

## Open-ended Harmonized investment fund “INVL Baltic Fund”

### RULES OF THE FUND

Pagrindinė informacija apie kolektyvinio investavimo subjektą:

Name	<i>Open-ended Harmonized investment fund “INVL Baltic Fund”</i> (hereinafter – the Fund)
Legal form	Harmonized investment fund
Type	Open-ended investment fund
Fund currency	Euro (EUR)
Fund inception date	February 8th, 2005 Day of first NAV – February 15th, 2005
Duration	Open-ended
Management Company Registered office Telephone Fax E-mail Website	UAB INVL Asset Management (hereinafter – the Management Company) Gynėjų str. 14, 01109 Vilnius 8 700 55 959 +370 5 279 0602 info@invl.com <a href="http://www.invl.com">www.invl.com</a>
Depository Registered office Telephone Fax	AB SEB bank Gedimino ave. 12, 01103 Vilnius, Lithuania +370 5 268 2800 +370 5 268 2333

#### Approved by Management Company:

By decision of the Board of BVP Investicijų Valdymas LTD dated 30 September 2005 (minutes of the meeting No. P-2005/09/30-1K)

Amended: by decision of the Board dated 31 July 2006 (minutes of the meeting No. P-2006/07/31-2)

Amended: by decision of the Board dated 20 September 2006 (minutes of the meeting No. P-2006/09/20-1)

Amended: by decision of the Board dated 3 January 2007 (minutes of the meeting No. VPP-2007/01/03-1)

Amended: by decision of the Board of Prudentis LTD dated 17 January 2007 (minutes of the meeting No. VPP-2007/01/17-1)

Amended: by decision of the Board of Prudentis LTD dated 4 March 2009 (minutes of the meeting No. VPP-2009/03/04-1)

Amended: by decision of the Board of Prudentis LTD 11 November 2009 (minutes of the meeting No. 2009/11/11)

Amended: by decision of the Board of Prudentis LTD 4 January 2010 (minutes of the meeting No. 2010/01/04)

Amended: by decision of the Board of Prudentis LTD 29 June 2010 (minutes of the meeting No. 2010/06/29)

Amended: by decision of the Board of Prudentis LTD 3 August 2010 (minutes of the meeting No. 2010/08/03)

Amended: by decision of the Board of Prudentis LTD 20 August 2010 (minutes of the meeting No. 2010/08/20)

Amended: by decision of the Board of UAB Finasta Asset Management 24 January 2014 (minutes of decision No. 02-28/2);

Amended: by decision of the Board of UAB Finasta Asset Management on 1 July 2014 (minutes of decision No. 27).

Updated: by decision of the Board of UAB INVL Asset Management on April 2, 2015 (minutes of decision No. 14).

Amended: by decision of the Board of UAB INVL Asset Management 18 January 2016 (minutes of decision No. 2).

Amended: by decision of the Board of UAB INVL Asset Management 25 August 2017 (minutes of decision No. 72)

Amended: by decision of the Board of UAB INVL Asset Management 12 November 2019 (minutes of decision No. 91)

Amended: by decision of the Board of UAB INVL Asset Management 12 April 2021 (minutes of decision No. 28). **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 Fund.
  - 1.2. **Depository** shall mean AB SEB bank company code 112021238, registered office Gedimino ave. 12, 01103, Vilnius, Lithuania.
  - 1.3. **Working day** shall mean a calendar day, except for public holidays and rest days.
  - 1.4. **Net assets** (hereinafter referred to as **NA**) shall mean difference between the value of assets of a Fund and liabilities of a Fund.
  - 1.5. **Investment unit** (hereinafter referred to as the unit) shall mean a transferable security certifying the Fund's obligations to the owner of this security, i.e. the Participant.
  - 1.6. **Derivative financial instruments** shall bear the meaning as defined in the Law on Markets in Financial Instruments.
  - 1.7. **Financial instruments** shall bear the meaning as defined in the Law on Markets in Financial Instruments.
  - 1.8. **Key Investor Information Document** shall mean a document prepared separately for every Fund and providing essential information to investors about the Investment Fund and its Management Company.
  - 1.9. **Money market instruments** shall bear the meaning as defined in the Law on Collective Investment Undertakings.
  - 1.10. **Distributor** shall mean a Management Company or a person who, under a contract with the Management Company, sells units of a Fund and accepts applications for redemption and/or exchange of units of a Fund as well as performing other actions provided in the contract with the Management Company.
  - 1.11. **Prospectus** shall mean a document intended to investors and the public and providing information on units of a Fund.
  - 1.12. **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.
  - 1.13 **Rules** shall mean these Rules that constitute the incorporation document of the Fund
  - 1.14. **Management Company** shall mean INVL Asset Management LTD, company code 126263073, registered address at Gynėjų Str. 14, Vilnius, Lithuania 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 FUND. SPECIALISATION IN GEOGRAPHICAL AREA OR INDUSTRIAL BRANCH

