

PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Closed-End Private Equity Investment Fund for Informed Investors INVL Private Equity Fund II (hereinafter – Fund)

UAB INVL Asset Management (hereinafter – the Management Company)

<https://www.invl.com/en/>

Call +370 52790601 for more information

The Bank of Lithuania is responsible for supervising of the Management Company and the Fund in relation to this Key Information Document

23 December 2024

Alert: You are about to purchase a product that is not simple and may be difficult to understand.

WHAT IS THIS PRODUCT?

Type	Class C investment unit of the Fund
Term	The 10th anniversary of the First Closing. It can be extended for 2 additional consecutive one-year periods. The Management Company (there being a consent of 1/2 of the Partners) may extend the initial 10-year term only if approved by the Investors' Meeting Special Resolution.
Objectives	<p>The aim is to take advantage of attractive opportunities primarily in the Baltic States and Poland or opportunistically anywhere in the Member States of the European Union, Iceland and Norway by acquiring Portfolio Companies that have the potential to become regional leaders and thereby provide very attractive risk-adjusted returns to Investors. The Management Team will search for current and prospective market / segment leaders that have significant value creation opportunities through operational improvements, cross-border organic growth and / or buy and build opportunities. The Fund will focus on the companies that offer inherent downside protection through the defensive nature of their business models, while also offering the potential for value creation. The investments will be made primarily in equity and equity-linked instruments that are consistent with the Fund's target returns. The investments can be made acquiring both newly issued instruments and buying out existing instruments from current stakeholders. The enterprise value of the target Portfolio Companies will typically range between EUR 30 million and EUR 150 million. The Fund will focus on deals that will enable the Fund to invest EUR 15 million to EUR 35 million in any single Portfolio Company. Preferred return of the Fund is 8% per annum cumulative (compounded annually) on the amount of capital contributed by but not yet re-paid to the Investors. The Fund is a closed-end collective investment undertaking, the investor of which hold a limited redemption right regarding the investment units of the Fund, i. e. no investor has a right to have investment units redeemed on its request.</p> <p>When making investment decisions, the Fund seeks to assess all risks and factors that may affect the value and results of investments. Accordingly, the Fund also assesses the sustainability factors (environmental, social, and governance (ESG)) relevant to the specifically analysed investment and the risks associated with them. In accordance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector (hereinafter – "Regulation") the Fund promotes environmental and social characteristics but does not have as its objective a sustainable investment (disclosures in accordance with Article 8 of Regulation). For more information, please refer to the Investment Memorandum of the Fund.</p>
Intended retail investor	The Fund is intended only for informed investors with a particularly high-risk tolerance and related investment losses. Long-term investments must also be acceptable to the Investors.

The depository of the Fund is SEB bankas, AB.

Further information about the Fund, including the Rules of the Fund, the Investment Memorandum of the Fund, latest annual report, is available free of charge at the office of the Management Company situated at: Gyneju str. 14, LT-01109 Vilnius, or by e-mail: info@invl.com.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risks	This is a high-risk product. This means that losses related to the Fund's future performance might be significant and it is highly likely that poor market conditions could affect the return on investments.							
Indicator	<div style="display: flex; align-items: center; justify-content: center;"> <div style="text-align: center;"> <table border="1" style="border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> <td style="width: 20px; text-align: center; background-color: #d9e1f2;">6</td> <td style="width: 20px; text-align: center;">7</td> </tr> </table> <p style="margin-top: 5px;">← Lower risk Higher risk →</p> </div> </div>	1	2	3	4	5	6	7
1	2	3	4	5	6	7		

The risk indicator assumes you keep the product for 10 years. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held to maturity or for the recommended holding period.

The actual risk can vary significantly if you cashing at an early stage and you may get back less.

You cannot cash in early.

You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of the movements in the markets or because we are not able to pay you.

We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level and poor market conditions are very likely to impact our capacity to pay you. This product does not include any protection from future market performance, so you could lose some or all of your investment.

The following are the material risks that are significant to the Fund and its future prospects:

Market risk. Influence of market conditions to the value of, or income from, the Fund units.

Liquidity risk. Losses due to low market liquidity.

Macroeconomic environment. Changes of the value of a Fund's investments affected by the general state of economy.

All types of investment risks of the Fund are set out in the Fund's Investment Memorandum.

PERFORMANCE SCENARIOS

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate and favourable scenarios shown are illustrations using the worst, average and best performance of the product. Under the favourable, moderate and unfavourable scenarios, the projected returns before all taxes and the Fund's costs are 20%, 15%, 5% respectively. The cost impact is projected using the maximum possible deductions. The actual incurred costs may be lower. The performance scenarios are based on expert judgement as a conservative best estimate of expected performance values.

