

**MAIN RISK FACTORS ASSOCIATED WITH THE PURCHASE OF FUND UNITS:**

Interest rate risk, market volatility risk, credit risk, inflation risk, market liquidity risk, currency fluctuation risk, counterparty and settlement risk, political and legal risk, risks associated with the Fund's investment objectives and investment policy, and the standard deviation of the total return on investment (for more information on the risks associated with investing, please refer to point 2 of this Prospectus).

The Prospectus is published on the Management Company's website [www.sb.lt](http://www.sb.lt) on 15 July 2024.

**Additional information for investors in the Federal Republic of Germany is set out in page 27 of Annex 1 to the Prospectus.**

## I. GENERAL INFORMATION ON THE COLLECTIVE INVESTMENT UNDERTAKING

### BASIC INFORMATION AND WARNINGS

This Prospectus has been prepared in accordance with the Law on Collective Investment Undertakings of the Republic of Lithuania and the Rules on the Content and Presentation of Prospectuses of Collective Investment Undertakings and Key Investor Information Documents approved by Resolution of the Bank of Lithuania No. 03-150 of 12 July 2012.

The accuracy of the contents of the Prospectus is the responsibility of SB Asset Management UAB, the manager of this fund. The contents of the Prospectus may be amended or supplemented, if necessary, and will be notified in accordance with the procedures and under the conditions provided for by law.

This Prospectus does not constitute a solicitation to buy or sell units of the sub-funds of the Fund. The Prospectus is the Fund's document describing and defining the objectives of the sub-funds of the Fund, the objects and rules of investment, the limits and risks of the weightings of investment positions in the portfolios, and the responsibilities and rights of the Fund's manager and the participants.

In each case, investors should consult their own lawyer, adviser or tax adviser as to the legal, tax and other implications of acquiring units in the sub-funds of the Fund.

Only this Prospectus, the Fund Rules and the Key Investor Information Documents will be used for the distribution of units of the sub-funds of the Fund. Unless otherwise stated, the information contained in the Prospectus is to be read as if it were factual at the date of publication of the Prospectus. Neither the delivery of this Prospectus, nor the signing of the Sub-Fund Unit Purchase and Sale Agreement, nor the sale of sub-fund units may under any circumstances be relied upon as a basis for presuming that there has been no change in the Fund's business (financial or otherwise) since the date of publication of the Prospectus. Only the distributors specified in this Prospectus may provide information about the units of the sub-funds of the Fund offered. If any information or statements are provided by distributors other than the specified distributors, they will not be deemed to have been approved by the Management Company.

Any disputes, disagreements or claims arising out of the offer of sub-fund units of the Fund or out of the information contained in this Prospectus will be settled by the competent court of the Republic of Lithuania, in accordance with the law of the Republic of Lithuania.

### TERMS AND DEFINITIONS

All terms used in this Prospectus will have the meaning given to them in the Fund Rules or in the legislation governing collective investment.

### 1. BASIC DATA ON THE COLLECTIVE INVESTMENT UNDERTAKING

1.1.	Name	Harmonised Investment Fund INVL Umbrella Fund (hereinafter, the 'Fund')
1.2.	Legal form, type of activity	Open-ended harmonised composite investment fund. The Fund is composed of the following sub-funds: - INVL Emerging Europe Bond Sub-Fund - INVL Global Emerging Markets Bond Sub-Fund The Fund complies with the requirements of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as subsequently amended. The Fund has no legal personality.
1.3.	Head office address Telephone No., fax No. E-mail address Website address	Gynėjų g. 14, LT-01109 Vilnius +370 37 301 337, +370 41 430 774 info@sb.lt www.sb.lt
1.4.	Date of commencement of activities	29 October 2010
1.5.	Duration of activities	Indefinite
1.6.	Authorisation for Management Activities No.	Licence No. 22 issued by the Bank of Lithuania on 29 August 2023
1.7.	Name of the management company Head office address Tel. Fax	SB Asset Management UAB (hereinafter, the 'Management Company') Gynėjų g. 14, LT-01109 Vilnius +370 37 301 337 +370 41 430 774
1.8	Information on the depository:	
1.8.1.	Name, head office address, telephone number, fax, e-mail address, website address of the depository	SEB Bankas AB (hereinafter, the 'Depository') Konstitucijos pr. 24, LT-08105 Vilnius +370 5 268 2800; +370 5 268 2333 info@seb.lt, www.seb.lt

