

Open-ended Harmonized investment fund “INVL Umbrella Fund”

RULES

Main information about the collective investment undertaking:

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

Approved by Management Company:

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

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

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

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

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

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

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

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

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 a person who has acquired units of the subfund or the co-owner of the assets comprising the subfund.
 - 1.2. **Depository** shall mean SEB bankas AB, company code 112021238, registered address at Vilnius City Municipality, Vilnius, Gedimino ave 12, VAT registration number LT120212314, data accumulated and kept in the Register of Legal Entities of the Republic of Lithuania, licence No. 2 issued by the Bank of Lithuania.
 - 1.3. **Working day** shall mean a calendar day, except for public holidays and rest days.
 - 1.4. **Net assets** (hereinafter referred to as NA) shall mean difference between the value of assets of a subfund and non-current and current liabilities of a subfund.
 - 1.5. **Investment unit** (hereinafter referred to as the unit) shall mean a transferable security certifying the title of the Participant to a part of the assets comprising the subfund.
 - 1.6. **Derivative financial instruments** shall mean financial instruments the value of which depends on the value of one or several financial instruments.
 - 1.7. **Financial instruments** shall bear the meaning as defined in the Law on Markets in Financial Instruments.
 - 1.8. **Document on essential information to investors** shall mean a document prepared separately for every subfund and providing essential information to investors about the Investment Fund and its Management Company.
 - 1.9. **Money market instruments** shall mean the money market instruments defined in the Law on Markets in Financial Instruments whose value may be accurately determined at any time.
 - 1.10. **Distributor** shall mean a Management Company or a person who, under a contract with the Management Company, sells units of a subfund and accepts applications for redemption and/or switch of Subfund's units as well as carries out other actions provided in the contract with the Management Company.
 - 1.11. **Prospectus** shall mean a document intended to investors and the public and providing information on units of a subfund.
 - 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. **Subfund** shall mean a part of the assets of the Fund managed separately from other assets thereof, which is jointly partially owned by the Participants and managed on the basis of the right of trust by the Management Company.
 - 1.14. **Rules** shall mean these Rules of the Fund.
 - 1.15. **Management Company** shall mean INVL Asset Management UAB, company code 126263073, registered address at Vilnius City Municipality, Vilnius, Gyneju St. 14, VAT registration number LT100001948717, data accumulated and kept in the Register of Legal Entities of the Republic of Lithuania, acting in accordance with the Law on Collective Investment Undertakings, licence No. VIK-005 issued by the LSC.

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

PART II

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

2. General rules

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

3. Investment strategy of the subfund

Name of Subfund	Investment strategy
<p>INVL Global Flexible Subfund</p> <p>(in Lithuanian: INVL lankščiosios strategijos subfondas)</p>	<p>The objective of the subfund is to achieve the highest possible return on investment of the fund, while accepting risks lower than the one of shares.</p> <p>The assets of the subfund are actively invested in different regions and classes of assets: shares, debt securities and other fixed income financial instruments, limited risk investments, raw materials and currencies. No limits are set for investments in different regions and classes of assets, the managers of the subfund may invest in every region or class of asset up to 100 per cent of the assets of the subfund following the restrictions laid down in the Law on Collective Investment Undertakings of the Republic of Lithuania.</p> <p>Investments of the subfund are based both on the strategic and the tactical methods of distribution of assets and frequent corrections of the portfolio seeking higher increase of the value of the portfolio.</p> <p>Part of the assets of the INVL Global Flexible Subfund may be invested in shares of developing markets, which are characterized by huge price fluctuations. Therefore the changing situation in stock exchanges may result in big fluctuations of the NAV of the subfund.</p> <p>Determined list of stock exchanges and markets of INVL Global Flexible Subfund: Ireland: The Irish Stock Exchange; Albania: Tirana Stock Exchange; Armenia: Armenian Stock Exchange; Australia: Australian Stock Exchange; Austria: Vienna Stock Exchange; Azerbaijan: Baku Stock Exchange; Belarus: Belarusian Currency and Stock Exchange; Belgium: Brussels Euronext Stock Exchange; Bosnia and Herzegovina: Sarajevo Stock Exchange, Banja Luka Stock Exchange; Bulgaria: Sofia Stock Exchange; Czech Republic: Prague Stock Exchange; Denmark: Copenhagen Stock Exchange; Great Britain: London Stock Exchange; Estonia: Tallinn Stock Exchange; Greece: Athens Stock Exchange; Georgia: Georgian Stock Exchange; Hong Kong: Hong Kong Stock Exchange; Iceland: Iceland Stock Exchange; Spain: Madrid Stock Exchange, the Barcelona Stock Exchange; Italy: Milan Stock Exchange; Japan: Tokyo Stock Exchange; U.S.: American Stock Exchange, Arizona Stock Exchange, Chicago Stock Exchange, Philadelphia Stock Exchange, NASDAQ Stock Exchange, New York Stock Exchange; Montenegro: Montenegro Stock Exchange, NEX; Canada: Montreal Stock Exchange, Toronto Stock Exchange, Vancouver Stock Exchange; Kazakhstan: Kazakhstan Stock Exchange; Cyprus: Cyprus Stock Exchange; Croatia: Zagreb Stock Exchange; Korea: Korea Stock Exchange; Latvia: Riga Stock Exchange; Poland: Warsaw Stock Exchange; Lithuania: Vilnius Stock Exchange; Luxembourg: Luxembourg Stock Exchange; Macedonia: Macedonian Stock Exchange; Malta: Malta Stock Exchange; Mexico: Mexican Stock Exchange; Moldova: Moldovan Stock Exchange; New Zealand: New Zealand Stock Exchange; Norway: Oslo Stock Exchange; Netherlands: Euronext Amsterdam Stock Exchange; Portugal: Lisbon Stock Exchange; France: Euronext Paris Stock Exchange; Romania: Bucharest Stock Exchange ; Russia: Moscow Stock Exchange , Moscow Stock Exchange, Stock Exchange of Russia , St. Petersburg Stock Exchange, SPBEX ; Serbia: Belgrade Stock Exchange; Slovakia: Bratislava Stock Exchange; Slovenia: Ljubljana Stock Exchange; Finland: Helsinki Stock Exchange; Sweden: Stockholm Stock Exchange; Switzerland: Swiss Stock Exchange; Turkey: Istanbul Stock Exchange, Istanbul Altin Borsasi; Ukraine: Ukrainian Stock Exchange, PFTS; Hungary: Budapest Stock Exchange; Germany: Berlin Stock Exchange, Düsseldorf Stock Exchange, Frankfurt Stock Exchange, Stuttgart Stock Exchange Munich Stock Exchange.</p>
<p>INVL Emerging Europe Bond Subfund</p> <p>(in Lithuanian: INVL besivystančios Europos obligacijų subfondas)</p>	<p>The objective of the subfund is to ensure balanced growth of the assets of the subfund. Up to 100 per cent of the subfund assets are invested in the debt securities of the most promising developing European governments and companies selected by the managers.</p> <p>The subfund combines the riskier (bonds of companies) and safer (bonds of governments) investments in order to protect the value of assets and to ensure a stable return on investment.</p> <p>The assets of the subfund are invested in the Middle and East European region. The investments of the subfund are not limited to any branch of economy. The subfund may invest in different term and credit rating bonds.</p> <p>If the situation in the market cannot offer better investment opportunities, up to 100 per cent of the assets of the subfund may be invested in deposits, money market instruments</p>

