

Open-ended Harmonized investment fund *INVL Umbrella Fund*

RULES

Main information about the collective investment undertaking:

Name	<i>INVL Umbrella Fund</i> (in Lithuanian: “INVL sudėtinis fondas”), (hereinafter – the Fund)
Legal form	Harmonized Investment Fund with no rights of legal entity
Type	Open-ended Umbrella Investment Fund
Fund currency	Euro (EUR)
Registered office	Gynėjų str. 14, LT-01109 Vilnius
Telephone	+370 700 55 959
Fax	+370 5 279 0602
E-mail	info@invl.com
Website	www.invl.com
Fund inception date	29 October, 2010
Duration	Open-ended
Management Company	INVL Asset Management, UAB (hereinafter – the Management Company)
Registered Office	Gynėjų str. 14, 01109 Vilnius
Telephone	+370 700 55959
Fax	+370 5 2790602
Depository	AB SEB bank
Registered office	Gedimino Ave. 12, 01103 Vilnius
Telephone	+370 5 268 2800
Fax	+370 5 268 2333

Approved by Management Company:

By minutes of the Board meeting No. 02-28/13 as of 22nd October, 2010; Rules become effective on 29 October, 2010.

Changed: By minutes of the Board meeting No. 8 of 15 October 2012 of Finasta Asset Management UAB; Rules become effective on 1 January, 2013.

Changed: By minutes of the Board meeting No. 8 of 27 February 2013 of Finasta Asset Management UAB; Rules become effective on 6 March, 2013.

Changed: By minutes of the Board meeting No. 8 of 24 April 2014 of Finasta Asset Management UAB; Rules become effective on 14th of May, 2014.

Changed: By minutes of the Board meeting No. 30 of 23 July 2014 of Finasta Asset Management UAB; Rules become effective on 24th of July, 2014.

Updated: By minutes of the Board meeting No. 14 of April 2, 2015 of INVL Asset Management UAB; Rules become effective on April 3, 2015.

Updated: By minutes of the Board meeting No. 81 of November 9, 2015 of INVL Asset Management UAB; Rules become effective on November 9, 2015.

Changed: By minutes of the Board meeting No. 10 of 9 February 2016 of Finasta Asset Management UAB; Rules become effective on 15th of February, 2016.

Changed: By minutes of the Board meeting No. 43 of 20 June 2016 of INVL Asset Management UAB; Rules become effective on 1st of July, 2016.

Changed: By minutes of the Board meeting No. 17 of 11 February 2020 of INVL Asset Management UAB;

Changed: By minutes of the Board meeting No. 28 of 12 April 2021 of INVL Asset Management UAB; Rules become effective on 30th of June 2021.

PART I DEFINITIONS AND ABBREVIATIONS

1. The following expressions used in the Rules and written with a capital letter have the following specific meanings:
 - 1.1. **Participant** shall mean an owner of units of the subfund.
 - 1.2. **Depository** shall mean SEB bankas AB, company code 112021238, registered address at Vilnius City Municipality, Vilnius, Gedimino ave 12, VAT registration number LT120212314, data accumulated and kept in the Register of Legal Entities of the Republic of Lithuania, licence No. 2 issued by the Bank of Lithuania.
 - 1.3. **Working day** shall mean a calendar day, except for public holidays and rest days in Lithuania; in the case of *INVL Emerging Europe Bond Subfund* – any calendar day, except for official public holidays and rest days in Lithuania, Luxembourg and the State of Hessen, Germany.
 - 1.4. **Net assets** (hereinafter referred to as NA) shall mean difference between the value of assets of a subfund and non-current and current liabilities of a subfund.
 - 1.5. **Investment unit** (hereinafter referred to as the Subfund's unit) shall mean a transferable security certifying the Subfund's obligations to the owner of this security, i.e. the Participant.
 - 1.6. **Key Investor Information Document** shall mean a document prepared separately for every subfund and providing key information to investors about the Subfund and the Management Company.
 - 1.7. **Distributor** shall mean a Management Company or a person who, under a contract with the Management Company, sells units of a subfund and accepts applications for redemption and/or switch of Subfund's units as well as carries out other actions provided in the contract with the Management Company.
 - 1.8. **Prospectus** shall mean a document intended to investors and the public and providing information on units of a subfund.
 - 1.9. **Supervisory Authority** shall mean the Bank of Lithuania which performs the functions of licensing of management companies and collective investment undertakings and supervision of activities thereof in accordance with the procedures laid down by the laws of the Republic of Lithuania.
 - 1.10. **Subfund** shall mean a part of the assets of the Fund managed separately from other assets.
 - 1.11. **Rules** shall mean these Rules that constitute the incorporation document of the Fund.
 - 1.12. **Management Company** shall mean INVL Asset Management UAB, company code 126263073, registered address at Vilnius City Municipality, Vilnius, Gynejų St. 14, VAT registration number LT100001948717, data accumulated and kept in the Register of Legal Entities of the Republic of Lithuania, Licence No. VIK-005 (as subsequently amended) issued by the Securities Commission of the Republic of Lithuania for the Management Company acting in accordance with the Law on Collective Investment Undertakings and Licence No. 3 issued by the Bank of Lithuania for the Management Company Acting in accordance with the Law on Managers of Alternative Collective Undertakings.

Other expressions used in the Rules shall have the same meaning as in the Law on Collective Investment Undertakings of the Republic of Lithuania, the Law on Markets in Financial Instruments of the Republic of Lithuania as well as other legal acts governing activities of collective investment undertakings.

PART II INVESTMENT STRATEGY AND RESTRICTIONS ON SUBFUNDS. SPECIALISATION IN GEOGRAPHICAL AREA OR INDUSTRIAL BRANCH

2. **General rules**
 - 2.1. A subfund shall invest in financial instruments which comply with objectives and investment strategy of the subfund.
 - 2.2. A subfund shall specialise in a certain geographical area and/or industrial branch if this is set by the investment strategy of that particular subfund.
3. **Investment strategy of the subfund**

Name of Subfund	Investment strategy
INVL Global Emerging Markets Bond Subfund (in Lithuanian: INVL besivystančių Pasaulio rinkų obligacijų subfondas)	The objective of the Subfund is to ensure balanced growth of its assets. At least 80% of the net assets of the Subfund are invested in the most promising emerging market government, municipal and corporate debt securities identified by the manager. The Subfund combines riskier investments (corporate bonds) and safer ones (government and municipal bonds) in order to ensure a stable return on investments. The Subfund's assets are invested in global emerging markets, but there are no limitations on investments in terms of industry or other market sectors or in terms of specific asset classes. Determined list of stock exchanges and markets of INVL Global Emerging Markets Bond

