



Open-end fund for well-informed investors

INVL BRIDGE FINANCE

ARTICLES

Fund investment units are restricted to well-informed investors only.

**Vilnius
2023**

Approved¹:

2015-03-24 in Board meeting of UAB „Mundus“, turto valdymo bendrovė

**ARTICLES OF THE OPEN-END FUND FOR WELL-INFORMED INVESTORS
“INVL BRIDGE FINANCE”**

These Articles (hereinafter – Articles) of the Open-End Fund for Well-Informed Investors “INVL BRIDGE FINANCE” (hereinafter – Fund) are based on the Law on Collective Investment Undertakings for Well-informed Investors of the Republic of Lithuania (hereinafter – LCUWII) and define the relationships between the Management Company, Investors and Fund participants.

I. GENERAL INFORMATION ABOUT THE FUND

- 1.1. **Title** – Open-End Fund for Well-Informed Investors “INVL BRIDGE FINANCE”.
- 1.2. **Management Company** – UAB „Mundus“, turto valdymo bendrovė. Gynėjų 14, 01109 Vilnius, Lithuania.
- 1.3. **Custodian** – AB Šiaulių bankas. Tilžės 149, 76348 Šiauliai, Lithuania.
- 1.4. **Beginning of operations** – March 24th, 2015.
- 1.5. **Term** – unlimited.
- 1.6. **Currency** – EUR (euro).
- 1.7. **Strategy** – private debt fund.

II. FUND INVESTMENT STRATEGY

- 2.1. The objective of the Fund is to earn a return for the Fund participants by acquiring non-equity securities issued by companies (hereinafter – Target Companies) which have a need of borrowed capital.
- 2.2. The Management Company invests the Fund’s assets in:
 - 2.2.1. progressive and promising alternative financing sector companies (hereafter Target Alternative Financing Companies), the business of which is developed with financial and, on a need basis, intellectual capital contribution, and
 - 2.2.2. other firms that have a need of borrowed capital (hereafter Target General Lending Companies).
- 2.3. The Fund seeks to provide the Target Companies with capital as long as they are not able to receive funding from other sources on better terms than, in view of to the Management Company, suits the investment interests of the Fund.

¹ Amended in UAB „Mundus“, turto valdymo bendrovė 2015-05-29, 2015-06-19, 2016-04-28, 2018-09-18, 2019-03-25, 2021-01-06, 2022-02-22, 2023-09-05 and 2023-11-14 board meetings.

- 2.4. Fund asset growth is driven by the coupons on non-equity securities paid by the Target Companies whose rates are not lower than the cost of debt of companies with comparable investment risk in the capital markets or the growth of the value of Target Companies' non-equity securities that is of an equivalent rate.
- 2.5. The Fund implements the objectives of its investment strategy – medium-term investments in promising businesses – by providing bridge financing. Bridge financing is interim financing designed for improving the recipient's financial capabilities until it obtains a long-term capital source. The Fund provides interim financing by investing in continually re-financed short-term non-equity securities.
- 2.6. When achieving its goal, the Management Company adds to the value of the Fund's portfolio Target Companies by the following means:
- 2.6.1. the Management Company, acting on behalf of the Fund and on its account, on a need basis, actively participates in the management of the Target Alternative Financing Companies by appointing its representative to the board of directors of the Company, who provides the competence needed at that time;
- 2.6.2. the Fund provides interim financing until the Target Companies are ready to float their securities in the regulated markets, place them privately or receive financing from banks or other sources under more favourable conditions.
- 2.7. If the Management Company decides that continued investment in the Target Company's non-equity securities no longer suits the investment interests of the Fund or that the Target Company has reached the development stage that allows floating its securities in local or international capital markets or receiving financing from banks or other sources under more favourable conditions the Fund terminates the interim financing and searches for a new Target Company which would be a suitable investment of the Fund.

Information About Investment Risk

- 2.8. Diversification requirements are not applied to the Fund investment portfolio; therefore, Fund participants might face a high concentration risk.
- 2.9. The anticipated Fund investment risk budget expressed in an annual expected shortfall² at 1% of worst case scenarios is 40%. The Fund's investment expected shortfall is calculated and announced together with Fund Net Asset Value (hereinafter – NAV), whose calculation frequency is determined under point 9 of the Prospectus. If the Fund investment risk indicator calculated by the Management Company exceeds the anticipated Fund investment risk budget, the Management Company must take measures in order to reduce the Fund investment risk within no more than 3 months after the day of calculating the Fund investment risk indicator which exceeds the anticipated Fund investment risk budget.
- 2.10. Investment risks are described in the Prospectus.

Investment Objects

² Expected shortfall is defined as $ES_\alpha = \frac{1}{1-\alpha} \int_\alpha^1 q_u(F_L) du$, where $q_u(F_L)$ is the quintile function of F_L , F_L is the distribution function of L , L is losses, α is the confidence level of the indicator. Expected shortfall is estimated using quantitative methods, utilising the Normalised Inverse Gaussian distribution, fitted from first four moments closest to the moments of the historic empirical distribution and at least 10 000 simulations. Historical monthly performance in euro data of the financial instruments that the Fund has invested in or of close equivalents is used for estimation. For estimation the Management Company uses the longest time series available to it, but not shorter than 5 years.