	<p>and investment units (shares) of harmonized collective investment undertakings, the main investment direction of which is money market instruments or bonds and non-equity securities of other forms. The assets of the subfund may be invested in derivative financial instruments, if they are used for risk management.</p> <p>The probability that the composition of the portfolio or the methods of management of the portfolio will result in large fluctuations of the NAV of the subfund is low.</p> <p>Determined list of stock exchanges and markets of Middle and East European region:</p> <p>a) Albania: Tirana Stock Exchange; Armenia: Armenian Stock Exchange; Austria: Vienna Stock Exchange; Azerbaijan: Baku Stock Exchange; Belarus: Belarusian Currency and Stock Exchange; Bulgaria: Sofia Stock Exchange; Bosnia and Herzegovina: Sarajevo Stock Exchange, Banja Luka Stock Exchange; Czech Republic: Prague Stock Exchange; Estonia: Tallinn Stock Exchange; Greece: Athens Stock Exchange; Georgia: Georgian Stock Exchange; Montenegro: Montenegro Stock Exchange, NEX; Kazakhstan: Kazakhstan Stock Exchange; Cyprus: Cyprus Stock Exchange; Croatia: Zagreb Stock Exchange; Latvia: Riga Stock Exchange; Poland: Warsaw Stock Exchange; Lithuania: Vilnius Stock Exchange; Macedonia: Macedonian Stock Exchange; Malta: Malta Stock Exchange; Moldova: Moldovan Stock Exchange; Romania: Bucharest Stock Exchange; Russia: Moscow Stock Exchange, Stock Exchange of Russia, St. Petersburg Stock Exchange, SPBEX; Moscow Stock Exchange; Serbia: Belgrade Stock Exchange; Slovakia: Bratislava Stock Exchange; Slovenia: Ljubljana Stock Exchange; Turkey: Istanbul Stock Exchange; Ukraine: Ukrainian Stock Exchange; Hungary: Budapest Stock Exchange. Other markets where Subfund can invest its assets if financial instruments of those markets are traded on one or more of the above listed stock exchanges: Kyrgyzstan, Kosovo, Tajikistan, Turkmenistan, Uzbekistan.</p> <p>b) The assets of the Subfund may be also invested in financial instruments of those enterprises operating in any above mentioned country, if those financial instruments are listed in the markets regulated by OECD or EU member countries.</p>
<p>INVL Emerging Europe ex Russia TOP20 Subfund</p> <p>(in Lithuanian: INVL besivystančios Europos be Rusijos TOP20 subfondas)</p>	<p>The objective of the subfund is to achieve maximum return on investment in shares in the Emerging Europe (without Russia) region. The assets of the subfund are invested in a concentrated manner in shares of 15 - 25 companies valued as the most attractive by the managers of the regional subfund. Every company is thoroughly evaluated and analysed selecting the most promising and attractive companies. A low number of positions in the subfund allows to ensure maximum supervision of the selected positions and an effective structure of the subfund, but it can have a significant influence on the fluctuations on the NAV of the subfund.</p> <p>The assets of the subfund are invested in the financial instruments of such undertakings (companies and CIUs investing in such companies) operating in Emerging Europe (without Russia) countries. Up to 100 per cent of the investment portfolio of the subfund are investments in shares.</p> <p>If the situation in the market cannot offer better investment opportunities, up to 10 per cent of the assets of the subfund may be invested in bonds and non-equity securities of other forms (governments and companies). The subfund may invest in different term and credit rating bonds.</p> <p>The INVL Emerging Europe ex Russia TOP20 Subfund invests in shares of developing markets, which are characterized by large price fluctuations. Therefore the changing situation in stock exchanges may result in large fluctuations of the NAV of the subfund.</p> <p>Determined list of stock exchanges and markets of Emerging Europe (ex Russia) region:</p> <p>a) Albania: Tirana Stock Exchange; Austria: Vienna Stock Exchange; Bulgaria: Sofia Stock Exchange; Bosnia and Herzegovina: Sarajevo Stock Exchange, Banja Luka Stock Exchange; Czech Republic: Prague Stock Exchange; Estonia: Tallinn Stock Exchange; Greece: Athens Stock Exchange; Georgia: Georgian Stock Exchange; Montenegro: Montenegro Stock Exchange, NEX; Cyprus: Cyprus Stock Exchange; Croatia: Zagreb Stock Exchange; Latvia: Riga Stock Exchange; Poland: Warsaw Stock Exchange; Lithuania: Vilnius Stock Exchange; Macedonia: Macedonian Stock Exchange; Malta: Malta Stock Exchange; Romania: Bucharest Stock Exchange; Serbia: Belgrade Stock Exchange; Slovakia: Bratislava Stock Exchange; Slovenia: Ljubljana Stock Exchange; Turkey: Istanbul Stock Exchange; Ukraine: Ukrainian Stock Exchange; Hungary: Budapest Stock Exchange. Other markets where Subfund can invest its assets if financial instruments of those markets are traded on one or more of the above listed stock exchanges: Kosovo.</p> <p>b) The assets of the Subfund may be also invested in financial instruments of those enterprises operating in any above mentioned country, if those financial instruments are listed in the markets regulated by OECD or EU member countries.</p>
	<p>The objective of the subfund is to achieve the maximum return on investments in shares of Russian entities.</p>