2. The objective of the Fund is to maximize asset appreciation for the benefit of the Fund's members, assuming medium and higher levels of risk and investing in equities of companies operating in the Baltic States.
3. Investment strategy of the Fund: from 50% to 100% of the Fund's net assets may be invested in securities of listed Lithuanian, Latvian and Estonian companies. The remaining part of net assets of the Fund can be invested in the shares of companies conducting a significant proportion of their business activities in the Baltic States and listed in other markets referred to in Clause 27 of the Full Prospectus of the Fund as well as in other investment instruments referred to in Sub-Clause 5 of these Rules.
4. The Benchmark index is used for the evaluation of performance of the Fund. . For more information on the benchmark index visit [www.invl.com](http://www.invl.com).
5. Assets of the Fund may consist only of:
  - 5.1. Transferrable securities or money market instruments on the trading list of a regulated market operating in the Republic of Lithuania or another EU Member State.
  - 5.2. Transferrable securities or money market instruments traded in a market of another EU Member State, which operates according to the set rules, is recognized, regulated and open to the public.
  - 5.3. Transferrable securities or money market instruments on the trading lists of Oslo stock exchanges or traded in the regulated markets of Norway, which operate according to the set rules, are recognized and open to the public.
  - 5.4. New transferrable securities issued, provided that issue conditions contain an obligation to list these securities in the official trading list of a stock exchange or regulated market and provided that the listing will take place not later than within one year from the issue date and the stock exchange/market is in a state referred to in Sub-Clauses 5.1.- 5.3.
  - 5.5. Units and equities of such undertakings for collective investment (UCI), that meet the following conditions:
    - 5.5.1. 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 of which 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 foreign Supervisory Authority;
    - 5.5.2. 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;
    - 5.5.3. 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;
    - 5.5.4. 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.
  - 5.6. . Deposits with the term not exceeding 12 months which can be withdrawn on demand at credit institutions with the registered office in a EU Member State or any other state where regulation aimed at limiting risks is at least as stringent as in the European Union.
  - 5.7. Money market instruments which are:

5.7.1. issued or guaranteed by the government, regional authority, local authority or central bank of a EU Member State, the European Central Bank, the European Investment Bank, not EU Member State or part of federal state or an international organization of which at least one EU Member State is a member;

5.7.2. issued by an entity whose securities are traded in the regulated markets referred to in Sub-Clauses 5.1. – 5.3. of these Rules;

5.7.3. issued or guaranteed by an entity whose operating risk is under surveillance according to the requirements of the European Union law or such requirements which are at least as stringent as those in force in the European Union;

5.7.4. issued by an entity which meets the criteria established by the Supervisory Authority, its capital and reserves amount to at least EUR 10 million, it draws up consolidated financial statements and performs the function of financing of a group of companies and at least one of the group companies is listed on a stock exchange or is used for the issue of securities financed by bank loans and investments in such instruments are secured to the extent not lower than that specified under Sub-Clauses 5.7.1– 5.7.3 above.

5.8. Derivative financial instruments referred to in Article 80 of the Law on Collective Investment Undertakings.

6. Restrictions on investments:

6.1. The Fund may invest in securities or money market instruments of a single issuer a maximum of 5% of the Fund's net assets except for the cases referred to in Sub-Clauses 6.2, 6.5 and 6.6 of these Rules.

6.2. More than 5% but not more than 10% of the Fund's net assets may be invested in securities or money market instruments of a single issuer provided that the total amount of such investments does not account for more than 40% of the net assets (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).

6.3. Investments in deposits at a credit institution may not exceed 20% of the Fund's net assets.

6.4. 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.