- 2.11. Fund investment objects are non-equity securities maturing in 1 year or less issued by the Target Companies, if they are not listed on regulated markets.
- 2.12. When choosing a Target Company, the Fund assesses the following main criteria:
- 2.12.1. the potential for revenue, profit and Target Company value growth;
 - 2.12.2. the competence of the owners and (or) management in the field in which the activities are being carried out;
 - 2.12.3. sufficient collateral or cash flows to cover debt obligations.
- 2.13. To create an additional liquidity buffer and ensure the Fund's obligations to redeem Fund units in accordance with the procedure laid out in the Articles, the Fund invests part of the assets in very liquid and safe investment instruments. Suitable investments include short-term (up to 1 year) Government or corporate bonds with investment-grade ratings or money market instruments, collective investment undertakings that invest mainly in money markets, index funds, deposits. In addition, Fund can keep a certain amount of funds in cash.
- 2.14. Depending on the flow of cash invested in the Target Companies and Fund's liquidity risk management requirements, the part of liquid investments can constitute up to 20% of Fund's assets. In exceptional cases, for example, when looking for new Target Companies investments after realizing an investment, the part of liquid investments in the Fund can temporarily exceed 20% of Fund's assets.
- 2.15. For the purposes of securing and / or structuring Fund's investments to manage investment risk, assets other than those specified in Articles 2.11 and 2.13 may be pledged or transferred to the Fund's ownership (after conversion, recovery or other action).

Investment Geography

- 2.16. The Fund invests in Target Companies which are based (in order of priority) in Lithuania, other Baltic States, and other European Union member states. Other investment instruments (intended for the liquidity buffer) do not have geographical restrictions.

The Fields of Activities of Target Companies

- 2.17. No less than 50 percent of the Fund's assets are invested in Target Alternative Financing Companies operating in alternative financing sector, for example, factoring, peer-to-peer lending, securitization, leasing and other credit services, as well as companies competing with commercial banks, except cases described in Articles 2.14 and 2.18.
- 2.18. No more than 50 percent of the Fund's assets are invested in short-term debt securities issued by Target General Lending Companies', the sector of activities of which are not restricted. Temporarily, no longer than for 6 months in succession during one calendar year, a part of the Fund's assets invested in Target General Lending Companies can exceed 50 percent of total Fund's assets.

Changes in the Investment Strategy

- 2.19. In case the Management Company considered changing the investment strategy, all Fund participants must be informed about such decision at least 1 month prior to the board meeting where the question of changing the strategy is to be raised. The decision regarding changing the strategy should be made by the board of the Management Company in accordance with the

procedure set out in the Articles after clear arguments were provided to and no sufficient objections received from the Investors. The detailed procedures of changing the Fund's Articles are determined under article XIII of the Articles.

Limitations

- 2.20. Fund's assets, the value of which cannot exceed 100% of Fund's NAV can be lent or transferred as collateral. The maximum Fund's asset lending term cannot exceed 5 years. The decision regarding Fund's asset lending is made by the management of the Management Company. It is prohibited to lend Fund's assets to its participants
- 2.21. If needed, Fund borrows funds in order to obtain additional funding for financing the acquired investment objects. The Fund can borrow up to 100% of Fund's NAV. The Fund engages in loan agreements for terms of less than 5 years.
- 2.22. More than 50% of Fund's assets have to be constituted by assets of Investors not related to the Management Company, including the commitments signed by the Investors.

III. RIGHTS AND OBLIGATIONS OF FUND PARTICIPANTS

- 3.1. Each Fund participant shall have the following rights:
 - 3.1.1. to demand at any time the Management Company to redeem his/her investment units according to the conditions set out in the Articles and Prospectus;
 - 3.1.2. to receive a share of the Fund's assets in accordance with the procedures set out in the Articles, Prospectus and LCUWII that are distributed to the Fund participants upon the decision of liquidating the Fund;
 - 3.1.3. to receive a part of free cash flows of the Fund in accordance with the procedures set out in the Articles, Prospectus and LCUWII if the Management Company decides to distribute the free cash flows to the participants while the Fund is still operating;
 - 3.1.4. to receive information about the Fund determined by LCUWII: the Articles, Prospectus, Key Information Document, Fund's and Management Company's annual reports together with the auditor's report, information about the value of investment units belonging to the participant;
 - 3.1.5. to sell, donate or otherwise transfer the ownership rights of the Fund units to third parties (provided that such third parties have a status of well-informed investors and with prior written consent by the Management Company);
 - 3.1.6. to vote on the amendments to the Fund Articles in accordance with the procedures and circumstances determined under section XIII of the Articles;
 - 3.1.7. other rights determined in the Articles, Prospectus and LCUWII.
- 3.2. Each Fund participant shall have the following obligations:
 - 3.2.1. to inform the Management Company of changes in the data indicated in the investment contract – name, surname, personal identity number, residence address, e-mail, telephone number, bank account number and other details (in the case of Investor-natural person) or title, legal entity code, registration address, general manager or an authorized representative, e-mail, telephone number, bank account number and other details (in case of Investor-legal entity) no later than within 10 calendar days after the changes in the data or information have occurred;

- 3.2.2. to inform the Management Company in writing in advance, in accordance with the investment contract, before selling, donating or otherwise transferring the ownership agreement of the Fund units to third parties and receive confirmation from the Management Company that the person to whom the Fund units are transferred can be considered a well-informed investor. If a participant has sold, donated or otherwise transferred the ownership of Fund units to a person who cannot be recognized as a well-informed investor, the units of this person are redeemed by the decision of the Management Company on the nearest following day of redemption applications in accordance with the Articles;
- 3.2.3. when the Fund units that belong to spouses by the joint property right are being redeemed, to submit an application signed by both spouses or one of the spouses together with a ordinary written form authorisation of the other spouse;
- 3.2.4. to carry out other obligations set out in the Articles, Prospectus, Investment contract and LCUWII.