<p>INVL Russia TOP20 Subfund</p> <p>(in Lithuanian: INVL Rusijos TOP20 subfondas)</p>	<p>The subfund's assets are invested in the financial instruments of operating subjects in the Russian Federation (companies and CIU, investing in such companies). Most of the subfund's investment portfolio consists of investments in shares. No more than 33 per cent of the subfund's assets may be invested outside the Russian Federation, in the financial instruments of operating companies in other CIS countries (including former CIS states). The portfolio consists of shares in 15–25 different companies. The limited diversification of the subfund's investment portfolio allows maximum supervision of selected positions and the fund's effective structure. Up to 100 per cent of the subfund's investment portfolio consists of investments in shares.</p> <p>The subfund's investment is based on both strategic and tactical asset allocation methods and frequent adjustments of the portfolio to increase its value.</p> <p>If the market situation does not offer better investment opportunities, up to 10 per cent of the subfund's assets may be invested in bonds and other forms of non-equity securities (government and company securities). The subfund may invest in bonds of a different period and credit rating.</p> <p>INVL Russia TOP20 Subfund invests in shares in developing markets, which are characterised by large price fluctuations. Changing the situation in stock exchanges can therefore lead to large fluctuations in the subfund's net asset value.</p> <p>Determined list of stock exchanges and markets of Russian Federation and neighboring countries:</p> <p>a) Armenia: Armenian Stock Exchange; Azerbaijan: Baku Stock Exchange; Belarus: Belarusian Currency and Stock Exchange; Georgia: Georgian Stock Exchange; Kazakhstan: Kazakhstan Stock Exchange; Moldova: Moldovan Stock Exchange; Russia: Moscow Stock Exchange, Stock Exchange of Russia, St. Petersburg Stock Exchange, SPBEX; Ukraine: Ukrainian Stock Exchange. Other markets where Subfund can invest its assets if financial instruments of those markets are traded on one or more of the above listed stock exchanges: Kyrgyzstan, Kosovo, Tajikistan, Turkmenistan, Uzbekistan.</p> <p>b) The assets of the Subfund may be also invested in financial instruments of those enterprises operating in any above mentioned country, if those financial instruments are listed in the markets regulated by OECD or EU member countries.</p>
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4. The assets of each subfund shall be invested in the below-listed investment instruments in compliance with the subfund objectives and investment policy set forth in paragraph 3 of the Rules:
 - 4.1. shares, depository receipts with respect to shares and harmonized investment instruments (shares) of collective investment undertakings, whose primary investment trend – stocks, depository receipts in respect of shares;
 - 4.2. bonds and other forms of non-equity securities, as well as harmonized investment instruments (shares) of collective investment undertakings, whose primary investment trend – bonds and other forms of non-equity securities;
 - 4.3. other securities that give the right to acquire or transfer transferable securities or determinant cash settlements, set according to transferable securities, currencies, interest rates, yield, market commodities or other indices or instruments;
 - 4.4. other regulated investment instruments (shares) of collective investment undertakings, whose primary investment trend – transferable securities, raw materials, market commodities, currencies, interest rates, yields, and other indices;
 - 4.5. special collective investment undertakings (alternative investments, private capital, real estate) and collective investment undertakings that are not regulated by the Law on Collective Investment Undertakings of the Republic of Lithuania (investing directly in market commodities, raw materials, currencies, etc.);
 - 4.6. money market instruments and investment instruments (shares) of harmonized collective investment undertakings, whose primary investment trend – money market instruments;
 - 4.7. deposits in credit institutions;
 - 4.8. derivative financial instruments associated with the above financial instruments, financial indices, interest rates, currencies or currency rates, if they are used for risk management.
5. Investment restrictions:
 - 5.1. No more than 5 per cent of NA of the subfund may be invested in transferable securities or money market instruments of a single issuing body, except to the cases specified in subparagraphs 5.2, 5.5, 5.6 of the Rules.
 - 5.2. It shall be allowed to invest in the transferable securities or money market instruments of a single issuing body more than 5 per cent, but not more than 10 per cent of NA, provided the total amount of such investments does not exceed 40 per cent of the NA of the subfund (this restriction shall not apply to deposits and derivative financial instruments traded on a non-regulated market, provided their issuing body is subject to supervision by the Supervisory Authority).
 - 5.3. The investments made in deposits with a single credit institution may not exceed 20 per cent of the NAV of the subfund.
 - 5.4. The aggregate amount of investments in transferable securities, money market instruments of a single issuing body, deposits and liabilities arising from derivative contracts undertaken with the same person may not exceed 20 per cent of the NAV of the subfund.

- 5.5. Investments in the transferable securities or money market instruments of a single issuing body issued or guaranteed by a member state or local authority thereof, other state or international organizations of which at least one member state is a member, may not exceed 35 per cent of the NAV of the subfund.
- 5.6. Investments in the bonds issued by a credit institution which has its registered office in a member state and is subject to special public supervision under law by that state for the purposes of protection of the interests of bond-holders, while the amount derived from the issue of these bonds is invested in the assets which, during the whole period of validity of these bonds, are sufficient to cover claims of the bond-holders and which, in the event of insolvency of the issuing body, would be used on a priority basis to meet claims of the bond-holders for reimbursement of the principal and payment of the accrued interest, may not exceed 25 per cent of the subfund NA. When more than 5 per cent, but not more than 25 per cent of the subfund NA are invested in the bonds issued by a single issuing body, the aggregate amount of these investments may not exceed 80 per cent of NA.
- 5.7. The transferable securities and money market instruments specified in subparagraphs 5.5 and 5.6 of the Rules shall not be taken into account when calculating the amount of investment subject to the limit of 40 per cent as prescribed by subparagraph 5.2 of the Rules. The limits specified in subparagraphs 5.1 – 5.6 of the prospectus may not be combined, thus the aggregate amount of investment in the transferable securities and money market instruments of a single issuing body, deposits and liabilities arising from derivative contracts with this person may not exceed 35 per cent of the subfund NA.
- 5.8. Investment in the transferable securities and money market instruments issued by the companies belonging to a group subject to the requirement of drawing up of consolidated financial reports may not exceed 20 per cent of the subfund NA.
- 5.9. The shares held by the subfund together with the Management Company and other harmonized collective investment undertakings managed by the Management Company in an issuing body may not carry over 1/10 of all voting rights at the general meeting of shareholders of the issuing body.
- 5.10. A subfund may acquire no more than:
- 5.10.1. 10 per cent of all non-voting shares of an issuing body;
 - 5.10.2. 10 per cent of all bonds and non-equity securities of other forms of an issuing body;
 - 5.10.3. 25 per cent of units or shares of another collective investment undertaking;
 - 5.10.4. 10 per cent of the money market instruments of a single issuing body.
- 5.11. The prohibition specified in subparagraphs 5.10.2, 5.10.3 and 5.10.4 of the Rules may be disregarded at the time of acquisition, provided the aggregate value of transferable securities or money market instruments cannot be calculated.
- 5.12. The limits stipulated in subparagraphs 5.10.2 and 5.10.4 of the Rules shall not apply to transferable securities or money market instruments issued and guaranteed by a state or local authorities.
- 5.13. A subfund shall invest in investment units and shares of harmonized collective investment undertakings which meet the following conditions:
- 5.13.1. the sole purpose of the undertakings is to accumulate funds of persons by publicly offering investment units or shares and distribute them by collectively investing in transferable securities and/or other liquid assets specified herein and the investment units and shares 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;
 - 5.13.2. the level of protection for rights of participants in the undertakings, including regulation of segregation, borrowing, lending and gratuitous transfer of assets, is not less stringent than that laid down for harmonized collective investment undertakings under the Law on Collective Investment Undertakings;
 - 5.13.3. the undertakings publish semi-annual and annual reports about their activities to enable assessment of their assets and liabilities, profit and activities over the reporting period;
 - 5.13.4. under their incorporation documents, not more than 10 per cent of their NA may be invested in investment units or shares of other collective investment undertakings.
- 5.14. No more than 10 per cent of NA of a subfund may be invested in each of the undertakings referred to in subparagraph 5.13 of the Rules. A close link shall be deemed to exist between collective investment undertakings if they are managed by the same Management Company or such management companies in which more than a half of members of management bodies are the same persons or which are controlled by the same person or one of which holds more than 10 per cent of votes at the general meeting of shareholders of the other Management Company. The subfund may invest in investment units or shares of the collective investment undertakings which are linked by close links only for the NAV.
- 5.15. The aggregate amount invested in other harmonized collective investment undertakings may not exceed 30 per cent of the NA.
- 5.15.1. Only those investments in derivative financial instruments (including exclusively cash-settled instruments) shall be allowed which meet the conditions established in the Law on Collective Investment Undertakings.
- 5.16. The commitment risk accepted under transactions concerning derivative financial instruments cannot exceed the NAV of the subfund. When calculating the commitment risk, the following shall be taken into account: the current value of the derivative financial instrument, the counterparty risk, future market movements and the time available to