Recommended holding period:

10 years.

Example investment: EUR

15,000,000

**If you exit
after 1 year**

If you exit after 5 years

If you exit after 10 years

Scenarios

Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.			
Unfavourable	What you might get back after costs? Average return each year	EUR 15,356,250 2.37%	EUR 16,751,196 2.23%	EUR 18,325,065 2.02%
Moderate	What you might get back after costs? Average return each year	EUR 16,818,750 12.13%	EUR 26,399,063 11.97%	EUR 45,512,525 11.74%
Favourable	What you might get back after costs? Average return each year	EUR 17,550,000 17.00%	EUR 32,659,200 16.84%	EUR 69,657,035 16.60%

WHAT HAPPENS IF UAB INVL ASSET MANAGEMENT IS UNABLE TO PAY OUT?

The assets of the Fund are held and accounted separately from the assets of the Management Company. Therefore, investors in the Fund will not suffer any losses in the event of default or insolvency of the Management Company. An investor may suffer financial losses as a result of a default by the Fund. The Fund does not participate in any investment insurance or guarantee system. The assets of the Fund are not insured against the loss of deposits and obligations to investors, so the entire invested amount may be lost.

WHAT ARE THE COSTS?

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables below show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product, and how well the product does. The amounts shown here are illustrations based on an example investment and different possible investment periods.

We have assumed:

- in the first year, you would get back the amount that you invested (0% annual return). For the other holding periods, we have assumed the product performs as shown in moderate scenario,
- EUR 15,000,000 is invested.

	If you exit after 1 year	If you exit after 5 years	If you exit after 10 years
Total costs	EUR 375,000	EUR 3,771,295	EUR 15,170,842
Annual cost impact (*)	2.50%	3.03% each year	3.26% each year

(*) This illustrates how costs reduce your return each year over the holding period. For example, it shows that if you exit at the recommended holding period, your average return per year is projected to be 15% before costs and 11.74% after the Fund's costs.

COMPOSITION OF COSTS

One-off costs upon entry or exit		If you exit after 1 year holding period(**)
Entry costs	0% of the amount you pay to invest	EUR 0
Exit costs	We do not charge an exit fee for this product	EUR 0
Ongoing costs (taken each year)		
Management fees and other administrative or operational costs	2.5% of the value of your investment per year. The impact of the costs that are most likely to be charged to us each year for managing your investments.	EUR 375,000
Transaction costs	0% of the value of your investment per year. The impact of the costs incurred when we buy and sell underlying investments for the product.	EUR 0
Incidental costs taken under specific conditions		
Performance-based fees	Impact of carried interests in the Fund. This 20% fee, with a Catch up is applied above the 8% annual hurdle rate.	EUR 0

(**) Representation of the impact of expenses after 1 year as required by legislation is presented, but in practice, due to the limited redemption of Fund units, it is impossible to withdraw after 1 year (except for transactions on the secondary market).

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

RECOMMENDED HOLDING PERIOD: 10 YEARS

The minimum recommended holding period varies according to the duration of the Fund's operations. Redemption of the Fund's units is restricted. The Fund's units will not be redeemable at the request of shareholders. No cashout fees will be charged after the termination date of the Fund.

HOW CAN I COMPLAIN?

Complaints can be lodged to the Management Company by email: info@invl.com and at the address: Gyneju str. 14, 01109, Vilnius. A complaint must include the following information: the applicant's first name and surname or corporate name, the applicant's address, the subject matter of the complaint, the services or products complained of, and the types of such services or products. Consumer disputes with a financial market participant and the Complaints Handling Rules are available on the Management Company's website <https://www.invl.com/en/>.

OTHER RELEVANT INFORMATION

Based on the legal requirement, along with this document the investor is provided with the following documents: (i) Rules of the Fund; (ii) Investment Memorandum of the Fund; (iii) the additional information document under the Law on Managers of Alternative Collective Investment Undertakings of the Republic of Lithuania; (iv) Pre-Contractual Sustainability Information Document; (v) other obligatory pre-contractual documents. More up-to-date information about the Fund can be obtained free of charge by contacting the Management Company.

The tax, return and risk calculations presented in this document have been performed in accordance with the methodology approved by the European Union.

The Fund is subject to the tax laws of the Republic of Lithuania that can have an effect on your personal tax situation.

The Management Company may be held liable for the information provided herein only if this information is misleading, inaccurate, or does not correspond with the information provided in the respective parts of the Fund's Investment Memorandum.

Commencement date of the Fund – 9th April 2024.