Requirements for Investors

- 3.3. Well-informed investors are determined as:
 - 3.3.1. Investors who have a status of professional investors under the Markets in Financial Instruments Law of the Republic of Lithuania;
 - 3.3.2. natural persons and legal entities, main activity of which in not investments into collective investment undertakings, that do not have the status of professional investors, that (i) have confirmed their status as well-informed investors to the Management Company, and (ii) invest/commit to invest in the Fund at least 125 000 EUR or an equivalent amount in other currencies; or a legal person (or equivalent foreign entity), that has the right to provide investment services in the Republic of Lithuania, after having collected and evaluated information mandated in the part 1 of article 30 of the Financial Instruments Law of the Republic of Lithuania has confirmed in writing that the Fund units are suitable to the person based on his tolerance for risk and ability to suffer losses;
 - 3.3.3. natural persons who do not have the status of professional investors and are executives at the Management Company or make investment decisions at the Fund.

Minimum Investment Amount

- 3.4. The minimum investment amount is 125 000 EUR or an equivalent sum in another currency, with the exemptions mentioned in Articles 3.5 and 3.6.
- 3.5. The minimum investment amount is 20 000 EUR or equivalent sum in another currencies for these categories of investors:
 - 3.5.1. Investors that have a status of professional investors under the Law on Markets in Financial Services of the Republic of Lithuania;
 - 3.5.2. natural persons that do not have the status of professional investors, that (i) have confirmed their status as well-informed investors to the Management Company; or (ii) a legal person (or equivalent foreign entity), that has the right to provide investment services in the Republic of Lithuania, after having collected and evaluated information mandated in the part 1 of article 30 of the Financial Instruments Law of the Republic of Lithuania has confirmed in writing that the Fund

units are suitable to the person based on his tolerance for risk and ability to suffer losses;

- 3.5.3. natural persons who do not have the status of professional investors and are executives at the Management Company or make investment decisions at the Fund.
- 3.6. The minimum investment amount when investing additionally (i.e. when a person has already invested the minimum amount) is 10 000 EUR or the equivalent amount in another currency.

IV. RIGHTS AND OBLIGATIONS OF THE MANAGEMENT COMPANY

4.1. The Management Company shall have the following rights:

- 4.1.1. to use, manage and handle Fund's assets on the basis of a trust right;
- 4.1.2. to receive Management and Subscription fees;
- 4.1.3. to demand a Fund Investor/participant to timely honour his/her obligations under the Fund's Articles, Prospectus and LCUWII, as well as liabilities under the investment agreement;
- 4.1.4. to conduct and execute transactions in the account and interests of the Fund, related to management of the Fund's assets and related to sale and redemption of Fund units;
- 4.1.5. to carry out settlements that have been set out in the Articles by using Fund's assets;
- 4.1.6. to transfer a part of its management functions to another enterprise that has the right to provide the respectful services;
- 4.1.7. to amend provisions of the Fund Articles and Prospectus by the procedure set out in section XIII of the Articles;
- 4.1.8. other rights determined in the Articles, Prospectus and LCUWII.

4.2. The Management Company shall have the following obligations:

- 4.2.1. to act honestly and professionally, in adherence to obligations towards Investors/participants and in accordance with requirements set out in the Fund Articles, Prospectus and LCUWII;
- 4.2.2. to possess and apply the means and procedures necessary for its activities;
- 4.2.3. to ensure that all Fund participants meet the requirements of well-informed investors, as set out in LCUWII; to compile the Fund participant list and immediately update it as necessary;
- 4.2.4. to disclose information to an Investor related to the Investor and other information as set out in LCUWII;
- 4.2.5. to be organised in a manner that avoids conflicts of interests between the Management Company and its clients, between the clients, between collective investment undertakings or their participants that are managed by the Management Company;
- 4.2.6. to ensure that decisions regarding the management of Fund's assets are taken by qualified and experience personnel with impeccable reputation;
- 4.2.7. to ensure the reliability of administrative and accounting procedures and means of controlling the protection and processing of electronic data, and to ensure that these means and procedures allow accessing information on counterparties, underlying assets, timing and place of all transactions, as well as determine whether funds have been invested in accordance with the provisions of the founding documents of the Fund and requirements of LCUWII;

- 4.2.8. to ensure that transaction documentation and requests by Investors/participants for sale or redemption of Fund units be preserved throughout the period of Fund's operations and no less than 3 years after the Fund ceases to operate;
- 4.2.9. to provide all information necessary for supervision of the Fund and the Management Company as requested by the supervisory authority;
- 4.2.10. to abide by all the requirements set out in the Articles, Prospectus and LCUWII;
- 4.2.11. to execute instructions by the supervisory authority.

