordance with the rules described in paragraph 37.1 of the Rules. Cash shall be deemed to have been received into the Fund's account on the day of crediting if the cash is credited to the Fund's account before 11:59 p.m. on a working day. If the cash is credited to the Fund's account on a non-working day, it shall be deemed to have been received on the next working day following the day on which the cash is credited.

37.3. Ownership of the Fund units shall be acquired from the moment an entry is made in the personal Fund unit account. The entry in the Participant's personal Fund unit account shall be made not later than within one (1) working day after the receipt of the money in the account.

38. The minimum amount of money to be invested is determined by a decision of the Board of the Management Company and is set out in the Fund's Prospectus and published on the website [www.sb.lt](http://www.sb.lt).

**39. Terms and procedure for redemption of Fund units:**

39.1. Fund units shall be redeemed each working day by contacting the Distributor with whom the Participant has entered into the Fund Unit Purchase and Sale Agreement or the Management Company. Fund units shall be redeemed upon the submission by the Participant of a completed application for the redemption of Fund units in the prescribed form. An application for the redemption of Fund units owned jointly by the spouses shall be made by one of the spouses if he/she has a power of attorney issued by the other spouse, which may be made in a simple written form.

39.2. The application for the redemption of Fund units shall specify the number of Fund units to be sold.

39.3. A Participant, before submitting an application to the Management Company for redemption of the Fund units purchased on the NASDAQ Vilnius Stock Exchange (secondary market), must transfer the Fund units by a fee-free transfer to the Fund Participants' account operator. The Participant shall submit the order to transfer the Fund units to the public trading intermediary that maintains records of the Fund units purchased by the Participant on the NASDAQ Vilnius Stock Exchange.

39.4. Fund units are redeemed at the price as at the date of receipt of the application. The application shall be deemed to have been received on the date of its submission if the Management Company receives the application to redeem Fund units in the manner set out in the Prospectus before 11:00 a.m. on a working day. Applications submitted after 11:00 a.m. shall be deemed to have been received by 11:00 a.m. on the following working day. If an application for the redemption of Fund units is received on a non-working day, the date of receipt of the application shall be deemed to be the next working day following the date of receipt of the application.

39.5. The Management Company shall settle with the Participants for the redeemed Fund units not later than within 7 calendar days from the date of receipt of the application for the redemption of Fund units.

39.6. If the Management Company fails to settle with the investor within the specified time limit, the Management Company shall be obliged to pay to the investor the default interest provided for in the Fund Unit Purchase and Sale Agreement. If the investor is not paid on time due to the fault of the Depository or another third party, the party at fault shall be liable to indemnify the Management Company against any losses incurred by the Management Company as a result of the failure to settle on time.

39.7. The money for the redemption of Fund units shall be transferred to the personal cash account specified in the Fund Participant's application to redeem Fund units.

39.8. The Fund Participant loses all rights (including the right of ownership) conferred by the Fund units, except the right to receive cash for the redeemed Fund units, from the moment of submitting an application for the redemption of Fund units. From the moment of acceptance of the application for the redemption of Fund units, the Management Company shall become obliged to settle with the Fund Participant for the Fund units called for redemption.

**VIII. GROUNDS AND PROCEDURE FOR SUSPENDING AND RESUMING REDEMPTION OF FUND UNITS**

40. The Management Company and the Supervisory Authority have the right to suspend the redemption of Fund units for a maximum of three (3) months per year.
41. The redemption of Fund units may be suspended if:
  - 41.1. this is necessary to protect the interests of the public and, consequently, of the Participants against a possible insolvency of the Fund or a fall in the redemption price in the event of an unfavourable situation in the market for the financial instruments and a fall in the value of financial instruments;
  - 41.2. there is insufficient cash to pay for Fund units to be redeemed, and the sale of the securities held would be loss-making;
  - 41.3. such a measure is imposed by the Supervisory Authority.
42. From the moment of the decision to suspend the redemption of Fund units, it is prohibited:
  - 42.1. to accept applications for the redemption of Fund units.
  - 42.2. to pay for the Fund units that were called for redemption before the resolution to suspend the redemption of units was adopted.
43. The suspension of redemptions must be notified without delay to the persons through whom the redemption is effected, as well as to the Supervisory Authority and, in the case of Fund units distributed in foreign countries, to the foreign supervisory authorities, and must also be published on the Management Company's website at *www.sb.lt* and in the daily newspaper Verslo Žinios, and the Management Company must notify investors who intend to apply to purchase units of such Fund in writing of the suspension of redemptions.
44. If the decision to suspend redemptions was taken by the Supervisory Authority, the right to resume redemptions may be exercised only by the Supervisory Authority, or by the court or the Administrative Disputes Commission annulling such decision. In other cases, the Management Company also has this right.
45. The decision to resume the redemption of the Fund units must be notified in the same way as the suspension of redemption.