liquidate the positions and the circumstance that the derivative financial instrument is incorporated into a transferable security or money market instrument. Investment in derivative financial instruments may not exceed 35 per cent of the NAV of the subfund, but only in cases it does not exceed the limits established in subparagraphs 5.1 – 5.8 are not exceeded; investment in index-linked financial derivative instruments shall be calculated separately.

- 5.17. The commitment risk in the transactions in derivative financial instruments concluded outside the markets specified in the Law on Collective Investment Undertakings cannot exceed 5 per cent of the NA value of the subfund, and where the counterparty is a credit institution specified in subparagraph 5.6 of the Rules the commitment risk may not exceed 10 per cent of the value of the NA.
6. A subfund may invest up to 10 per cent of NA into securities and money market instruments excluded from clause 4.
7. A subfund may derogate from the above-indicated investment restrictions if it exercises the pre-emptive rights attached to transferable securities or money market instruments held by it. In such cases and also when provisions of investment rules are violated for the reasons beyond the control of a Management Company; the derogation must be eliminated without delay, but in any case not later than within 6 months.
8. Investment portfolio of a subfund may derogate from the requirements laid down in subparagraphs 5.1 – 5.8 and 5.13 – 5.15 of the Rules for 6 months after the Supervisory Authority has approved the incorporation documents and prospectus.
9. Subfunds shall have benchmark indices. Information on benchmark indices of a specific subfund shall be provided in the Prospectus of the Funds, Document on essential information to investors and on the website www.invl.com.

PART III

RIGHTS AND OBLIGATIONS OF PARTICIPANTS

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

PART IV

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

12. Management Company shall have the following rights:
 - 12.1. to conclude and implement transactions, relating to the management of assets of the subfund and the sale and redemption of units of the subfund, at the expense and in the interests of the subfund;
 - 12.2. to make deductions from assets of the subfund which have been provided in Part V of the Rules;
 - 12.3. The Management Company, in pursuit of effective management, shall have the right to assign some of its management functions to another company which has the right to provide the respective services, however this shall not release the Management Company from responsibility;
 - 12.4. to halt redemption of units of the Fund in cases and under the conditions set by legal acts.
13. Management Company shall have the following obligations:
 - 13.1. to act fairly with care and professionally under conditions which are best for the Fund and its participants and in their interests as well as guarantee market integrity;
 - 13.2. to act prudently with due professionalism and care;
 - 13.3. to have in place and make use of instruments and procedures necessary for its activities;
 - 13.4. to disclose to the Participant sufficient information relating to and necessary for them;
 - 13.5. to have organisational structure allowing to avoid conflict of interest between the Management Company and Participants, between a number of Participants of the Management Company, between the Fund managed by the

- Management Company and its Participants or between a number of collective investment undertakings managed by the Management Company;
- 13.6. to have sound administrative and book keeping procedures, instruments for control and safeguard of electronic data processing and appropriate internal control system, including rules for personal financial transactions concluded by employees of the Management Company and for transactions on financial instruments concluded at the expense of the Management Company, as well as to ensure that it is possible to track the origin of all the transactions concluded with the subfund managed by the Management Company, parties, contents, time and place of conclusion of these transactions and establish whether assets were invested subject to requirements provided in documents of the subfund and legal acts;
 - 13.7. to ensure that persons taking decisions of investment management have the qualification and experience as set by the Supervisory Authority and are of sufficiently good repute;
 - 13.8. to have description of procedures governing adoption of investment decisions which shall determine, without limitation, the structure of the body taking investment decisions; and to comply with it;
 - 13.9. to ensure the retention of data, documents and information related to investment decisions made, transactions undertaken, requests submitted by investors to acquire, exchange or redeem fund units, or other operations performed, for a period of at least 10 years from the date on which an investment decision was made, a transaction was completed, respective requests were submitted or an operation was performed, unless the law requires document retention for a longer period;
 - 13.10. to comply with capital, risk limitation and other requirements specified by the Supervisory Authority;
 - 13.11. to obey instructions by the Supervisory Authority;
 - 13.12. to fulfil other obligations established in the Rules, the Prospectus and by law.
14. Units of the subfund can be traded on NASDAQ Vilnius Stock Exchange (on secondary market) by giving orders to intermediaries of public trading in securities to acquire or sell units of the subfund.
 15. Units of the subfund can be accounted for by any accounts manager after the issue of units of the subfund have been registered with the Central Securities Depository of Lithuania (hereinafter the CSDL).