V. CONDITIONS AND PROCEDURES FOR SALE AND REDEMPTION OF INVESTMENT UNITS

Conditions and Procedures for Sale of Investment Units

- 5.1. Fund's NAV and Fund unit value is determined once a month for the last working day of each calendar month.
- 5.2. The distribution of Fund units takes place by concluding with Investors Investment contracts which are of two types:
 - 5.2.1. *Full Amount Investment contracts.* When concluding this contract, the Investor must transfer the funds to the account of the Fund at the set date or within the period indicated in the contract.
 - 5.2.2. *Investment Commitment agreements.* The Management Company may but is not obliged to conclude agreement of this type with Investors who want to invest in Fund in parts. According to the Investment Commitment agreement, the Investor irrevocably obliges to transfer full or part of the amount indicated in the contract to the Fund's bank account at the date or period indicated in the Investment request letter issued by the Management Company.
- 5.3. An Investor, who invests at least the minimum amount and wishes to acquire additional Fund units, has to submit an *Investment application* to the Management Company or distributor. The Investment application is filled out in the cases when the Investor has already concluded an Investment agreement with the Management Company or distributor and is submitted in accordance with the Investment agreement and Prospectus.
- 5.4. Investment agreement or application indicates an amount of money which the Investor irrevocably obliges to purchase Fund units for.
- 5.5. Fund units can only be paid for by money.
- 5.6. If the Investor does not transfer funds by the date indicated in the Investment agreement, Investment application or Investment request letter, the Investor must transfer the entire amount for which the Fund investment units are purchased within 10 additional calendar days.
- 5.7. If the Investor does not transfer money within 10 additional calendar days, the Management Company has the right to:
 - 5.7.1. terminate the Investment agreement with the Investor unilaterally; or
 - 5.7.2. modify the Investment agreement upon the mutual agreement between the Management Company and Investor; or
 - 5.7.3. cancel the Investment application;

- 5.7.4. if the Investor has already transferred a part of the minimum invested amount, upon termination of the agreement the Investor shall be subject to a penalty in the equal to this amount, which in the event of a dispute shall be considered the minimum losses of the Fund.
- 5.8. Investment agreements and applications to buy units for month X NAV value are accepted until the 26th day of the calendar month X. If that day is a public holiday, the last day for submitting is the following working day.
- 5.9. Before starting the execution procedure of Investment agreements and applications the value of NAV and Fund unit is calculated for month X, agreements and applications are executed and the final monthly NAV is calculated for month X. Month's X NAV value is the Fund's NAV value at the last working day of month X.
- 5.10. Investment agreements and applications received in accordance with the procedures set out in article 5.8, if payment is made until the 26th calendar day of month X (inclusive), are executed in accordance with the procedures set out in article 5.9.
- 5.11. NAV and the price of Fund units of month X is announced no later than until 12:00 Lithuanian time on the 5th (fifth) working day of the following month.
- 5.12. If Investment agreements/applications are received and payment made later than until the 26th calendar day of month X (except if that day is a public holiday) the received Investment agreements and applications are included into the NAV of the following month.
- 5.13. The title over the Fund's investment units emerges after converting the invested funds into Fund units and after the book-keeper of personal accounts makes a record in the participant's personal securities account. The record is made not later than in 1 day after the day when the execution NAV of the Investment agreement or application is announced.
- 5.14. A record in the participant's personal securities account is a proof of ownership rights of the Fund units.
- 5.15. If the ownership right of the Fund units is transferred, the record in the participant's personal account is made no later than the following day after the Management Company, or, in case administration of the Fund unit accounts has been delegated, Administrator of the Fund unit accounts receives the documents justifying the fact of transaction.
- 5.16. The minimal amount that can be invested is determined by the board of directors of the Management Company.

Conditions and Procedures for Redemption of Fund Units and Settlement of Accounts with Investors

- 5.17. Fund units are redeemed upon the request of a participant by submitting a redemption application (hereinafter – Redemption Application) to the Management Company or the Distributor. In the Redemption Application the participant indicates the number of Fund units to be redeemed. Together with the Redemption Application the Management Company has to receive a confirmation that the Fund units are his/her personal property, or, if the Fund units are the property of both spouses under the joint ownership right, the Redemption Application has to be signed by both spouses or a basic authorisation in a written form by the spouse has to be submitted as well. The Redemption Application may be submitted to the Management

Company directly (personally) or by post, or e-mail (if such option is provided in the Investment agreement and the participant has been assigned an identification code).