#### IX. PROCEDURE FOR THE VALUATION OF THE FUND'S ASSETS, CALCULATION AND PUBLICATION OF THE VALUE OF A FUND UNIT

46. Assets and liabilities are measured at fair value unless such value cannot be measured reliably.
47. The fair value of assets and liabilities is determined by reference to observable market transactions or market information. If observable market transactions and market information relating to the assets and liabilities are not available, fair value is determined using valuation techniques. The objective of fair value measurements is the same in all cases: to estimate the amount for which counterparties could sell an asset or service, or transfer a liability, to each other in an arm's length transaction at the measurement date.
48. The difference between the value of assets and liabilities represents the net asset value (NAV).
49. The value of assets is determined in accordance with the methodology for calculating the NAV approved by the Board of the Bank of Lithuania and the methodology and procedure for calculating the NAV approved by the Management Company.
50. The previous Working Day's value of a Fund unit and the NAV are calculated on each Working Day and published not later than 2:00 p.m. on the current Working Day on the website *www.sb.lt*.

#### X. PROCEDURE FOR SETTING THE SALE AND REDEMPTION PRICE

51. The selling price of a Fund unit is calculated as follows:
  - 51.1. the value of Fund units is determined by dividing the value of the Fund's net assets on the date of sale by the total number of Fund units in circulation.
  - 51.2. The selling price of a Fund unit is equal to the value of the Fund unit plus the amount of the distribution fee.
52. The redemption price of a Fund unit is equal to the value of the Fund unit. No additional fees apply when redeeming units of the Fund.

#### XI. PROCEDURE FOR PUBLISHING INFORMATION ON THE FUND

53. The Management Company shall submit all reports and/or other notifications required by law to the Supervisory Authority and to the public in accordance with the procedure and within the time limits established by law.
54. The Management Company's annual statements are published on the website *www.sb.lt* within the time and scope required by law.
55. On its website *www.sb.lt*, the Management Company shall publish the Fund's:
  - 55.1. Prospectus.
  - 55.2. Key Investor Information Document.
  - 55.3. statements for each financial year.
  - 55.4. statements for the first six months of each financial year (half-yearly statements).
56. The Fund's financial statements are drawn up in EUR and, where appropriate, in foreign currencies.
57. All other reports and/or notifications not referred to in this Section of the Rules shall be published on the website *www.sb.lt*.

#### XII. DISTRIBUTION OF THE FUND'S REVENUE

58. The revenue generated by the Fund shall be used to cover the Fund's costs and the remaining income shall be reinvested.

#### XIII. GROUNDS AND PROCEDURE FOR DISSOLUTION OF THE FUND



59. The Fund may be dissolved in the following cases:

- 59.1. following the Management Company's decision on the dissolution of the Fund;
  - 59.2. if the situation is not rectified within 6 months of the date on which the net assets have fallen below the required level, the Management Company must immediately take steps to have the Fund wound up or liquidated.
  - 59.3. in other cases provided for in the legislation of the Republic of Lithuania.
60. Following the decision to dissolve the Fund, the redemption and distribution of the Fund units shall cease and the diversification requirements shall no longer apply.
61. If, at the time of the dissolution, it becomes apparent that the Fund's assets are insufficient to cover the obligations incurred on its account, the Management Company shall not be obliged to meet the remaining obligations in cases where, at the request of the Management Company, the Supervisory Authority certifies that there is no evidence of any failure by the Management Company to comply with the obligations imposed on it by the Law on Collective Investment Undertakings and by the Fund Rules.
62. After creditors' claims have been satisfied, the proceeds of the sale of the assets constituting the Fund must be distributed to the co-owners of the Fund in proportion to their shares.
63. In the case of legal proceedings concerning obligations to be discharged at the expense of the Fund, the Fund may be dissolved only after the judgements in such proceedings have become final.

#### XIV. PROCEDURE FOR AMENDING THE RULES OF THE FUND

64. The Rules of the Fund shall be amended and supplemented by a decision of the Board of the Management Company.
65. Amendments to the Rules shall be subject to the prior authorisation by the Supervisory Authority. Amendments to the Rules shall enter into force on the day following the date of the decision of the Board of the Management Company to approve the amended version of the Rules, unless the decision of the Board of the Management Company specifies a later date of entry into force.