	<p>Subfund:</p> <p>a) Mexico: Mexican Stock Exchange; Russia: Moscow Stock Exchange, Moscow Stock Exchange, Stock Exchange of Russia, St. Petersburg Stock Exchange, SPBEX; Indonesia: Indonesia Stock Exchange; Turkey: Istanbul Stock Exchange; China: Shanghai Stock Exchange, Shenzhen Stock Exchange; Brazil: Bovespa Stock Exchange; Philippines: Philippines Stock Exchange; Venezuela: Caracas Stock Exchange; Colombia: Colombia Stock Exchange; Hungary: Budapest Stock Exchange; Chile: Santiago Stock Exchange; Lebanon: Beirut Stock Exchange; Kazakhstan: Kazakhstan Stock Exchange; Republic of South Africa: Johannesburg Stock Exchange; Peru: Lima Stock Exchange; Poland: Warsaw Stock Exchange; Ukraine: Ukrainian Stock Exchange, PFTS; Malaysia: Malaysia Stock Exchange; Argentina: Buenos Aires Stock Exchange; Panama: Panama Stock Exchange; Croatia: Zagreb Stock Exchange; Uruguay: Montevideo Stock exchange; Sri Lanka: Colombo Stock Exchange; Dominican Republic: Stock Market of the Dominican Republic; Lithuania: Vilnius Stock Exchange; Romania: Bucharest Stock Exchange; Costa Rika: Costa Rika Stock Exchange; Serbia: Belgrade Stock Exchange; El Salvador: Salvadoran Stock Exchange; Jamaica: Jaimaica Stock Exchange; Ivory Coast: West Africa Stock Exchange; Pakistan: Pakistan Stock Exchange; Ecuador: Quito Stock Exchange, Guayaquil Stock Exchange; India: Bombay Stock Exchange, Calcutta Stock Exchange, Cochin Stock Exchange, National Stock Exchange of India; Egypt: Egyptian Stock Exchange; Azerbaijan: Baku Stock Exchange; Kenya: Nairobi Stock Exchange; Morocco: Casablanca Stock Exchange; Zambia: Lusaka Stock Exchange; Angola: Angola Stock Exchange; Mongolia: Mongolian Stock Exchange; Ghana: Ghana Stock Exchange; Vietnam: Ho Chi Minh City Stock Exchange; Hanoi Stock Exchange; Paraguay: BVPASA Stock Exchange; Slovakia: Bratislava Stock Exchange; Iraq: Iraq Stock Exchange; Gabon: West Africa Stock Exchange; Trinidad and Tobago: Trinidad and Tobago Stock Exchange; Guatemala: National Stock Exchange (Guatemala); Nigeria: Nigerian Stock Exchange; Namibia: Namibian Stock Exchange; Honduras: Honduras Stock Exchange; Bolivia: Bolivian Stock Exchange; Sakartvelo: Georgian Stock Exchange; Senegal: West Africa Stock Exchange; Armenia: Armenian Stock Exchange; Tunis: Tunis Stock Exchange; Belarus: Belarusian Currency and Stock Exchange; Latvia: Riga Stock Exchange; Cameroon: Douala Stock Exchange; Mozambique: Mozambique Stock Exchange; Tanzania: Dar es Salaam Stock Exchange; Jordan: Amman Stock Exchange; Belize: Belize Stock Exchange; Estonia: Tallinn Stock Exchange; Macedonia: Macedonian Stock Exchange; Bosnia and Herzegovina: Sarajevo Stock Exchange; Montenegro: Montenegro Stock Exchange, NEX; Czech Republic: Prague Stock Exchange; Kyrgyzstan: Kyrgyz Stock Exchange; Tajikistan: Central Asian Stock Exchange; Turkmenistan: Turkmenistan Stock Exchange, State Commodity and Raw Materials Exchange of Turkmenistan; Uzbekistan: Tashkent Republican Stock Exchange; Bangladesh: Dhaka Stock Exchange, Chittagong Stock Exchange; Bulgaria: Sofia Stock Exchange; Moldova: Moldovan Stock Exchange; Kuwait: Kuwait Stock Exchange; Qatar: Qatari Stock Exchange; Saudi Arabia: Tadawul (Saudi Arabia) Stock Exchange; United Arab Emirates: Dubai Stock Exchange; South Korea: Korean Stock Exchange; Thailand: Thai Stock Exchange; Taiwan: Taiwan Stock Exchange</p> <p>b) The assets of the Subfund may be also invested in debt securities issued by above mentioned countries' governments, government agencies, municipalities, and also in financial instruments of those enterprises operating in any above mentioned country, if those financial instruments are listed in the markets regulated by OECD or EU member countries or by the developed countries according to the Morgan Stanley Capital International classification;</p> <p>c) The Subfund's assets may also be invested in the securities markets of countries classified as Emerging Markets or Frontier Markets by the World Bank of MSCI (Morgan Stanley Capital International), and in debt securities issued by such countries' governments, municipalities, public sector organizations or companies, if such financial instruments are traded on the exchanges indicated in these rules.</p>
<p>INVL Emerging Europe Bond Subfund</p> <p>(in Lithuanian: INVL besivystančios Europos obligacijų subfondas)</p>	<p>The objective of the subfund is to ensure balanced growth of the assets of the Subfund by investing at least 85 per cent of the Subfund's assets in the subfund INVL Emerging Europe Bond Fund (hereinafter – the Master Subfund) of the harmonised investment fund INVL Fund established in the Grand Duchy of Luxembourg.</p> <p>In its turn, the Master Subfund, INVL Emerging Europe Bond Fund, invests up to 100 per cent of its assets in sovereign and corporate debt securities in Emerging Europe. The Master Subfund invests at least 51 per cent of its total bonds in sovereign and corporate debt securities in Central and Eastern Europe (Czech Republic, Estonia, Croatia, Latvia, Poland, Lithuania, Slovakia, Slovenia, Hungary, Belarus, Russian Federation, Ukraine, Armenia, Azerbaijan, Georgia, Turkey, Malta, Albania, Bulgaria, Bosnia and Herzegovina, Greece, Montenegro, Cyprus, Macedonia, Moldova, Romania, Serbia and Kosovo).</p> <p>The Subfund invests in the investment unit class I of the subfund INVL Emerging Europe</p>

	<p>Bond Fund intended for institutional investors. Further information is available in Section V of the Prospectus.</p> <p>The remaining share of the Subfund's net assets is considered to be cash in bank or will be invested only in liquid assets conforming to the investment strategy in compliance with the requirements established in paragraph 4 of the Rules and in the applicable legislation.</p> <p>...</p> <p>The assets of the subfund may be invested in derivative financial instruments, if they are used for risk management.</p> <p>...</p>
<p>INVL Russia ex-Government Equity Subfund</p> <p>(in Lithuanian: INVL Rusijos nevalstybinių įmonių subfondas)</p>	<p>The objective of the subfund is to achieve the maximum return on investments in shares of Russian non-governmental entities.</p> <p>The subfund's assets are invested in the financial instruments of operating companies, except for state-controlled companies). State control in respect of a particular company is more than 20 per cent of its total shares. Most of the subfund's investment portfolio consists of investments in shares of private companies. No more than 33 per cent of the subfund's assets may be invested outside the Russian Federation, in the financial instruments of operating companies in other CIS countries (including former CIS states).</p> <p>The portfolio consists of shares in 15–25 different companies. The limited diversification of the subfund's investment portfolio allows maximum supervision of selected positions and the fund's effective structure. Up to 100 per cent of the subfund's investment portfolio consists of investments in shares.</p> <p>The subfund's investment is based on both strategic and tactical asset allocation methods and frequent adjustments of the portfolio to increase its value.</p> <p>If the market situation does not offer better investment opportunities, up to 10 per cent of the subfund's assets may be invested in corporate bonds and other forms of non-equity securities. The subfund may invest in bonds of a different period and credit rating.</p> <p>INVL Russia ex-Government Equity Subfund invests in shares in developing markets, which are characterised by large price fluctuations. Changing the situation in stock exchanges can therefore lead to large fluctuations in the subfund's net asset value.</p> <p>Determined list of stock exchanges and markets of Russian Federation and neighboring countries:</p> <p>a) Armenia: Armenian Stock Exchange; Azerbaijan: Baku Stock Exchange; Belarus: Belarusian Currency and Stock Exchange; Sakartvelo: Georgian Stock Exchange; Kazakhstan: Kazakhstan Stock Exchange; Moldova: Moldovan Stock Exchange; Russia: Moscow Stock Exchange, Stock Exchange of Russia, St. Petersburg Stock Exchange, SPBEX; Moscow Stock Exchange; Ukraine: Ukrainian Stock Exchange. Other markets where Subfund can invest its assets if financial instruments of those markets are traded on one or more of the above listed stock exchanges: Kyrgyzstan, Kosovo, Tajikistan, Turkmenistan, Uzbekistan.</p> <p>b) The assets of the Subfund may be also invested in financial instruments of those enterprises operating in any above mentioned country, if those financial instruments are listed in the markets regulated by OECD or EU member countries.</p>