1.8.2.	Description of the functions performed by the Depositary and potential conflicts of interest	<p>The Depositary acts for the benefit of the Participants and performs the following functions: 1) provides custody of the Fund's assets and keeps an account of them; 2) ensures that the sale, issue, redemption and cancellation of the Fund's units are carried out in accordance with the requirements of the legislation governing the activities of collective investment undertakings and the Fund Rules; 3) ensures that the value of the Fund's units is calculated in accordance with the requirements of the legislation governing the activities of collective investment undertakings and the Fund Rules; 4) complies with the instructions of the Management Company, provided that they do not conflict with the requirements of the legislation governing the activities of collective investment undertakings and the Fund Rules; 5) ensures that remuneration and income from transactions in the Fund's assets are credited to the Fund's account within a specified time limit; 6) ensures that the Fund's income is used in accordance with the requirements of the legislation governing the activities of collective investment undertakings and the Fund Rules; 7) ensures that the Fund's cash flows are adequately monitored to ensure that all payments made by or on behalf of investors following the purchase of units in the Fund are received; 8) ensures that all funds in the Fund are credited to accounts opened in the name of the Fund, or in the name of the Management Company acting on behalf of the Fund, or in the name of the Depositary acting on behalf of the Fund, in an entity established and supervised in accordance with the legal acts adopted by the Bank of Lithuania implementing Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.</p> <p>Pursuant to the Law on Collective Investment Undertakings, the Depositary may not engage in any activity related to the Fund or the Management Company that may give rise to a conflict of interest between the Fund, its Participants, the Management Company and the Depositary, unless the Depositary has separated the performance of the Depositary's functions from the performance of any of its other functions that may give rise to a conflict of interest, and unless the potential conflicts of interest have been identified, managed, monitored and disclosed to the Fund's participants in accordance with the procedures laid down by the legislation governing the activities of collective investment undertakings. The Depositary undertakes not to engage in activities that may give rise to conflicts of interest between the Fund, the holders of units in the Fund and the Depositary, and to comply with the requirements of the Applicable Laws, including the Depositary's internal regulations on conflicts of interest policy. For more information on the Depositary's management, assessment of conflicts of interest and the application of preventive measures to avoid conflicts of interest, please refer to the SEB Group's Conflicts of Interest Policy: <a href="https://www.seb.lt/sites/default/files/web/pdf/Interesu_konfliktu_vengimo_politika.pdf">https://www.seb.lt/sites/default/files/web/pdf/Interesu_konfliktu_vengimo_politika.pdf</a></p>
1.8.3.	Description of the functions of the Depositary that have been delegated to other entities; a list of all entities to which depositary functions have been delegated, including any subsequent delegations; description of the conflicts of interest that may arise as a result of the delegation and sub-delegation of depositary functions	<p>In accordance with the Depositary Services Agreement signed with the Management Company and the requirements of applicable law, the Depositary may delegate the custody of financial instruments to third parties (intermediaries). For more information on the intermediaries to which the Depositary may delegate the custody of financial instruments, please refer to the Depositary's list of intermediaries: <a href="https://www.seb.lt/sites/default/files/web/pdf/seb_banko_vp_saugotoju_sarasas.pdf">https://www.seb.lt/sites/default/files/web/pdf/seb_banko_vp_saugotoju_sarasas.pdf</a></p> <p>In the event of loss of financial instruments held in custody by the Depositary or by a third party to which the Depositary delegated its functions, the Depositary must immediately return to the Fund financial instruments of the same type, or an equivalent amount determined by reference to the market price of the financial instrument at the time of the loss. The Depositary will not be liable if it can prove that the loss was caused by an external event beyond its reasonable control and the consequences of which could not have been avoided with all reasonable efforts (force majeure).</p> <p>If the Depositary has been negligent or deliberately inadequate in the performance of its duties under applicable law and/or the Depositary Services Agreement, the Depositary will be liable to indemnify the Fund and its investors against all other losses resulting from the inadequate performance of the Depositary's duties.</p>
1.8.4.	A statement that full and up-to-date information as set out in sub-paragraphs 1.8.2 to 1.8.3 of the Prospectus will be made available to investors on request	The Participant will be provided with complete and up-to-date information as set out in sub-paragraphs 1.8.2 to 1.8.3 of the Prospectus upon written request to the Management Company.
1.9	Currency of the Fund	Euro (EUR)

1.10	Minimum amount that can be invested in the selected sub-fund	—
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## 2. BASIC INFORMATION ABOUT THE INVESTMENT UNITS OFFERED BY THE FUND

The Fund offers units of two sub-funds (hereinafter, the 'sub-fund units'), with no limit on the number of units issued. The INVL Global Emerging Markets Bond Sub-Fund had a unit value of EUR 100 at the start of the sub-fund and the INVL Emerging Europe Bond Sub-Fund had a unit value of EUR 28.9620 at the start of the sub-fund.