- 5.18. Applications for redeeming Fund units are executed once a calendar quarter according to the NAV of the last month of that quarter, but no earlier than 12 months from the date of acquisition of the Fund units.
- 5.19. Applications for redeeming Fund units are accepted until the 10th calendar day of the last month of the quarter. If that day is a public holiday, the last day for accepting applications is the following working day.
- 5.20. Applications received according to the procedure set out in article 5.19 are executed according to the procedure indicated in article 5.9.
- 5.21. If the investment applications are received after the 10th calendar day of the last month of the quarter (except when that day is a public holiday), they are included into the NAV of the last month of the following quarter.
- 5.22. If it does not harm the interests of other Fund participants (e.g. Fund has enough free cash flows, therefore it is not necessary to close Fund investment positions promptly and at loss), the Management Company has the right (but not an obligation) to execute the application of the participant which was received after the 10th calendar day of the last month of the quarter for the Fund's NAV at the last month of the corresponding quarter.
- 5.23. The redeemed Fund units are settled by transferring money to the participant's bank account which was noted in the Investment agreement no later than within 5 working days from the announcement day of NAV at which Fund units are being redeemed. The Management Company undertakes to make the transfer within 5 working days, but cannot determine when the funds will reach the Investor's account and it is not considered as being late to pay.
- 5.24. The Management Company can suspend the redemption and settlement of accounts in accordance with the procedures set out in section VI of the Articles, if the Fund does not have enough liquid assets to redeem Fund units, as well as when the Fund does not have the possibility to borrow funds with the purpose of redeeming Fund units or in case of other important reasons (adverse conditions in the financial markets, etc.). In case of such circumstances, the participant will be informed personally by means indicated in the Investment agreement.
- 5.25. If the Fund does not settle with the Investor within the term indicated due to the fault of the Management Company, the Management Company must pay interest determined in the Civil Code of the Republic of Lithuania for the delayed period upon a written request of the Investor.
- 5.26. At the moment of submitting the Redemption Application the Investor loses all rights granted by the redeemed Fund units, except for the right to receive funds for the redeemed Fund units. At the moment of accepting the Redemption Application the Management Company acquires an obligation to settle the account with the Investor for the redeemed Fund units. At the moment of settling the account for the redeemed Fund units and making specific records in the personal investment units account of the Investor he/she is not considered as a participant of the fund anymore.
- 5.27. The Fund participant, whose Fund units are kept (accounted for) in an account opened with a financial instruments account agent other than the one specified in the Prospectus, must

transfer the Fund units to the personal account opened with the financial instruments account agent appointed by the Management Company before submitting a Redemption Application.

VI. CONDITIONS AND PROCEDURES FOR SUSPENDING THE REDEMPTION OF FUND UNITS

- 6.1. The right to suspend the redemption of Fund units belongs to the Management Company and the Bank of Lithuania.
- 6.2. The redemption can be suspended if:
 - 6.2.1. it is necessary in order to protect the interests of the society, and at the same time participants, from the possible insolvency of the Fund and a fall in the redemption price when there are adverse conditions in the investment instruments market and the value of the investment instrument portfolio has decreased;
 - 6.2.2. the funds are not sufficient to cover for the redeemed Fund units and selling (realising) the current investment instruments would be loss-making or is not possible due to illiquidity;
 - 6.2.3. such sanction is applied by the Bank of Lithuania.
- 6.3. Fund unit redemption can be suspended upon the decision of the Management Company for no longer than 30 working days. The Management Company has the right to make a decision to suspend Fund unit redemption more than once a calendar year, i.e. the number of such decisions that can be made throughout the calendar year is not limited.
- 6.4. Since the moment of making the decision to suspend Fund units redemption it is forbidden to accept Redemption Applications and settle for the Fund units which were required to be redeemed before making the decision to suspend the redemption.
- 6.5. Investors are immediately informed about the decision to suspend the redemption of Fund units by means indicated in the Investment agreement.
- 6.6. If a decision to suspend Fund units' redemption was made by the Management Company, the Bank of Lithuania is informed of that immediately.
- 6.7. The decision about suspending the redemption of Fund units is announced via mass media.
- 6.8. After making the decision to renew the redemption of Fund units, it will be announced in the same way as the decision to suspend the redemption was announced.
- 6.9. After renewing the redemption, the applications execution of which was suspended are executed.

VII. PAYMENT PROCEDURES OF FUND'S AVAILABLE CASH

- 7.1. The matter of allocating available cash to the participants is reviewed by the Management Company in cases when the part of available cash exceeds 20% of the Fund's assets or other, in its opinion essential, circumstances for 6 consecutive months, but it cannot be considered an obligation of the Management Company to make a decision regarding allocating the available cash to the participants. The Management Company makes a decision regarding the allocation of available cash to the Fund participants in the case if Fund bank account has

enough cash to pay out the amount of available cash determined by the Management Company to Fund participants and continue Fund activities.