4. The assets of each subfund may be invested in the below-listed investment instruments in compliance with the subfund objectives and investment policy set forth in paragraph 3 of the Rules:
- 4.1. transferable securities and money market instruments that are:
- 4.1.1. admitted to trading on the market regulated and operating in the Republic of Lithuania or another EU Member State;
 - 4.1.2. admitted to trading on the market in another EU Member State operating, recognised, controlled and publicly accessible in compliance with the applicable rules;
 - 4.1.3. admitted to trading on the market in another state (except for the EU Member States) operating, recognised, controlled and publicly accessible in compliance with the applicable rules (the list is provided in paragraph 3).
- 4.2. issued new transferable securities, if the terms and conditions of the issue provide for the obligation to admit these securities to trading on the regulated market and if they are admitted to trading on the market no later than within one year from the issue thereof.

- 4.3. investment units and shares of the harmonised collective investment undertakings and units and shares of such collective investment undertakings that meet the following conditions:
- 4.3.1. the sole purpose of undertakings is to accumulate persons' assets through a public offering of investment units or shares and by dividing them for collective investment in transferable securities and/or other liquid assets and the investment units or shares of which must be redeemed at any time upon their holder's request, these undertakings are licensed in the Republic of Lithuania and their supervision is not less stringent than that established in the European Union, or they are licensed in the state where supervision is not less stringent than that established in the European Union, and the Supervisory Authority cooperates with the respective Supervisory Authority of another EU Member State or any non-EU country;
 - 4.3.2. the protection of the rights of participants in such undertakings, including the regulation of property separation, borrowing, lending and gratuitous property transfer, is not less stringent than that established in the Law on Collective Investment Undertakings for harmonised collective investment undertakings;
 - 4.3.3. undertakings submit semi-annual and annual reports on their business operations that enable to evaluate their assets and liabilities, profit and operations within the reporting period;
 - 4.3.4. up to 10 per cent of their net assets may be invested in the investment units or shares of other collective investment undertakings, in compliance with their incorporation documents.
- 4.4. deposits held for a term not exceeding 12 months which can be withdrawn upon request at a credit institution with the registered office in the EU Member State or any other state in which prudential supervision is not less stringent than that established in the European Union.
- 4.5. Money market instruments that are not admitted to trading on the regulated market, if the issue or the issuer of these instruments are regulated in order to protect investors and their savings, and these instruments:
- 4.5.1. are issued or guaranteed by the Member State's government, regional government, municipality or central bank, the European Central Bank, the European Union or the European Investment Bank, the European Union or the European Investment Bank, the government of a non-EU country or one of the entities comprising a federal state, or an international organisation of which at least one Member State is a member, or
 - 4.5.2. are issued by the entity whose securities are admitted to trading on the regulated market specified in subparagraphs 4.1.1 - **Error! Reference source not found.** of the Rules, or
 - 4.5.3. are issued or guaranteed by the entity whose business risk is supervised in compliance with the requirements of the EU legislation or any other requirements that are not less stringent than those established in the European Union, or
 - 4.5.4. are issued by the company that meets the criteria of the Supervisory Authority whose capital and reserves amount at least to EUR 10 million and which draws up consolidated financial statements and performs the function of financing the group of companies where the transferable securities of at least one company from its group are admitted to trading on a regulated market, or which is used to issue securities financed with bank loans and investments in such money market instruments are protected to the extent that is not lower than that specified in subparagraphs 4.5.1 - 4.5.3 of the Rules.
- 4.6. derivative financial instruments (including those that confer the right to receive only money) which:
- 4.6.1. are admitted to trading on the markets specified in subparagraphs 4.1.1 - **Error! Reference source not found.** of the Rules, or which are traded outside the aforementioned markets;
 - 4.6.2. they are linked to the investment instruments specified in subparagraphs **Error! Reference source not found.** - 4.5 of the Rules, financial indexes, interest rates, currencies or exchange rates;
 - 4.6.3. the counterparty in transactions concluded outside the markets specified in subparagraphs 4.1.1 - **Error! Reference source not found.** of the Rules comply with the criteria laid down by the Supervisory Authority, and it is subject to prudential supervision;