Below is basic information about each Sub-Fund:

### INVL EMERGING EUROPE BOND SUB-FUND (ISIN CODE: LTIF0000468)

#### PURPOSE OF THE SUB-FUND

To ensure balanced growth of the Sub-Fund's assets by investing at least 85% of the Sub-Fund's assets in the INVL Emerging Europe Bond Fund, a sub-fund of the INVL Fund, a composite investment fund domiciled in the Grand Duchy of Luxembourg (hereinafter, the 'Funded Sub-Fund'). Section V of the Prospectus (INFORMATION ON THE FEEDER AND THE MASTER UNDERTAKINGS) provides further information on the activities of these sub-funds.

#### APPLICABLE DEDUCTIONS

Asset management fee	0.45 per cent of the average annual net asset value of the sub-fund
Distribution fee	Not applicable
Sub-fund switching fee	Not applicable

#### INVESTMENT STRATEGY

At least 85 per cent of the INVL Emerging Europe Bond Sub-Fund is invested in units of the Master Sub-Fund INVL Emerging Europe Bond Fund. The Master Sub-Fund in turn invests up to 100 per cent of its assets in debt securities of emerging European governments and companies. At least 51 per cent of the Master Sub-Fund's bonds are invested in government and corporate debt securities of governments and corporations in emerging Europe (Czech Republic, Estonia, Croatia, Latvia, Poland, Lithuania, Slovakia, Slovenia, Hungary, Ukraine, Armenia, Azerbaijan, Sakartvelo, Turkey, Malta, Albania, Bulgaria, Bosnia and Herzegovina, Greece, Montenegro, Cyprus, Macedonia, Moldova, Romania, Serbia, and Kosovo). The remainder of the Sub-Fund's net assets are held in cash in a bank account or invested only in liquid assets that are consistent with the investment strategy as set out in point 27 of the Prospectus, in accordance with the requirements laid down by law. The Sub-Fund invests in Unit Class I of the INVL Emerging Europe Bond Fund intended for institutional investors. For more information, please refer to points 32 to 38 of the Prospectus.

#### BENCHMARK

Composite benchmark:  $0.5 * \text{Bloomberg Pan Euro EM: Europe Total Return Index Unhedged EUR (I04339EU Index)} + 0.4 * \text{Bloomberg Pan-European High Yield (Euro) TR Index (I02501EU Index)} + 0.1 * \text{European Central Bank ESTR OIS Index (OISESTR Index)}$ .

#### INVESTMENT RISK

Interest rate risk, credit risk, inflation risk, market liquidity risk, currency fluctuation risk, counterparty and settlement risk, political and legal risk, risks associated with the Fund's investment objectives and investment policy, and the standard deviation of the total return on investment (for more information on the risks associated with investing in this sub-fund, please refer to point 30 and subparagraph 34.3).

The sub-fund is aimed at investors with limited investment experience. The investment risk of the sub-fund is below average and the recommended investment horizon is 1–2 years.

### INVL GLOBAL EMERGING MARKETS BOND SUB-FUND (ISIN CODE: LTIF0000666)

Account number: LT24 7044 0600 0810 4113, Payee's bank: SEB Bankas AB, SWIFT: CBVILT2X

#### PURPOSE OF THE SUB-FUND

The sub-fund aims to achieve balanced asset growth.

#### APPLICABLE DEDUCTIONS

Asset management fee	1.25 per cent of the average annual net asset value of the sub-fund
Distribution fee	Not applicable
Sub-fund switching fee	Not applicable

## INVESTMENT STRATEGY

At least 80 per cent of the assets of the INVL Global Emerging Markets Bond Sub-Fund are invested in the debt securities of the governments, municipalities and corporates in emerging countries (stock exchanges and markets)<sup>2</sup>. The sub-fund combines riskier (corporate bonds) and safer (government, municipal bonds) investments to protect the value of the assets and to ensure an even return on the sub-fund's investments. The sub-fund's investments are not limited to a particular industry. The sub-fund may invest in bonds of various types and credit ratings. It will also aim to keep the average duration of the bonds within the benchmark. If the market situation does not offer better investment opportunities, up to 100 per cent of the sub-fund's assets may be invested in deposits, money market instruments and matched units/shares of collective investment undertakings whose main investment focus is money market instruments or bonds and other forms of non-equity securities. The sub-fund may invest in derivatives if they are used for risk management. The sub-fund invests at least 80 per cent of its assets in securities denominated in euro or US dollars. Foreign currency risk is hedged through the use of derivatives and the open foreign currency position may not exceed 20 per cent. The likelihood that the composition of the portfolio or the portfolio management techniques could lead to significant fluctuations in the value of the sub-fund's net assets is low.