- 7.2. Should the board of the Management Company decide to pay out the available cash to the Fund participants, the payment is carried out by redeeming the amount of Fund units from Fund participants in the order as follows:
- 7.2.1. firstly, the Management Company offers to buy out the Fund units from all Fund participants that hold investment units to which the term foreseen in article 5.18 is no longer applicable;
 - 7.2.2. if, after a redemption provided in article 7.2.1 there remains cash that, in accordance with the article 7.1 provided by the decision of the board of the Management Company, is available for distribution, the Management Company unilaterally redeems Fund units from the Fund participants who hold Fund units to which the term provided in article 5.18 is no longer applicable and those, who did not declare a request for their Fund units to be bought out under the article 7.2.1;
 - 7.2.3. if, after a redemption provided in article 7.2.2, there still remains cash that, in accordance with the article 7.1 provided by the decision of the board of the Management Company, is available for distribution, the Management Company unilaterally redeems Fund units from all remaining Fund participants (or all Fund units if the distributable sum is equal to all released and not redeemed Fund units value).
- 7.3. Based on the decision of the Management Company, the amount of available cash allocated to Fund participants is a Fund's obligation to the participants. The right of the Fund participants to receive the allocated funds occurs starting from their allocation date. The right to receive the allocated funds belongs to persons who were Fund participants at the end of the day when the decision to pay a part of available cash to the participants was made.
- 7.4. During the allocation of available cash, the amount of Fund units that are redeemed from the participants is calculated as follows:
- 7.4.1. the value of Fund unit is determined based on the Fund's NAV at the time of available cash allocation;
 - 7.4.2. the amount of available cash allocated to the participants is divided by the value of Fund unit determined according to article 7.4.1;
 - 7.4.3. the resulting number of Fund units is redeemed proportionally from all, in accordance with article 7.2, participants who are eligible to receive Fund's available cash (*pro rata*).
- 7.5. Fund participants do not have to take any actions or formalities (including the submission of applications and requests) in order to receive the allocated available cash. The Management Company within 15 working days after making the decision to pay out a part of Fund's available cash informs each participant about the amount allocated and the time of allocation. The allocated available cash will be transferred to the account of the participant, indicated in the Investment Agreement.

VIII. EXPENSES

- 8.1. The expenses set out in articles 8.2 and 8.3 shall not exceed 5% of the average annual Fund NAV. The limit excludes the distribution fee paid

Management Fee

- 8.2. The Management Fee is equal to 2% of the average annual Fund's NAV. The Management Fee for managing the Fund is calculated on the last working day of each month by multiplying 1/12 of the Management Fee rate by Fund's NAV on that day and paid out to the Management Company from Fund's assets each month by the 10th (tenth) day of the calendar of the following month.

Other Expenses of the Fund

- 8.3. Fund's assets also cover the following expenses related to Fund management:
- 8.3.1. remuneration for the valuation of Fund's assets;
 - 8.3.2. litigation expenses;
 - 8.3.3. forced recovery expenses;
 - 8.3.4. consulting expenses;
 - 8.3.5. expenses to all and any legal service providers
 - 8.3.6. expenses related to loans received in the name of the Fund (for example, interest).
- 8.4. Expenses listed in article 8.3 cannot exceed 3% of the average annual Fund's NAV.
- 8.5. Expenses listed in article 8.3 are calculated the following working day after receiving a document justifying the expenses (e.g. invoice) and settled in accordance with the procedures set out in agreements or other documents.
- 8.6. The Management Company covers the following expenses related to Fund management itself:
- 8.6.1. remuneration to the Fund custodian;
 - 8.6.2. remuneration to the auditors;
 - 8.6.3. remuneration to financial intermediaries;
 - 8.6.4. Fund establishment and business structuring expenses;
 - 8.6.5. financial institutions expenses;
 - 8.6.6. interest paid on Fund's cash and cash equivalents holdings;
 - 8.6.7. Fund accounting (assets and investment units) expenses;
 - 8.6.8. currency exchange expenses;
 - 8.6.9. exchange rate insurance expenses;
 - 8.6.10. the custodian fees of securities and other accounts;
 - 8.6.11. the expenses for formalizing, registering and deregistering pledges for securing obligations;
 - 8.6.12. state and local taxes and charges;
 - 8.6.13. expenses for the preparation and presentation of information about the Fund;
 - 8.6.14. Articles and Prospectus amendment expenses;
 - 8.6.15. expenses for the insurance of persons responsible for Fund's activities (i.e. insurance against damage and (or) liability);
 - 8.6.16. Fund's representation and marketing expenses.
- 8.7. In cases when expenses related to the management of the Fund specified in Article 8.6 have been deducted from the Fund's assets, the Management Company shall reimburse them to the Fund every month until the 10th (tenth) calendar day of the following month. The Management Company may cover these costs with the Management Fee charged by the Management Company.

Subscription Fee

- 8.8. The Subscription Fee for the acquired Fund units is not included in Fund's NAV. The Management Company or a distributor can charge a Subscription Fee that is not higher than 2% of the invested amount.
- 8.9. Exact rates of the Subscription Fee and listed in the Prospectus.

IX. PROCEDURE FOR PUBLISHING FUND INFORMATION

- 9.1. Fund's financial accounts are in EUR.
- 9.2. The Management Company submits to the Bank of Lithuania:
- 9.2.1. Prospectus;
 - 9.2.2. Articles;
 - 9.2.3. audited fiscal year activity reports of the Fund and the Management Company;
 - 9.2.4. activity reports of the Fund and the Management Company for the first 6 months of the year.
- 9.3. The Management Company published on its website:
- 9.3.1. Prospectus;
 - 9.3.2. Articles;
 - 9.3.3. Key Information Document (KID);
 - 9.3.4. Fund unit value (monthly).
- 9.4. The audited fiscal year activity reports of the Fund and the Management Company can be obtained by Fund investors or persons intending to become investors by contacting the distributor and/or the Management Company using the contact details specified in the Investment Agreement.