- 4.6.4. instruments that are traded outside the markets specified in subparagraphs 4.1.1 - **Error! Reference source not found.** of the Rules, and that can be checked and evaluated reliably and accurately on a daily basis and that can be sold or otherwise realised for consideration at their fair value at any time.
5. Investment restrictions:
- 5.1. No more than 5 per cent of NA of the subfund may be invested in transferable securities or money market instruments of a single issuing body, except to the cases specified in subparagraphs 5.2, 5.5, 5.6 of the Rules.
- 5.2. It shall be allowed to invest in the transferable securities or money market instruments of a single issuing body more than 5 per cent, but not more than 10 per cent of NA, provided the total amount of such investments does not exceed 40 per cent of the NA of the subfund (this restriction shall not apply to deposits and derivative financial instruments traded outside the markets specified in the Law on Collective Investment Undertakings, provided their issuing body is subject to supervision by the Supervisory Authority).
- 5.3. The investments made in deposits with a single credit institution may not exceed 20 per cent of the NAV of the subfund.
- 5.4. The aggregate amount of investments in transferable securities, money market instruments of a single issuing body, deposits and liabilities arising from derivative contracts undertaken outside the markets specified in the Law on Collective Investment Undertakings with the same person may not exceed 20 per cent of the NAV of the subfund.
- 5.5. Investments in the transferable securities or money market instruments of a single issuing body issued or guaranteed by a member state or local authority thereof, other state or international organizations of which at least one member state is a member, may not exceed 35 per cent of the NAV of the subfund.
- 5.6. Investments in the bonds issued by a credit institution which has its registered office in a member state and is subject to special public supervision under law by that state for the purposes of protection of the interests of bond-holders, while the amount derived from the issue of these bonds is invested in the assets which, during the whole period of validity of these bonds, are sufficient to cover claims of the bond-holders and which, in the event of insolvency of the issuing body, would be used on a priority basis to meet claims of the bond-holders for reimbursement of the principal and payment of the accrued interest, may not exceed 25 per cent of the subfund NA. When more than 5 per cent, but not more than 25 per cent of the subfund NA are invested in the bonds issued by a single issuing body, the aggregate amount of these investments may not exceed 80 per cent of NA.
- 5.7. The transferable securities and money market instruments specified in subparagraphs 5.5 and 5.6 of the Rules shall not be taken into account when calculating the amount of investment subject to the limit of 40 per cent as prescribed by subparagraph 5.2 of the Rules. The limits specified in subparagraphs 5.1 – 5.6 and 5.16 of the prospectus may not be combined, thus the aggregate amount of investment in the transferable securities and money market instruments of a single issuing body, deposits and liabilities arising from derivative contracts concluded outside the markets specified in the Law on Collective Investment Undertakings with this person may not exceed 35 per cent of the subfund NA.
- 5.8. Investment in the transferable securities and money market instruments issued by the companies belonging to a group subject to the requirement of drawing up of consolidated financial reports may not exceed 20 per cent of the subfund NA.
- 5.9. The shares held by the subfund together with the Management Company and other harmonized collective investment undertakings managed by the Management Company in an issuing body may not carry over 1/10 of all voting rights at the general meeting of shareholders of the issuing body.
- 5.10. A subfund may acquire no more than:
- 5.10.1. 10 per cent of all non-voting shares of an issuing body;
 - 5.10.2. 10 per cent of all bonds and non-equity securities of other forms of an issuing body;
 - 5.10.3. 25 per cent of units or shares of another collective investment undertaking;
 - 5.10.4. 10 per cent of the money market instruments of a single issuing body.
- 5.11. The prohibition specified in subparagraphs 5.10.2, 5.10.3 and 5.10.4 of the Rules may be disregarded at the time of acquisition, provided the aggregate value of transferable securities or money market instruments cannot be calculated.
- 5.12. The limits stipulated in subparagraphs 5.10.2 and 5.10.4 of the Rules shall not apply to transferable securities or money market instruments issued and guaranteed by a state or local authorities.
- 5.13. A subfund shall invest in investment units and shares of harmonized collective investment undertakings which meet the following conditions:
- 5.13.1. the sole purpose of the undertakings is to accumulate funds of persons by publicly offering investment units or shares and distribute them by collectively investing in transferable securities and/or other liquid assets specified herein, and the investment units and shares shall be redeemed at any time at the request of their holder, such undertakings are licensed in the Republic of Lithuania and they are subject to supervision not less stringent than that established in the European Union or licensed in another state where they are subject to supervision not less stringent than that established in the European Union, and the Supervisory Authority cooperates with an appropriate Supervisory Authority of the EU Member State or non-EU country;

- 5.13.2. the level of protection for rights of participants in the undertakings, including regulation of segregation, borrowing, lending and gratuitous transfer of assets, is not less stringent than that laid down for harmonized collective investment undertakings under the Law on Collective Investment Undertakings;
 - 5.13.3. the undertakings publish semi-annual and annual reports about their activities to enable assessment of their assets and liabilities, profit and activities over the reporting period;
 - 5.13.4. under their incorporation documents, not more than 10 per cent of their NA may be invested in investment units or shares of other collective investment undertakings.
- 5.14. No more than 10 per cent of NA of a subfund may be invested in each of the undertakings referred to in subparagraph 5.13 of the Rules, excluding *INVL Emerging Europe Bond Subfund*. A close link shall be deemed to exist between collective investment undertakings if they are managed by the same Management Company or such management companies in which more than a half of members of management bodies are the same persons or which are controlled by the same person or one of which holds more than 10 per cent of votes at the general meeting of shareholders of the other Management Company. The subfund may invest in investment units or shares of the collective investment undertakings which are linked by close links only for the NAV.
- 5.15. The aggregate amount invested in other harmonized collective investment undertakings may not exceed 30 per cent of the NA.
- 5.16. Only those investments in derivative financial instruments (including exclusively cash-settled instruments) shall be allowed which meet the conditions established in the Law on Collective Investment Undertakings.
- 5.17. The commitment risk accepted under transactions concerning derivative financial instruments cannot exceed the NAV of the subfund. When calculating the commitment risk, the following shall be taken into account: the current value of the derivative financial instrument, the counterparty risk, future market movements and the time available to liquidate the positions and the circumstance that the derivative financial instrument is incorporated into a transferable security or money market instrument. Investment in derivative financial instruments may not exceed 35 per cent of the NAV of the subfund, but only in cases it does not exceed the limits established in subparagraphs 5.1 – 5.8 are not exceeded; investment in index-linked financial derivative instruments shall be calculated separately.
- 5.18. The commitment risk in the transactions in derivative financial instruments concluded outside the markets specified in the Law on Collective Investment Undertakings cannot exceed 5 per cent of the NA value of the subfund, and where the counterparty is a credit institution specified in subparagraph 5.6 of the Rules the commitment risk may not exceed 10 per cent of the value of the NA.
6. A subfund may invest up to 10 per cent of NA into securities and money market instruments excluded from clause 4.
7. A subfund may derogate from the above-indicated investment restrictions if it exercises the pre-emptive rights attached to transferable securities or money market instruments held by it. In such cases and also when provisions of investment rules are violated for the reasons beyond the control of a Management Company; the derogation must be eliminated without delay, but in any case not later than within 6 months.
8. Investment portfolio of a subfund may derogate from the requirements laid down in subparagraphs 5.1 – 5.8 and 5.13 – 5.15 of the Rules for 6 months after the Supervisory Authority has approved the incorporation documents and prospectus.
9. Subfunds shall have benchmark indices. Information on benchmark indices of a specific subfund shall be provided in the Prospectus of the Funds, Document on essential information to investors and on the website www.invl.com.

PART III RIGHTS AND OBLIGATIONS OF PARTICIPANTS

10. A Participant shall have the following rights:
- 10.1. to request at any time that the Management Company redeem subfund units which they hold;
 - 10.2. to get the remaining part of assets of the subfund being dissolved;
 - 10.3. to get information on the Fund and the subfunds as set by legal acts;
 - 10.4. to sell, make a gift of their units of the subfund or otherwise transfer the ownership or possession right to third parties;
 - 10.5. to request at any time the Management Company to change their units of the subfund into units of another subfund;
 - 10.6. other rights as set in Rules of the Fund, contracts on purchase and sale of units of the subfund and other legal acts.
11. A Participant shall have the following obligations:
- 11.1. to inform the Distributor in writing, no later than within 10 (ten) days from the date of change, about changes in their data (name, surname or title, residential address or registered office, current account number, telephone number, email and other data) provided in the purchase and sale contract of units of the subfund;
 - 11.2. upon sale, making a gift or otherwise transferring ownership or possession rights to units of the subfund, to conclude a written contract with the acquirer of units of the subfund, one copy of which shall be submitted to the Distributor within 3 (three) working days;

- 11.3. other obligations as set in Rules of the Fund, contracts of purchase and sale of units of the subfund and other legal acts.