PART V

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

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

16. The maximum amounts for remuneration and expenses are established in the Rules. The specific remuneration amounts foreseen in paragraphs 22, 28 and 30 of the Rules shall be determined by the board of the Management Company and the amounts thus established shall be specified in the Prospectus and on the Management Company's website www.invl.com. The specific amounts of other expenses foreseen in the Rules shall be determined and recorded in the respective agreements with service providers.
17. The maximum total amount of expenses which may be paid out of the resources of a subfund (excluding the possible success fee, which shall be calculated on a High Water Mark basis) is:
 - 17.1. 2 per cent of the average annual net asset value of the INVL Emerging Europe Bond Subfund;
 - 17.2. 3 per cent of the average annual net asset value of the INVL Emerging Europe ex Russia TOP20 Subfund;
 - 17.3. 4 per cent of the average annual net asset value of the INVL Russia TOP20 Subfund;
 - 17.4. 4 per cent of the average annual net asset value of the INVL Global Flexible Subfund.
18. At the end of the calendar year, the amounts of the remunerations and expenses calculated in the manner established in the Rules shall be reviewed. All overpayments accrued within the year shall be returned to the subfund and all liabilities shall be paid to the Management Company and/or the Depository within 30 (thirty) days from the end of the year. The NA of the subfund shall be increased by the amount of the overpayments.
19. The Management Company shall collect and keep documents substantiating calculations of remuneration and other expenses.
20. All other expenses which have not been provided for in the Rules or expenses in excess of the set limits shall be covered at the expense of the Management Company.

CHAPTER 2. REMUNERATION TO MANAGEMENT COMPANY

21. Remuneration to the Management Company for managing a subfund shall be paid out of funds of the subfund. Remuneration to the Management Company shall be comprised of:
 - 21.1. Performance fee which is calculated in accordance with the High water mark. Performance fee shall be accounted for every working day by taking off the amount of performance fee from the increase of a day value of an unit of the subfund. Performance fee shall be taken off the increase of a day value of the unit of subfund in application of the High water mark principle only in cases where the value of the unit of the subfund is higher than it has ever been before. i.e. if the value of an unit of the subfund starts decreasing, performance fee under the High water mark principle shall not be taken off. Application of this principle ensures that Participants of the subfund do not pay performance fees a number of times when the value of investment units is fluctuating in the long term. The fee shall

be applied on the level of the subfund, not for each Participant separately. This implies that increase of the value of an unit of the subfund, but not change in the value of every Participant's investment, is taken into account when assessing the amount of the performance fee;

21.2. Management fee which is calculated on the average annual value of NA of the subfund.

22. Maximum amounts of remuneration to the Management Company:

Subfund	Performance fee	Management fee
INVL Global Flexible Subfund	No more than 15 per cent of NA growth in value	No more than 2 per cent of average annual NAV of the subfund
INVL Emerging Europe Bond Subfund	not applicable	No more than 1 per cent of average annual NAV of the subfund
INVL Emerging Europe ex Russia TOP20 Subfund	No more than 15 per cent of NA growth in value	No more than 1.5 per cent of average annual NAV of the subfund
INVL Russia TOP20 Subfund	No more than 15 per cent of NA growth in value	No more than 1.5 per cent of average annual NAV of the subfund

23. Fee for the distribution of units of the subfund shall not be counted in remuneration to the Management Company.

24. Remuneration to the Management Company shall be calculated each day, by way of accumulation, based on the average annual NA value of the subfund.

25. Remuneration to the Management Company shall be paid monthly by the 10th (tenth) day of the following month.

CHAPTER 3. REMUNERATION TO THE DEPOSITORY

26. The total remuneration to the Depository for safekeeping the assets of every subfund and for movement in the accounts of financial instruments shall not exceed 0.5 (five tenths) per cent of the average annual NAV of every subfund.

27. Remuneration to the Depository shall be comprised of fees for:

27.1. safe-keeping of assets of the subfund, which is calculated every day on the value of NA of the subfund on the basis of accumulation principle. For the purpose of calculating the remuneration, it shall be deemed that there is an actual number of working days in a year;

27.2. movement in financial instrument accounts which is calculated every working day when the transactions in the financial instrument accounts took place.

CHAPTER 4. REMUNERATION TO DISTRIBUTORS

28. The distribution fee shall not exceed 5 (five) per cent of the value of a unit of the subfund.

29. The distribution fee, which is included in the sale price of a unit of the subfund, shall be paid by the Participant directly for units of the subfund being acquired under the purchase and sale contract.

30. The fee for switching subfund shall not exceed 0.25 (twenty-five hundredths) per cent of the value of units of the subfund being switched. Switch fee shall be applied when exchanging units of one subfund to units of another subfund.

31. Distribution and Switch fees are intended to cover expenses of distribution and switching units of the subfund.

32. Distribution and Switch fees shall not be included in calculations of the value of the NA of the subfund.

CHAPTER 5. OTHER EXPENSES

33. The following expenses of the subfund shall be covered from funds of the subfund:

33.1. remuneration to financial intermediaries for their services provided (expenses for conclusion of transactions, expenses for non-taxable orders to transfer financial instruments, expenses for safe-keeping of financial instruments, etc.);

33.2. remuneration to financial institutions for their services provided;

33.3. remuneration for audit services.

33.4. remuneration for legal services.

34. Remuneration to financial intermediaries shall not exceed 1 (one) per cent of value of transactions concluded. Remuneration to financial intermediaries shall be calculated every working day if at least on 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.

35. The amounts of remunerations to audit company and financial institutions for their services shall not exceed 1 (one) per cent of the average annual value of NA of the subfund. Remunerations to audit company and financial institutions shall be paid in accordance with procedures and time frames set out in the contracts for provision of the services.