6.5. Investments in securities or money market instruments issued or guaranteed by a EU Member State or local authority or another state or an international organization of which at least one EU Member State is a member may not exceed 35% of the Fund's net assets per issuer. Supervisory Authority may allow investing in transferrable securities or money market instruments and a larger share of NA only if the interest of investors would be adequately protected when chosen to invest to at least 6 emissions' transferable securities or money market instruments and not exceeded 30% of NA to one emission's transferable securities or money market instruments.

6.6. Maximum 25% of the Fund's net assets may be invested in bonds issued by a credit institution established in a EU Member State, which is under special state surveillance under the law of that state in order to protect bondholders' interests and the amount received from the bond issue is invested, for the entire term, in the assets the amount of which would be sufficient to meet the bondholders' claims and which will be used, in case of insolvency of the issuer, to meet the bondholders' claims for principal amount and interest on priority basis. Where more than 5% but not more than 25% of the net assets are invested in the bonds of such issuer, total amount of such investments may not exceed 80% of the net assets.

6.7. Investment limits referred to in Sub-Clauses 6.1–6.6 above may not be summed up, therefore, the sum of investments in a person's securities, money market instruments or deposits and the liabilities arising from the derivative instruments transactions with that person may not exceed 35% of the Fund's net assets.

6.8. A maximum of 20% of the Fund's net assets may be invested in securities and money market instruments issued by a company forming part of a group liable for drawing up consolidated financial statements.

6.9. A maximum of 10% of the Fund's net assets may be invested in each entity referred to in Sub-Clause 5.5 Total amount of investments in limited-distribution UCIs and such UCIs which are not regulated by the UCI Law may not exceed 20% of the Fund's net assets.

- 6.10. Assets of the Fund may not be invested in precious metals or securities entitling thereto but can be invested in cash.
- 6.11. The sum of shares of any issuer held by the Management Company and the shares of that issuer held by the Fund may not account for more than 1/10 of the total voting rights at the general meeting of the issuer.
- 6.12. The Fund may acquire a maximum of:
- 6.12.1. 10 per cent of all non-voting shares of an issuing body;
  - 6.12.2. 10 per cent of all bonds and non-equity securities of other forms of an issuing body;
  - 6.12.3. 25 per cent of units or shares of another collective investment undertaking;
  - 6.12.4. 10 per cent of the money market instruments of a single issuing body.
- 6.13. The restrictions under Sub-Clauses 6.12.2 – 6.12.4 may be ignored at the moment of acquisition if the total value of relevant securities or money market instruments cannot be estimated.
- 6.14. The restrictions under Sub-Clauses 6.12.2 and 6.12.4 do not apply to securities or money market instruments issued or guaranteed by the State or local authorities.
7. Temporary non-compliance with the Rules.
- 7.1. The Fund may temporarily not comply with the set investment restrictions if it exercises the priority right attached to its securities or money market instruments. In such a case, as well as in cases where the investment rules are violated for reasons beyond the Management Company's control, the incompliance must be eliminated as soon as possible but not later than within 6 months.
- 7.2. The Fund's investment portfolio may be incompliant with the provisions set out in Sub-Clauses 6.1. – 6.9 during the first 6 months from the date of issue by Supervisory Authority of the permission to approve the documents of its establishment and to choose the depository.
8. Specialization of the Fund in terms of geography or industry:
- 8.1. The Fund will invest only in the states of the Baltic Sea region, the Nordic countries, United Kingdom and Germany.
  - 8.2. The Fund will not specialize in any industry or investment style.

### PART III

#### RIGHTS AND OBLIGATIONS OF PARTICIPANTS

9. A Participant shall have the following rights:
- 9.1. to request at any time that the Management Company redeem units which they hold;
  - 9.2. to get the remaining part of assets of the Fund being dissolved.
  - 9.3. to get information on the Fund as set by legal acts.
  - 9.4. to sell, make a gift of their units of the Fund or otherwise transfer the ownership or possession right to third parties.
  - 9.5. other rights as set in Rules of the Fund, sale and purchase agreement and other legal acts.
10. A Participant shall have the following obligations:
- 10.1. 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);
  - 10.2. upon sale, making a gift or otherwise transferring ownership or possession rights to units of the Fund, to conclude a written contract with the acquirer of units of the Fund, one copy of which shall be submitted to the Distributor within 3 (three) working days.
  - 10.3. other obligations as set in Rules of the Fund, contracts of purchase and sale of units of the Fund and other legal acts.