PART IV

RIGHTS AND OBLIGATIONS OF THE MANAGEMENT COMPANY AND TRANSACTIONS WHICH CAN BE CONCLUDED AND IMPLEMENTED BY THE MANAGEMENT COMPANY AT THE EXPENSE AND IN THE INTERESTS OF THE SUBFUND

12. Management Company shall have the following rights:
- 12.1. to hold in trust, use and dispose of the Subfund's assets in compliance with the restrictions laid down in the Rules and the applicable legal acts;
 - 12.2. to conclude and implement transactions, relating to the management of assets of the subfund and the sale and redemption of units of the subfund, at the expense and in the interests of the subfund;
 - 12.3. to make deductions from assets of the subfund which have been provided in Part V of the Rules;
 - 12.4. The Management Company, in pursuit of effective management, shall have the right to assign some of its management functions to another company which has the right to provide the respective services, however this shall not release the Management Company from responsibility;
 - 12.5. to halt redemption of units of the Fund in cases and under the conditions set by legal acts.
13. Management Company shall have the following obligations:
- 13.1. to act fairly with care and professionally under conditions which are best for the Fund and its participants and in their interests as well as guarantee market integrity;
 - 13.2. to act prudently with due professionalism and care;
 - 13.3. to have in place and make use of instruments and procedures necessary for its activities;
 - 13.4. to disclose to the Participant sufficient information relating to and necessary for them;
 - 13.5. to have organisational structure allowing to avoid conflict of interest between the Management Company and Participants, between a number of Participants of the Management Company, between the Fund managed by the Management Company and its Participants or between a number of collective investment undertakings managed by the Management Company;
 - 13.6. to have sound administrative and book keeping procedures, instruments for control and safeguard of electronic data processing and appropriate internal control system, including rules for personal financial transactions concluded by employees of the Management Company and for transactions on financial instruments concluded at the expense of the Management Company, as well as to ensure that it is possible to track the origin of all the transactions concluded with the subfund managed by the Management Company, parties, contents, time and place of conclusion of these transactions and establish whether assets were invested subject to requirements provided in documents of the subfund and legal acts;
 - 13.7. to ensure that persons taking decisions of investment management comply with the requirements for repute, qualifications and work experience laid down in the applicable legislation;
 - 13.8. to have description of procedures governing adoption of investment decisions and to comply with it;
 - 13.9. to ensure the retention of data, documents and information related to investment decisions made, transactions undertaken, requests submitted by investors to acquire, exchange or redeem fund units, or other operations performed, for a period of at least 10 years from the date on which an investment decision was made, a transaction was completed, respective requests were submitted or an operation was performed, unless the law requires document retention for a longer period;
 - 13.10. to comply with capital, risk limitation and other requirements laid down in the applicable legislation;
 - 13.11. to establish and implement the remuneration policy;
 - 13.12. to comply with the requirements set for the management of financial instrument accounts when maintaining the register of owners of the investment units or shares of collective investment undertakings;
 - 13.13. to obey instructions by the Supervisory Authority;
 - 13.14. to fulfil other obligations established in the Rules, the Prospectus and by law.
14. Units of the subfund can be traded on NASDAQ Vilnius Stock Exchange (on secondary market) by giving orders to intermediaries of public trading in securities to acquire or sell units of the subfund.
15. Units of the subfund can be accounted for by any accounts manager after the issue of units of the subfund have been registered with the Central Securities Depository of Baltic states (hereinafter the NASDAQ CSD).

PART V

METHODOLOGY FOR CALCULATING REMUNERATIONS AND OTHER EXPENSES, AMOUNT AND PAYMENT PROCEDURES

CHAPTER 1. GENERAL INFORMATION ON REMUNERATION TO THE MANAGEMENT COMPANY AND THE DEPOSITORY AND OTHER EXPENSES

16. The maximum amounts for remuneration and expenses are established in the Rules. The specific remuneration amounts foreseen in paragraphs 22, 27 and 29 of the Rules shall be determined by the board of the Management Company and the amounts thus established shall be specified in the Prospectus and on the Management Company's

website www.invl.com. The specific amounts of other expenses foreseen in the Rules shall be determined and recorded in the respective agreements with service providers.

17. The maximum total amount of expenses which may be paid out of the resources of a subfund (excluding the possible success fee) is:
 - 17.1. 2 per cent of the average annual net asset value of the INVL Emerging Europe Bond Subfund;
 - 17.2. 2 per cent of the average annual net asset value of the INVL Global Emerging Markets Bond Subfund;
 - 17.3. 4 per cent of the average annual net asset value of the INVL Russia ex-Government Equity Subfund;
18. At the end of the calendar year, the amounts of the remunerations and expenses calculated in the manner established in the Rules shall be reviewed. All overpayments accrued within the year shall be returned to the subfund and all liabilities shall be paid to the Management Company and/or the Depository within 30 (thirty) days from the end of the year. The NA of the subfund shall be increased by the amount of the overpayments.
19. The Management Company shall collect and keep documents substantiating calculations of remuneration and other expenses.
20. All other expenses which have not been provided for in the Rules or expenses in excess of the set limits shall be covered at the expense of the Management Company.

CHAPTER 2. REMUNERATION TO MANAGEMENT COMPANY

21. Remuneration to the Management Company for managing a subfund shall be paid out of funds of the subfund. Remuneration to the Management Company shall be comprised of:
 - 21.1. Performance fee, if any is provided and applicable to a particular subfund.
 - 21.1.1. The rate of the performance fee applicable to INVL Russia Ex-Government Equity Subfund shall not be higher than 20 per cent on the growth of the subfund's NA exceeding the 8 per cent hurdle rate over the past three years. The performance fee shall be applicable provided that the following conditions are met: 1) the value of the subfund's unit is higher than any previous values of the subfund's unit (the High Watermark principle), and 2) the investment return on the value of the subfund's unit exceeded the 8 per cent hurdle rate over the past three years. In the event that three years have elapsed from the entry into force of the Rules establishing this 3-year deadline (the date is specified in the Prospectus), the following performance fee shall be applied: not higher than 20 per cent on the growth of the subfund's NA value exceeding the 8 per cent hurdle rate as from the date of the entry into force of these Rules. Application of these principles ensures that Participants of the subfund do not pay performance fees a number of times when the value of investment units is fluctuating in the long term, and when the subfund's hurdle rate is lower than 8 per cent. The fee shall be applied on the level of the subfund, not for each Participant separately. This implies that increase of the value of an unit of the subfund, but not change in the value of every Participant's investment, is taken into account when assessing the amount of the performance fee;
 - 21.2. Management fee which is calculated on the average annual value of NA of the subfund.

22. Maximum amounts of remuneration to the Management Company:

Subfund	Performance fee	Management fee
INVL Global Emerging Markets Bond Subfund	not applicable	No more than 1.25 per cent of average annual NAV of the subfund
INVL Emerging Europe Bond Subfund	not applicable	No more than 1 per cent of average annual NAV of the subfund
INVL Russia ex-Government Equity Subfund	No more than 20 per cent of NA growth in value exceeding the 8 per cent hurdle rate over the past three years	No more than 1.5 per cent of average annual NAV of the subfund

23. Fee for the distribution of units of the subfund shall not be counted in remuneration to the Management Company.
24. Remuneration to the Management Company shall be calculated each day, by way of accumulation, based on the average annual NA value of the subfund.
25. Remuneration to the Management Company shall be paid monthly by the 10th (tenth) day of the following month.