36. Legal expenses, not exceeding 1 (one) per cent of the average annual value of NA of the subfund incurred by the Management Company when defending interests of participants of the subfunds and provided for in paragraph 37 of the Rules, may be covered by funds of the subfund.
37. The following legal expenses shall be covered by funds of the subfund:
 - 37.1. for the payment of stamp duty and other charges (fees) paid on submission of procedural documents to court or dispute resolution body;
 - 37.2. to cover representation expenses of an advocate in accordance with the contracts concluded between the Management Company and advocates;
 - 37.3. expenses for execution of court judgments.
38. Legal expenses may be covered in the following cases:
 - 38.1. when a person, to whose financial instruments the funds of the subfund have been invested, assigns the time limit for performance of obligations and/or
 - 38.2. when a person, to whose financial instruments the funds of the subfund have been invested, does not discharge their obligations provided for in the conditions for issue of other financial instruments, prospectuses, other documents and/or contracts.
39. Legal expenses incurred by the Management Company stipulated in paragraph 37 of the Rules shall be covered by the funds of the subfund subject to documents providing proof thereof, however, the maximum amount provided for in paragraph 36 of the Rules shall not be exceeded.
40. Remuneration for banking services (including without limitation bank and other credit institution fees for local and international payment orders). These expenses shall be calculated in accordance to the prices applied by banks and other credit institutions used by the subfund.
41. Fees to NASDAQ Vilnius Exchange shall be: a) payment for inclusion of financial instruments into NASDAQ Vilnius trading lists; b) annual payment for listing of financial instruments, etc.
42. Fees for public limited liability company Central Securities Depository of Lithuania (hereinafter the CSDL) shall be: a) one-off payment for registration of the subfund; b) quarterly account management payment; c) payment for servicing essential events of securities; d) fee for making of the list of owners of securities; e) annual payment, etc.
43. Fees to the market maker, authorised agent of the Management Company, CSDL as well as manager of Participants' and their investment units accounts.
44. 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).
45. Expenses provided for in paragraphs 40 – 44 of the Rules shall not exceed 1 (one) per cent of the average annual value of NA of the subfund.

PART VI

CONDITIONS AND PROCEDURES FOR REPLACING THE MANAGEMENT COMPANY AND DEPOSITORY

46. The Management Company may be replaced:
 - 46.1. by transferring management to another Management Company;
 - 46.2. if the Supervisory Authority revokes Management Company's licence;
 - 46.3. if procedures for liquidation of the Management Company have commenced;
 - 46.4. if the Management Company is put on bankruptcy procedures;
 - 46.5. in other cases where this is provided for by the legal acts.
47. The Depository may be replaced:
 - 47.1. if the Depository is not discharging or is not properly discharging their obligations as set in the contract;
 - 47.2. upon an agreement between the Depository and the Management Company;
 - 47.3. upon an order of the Supervisory Authority;
 - 47.4. if other important reasons are present.
48. The Depository and/or Management Company shall be replaced on the basis of decisions for the replacement of depository or the Management Company adopted by the board of the Management Company, except for the cases indicated in subparagraphs 46.2, 46.3 and 46.4 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.
49. Prior authorisation by the Supervisory Authority shall be mandatory for replacing the Management Company or Depository.
50. Replacement of the Management Company shall be published on the Management Company's website www.invl.com.

Part VII

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

51. Conditions and procedure for sale of units of subfund:

- 51.1. A Participant may acquire units of a subfund during working days at the places of distribution indicated in the Prospectus by concluding, in the manner established by the Prospectus, a subfund-unit purchase and sale agreement for the one-time or periodic acquisition of units of the subfund. After the Participant has concluded a subfund-unit purchase and sale agreement, payment under the contract shall be made into the account of the subfund specified in the Prospectus no later than on the third business day after the conclusion of the purchase and sale agreement (in the case of a one-time acquisition) or the settlement date specified in the agreement (in the case of periodic acquisition). A subfund-unit purchase and sale agreement for a one-time acquisition of subfund units shall specify the amount of money for which the investor is purchasing units of the Fund, while an agreement for periodic acquisition of Fund units shall specify the size of the periodic contributions, their intervals, the terms of payment and other related conditions.
- 51.2. Money received under a subfund-unit purchase and shall be converted into subfund units at the price effective on the date of receipt of the payment into the subfund account. The date on which money is credited to a subfund account shall be considered the date of receipt of the payment when the money is credited to the account on a business day before 24:00 hrs. Money that is credited to a subfund account on a non-business day shall be converted into subfund units at the price effective on the next business day.
- 51.3. A Participant shall acquire the ownership right to Subfund's units upon making an entry in the personal accounts of investment units. An entry in the personal account of the Participant's investment units shall be made no later than within 1 working day from receipt of monies in the account of the subfund.
- 51.4. A minimum investment amount shall be set in the Prospectus of the Fund and published on the website www.invl.com.

52. Conditions and procedure for the sale of subfund units on the securities exchange:

- 52.1. A Participant may acquire units of the subfund 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 subfund on the stock exchange in accordance to this contract. A commission fee set in the contract with the intermediary in public trading shall be paid for intermediary services.
- 52.2. A minimum amount of units of a subfund to be acquired on NASDAQ Vilnius Stock Exchange shall be 1 (one) unit.
- 52.3. Ownership right to units of a subfund shall be acquired upon making an entry in the personal securities account. An entry in the personal account of securities shall be made in accordance with procedures set in the contract between a Participant and the intermediary of public trading in securities.

53. Conditions and procedures for exchanging (switching) subfund units:

- 53.1. A Participant may exchange units of a subfund into units of another subfund of the same Fund on any business day by submitting a formal application for exchange of subfund units to the Distributor. Distribution places are specified in the Prospectus.
- 53.2. The exchanged subfund units shall be converted into units of another subfund at the prices effective on the date of receipt of an application. The day of receipt of an application shall be considered the day it has been submitted if the Distributor receives the application on a business day before 24:00h through channels set out in the Prospectus. If the Subfund switch application is received on a day of bank holiday, the Subfund's units specified in the application shall be converted into units of another subfund in accordance to the price effective on the next business day.
- 53.3. Switch between Subfunds in secondary trade is not be possible.

54. Conditions and procedure for redemption of Subfund's units:

- 54.1. Units of subfund shall be redeemed on working days by submitting an application to the Distributor for redemption of units of the subfund in accordance with procedures laid by the Prospectus.
- 54.2. Prior to submission of an application to the Management Company for redemption of units of the subfund acquired on NASDAQ Vilnius Stock Exchange (secondary market), the Participant is obliged to transfer the units of subfund by means of non-taxable transfer to the manager of accounts of participants of the subfund. A Participant shall submit their order to transfer the units of subfund to the intermediary of public trading who shall record units of subfund on NASDAQ Vilnius Stock Exchange.
- 54.3. Units of a subfund shall be redeemed at the price effective on the date of receipt of the application for redemption. The date on which an application was submitted shall be considered the date its receipt if the Distributor receives the application in a manner set out in the Prospectus on a business day before 24:00 hrs. If the application is received on a non-business day, the Fund units shall be redeemed at the price effective on the next business day.
- 54.4. The Management Company shall make payment to the Participant for redeemed subfund units no later than within 7 calendar days after the receipt of the application for redemption.