### PART IV

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

11. Management Company shall have the following obligations:

- 11.1. 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;
  - 11.2. to act prudently with due professionalism and care;
  - 11.3. to have in place and make use of instruments and procedures necessary for its activities;
  - 11.4. to disclose to the Participant sufficient information relating to and necessary for them;
  - 11.5. to have organizational 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;
  - 11.6. 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 Fund 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 Fund and legal acts;
  - 11.7. 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;
  - 11.8. to have description of procedures governing adoption of investment decisions and to comply with it;
  - 11.9. 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;
  - 11.10. to comply with capital, risk limitation and other requirements laid down in the applicable legislation;
  - 11.11. to establish and implement the remuneration policy;
  - 11.12. 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;
  - 11.13. to obey instructions by the Supervisory Authority;
  - 11.14. to fulfil other obligations established in the Rules, the Prospectus and by law.
12. Management Company shall have the following rights:
- 12.1. to hold in trust, use and dispose of the Fund'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 Fund and the sale and redemption of units of the Fund, at the expense and in the interests of the Fund;
  - 12.3. to make deductions from assets of the Fund;
  - 12.4. The Management Company, in pursuit of effective management, shall have the right to assign a part of its management functions to another company which has the right to provide respective services, however this shall not release the Management Company from responsibility;
  - 12.5. to halt redemption and subscription of units of the Fund in cases and under the conditions set by legal acts.
  - 12.6. Units of the Fund 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 Fund.
  - 12.7. Units of the Fund can be accounted for by any accounts manager after the issue of units of the Fund have been registered with the Central Securities Depository of Baltic states (hereinafter the NASDAQ CSD).

### PART V

#### METHODOLOGY FOR CALCULATING REMUNERATION AND OTHER EXPENSES, AMOUNT AND PAYMENT PROCEDURES



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

### 13. General information on remuneration and expenses:

13.1. The maximum amounts for remuneration and expenses are established in the Rules. The specific remuneration amounts foreseen in paragraphs 18 and 27 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 Management Company's website [www.invl.com](http://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.

13.2. 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 financial year. The NAV of the subfund shall be increased by the amount according to the value of overpayments.

14. The maximum total amount of expenses which may be paid out of the resources of the Fund is 3.5 per cent of the average annual net asset value of the Fund.

15. The Management Company shall collect and keep documents substantiating calculations of remuneration and other expenses.

16. 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

17. Fee to the Management Company for management of the Fund is paid out of the Fund's assets.

18. Annual fee to the Management Company for management of the Fund may account for maximum 2% of the average net asset value (NAV) of the Fund (excluding the fee charged by the Management Company for the distribution of the Fund's units).

19. The management fee to the Management Company is calculated on each business day on the NAV of the Fund. The daily fee amount is calculated by multiplying the Fund's NAV by the annual fee rate (%) and dividing by the number of days in the year.

20. The fee payable to the Management Company as the distributor of the Fund's units accounts for maximum 3% of the amount invested by the investor.

21. The fee to the Management Company as the distributor of the Fund's units is paid on a monthly basis by the tenth date of next month.

## CHAPTER 3. REMUNERATION TO THE DEPOSITORY

22. Fee to the Depository for depository services is paid out of the Fund's assets.

23. Annual fee to the Depository services as laid down in the services agreement shall account not exceeding 0.25% of the average annual NAV of the Fund.

24. 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

25. The Depository must submit to the Management Company reports and documents proving correctness of calculation of the depository fee.

## CHAPTER 4. REMUNERATION TO DISTRIBUTORS

26. Fee to the Distributor for distribution services is paid out of the investor's assets.

27. The fee to the Distributor for the distribution of the Fund's units shall not exceed 5% of the amount invested by the investor.

28. The fee payable to the Distributor is calculated during completion of sales.

### CHAPTER 5. REMUNERATION TO AUDITOR

29. The rate of the annual fee to the auditor of the Fund is maximum 0.5% of the average annual NAV of the Fund.

30. The Auditor Fee is calculated on each business day on the NAV of the Fund. The daily share of the annual fee rate is calculated based on the Fund's NAV on that day. The number of business days in the relevant year is applied in the calculation.