CHAPTER 3. REMUNERATION TO THE DEPOSITORY

26. The total remuneration to the Depository for safekeeping the assets of every subfund and for movement in the accounts of financial instruments shall not exceed 0.5 (five tenths) per cent of the average annual NAV of every subfund. The remuneration to the Depository shall be paid under the procedure and within the deadlines laid down in the services agreement. The remuneration to the Depository shall be calculated on an accrual basis for each Working day in compliance with the principle of concomitance.

CHAPTER 4. REMUNERATION TO DISTRIBUTORS

27. The distribution fee shall not exceed 2 (two) per cent of the value of a unit of the subfund or the amount invested by the investor.
28. The distribution fee, which is included in the sale price of a unit of the subfund, shall be paid by the Participant to the Management Company for units of the subfund being acquired under the purchase and sale contract. The distribution fee which is not included in the sale price of the subfund's units shall be paid by the Participant directly to the Distributor.
29. The fee for switching subfund shall not exceed 0.25 (twenty-five hundredths) per cent of the value of units of the subfund being switched. Switch fee shall be applied when exchanging units of one subfund to units of another subfund.
30. Distribution and Switch fees are intended to cover expenses of distribution and switching units of the subfund.
31. Distribution and Switch fees shall not be included in calculations of the value of the NA of the subfund.

CHAPTER 5. OTHER EXPENSES

32. The following expenses of the subfund shall be covered from funds of the subfund:
 - 32.1. remuneration to financial intermediaries for their services provided (expenses for conclusion of transactions, expenses for non-taxable orders to transfer financial instruments, expenses for safe-keeping of financial instruments, etc.);
 - 32.2. remuneration to financial institutions for their services provided;
 - 32.3. remuneration for services provided by an audit company;
 - 32.4. remuneration for legal services.
33. Remuneration to financial intermediaries shall not exceed 1 (one) per cent of value of transactions concluded. Remuneration to financial intermediaries shall be calculated every working day if at least one transaction has been concluded that day. Remuneration to financial intermediaries shall be paid in accordance with procedures and time frames set out in the contracts for provision of their services.
34. The amounts of remunerations to audit company and financial institutions for their services shall not exceed 1 (one) per cent of the average annual value of NA of the subfund. Remunerations to audit company and financial institutions shall be paid in accordance with procedures and time frames set out in the contracts for provision of the services.
35. The INVL Global Emerging Markets Bond Subfund's expenses for audit, tax preparation, depository and consulting services during its first three years of operation may be fully or partially covered also from the resources of the Management Company.
36. Legal expenses, not exceeding 1 (one) per cent of the average annual value of NA of the subfund incurred by the Management Company when defending interests of participants of the subfunds and provided for in paragraph 37 of the Rules, may be covered by funds of the subfund.
37. The following legal expenses shall be covered by funds of the subfund:
 - 37.1. for the payment of stamp duty and other charges (fees) paid on submission of procedural documents to court or dispute resolution body;
 - 37.2. to cover representation expenses of an advocate in accordance with the contracts concluded between the Management Company and advocates;
 - 37.3. expenses for execution of court judgments.
38. Legal expenses may be covered in the following cases:
 - 38.1. when a person, to whose financial instruments the funds of the subfund have been invested, assigns the time limit for performance of obligations and/or
 - 38.2. when a person, to whose financial instruments the funds of the subfund have been invested, does not discharge their obligations provided for in the conditions for issue of other financial instruments, prospectuses, other documents and/or contracts.
39. Legal expenses incurred by the Management Company stipulated in paragraph 37 of the Rules shall be covered by the funds of the subfund subject to documents providing proof thereof, however, the maximum amount provided for in paragraph 36 of the Rules shall not be exceeded.
40. Remuneration for banking services (including without limitation bank and other credit institution fees for local and international payment orders). These expenses shall be calculated in accordance to the prices applied by banks and other credit institutions used by the subfund.
41. Fees to NASDAQ Vilnius Exchange shall be: a) payment for inclusion of financial instruments into NASDAQ Vilnius trading lists; b) annual payment for listing of financial instruments, etc.
42. Fees for public limited liability company Central Securities Depository of Baltic states (hereinafter the NASDAQ CSD) shall be: a) one-off payment for registration of the subfund; b) quarterly account management payment; c) payment for servicing essential events of securities; d) fee for making of the list of owners of securities; e) annual payment, etc.
43. Fees to the authorised agent of the Management Company, NASDAQ CSD as well as manager of Participants' and their investment units accounts.

44. The portion of the fee to the Supervisory Authority for the supervision of financial market participants subject to supervision due to the Subfund shall be calculated in compliance with the provisions of the Specification of the Procedure for Calculation and Payment of Contributions of Supervised Financial Market Participants.
45. The fee to the providers of financial indexes used in the Subfund's benchmark index shall be paid for the information and historical data on the index composition.
46. Other expenses relating to activities of the subfund which are not paid periodically or in accordance with set procedures (funds to cover those expenses shall be accumulated in the account of the subfund and transferred upon occurrence).
47. Expenses provided for in paragraphs 40 – 46 of the Rules shall not exceed 1 (one) per cent of the average annual value of NA of the subfund.

PART VI

CONDITIONS AND PROCEDURES FOR REPLACING THE MANAGEMENT COMPANY AND DEPOSITORY

48. The Management Company may be replaced:
 - 48.1. by transferring management to another Management Company;
 - 48.2. if the Supervisory Authority revokes Management Company's licence;
 - 48.3. if procedures for liquidation of the Management Company have commenced;
 - 48.4. if the Management Company is put on bankruptcy procedures;
 - 48.5. in other cases where this is provided for by the legal acts.
49. The Depository may be replaced:
 - 49.1. if the Depository is not discharging or is not properly discharging their obligations as set in the contract;
 - 49.2. upon an agreement between the Depository and the Management Company;
 - 49.3. upon an order of the Supervisory Authority;
 - 49.4. if other important reasons are present.
50. The Depository and/or Management Company shall be replaced on the basis of decisions for the replacement of depository or the Management Company adopted by the board of the Management Company, except for the cases indicated in subparagraphs 48.2-48.4 of the Rules, where assets of the Fund are transferred to another depository for safe-keeping or another Management Company for management, irrespective of the will of the Management Company.
51. Prior authorisation by the Supervisory Authority shall be mandatory for replacing the Management Company or Depository.
52. Replacement of the Management Company shall be published on the Management Company's website www.invl.com.