X. PROCEDURE FOR ASSET VALUATION, FUND UNIT VALUE ESTIMATION AND PUBLICATION

- 10.1. Fund's NAV is determined at least once a month for the last working day of each calendar month. In all the cases it must be determined at the end of the financial year.
- 10.2. Fund's NAV and the value of Fund unit is calculated and published no later than until the 5th (fifth) day of the following month at 12:00 Lithuanian time on the website of the Management Company.
- 10.3. The first NAV calculation date – the last working day of the month when Investors transferred funds (invested) in the Fund under the Investment contracts for the first time.
- 10.4. The value of the Fund units is determined by dividing NAV by the number of all Fund units in circulation. The value of Fund unit (its parts) is determined to four decimal places and rounded according to the mathematical rounding rules.
- 10.5. NAV is calculated by subtracting the value of short and long-term liabilities of the Fund from Fund's assets. When calculating NAV, Fund's assets and liabilities are calculated separately.

- 10.6. Assets (or their part) can be written-off only when the rights to these assets (or their part) are fulfilled, when the rights expire or when the rights are transferred.
- 10.7. Liabilities are calculated in accordance with the Business Accounting Standards of the Lithuanian Republic (hereinafter - BAS).
- 10.8. The calculation of assets and liabilities has to be based on their fair value which is reflected in the NAV, at which the assets can be most reasonably expected to be sold.
- 10.9. Liabilities (or their part) have to be written-off only when they disappear, i.e. when the contractual obligations are met, cancelled or expire.
- 10.10. The value of assets and liabilities denominated in foreign currency is determined in accordance with the Law on Accounting of the Republic of Lithuania.
- 10.11. The currency in which the Fund's NAV is calculated is EUR.
- 10.12. Non-equity securities and money market instruments, which are not traded on regulated markets, are valued as follows:

10.12.1.

$$K = \sum_{i=1}^n \frac{S_i}{1 + \frac{Y}{100} \times \frac{d_i}{360}}$$

where:

K – total value of the instrument (calculated on the nominal value for a hundred currency units);

S_i – i -th cash flow for the instrument's nominal value for a hundred currency units (coupon payment or the amount paid at maturity);

Y – instrument's market yield (as a percentage);

n – the remaining number of coupon payments until maturity (if the instrument does not have coupons – conditional number of coupon payments);

$d/360$ – fraction of a year from the NAV calculation date to the date of maturity (coupon payment date), applying the European 30/360 day counting convention of Microsoft Excel;

- 10.12.2. In other cases, if the valuation is more accurate than by following the Article 10.12.1, these instruments are valued based on the expected selling price determined by the discounted cash flow method (the value = discounted cash flows over n years + (plus) the discounted terminal value – (minus) discounted net financial debt).
- 10.12.3. Transactions in non-equity securities are accounted in accordance with BAS 39, i.e., on the day the transaction is conducted, the financial asset to be received and an obligation to pay for it are registered in the buyers accounts.
- 10.13. Collective Investment Undertakings (CIU) units (shares):
- 10.13.1. which are not traded in the regulated market are valued at the last publicly announced redemption price;
- 10.13.2. which are traded in the regulated market are valued at the closing price on the regulated market.
- 10.14. Term deposits in banks are valued at the amortized cost.

- 10.15. Cash and funds at credit institutions are valued at nominal value.
- 10.16. Dividends for corporate equity securities are included in Fund's assets from the dividend announcement date. The dividend announcement date is considered the date when such information is announced on the stock exchange website or this information is provided by the custodian. If the amount of dividends received is not the same as the dividends approved in the general shareholders meeting, the Fund's asset value and NAV of the day when the dividends were received are adjusted accordingly. The occurred difference is recorded as an increase or decrease in the value of investments.
- 10.17. Money market instruments, whose maturity or time remaining until maturity is less than 397 days or whose yield is regularly revised according to the money market situation at least once in 397 days, or whose risks, including credit and interest rate risks is similar to the risks of financial instruments whose maturity and profitability correspond to the aforementioned criteria, are valued by the amortized cost method.

XI. PROCEDURE FOR SETTING THE PRICE FOR FUND UNITS SALE AND REDEMPTION

Sale Price

- 11.1. At the beginning of Fund's operations, i.e., before the estimation of the first NAV, the Fund unit is priced at 100 EUR. In the following periods Fund units are sold for a price, dependant on the Fund's NAV at the last working day of the calendar month.
- 11.2. Fund unit Sale Price can be supplemented with a Subscription Fee.

Redemption Price

- 11.3. Fund unit Redemption Price is equal to the Fund unit value, based on the NAV of the last working day of the last month of the corresponding calendar quarter. Fund units are redeemed without applying additional charges.

Publication of the Sale and Redemption Prices

- 11.4. Fund unit price is estimated once a month for the last working day of each calendar month after determining Fund's NAV. Fund's NAV and the value of Fund unit is calculated and published no later than until the 5th (fifth) day of the following month at 12:00 Lithuanian time on the website of the Management Company.

XII. BASIS AND PROCEDURE FOR FUND LIQUIDATION

- 12.1. The Fund can be liquidated:
- 12.1.1. upon the decision of the Management Company; or
 - 12.1.2. upon the decision of the bank of Lithuania.
- 12.2. When the Management Company makes a decision to liquidate the Fund, the redemption and distribution of Fund units, if in process, is terminated. The terms and procedures for asset realisation, settlement of accounts with the creditors and the proportional distribution of the

remaining assets to the participants are stipulated in Management Company's decision to liquidate the Fund.