### CHAPTER 6. OTHER EXPENSES

31. The following costs are covered out of the Fund's assets:

31.1. costs of fees to intermediaries for intermediation in buying and selling securities. These costs will not be higher than a maximum of 0.75% of the annual average value of transactions. 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.

31.2. Remuneration to Legal consultants for services and advocacy, to cover representation expenses and other legal expenses shall not exceed 1 (one) per cent of the average annual value of NA of the Fund

31.2. 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 Fund.

31.3. 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.

31.4. 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 Fund; 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.

31.5. Fees to the market maker, authorized agent of the Management Company, NASDAQ CSD as well as manager of Participants' and their investment units accounts.

31.6. The portion of the fee to the Supervisory Authority for the supervision of financial market participants subject to supervision due to the Fund 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.

31.7. The fee to the providers of financial indexes used in the Fund's benchmark index shall be paid for the information and historical data on the index composition.

31.8. 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).

31.9. Expenses provided for in paragraphs 31.3 – 31.7 of the Rules shall not exceed 0.5 (five tenths) per cent of the average annual value of NA of the Fund.

## PART VI

### PROCEDURE FOR REPLACEMENT OF THE MANAGEMENT COMPANY AND DEPOSITORY

32. The right of the Management Company to manage the Fund expires upon:

32.1. transfer of management to another management company;

32.2. the time the Supervisory Authority revokes the license held by the Management Company;

32.3. initiation of liquidation proceedings against the Management Company;

32.4. initiation of bankruptcy proceedings against the Management Company;

32.5. other cases established in the Lithuanian law.

33. Where the right of the Management Company to manage the Fund expires and the management has not been transferred to another company, the management is temporarily overtaken by the Depository of the Fund. In such a case the Depository assumes all the rights and responsibilities of the Management Company. If no other management company assumes the Fund within 3 months, it must be terminated.



34. The Depository may be replaced:

- 34.1. if the Depository is not discharging or is not properly discharging their obligations as set in the contract;
- 34.2. upon an agreement between the Depository and the Management Company;
- 34.3. upon an order of the Supervisory Authority;
- 34.4. if other important reasons are present.

35. Depository and/or Management Company shall be replaced on the basis of decisions for replacement of depository or the Management Company adopted by the board of the Management Company, except for the cases indicated in subparagraphs 32.1.– 32.4. 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.

36. A prior authorization by the Supervisory Authority shall be mandatory for replacing the Management Company or Depository.

### PART VII

#### CONDITIONS AND PROCEDURE FOR SELLING AND REDEMPTION OF UNITS

##### 37. Procedure for selling of units of the Fund:

37.1. A Participant may acquire units of the Fund during working days at places of distribution indicated in Prospectus by concluding in the manner established by the Prospectus a Fund unit purchase and sale agreement for the one-time or periodic acquisition of units of Fund. After the Participant has concluded a fund-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 Fund-unit purchase and -sale agreement for Fund's units, a payment under the contract shall be made into the account of the Fund's account indicated specified in the Prospectus no later than within three business days 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 Fund-unit purchase and sale agreement for a one-time acquisition of Fund 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.

37.2 Money received under a Fund-unit purchase and shall be converted into Fund units in compliance with the rules described in paragraph 37.1 of the Rules. The date on which money is received into a Fund 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 Fund 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.

37.3. A Participant shall acquire the ownership right to Fund'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 Fund.

38. The minimum amount to be invested is established by decision of the Board of the Management Company, set in the Prospectus of the Fund and published on the website [www.invl.com](http://www.invl.com).

##### 39. Conditions and procedure for the sale of Fund units on securities exchange:

39.1. A Participant may acquire units of the Fund on NASDAQ Vilnius Stock Exchange by submitting an order to any intermediary of public trading in securities on opening days and in opening hours of NASDAQ Vilnius Stock Exchange in accordance to procedures set by rules of NASDAQ Vilnius Stock Exchange. An investor shall sign a contract with the intermediary in public trading and submit orders to purchase units of the Fund 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.