Part VII

CONDITIONS AND TERMS FOR SALE, EXCHANGE AND REDEMPTION OF UNITS OF A SUBFUND

53. Conditions and procedure for sale of units of subfund:
 - 53.1. A Participant may acquire units of a subfund during Working days at the places of distribution indicated in the Prospectus by concluding, in the manner established by the Prospectus, a subfund-unit purchase and sale agreement for the one-time or periodic acquisition of units of the subfund. After the Participant has concluded a subfund-unit purchase and sale agreement, money shall be converted into units of the subfund as follows:
 - 1) at the price effective on the date of receipt of the unit purchase and sale agreement (application) at the Management Company (T+0 day) if the unit purchase and sale agreement (application) has been received at the Management Company before 11:00 hrs and money has been received before 23:59 hrs on the same day (T+0) 23:59 hrs;
 - 2) at the price effective on the next Working Day after the date of receipt of the unit purchase and sale agreement (application) at the Management Company (T+1) if the unit purchase and sale agreement (application) is received at the Management Company after 11:00 hrs and money has been received before 23:59 hrs on the same day (T+0);
 - 3) at the price effective on the date of receipt of money, if money has been received after the date of receipt of the unit purchase and sale agreement (application).After the Participant has concluded a subfund-unit purchase and sale agreement, payment under the contract shall be made into the account of the subfund specified in the Prospectus no later than on the third business day after the conclusion of the purchase and sale agreement (in the case of a one-time acquisition) or the settlement date specified in the agreement (in the case of periodic acquisition). A subfund-unit purchase and sale agreement for a one-time acquisition of subfund units shall specify the amount of money for which the investor is purchasing units of the Fund, while an agreement for periodic acquisition of Fund units shall specify the size of the periodic contributions, their intervals, the terms of payment and other related conditions.
 - 53.2. Money received under a subfund-unit purchase and shall be converted into subfund units in compliance with the rules described in paragraph 52.1 of the Rules. The date on which money is received into a subfund account

shall be considered the date of receipt of the payment when the money is credited to the account on a business day before 23:59 hrs. Money that is credited to a subfund account on a non-business day shall be deemed to have been received on the next Working Day after the day on which the account has been credited.

- 53.3. A Participant shall acquire the ownership right to Subfund's units upon making an entry in the personal accounts of investment units. An entry in the personal account of the Participant's investment units shall be made no later than within 1 working day from the date of receipt of monies in the account of the subfund.
- 53.4. A minimum investment amount shall be set in the Prospectus of the Fund and published on the website www.invl.com.
54. Conditions and procedure for the sale of subfund units on the securities exchange:
- 54.1. If the units of the Subfund are traded on the NASDAQ Vilnius securities exchange, a Participant may acquire them by submitting an order to any public trading intermediary on working days and during working hours of the NASDAQ Vilnius exchange, in the manner established by the rules of the NASDAQ Vilnius exchange. An investor shall sign a contract with the intermediary in public trading and submit orders to purchase units of the subfund on the stock exchange in accordance to this contract. A commission fee set in the contract with the intermediary in public trading shall be paid for intermediary services.
- 54.2. A minimum amount of units of a subfund to be acquired on NASDAQ Vilnius Stock Exchange shall be 1 (one) unit.
- 54.3. Ownership right to units of a subfund shall be acquired upon making an entry in the personal securities account. An entry in the personal account of securities shall be made in accordance with procedures set in the contract between a Participant and the intermediary of public trading in securities.
55. Conditions and procedures for exchanging (switching) subfund units:
- 55.1. A Participant may exchange units of a subfund into units of another subfund of the same Fund on the Working Days of both Subfunds by submitting a formal application for exchange of subfund units to the Distributor. Distribution places are specified in the Prospectus.
- 55.2. The exchanged subfund units shall be converted into units of another subfund at the prices effective on the date of receipt of an application in compliance with the rules described in subparagraph 53.1. In the case of exchange of units of the subfund, the requirement established in the Law on Collective Investment Undertakings to exchange investment units only after the money has been received into the Subfund's account shall not be applicable. The Management Company shall transfer money for the exchanged units of the subfund from the account of one subfund into the account of the other subfund no later than within 1 (one) working day from the date of issue of the subfund's units.
- 55.3. The application to exchange the subfund's units submitted on the day which is a non-working day of one of the subfunds participating in the exchange shall be deemed as having been received on the next day after the submission of the application which is a Working Day for both subfunds participating in the exchange transaction. It shall be deemed that the application has been received on the date of submission thereof if the Management Company receives it by the methods established in the Prospectus on the Working Days before 11:00 hrs. Applications that are received after 11:00 hrs shall be deemed as having been received on the next Working Day before 11:00 hrs. If the application is received on a non-working day, the date of receipt of the application shall be the next Working Day after the date of receipt of the application.
- 55.4. Switch between Subfunds in secondary trade is not be possible.
56. Conditions and procedure for redemption of Subfund's units:
- 56.1. Units of subfund shall be redeemed on Working Days by submitting an application to the Distributor for redemption of units of the subfund in accordance with procedures laid by the Prospectus.
- 56.2. Prior to submission of an application to the Management Company for redemption of units of the subfund acquired on NASDAQ Vilnius Stock Exchange (secondary market), the Participant is obliged to transfer the units of subfund by means of non-taxable transfer to the manager of accounts of participants of the subfund. A Participant shall submit their order to transfer the units of subfund to the intermediary of public trading who shall record units of subfund on NASDAQ Vilnius Stock Exchange.
- 56.3. Units of a subfund shall be redeemed at the price effective on the date of receipt of the application for redemption. The date on which an application was submitted shall be considered the date its receipt if the Management Company receives the application in a manner set out in the Prospectus on Working Days before 11:00 hrs. Applications submitted after 11:00 hrs shall be deemed as having been received before 11:00 hrs on the next Working Day. If the application is received on a non-business day, the date of receipt of the application shall be the next Working Day after the date of receipt of the application.
- 56.4. The Management Company shall make payment to the Participant for redeemed subfund units no later than within 7 calendar days after the receipt of the application for redemption.
- 56.5. Payment for redeemed Subfund units shall be transferred to the personal cash account specified in the Participant's application for redemption of Subfund units.
- 56.6. A Participant shall lose all their rights granted by units of subfund (including ownership right), except the right to receive monies for units of subfund being redeemed, from the moment the application for redemption of units of subfund is submitted to the Distributor. The Management Company shall be obliged to make a payment to the

Participant for units of subfund specified in the application for redemption from the day of receipt of the application for redemption.

57. Conditions and procedure for sale of Subfund's units on the securities exchange:

- 57.1. Units of subfund may be sold on NASDAQ Vilnius Stock Exchange on opening days and in opening hours in accordance with procedures laid by the legal acts governing activities of the Stock Exchange. A Participant may submit orders for sale of units of subfund in secondary market to any intermediary of public trading. A commission fee set in the contract with the intermediary in public trading shall be paid for the services of the intermediary.
- 57.2. A minimum amount of units of a subfund to be sold on NASDAQ Vilnius Stock Exchange shall be 1 (one) unit.
- 57.3. Settlement for Subfund units sold on the NASDAQ Vilnius securities exchange (secondary market) shall be made in the manner established by the NASDAQ Vilnius securities exchange and the contract with an intermediary of public trading. Settlement with a Participant for sold Subfund units shall be made in the manner established in the agreement with the intermediary of public trading.
- 57.4. An entry in the personal securities account shall be made in accordance with procedures set in the contract between a Participant and an intermediary of public trading.