- 12.3. Participants are informed about the decision to liquidate the Fund via e-mail or other means indicated in the Investment agreement no later than within 3 working days after the decision is made. The participants and creditors of the liquidated Fund are provided with sufficient and precise information about the reasons for liquidating the Fund, the procedures for settlement of accounts with the creditors and the proportional distribution of the remaining assets to the participants.
- 12.4. At the day of proportional distribution of Fund's assets to the participants all the Fund units that belong to the participants are redeemed after the Fund fully settles accounts with its creditors.
- 12.5. The Fund liquidation day is considered to be the day when the Bank of Lithuania declares the Fund Articles to be invalidated.
- 12.6. Participants will be informed via e-mail or other means indicated in the Investment agreement no later than within 3 working days after the appropriate decision is made about the exact Fund liquidation day and the day that will be used as the basis for calculating the price of the Fund units as well as the date of the redemption of Fund units will take place.
- 12.7. In case claims regarding obligations that must be settled on the Fund's account are being examined in court, the Fund can be liquidated only after court decisions in respective cases come into force.
- 12.8. In case it turns out that Fund's assets are not sufficient to fulfil its obligations, the Management Company is not obliged to carry out the remaining Fund's obligations if it performed its duties set out in LCUWII and the Articles appropriately.
- 12.9. In the case of Fund liquidation, Fund's assets will be realised by selling them to investors that are not related to the Management Company.
- 12.10. The Fund will be liquidated when accounts will be settled with Fund creditors and the remaining Fund's assets will be distributed proportionally to the participants, except in the case set out in article 12.7.

XIII. PROCEDURE FOR AMENDING THE FUND ARTICLES

- 13.1. In case the amendments to the Articles are not essential, i.e. the Articles are only updated, such amendments to the Articles come into force starting from the day the board of directors of the Management Company makes the decision to approve the updated Fund Articles (unless a later date would be stipulated in the decision). The updated Articles are published on the website of the Management Company and in no later than 7 working days the updated publication of the Articles is submitted to the Bank of Lithuania.
- 13.2. In case the amendments to the Articles are considered to be essential, the decision regarding the amendment the Fund Articles is made by the board of directors of the Management Company, but only if the participants do not object to the amendments.
- 13.3. In order to find out the participants' opinion, the Management Company will make a respective announcement on the website of the Management Company and send it to the participants via

e-mail at least 1 month prior to the Management Company's board of directors meeting where the question regarding the amendments to the Articles will be raised.

- 13.4. The announcement must include:
- 13.4.1. arguments for changing the Fund Articles;
 - 13.4.2. means for Investors to express their approval (or disapproval) of changing the Fund Articles;
 - 13.4.3. a term during which a participant may express his/her approval (or disapproval) of changing the Fund Articles.
- 13.5. The Management Company cannot make a decision to change the Articles if, in accordance with the procedures and terms indicated in the announcement, statements in writing of the participants, who at the day of submitting the statement owned more than 50% of all issued and non-redeemed Fund units, expressing their disapproval of changing the Articles were received. Participants who do not submit a disapproval according to the procedures and term indicated in the announcement are considered to be approving of the amendments to the Articles.
- 13.6. Essential amendments are considered amendments to the Articles which would increase the investment risk of the Fund, would foresee additional obligations to the participants, would reduce the duties of the Management Company and/or would otherwise significantly impact the interests of the participants, for example, allow the Fund to borrow more, increase the fees, limit participant rights, etc.
- 13.7. Amendments and additions to the Articles are considered accepted and come into force at the date indicated in the decision of the board of directors of the Management Company. The changed Articles are published on the website of the Management Company and immediately, but no later than in 7 working days are submitted to the Bank of Lithuania.

XIV. FUND UNIT CLASSES

- 14.1. Fund units do not have classes and/or series.

XV. TERMS AND PROCEDURES FOR REPLACING THE MANAGEMENT COMPANY, CUSTODIAN

- 15.1. Management of the Fund can be delegated to another Management Company, when:
- 15.1.1. the Management Company is liquidated;
 - 15.1.2. the Management Company is reorganised;
 - 15.1.3. the Management Company is under the bankruptcy procedure;
 - 15.1.4. the Bank of Lithuania makes a decision to limit or revoke the fund management rights licensed to the Management Company;
 - 15.1.5. the Management Company for any objective reason cannot continue to manage the Fund properly and effectively and the board of directors of the Management Company makes a decision to delegate the management of the Fund to another Management Company.
- 15.2. The Custodian can be replaced by the decision of the Management Company, when:
- 15.2.1. the Custodian fails to honour its obligations or performs its duties ineptly;

- 15.2.2. the Management Company seeks to reduce the costs of the custodian service;
 - 15.2.3. the Custodian's right to provide the custodian service is revoked;
 - 15.2.4. other significant causes manifest.
- 15.3. When replacing the Custodian, the Management Company terminated the agreement with the Custodian and concludes an agreement with another person, who has the right to provide custodian service.

TRANSLATION