39.2. A minimum amount of units of a Fund to be acquired on NASDAQ Vilnius Stock Exchange shall be 1 (one) unit.

39.3. Ownership right to units of a Fund 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.

#### **40. Conditions and procedure for the sale of Fund units:**

40.1. Units of the Fund are redeemed on each business day by approaching the Management Company or an authorized distributor. Units of the Fund are redeemed upon filing of an application in the set form by the Fund's member. An application for redemption of the Fund's units owned by the joint property right by spouses may be filed by a spouse, who must produce a power of attorney issued by the other spouse; the power of attorney may be in a simple written form.

40.2. The application for redemption of the Fund's units must state the number of the units being sold.

40.3. Prior to submission of an application to the Management Company for redemption of units of the Fund acquired on NASDAQ Vilnius Stock Exchange (secondary market), the Participant is obliged to transfer the units of Fund by means of non-taxable transfer to the manager of accounts of participants of the Fund – public limited liability company. A Participant shall submit their order to transfer the units of Fund to the intermediary of public trading who shall record units of Fund on NASDAQ Vilnius Stock Exchange.

40.4. Units of a Fund 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.

40.5. Payment for the redeemed units of the Fund is made within 7 days from the date of filing of the application for redemption.

40.6. Should the Management Company fail to settle up with the investor within the set time limit, the Management Company pays the investor penalty stipulated in the agreement on sale-purchase of the Fund's units. If the delay in payment occurs through the fault of the Depository or another third party, the defaulting party is liable for the losses of the Management Company incurred due to delayed payment to the investor.

40.7. Payment for redeemed units of the Fund shall be transferred to the personal cash account specified in the Participant's application for redemption of Fund units.

40.8. From the moment of filing of the redemption application, the member of the Fund forfeits all the rights attached to the Fund's units (including title) except for the right to receive money for the redeemed units. From the moment of receipt of the redemption application from the member, the Management Company is obligated to pay the member for the Fund's units the redemption of which is requested.

#### **41. Procedure for redemption of units of the Fund on securities exchange:**

41.1. Units of Fund 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 Fund 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.

41.2. A minimum amount of units of a Fund to be sold on NASDAQ Vilnius Stock Exchange shall be 1 (one) unit.

41.3. Payments for units of Fund sold on NASDAQ Vilnius Stock Exchange shall be made in accordance with procedures set by NASDAQ Vilnius Stock Exchange and the contract with an intermediary of public trading. A payment to the participant for units of Fund sold shall be made in the manner established in the contract with the intermediary of public trading.. In accordance with the procedures laid by legal acts governing public trading in securities and the rules of the stock exchange, the intermediary in public trade shall be responsible for making proper and timely deductions.

41.4. 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.

**VIII. CONDITIONS AND PROCEDURES FOR SUSPENSION AND RESUMPTION OF SUBSCRIPTION OF UNITS OF FUND**

42. The Management Company has the right at its discretion to suspend temporarily, for up to 3 months, the subscription of Fund units.
43. The subscription of Fund units may be suspended if:
- the Fund's Net Asset Value has increased by more than 20 percent in the last 30 days;
  - it is necessary in order to protect the interests of the Participants.
44. Acceptance of subscription applications shall be forbidden from the next business day after notification about the suspension of the subscription of Fund units has been given to the Supervisory Authority, the supervisory authorities in other countries where the Fund's units are distributed, and Distributors, or from a later date if so established in the Management Company's decision;
45. Any decision taken by the Board to suspend the subscription of Fund units shall be communicated immediately to the Supervisory Authority as well as to the supervisory authorities of other countries where the Fund's units are distributed, and to Distributors. The decision shall be also published on the website of the Management Company [www.invl.com](http://www.invl.com).
46. A decision to renew the redemption of units is notified according to the same procedure as the one applied in case of deferral.
47. 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**