PART VIII

CONDITIONS AND PROCEDURES FOR SUSPENSION AND RESUMPTION OF REDEMPTION AND EXCHANGE OF SUBFUND UNITS

58. The right to suspend redemption and switch of units of the subfund for no longer than 3 (three) months per annum shall be vested with the Management Company and the Supervisory Authority. In the case of INVL Emerging Europe Bond Subfund, this deadline may be extended having regard to the deadline of the decision adopted by the Management Company of the Master Undertaking. In such case the redemption of the units of the subfund of INVL Emerging Europe Bond Subfund shall be suspended for the same period as that of the Master Subfund.
59. Redemption and switch of units of the subfund may be suspended if:
 - 59.1. It is necessary to protect interests of the public and the Participants against potential insolvency of the subfund or fall in the redemption price in the event of unfavourable situation on the financial market and fall in the value of portfolio of the financial instruments;
 - 59.2. the available amount of funds is insufficient to pay for the units subject to redemption and/or switch, while the sale (disposal) of the available investment instruments would result in a loss;
 - 59.3. in the case of INVL Emerging Europe Bond Subfund, if the Management Company of the subfund INVL Emerging Europe Bond Fund decides to suspend the acquisition or redemption of units of that subfund or to suspend the calculation of the net asset value;
 - 59.4. such a sanction shall be imposed by the Supervisory Authority.
60. From the moment the decision is taken to suspend redemption and switch of units of subfund, it shall be prohibited to accept applications for redemption or switch of units of the subfund and to effect settlement for units of the subfund, the redemption of which was requested prior to the taking of the decision on suspension of redemption or switch.
61. A notice of suspension of redemption must be forthwith communicated to the persons who are intermediaries in the process of redemption, also to the Bank of Lithuania, and in the case of distribution of investment units in foreign states – also to foreign supervisory authorities; a notice thereof must also be published in the Business news newspaper. The Management Company shall also inform investors seeking to submit applications for acquisition of units of the subfund in writing about the suspension of redemption.
62. Where a decision on the suspension of redemption has been made by the Supervisory Authority, the right to resume it shall be vested solely in the Supervisory Authority or a court or an administrative disputes commission which has annulled this decision. In other cases, this right shall also be vested in a Management Company.
63. A notice of the decision to resume the redemption of units of the subfund shall be communicated in accordance with the procedure applied for communicating the notice of suspension of redemption as laid down in paragraph 61 of the Rules.
64. Trade on NASDAQ Vilnius Stock Exchange may be suspended and resumed in accordance with the procedures set by legal acts governing public trade in securities and rules of the Stock Exchange. The suspension of trade on NASDAQ Vilnius Stock exchange shall be communicated in accordance with the procedures set by legal acts governing public trade in securities and rules of the Stock Exchange.

PART IX

PROCEDURES FOR EVALUATION OF ASSETS, CALCULATION AND PUBLICATION OF VALUE OF A SUBFUND UNIT

65. Assets and liabilities shall be stated at fair value, except for the cases when it is impossible to determine it reliably.
66. The fair value of assets and liabilities shall be determined on the basis of observable market transactions or market information. In the event that there are no observable market transactions or market information, the fair value shall be determined on the basis of valuation methodologies. When determining the fair value, the same purpose shall be sought in all cases – to calculate the amount for which the parties to the transaction can sell assets or services or transfer a liability to each other in an arm's length transaction on the day of the determination of the value.
67. The difference between the assets and liabilities reveals the net asset value (NAV).

68. The value of assets shall be determined on the basis of the NAV calculation methodology approved by the Bank of Lithuania and the NAV calculation methodology and procedures approved by the Management Company.
69. The previous day's value of a subfund unit and NA shall be calculated every business day and published no later than 14:00 hrs. of the current business day on the website www.invl.com.
70. The value of a subfund unit shall be determined by dividing the subfund's NAV by the total number of units of the subfund that are in circulation.
71. The value of a subfund unit shall be calculated to four decimal places of precision and rounded according to the rules of mathematics.

PART X

PROCEDURES FOR DETERMINING REDEMPTION AND SELLING PRICE OF UNITS OF SUBFUND

72. Selling price of Subfund's unit shall be equal to the sum of the value of Subfund's unit plus Distribution fee.
73. Redemption price of Subfund's unit shall be equal to the value of Subfund's unit.

PART XI

PROCEDURES FOR PUBLICATION OF INFORMATION ABOUT THE FUND

74. All reports and (or) other notifications required under legal acts shall be submitted by the Management Company to the Supervisory Authority and the public in accordance with procedures and time frames set by legal acts.
75. Annual reports of the Management Company shall be published on website www.invl.com in accordance with time frames and scope set by legal acts.
76. The Management Company shall publish the following on the website www.invl.com:
 - 76.1. Prospectus of the Fund;
 - 76.2. document on essential information to investors of the subfunds;
 - 76.3. reports of Funds for each financial year;
 - 76.4. reports of Funds covering the first six months of each financial year.
77. Financial accounts of the Fund shall be drawn in EUR currency and, should there be a need for it, in foreign currency.
78. All other reports and (or) notifications excluded from this part of the Rules shall be published on website www.invl.com.

PART XII

FREQUENCY AND METHODS FOR DISTRIBUTING INCOME OF SUBFUND

79. Income of a subfund shall not be distributed. They shall cover expenses of the subfund and be used for increasing the value of NA of the subfund. Income of the subfund shall be reinvested.

PART XIII

PROCEDURE FOR ESTABLISHING NEW SUBFUNDS

80. New subfunds shall be established by a decision of the Management Company. Newly established subfunds shall commence their activities after the Supervisory Authority has approved the incorporation documents.

PART XIV

GROUNDS AND PROCEDURE FOR TERMINATING A SUBFUND

81. A subfund may be terminated in the following cases:
 - 81.1. if the Management Company adopts a decision on termination;
 - 81.2. in other cases laid down by legal acts of the Republic of Lithuania.
82. After the Management Company has adopted a decision on terminating the subfund, sale and redemption of units of the subfund shall cease and the diversification requirements shall not be applicable either.
83. If in the process of terminating a subfund, it emerges that assets of the subfund are insufficient to cover liabilities, the Management Company shall not be obligated to discharge the remaining obligations, provided the Supervisory Authority, upon the Management Company's request, has confirmed there is insufficient information that the Management Company has inappropriately discharged its obligations set in the Law on Collecting Investment Undertakings and the Rules of the Fund.
84. After creditors' claims are met, the monies obtained from the sale of the assets constituting the subfund shall be distributed among Participants of the subfund in proportion to their holdings in the subfund.
85. Where a court is hearing claims regarding the liabilities which must be discharged from the assets of the subfund, the subfund may be divided only after the court decisions in such cases become effective.

PART XV

PROCEDURES FOR AMENDING RULES OF THE FUND

86. Rules of the Fund shall be adopted and amended by a decision of the board of the Management Company.
87. Any amendment to the Rules requires the prior approval of the Supervisory Authority. Amendments to the Rules shall take effect on the next day after the decision by the board of the Management Company to approve the amended version of the Rules, unless a later date for the amendments to take effect is stipulated in the decision of the board of the Management Company.
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