- 54.5. Payment for redeemed Subfund units shall be transferred to the personal cash account specified in the Participant's application for redemption of Subfund units.
- 54.6. A Participant shall lose all their rights granted by units of subfund (including ownership right), except the right to receive monies for units of subfund being redeemed, from the moment the application for redemption of units of subfund is submitted to the Distributor. The Management Company shall be obliged to make a payment to the Participant for units of subfund specified in the application for redemption from the day of receipt of the application for redemption.
55. Conditions and procedure for redemption of Subfund's units on the securities exchange:
- 55.1. Units of subfund may be sold on NASDAQ Vilnius Stock Exchange on opening days and in opening hours in accordance with procedures laid by the legal acts governing activities of the Stock Exchange. A Participant may submit orders for sale of units of subfund in secondary market to any intermediary of public trading. A commission fee set in the contract with the intermediary in public trading shall be paid for the services of the intermediary.
- 55.2. A minimum amount of units of a subfund to be sold on NASDAQ Vilnius Stock Exchange shall be 1 (one) unit.
- 55.3. Settlement for Subfund units sold on the NASDAQ Vilnius securities exchange (secondary market) shall be made in the manner established by the NASDAQ Vilnius securities exchange and the contract with an intermediary of public trading. Settlement with a Participant for sold Subfund units shall be made in the manner established in the agreement with the intermediary of public trading.
- 55.4. An entry in the personal securities account shall be made in accordance with procedures set in the contract between a Participant and an intermediary of public trading.

PART VIII

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

56. The right to suspend redemption and switch of units of the subfund for no longer than 3 (three) months per annum shall be vested with the Management Company and the Supervisory Authority.
57. Redemption and switch of units of the subfund may be suspended if:
- 57.1. It is necessary to protect interests of the public and the Participants against potential insolvency of the subfund or fall in the redemption price in the event of unfavourable situation on the financial market and fall in the value of portfolio of the financial instruments;
- 57.2. the available amount of funds is insufficient to pay for the units subject to redemption and/or switch, while the sale (disposal) of the available investment instruments would result in a loss;
- 57.3. such a sanction shall be imposed by the Supervisory Authority.
58. From the moment the decision is taken to suspend redemption and switch of units of subfund, it shall be prohibited to accept applications for redemption or switch of units of the subfund and to effect settlement for units of the subfund, the redemption of which was requested prior to the taking of the decision on suspension of redemption or switch.
59. A notice of suspension of redemption must be forthwith communicated to the persons who are intermediaries in the process of redemption, also to the Bank of Lithuania, and in the case of distribution of investment units in foreign states – also to foreign supervisory authorities; a notice thereof must also be published in the Business news newspaper. The Management Company shall also inform investors seeking to submit applications for acquisition of units of the subfund in writing about the suspension of redemption.
60. Where a decision on the suspension of redemption has been made by the Supervisory Authority, the right to resume it shall be vested solely in the Supervisory Authority or a court or an administrative disputes commission which has annulled this decision. In other cases, this right shall also be vested in a Management Company.
61. A notice of the decision to resume the redemption of units of the subfund shall be communicated in accordance with the procedure applied for communicating the notice of suspension of redemption as laid down in paragraph 8.5 of the Rules.
62. Trade on NASDAQ Vilnius Stock Exchange may be suspended and resumed in accordance with the procedures set by legal acts governing public trade in securities and rules of the Stock Exchange. The suspension of trade on NASDAQ Vilnius Stock exchange shall be communicated in accordance with the procedures set by legal acts governing public trade in securities and rules of the Stock Exchange.

PART IX

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

63. In calculating the net asset value of a subfund, the following shall be calculated separately for the subfund:
- 63.1. value of assets;
- 63.2. value of liabilities;
- 63.3. The difference between the assets in paragraph 63.1 of the Rules and the calculated values of paragraph 63.2, which in fact reveals the net asset value (NAV).
- 63.4. 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.
- 63.5. The total value of all the units of a subfund is always equal to the NAV of the subfund.

- 63.6. The initial value of a subfund unit is 28.962 euros.
- 63.7. The value of a subfund unit shall be calculated to four decimal places of precision and rounded according to the rules of mathematics.
- 63.8. The previous day's value of a subfund unit shall be calculated every business day and published no later than 12:00 hrs. of the current business day on the website www.invl.com.
- 63.9. The NASDAQ Vilnius securities exchange, in the manner established by its rules and other legal acts, shall on every exchange trading day publish the NAV corresponding to one subfund unit, the change in the number of subfund units and other information specified in the rules of the exchange.
64. Once a month the average subfund unit value for the previous month and the change of this average value from the start of the financial year shall be calculated.
65. Measurement of subfund's assets and liabilities shall be based on their fair value.
66. Assets and liabilities of subfund shall be estimated in accordance with requirements of Business Accounting Standards, Methodology for Calculations of Net Assets as approved by the Supervisory Authority and the Requirements for calculating the value of net assets of funds of the Management Company.
67. Assets (a part thereof) of the subfund shall be written off when:
- 67.1. rights to the subfund (a part thereof) have been implemented;
- 67.2. the terms of validity of the rights lapses or the rights are assigned.
68. Liabilities (a part thereof) shall be written off only when they cease to exist, i.e. when liabilities are settled, annulled or expire. Estimating value of NA of subfund, the value of foreign currency denominated assets and liabilities shall be determined in accordance with official exchange rate of the foreign currency into Euro effective on the date of estimation in accordance with requirements of Law on the Principles of Accounting and the Requirements for calculating the value of net assets of funds of the Management Company.
69. The fair value of financial instruments which are traded on regulated markets of the Baltic countries (the Riga, Tallinn and Vilnius securities exchanges) and of financial instruments which are traded on regulated markets other than those of the Baltic countries and (or) on a multilateral trading facility shall be determined as the closing price, except for the following cases:
- 69.1. If financial instruments are listed on several regulated markets and (or) multilateral trading facilities, their fair value shall be determined as the closing price on the regulated market and (or) multilateral trading facility in which trading in these financial instruments is characterized by greater liquidity, stability and frequency (which traits are best shown by these financial instruments' turnover and average number of transactions per day during the last 12 months);
- 69.2. If it is impossible to reasonably select a regulated market and (or) multilateral trading facility in accordance with the criteria set in subparagraph 69.1 of the Rules, the data of which shall determine the fair value, it shall be determined in accordance with the data of the regulated market and (or) multilateral trading facility where the issuer of the financial instrument has got its registered office;
- 69.3. If a financial instrument has not been traded in the last trading session, the fair value of the financial instrument shall be determined as the closing price that is last known, but no older than 30 (thirty) calendar days, as established in paragraph 69.2, provided there have been no material events since the last day of trading due to which the current market price would be significantly larger or smaller than the last known price.
- 69.4. If a financial instrument has not been traded for more than 30 (thirty) calendar days from evaluation or the trade was less frequent, fair value of the financial instrument shall be determined in the same way as the value of financial instruments not being traded on regulated markets and (or) multilateral trading facilities. If the situation re-occurs, the board of the Management Company shall make sure that further inclusion of these instruments into these being traded on regulated markets and (or) multilateral trading facilities is reasonable and check if their value should not be constantly determined as the value of those instruments not being traded on regulated markets and (or) multilateral trading facilities.
- 69.5. If trading in a financial instrument on the foreign regulated markets and (or) multilateral trading facilities whose data are used to value the financial instrument has not finished, the fair value of the financial instrument shall be determined as the last known trading price or probable trading price if since the last trading day circumstances have become known due to which the last closing price is significantly larger or smaller.
- 69.6. When determining the value of a financial instrument, only the official sources indicated in this paragraph may be consulted (in order of priority):
- 69.6.1. International news agency Bloomberg;
- 69.6.2. website of a respective stock exchange of the Financial instrument;
- 69.6.3. official website of the issuer of the Financial instrument;
- 69.6.4. international news agency Reuters;
- 69.6.5. fair value of non-equity securities issue by the Republic of Lithuania shall be determined in accordance with the average of profitability of the top purchase (lowest bid) and sale (highest ASK) of no less than three primary dealers (e.g., AB SEB bank, DNB bank, Swedbank AB).
- 69.7. The Management Company shall agree in advance with the Depository regarding the official source for the valuation of a specific financial instrument in the manner established in the agreement with the Depository.