**CONDITIONS AND PROCEDURES FOR SUSPENSION AND RESUMPTION OF REDEMPTION AND CHANGE OF UNITS OF FUND**

48. The right to suspend redemption and change of units of the Fund for no longer than 3 (three) months per annum shall be vested with the Management Company and the Supervisory Authority.
49. Redemption may be deferred if:
- 49.1. this is necessary to protect the members' interests against potential insolvency of the Fund or a fall in the redemption price under adverse conditions of the securities market and in case of reduction in the value of the investments portfolio;
- 49.2. there is not enough money to pay for the Fund's units being redeemed, while selling of the available securities would be loss making;
- 49.3. such measure is imposed by the Supervisory Authority according to the Law on Undertakings for Collective Investment.
50. It is prohibited, from the moment of adoption of decision on the deferral of redemption, to:
- 50.1. accept applications for redemption;
- 50.2. pay for the units the redemption of which was applied for prior to adoption of the redemption decision.
51. Deferral of redemption is immediately notified to the persons through which redemption is affected and to the Supervisory Authority; in case if the units are distributed in foreign states – to foreign regulatory bodies. Information on the deferral is also published in the website of the Management Company [www.invl.com](http://www.invl.com) and in the daily The Verslo žinios. The investors that contemplate to submit an application to buy Fund units must be informed by the Management Company in a written form about the suspension of the redemption.
52. Where the deferral decision has been adopted by the Supervisory Authority, redemption can only be renewed by the Supervisory Authority or the court by invalidating such decision. In other cases the Management Company may exercise such right as well.
53. A decision to renew the redemption of units is notified according to the same procedure as the one applied in case of deferral.

54. 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 X

#### PROCEDURE FOR VALUATION OF FUND'S ASSETS, CALCULATION AND PUBLISHING OF UNIT VALUE

55. Assets and liabilities shall be stated at fair value, except for the cases when it is impossible to determine it reliably.
56. 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.
57. The difference between the assets and liabilities reveals the net asset value (NAV).
58. 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.
59. The previous day's value of a subfund unit and NAV 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](http://www.invl.com).
60. 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.
61. The value of a subfund unit shall be calculated to four decimal places of precision and rounded according to the rules of mathematics.

### PART XI

#### PROCEDURE FOR SETTING OF SELLING PRICE AND REDEMPTION PRICE

70. The selling price for the Fund's unit is determined according to the following procedure:
- 70.1. The value of the Fund's unit is determined by dividing the NAV of the Fund as of the date of sale by the total number of the Fund's units in circulation.
- 70.2. Selling price of Fund's unit shall be equal to the sum of the value of Fund's unit plus Distribution fee.
71. The redemption price of the Fund's unit is equal to the value of the unit. No additional charges apply to the redemption of the Fund's units.

### PART XII

#### PUBLICATION OF INFORMATION ABOUT THE FUND

72. 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:
- 72.1. Annual report – within 4 months from the end of financial year.
- 72.2. Semi-annual report – within 2 months from the end of a half-year period.
- 72.3. All other reports and (or) notifications excluded from this part of the Rules shall be published on the website [www.invl.com](http://www.invl.com).
73. The Management Company shall publish the following on the website [www.invl.com](http://www.invl.com):
- 73.1. the Prospectus of the Fund;
- 73.2. the document on essential information to investors of the Fund;
- 73.3. a report for each financial year;
- 73.4. a semi-annual report (for six months) for each financial year
74. Financial accounts of the Fund shall be drawn in national currency and, should there be a need for it, in foreign currency.

75. The Prospectus, constituent documents, annual and semi-annual reports and information about the Fund are available in the website of the Management Company [www.invl.com](http://www.invl.com) and at the offices of the Management Company and the authorized distributors during business hours.

### **PART XIII DISTRIBUTION OF INCOME**

76. Income earned by the Fund is used to cover the Fund's costs and the remaining amount of income is reinvested.

### **PART XIV GROUNDS AND PROCEDURE FOR TERMINATING A FUND**

77. A Fund may be terminated in the following cases:

77.1. if the Management Company adopts a decision on termination;

77.2. If within 6 months from the date on which NA was less than required, the situation is not corrected, the Management Company shall take immediate actions to terminate or liquidate the Fund.

77.3. in other cases laid down by legal acts of the Republic of Lithuania.

78. After the Management Company has adopted a decision on terminating the Fund, sale and redemption of units of the Fund shall cease and the diversification requirements shall not be applicable either.

79. If in the process of terminating a Fund, it emerges that assets of the Fund 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.

80. After creditors' claims are met, the monies obtained from the sale of the assets constituting the Fund shall be distributed among Participants of the Fund in proportion to their holdings in the Fund.

81. Where a court is hearing claims regarding the liabilities which must be discharged from the assets of the Fund, the Fund may be terminated only after the court decisions in such cases become effective.

### **PART XV AMENDMENTS TO THE RULES**

82. Rules of the Fund shall be adopted and amended by a decision of the board of the Management Company.

83. 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.