70. Financial instruments not being traded on regulated markets and (or) multilateral trading facilities shall be evaluated in accordance with the below:
- 70.1. Equity securities:
- 70.1.1. Fair value of financial instrument shall be determined in accordance with the evaluation of an independent business valuator, who is authorised to engage in these activities, if no more than one year has passed after the valuation and there have been no events after the valuation that could significantly decrease or increase current market price as compared to the one determined by the valuator.
- 70.1.2. If there has been no valuation as set in subparagraph 70.1.1 effected or the valuation does not meet conditions of the said subparagraph, the valuation shall be effected in accordance with the chosen method for evaluation which is universally applied and recognised and indicated in the Requirements for calculating the value of net assets of funds of the Management Company, shall be used for evaluation.
- 70.2. The fair value of a non-equity security shall be determined by calculating the price without accrued interest (the "clean price") and adding the accrued interest in the following manner:
- 70.2.1. The non-equity security's fair value without accrued interest (clean price) shall be calculated based on its yield and other static information regarding the non-equity security (the valuation date, maturity date, coupon size expressed as a percentage, coupon payment frequency, day count convention);
- 70.2.2. Accrued interest shall be calculated in accordance with the day count convention specified in the non-equity security's issue documents.
- 70.3. The value of derivative instruments shall be determined in accordance with market value of the last known transaction of the same nature which had been concluded in the past, provided there were no significant change in economic circumstances between the date of the conclusion of transaction and the date of valuation. If economic circumstances have changed, the evaluation shall be done in accordance with probable sale price which has been determined under a chosen model for valuation which is universally applied and established in the financial market and indicated in the Requirements for calculating the value of net assets of funds of the Management Company.
- 70.4. Procedures for valuation of other Financial instruments:
- 70.4.1. Units of CIU (shares) which are not traded on regulated markets and (or) multilateral trading facilities shall be valued at the last published redemption price;
- 70.4.2. Money market instruments, the maturity of which or the term left to the maturity is more than 397 days or the profitableness of which is constantly revised in accordance with conditions of the money market but not less than once in 397 days or the risk of which, including the credit and interest rate risks, is significantly similar the risk of other financial instruments with the maturity term and profitableness complying with the above characteristics, may be measured by using the amortised cost method;
- 70.4.3. Term deposits in banks shall be measured at the value of amortised cost;
- 70.4.4. Cash and funds in credit institutions, except for term deposits, shall be measured at their par value;
- 70.4.5. Other assets shall be measured at the most probable sale price, which has been determined under a chosen model for valuation which is universally applied and established in the financial market and indicated in the Requirements for calculating the value of net assets of funds of the Management Company.
- 70.5. The Management Company shall agree in advance with the Depository regarding the official source for the valuation of a specific financial instrument in the manner established in the agreement with the Depository.
- 70.6. In order to verify the value of financial instruments which are not traded on regulated markets, alternative value sources may be used ('cross-checks').

PART X

PROCEDURES FOR DETERMINING REDEMPTION AND SELLING PRICE OF UNITS OF SUBFUND

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

PART XI

PROCEDURES FOR PUBLICATION OF INFORMATION ABOUT THE FUND

73. 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.
74. Annual reports of the Management Company shall be published on website www.invl.com in accordance with time frames and scope set by legal acts.
75. The Management Company shall publish the following on the website www.invl.com:
- 75.1. Prospectus of the Fund;
- 75.2. document on essential information to investors of the subfunds;
- 75.3. reports of subfunds for each financial year;
- 75.4. reports of subfunds covering the first six months of each financial year.
76. Financial accounts of the subfund shall be drawn in national currency and, should there be a need for it, in foreign currency.

77. All other reports and (or) notifications excluded from this part of the Rules shall be published on website www.invl.com.

PART XII FREQUENCY AND METHODS FOR DISTRIBUTING INCOME OF SUBFUND

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

PART XIII PROCEDURE FOR ESTABLISHING NEW SUBFUNDS

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

PART XIV GROUNDS AND PROCEDURE FOR TERMINATING A SUBFUND

80. A subfund may be terminated in the following cases:

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

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

81. After the Management Company has adopted a decision on terminating the subfund, sale and redemption of units of the subfund shall cease.

82. If in the process of terminating a subfund, it emerges that assets of the subfund are insufficient to cover liabilities, the Management Company shall not be obligated to discharge the remaining obligations, provided the Supervisory Authority, upon the Management Company's request, has confirmed there is insufficient information that the Management Company has inappropriately discharged its obligations set in the Law on Collecting Investment Undertakings and the Rules of the Fund.

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

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

PART XV PROCEDURES FOR AMENDING RULES OF THE FUND

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

86. 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.