## BENCHMARK

Composite benchmark: 1.0 \* Bloomberg EM USD Aggregate Total Return Index Value Hedged EUR (H00014EU Index).

## INVESTMENT RISK

Market volatility risk, interest rate risk, credit risk, currency fluctuation risk, derivatives risk, inflation risk, political risk, market liquidity risk, counterparty and settlement risk, risks associated with the Fund's investment objectives and investment policy, and the standard deviation of the total return on investment (for more information on the risks associated with investing, please refer to point 30).

The sub-fund is aimed at investors with limited investment experience. The investment risk of the sub-fund is moderate and the recommended investment horizon is 2–3 years.

### 3. BRIEF DESCRIPTION OF THE INVESTMENT STRATEGY

The short investment strategy for each sub-fund is described in point 2 of the Prospectus.

### 4. RISK FACTORS RELATED TO THE ACQUISITION AND INVESTMENT OF UNITS

The risk factors associated with investing in units of an individual sub-fund are described in point 2 of the Prospectus.

### 5. DATE AND PLACE OF PUBLICATION OF THE PROSPECTUS

As stated on the cover page of the Prospectus.

<sup>2</sup> The list of stock exchanges and markets of emerging countries is as follows:

- a) **Mexico:** Mexican Stock Exchange; **Indonesia:** Indonesia Stock Exchange; **Turkey:** Istanbul Stock Exchange; **China:** Shanghai Stock Exchange, Shenzhen Stock Exchange; **Brazil:** BOVESPA Stock Exchange; **Philippines:** Philippine Stock Exchange; **Venezuela:** Caracas Stock Exchange; **Colombia:** Colombia Stock Exchange; **Hungary:** Budapest Stock Exchange; **Chile:** Santiago Stock Exchange; **Lebanon:** Beirut Stock Exchange; **Kazakhstan:** Kazakhstan Stock Exchange; **Republic of South Africa:** Johannesburg Stock Exchange; **Peru:** Lima Stock Exchange; **Poland:** Warsaw Stock Exchange; **Ukraine:** Ukrainian Stock Exchange; **Malaysia:** Malaysia Stock Exchange; **Argentina:** Buenos Aires Stock Exchange; **Panama:** Panama Stock Exchange; **Croatia:** Zagreb Stock Exchange; **Uruguay:** Montevideo Stock Exchange, Uruguay Stock Exchange; **Sri Lanka:** Colombo Stock Exchange; **Dominican Republic:** Dominican Stock Exchange; **Lithuania:** Vilnius Stock Exchange; **Romania:** Bucharest Stock Exchange; **Costa Rica:** Costa Rica Stock Exchange; **Serbia:** Belgrade Stock Exchange; **El Salvador:** El Salvador Stock Exchange; **Jamaica:** Jamaica Stock Exchange; **Ivory Coast:** Regional Stock Exchange of West Africa; **Pakistan:** Pakistan Stock Exchange; **Ecuador:** Quito Stock Exchange, Guayaquil Stock Exchange; **India:** Bombay Stock Exchange, Calcutta Stock Exchange, Cochin Stock Exchange, National Stock Exchange of India; **Egypt:** Egyptian Stock Exchange; **Azerbaijan:** Baku Stock Exchange; **Kenya:** Nairobi Securities Exchange; **Morocco:** Casablanca Stock Exchange; **Zambia:** Lusaka Stock Exchange; **Angola:** Angola Stock Exchange; **Mongolia:** Mongolian Stock Exchange; **Ghana:** Ghana Stock Exchange; **Vietnam:** Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange; **Paraguay:** BVPASA Stock Exchange; **Slovakia:** Bratislava Stock Exchange; **Iraq:** Iraq Stock Exchange; **Gabon:** Regional Stock Exchange of West Africa; **Trinidad and Tobago:** Trinidad and Tobago Stock Exchange; **Guatemala:** National Stock Exchange (Guatemala); **Nigeria:** Nigerian Stock Exchange; **Namibia:** Namibia Stock Exchange; **Honduras:** Central American Stock Exchange; **Bolivia:** Bolivian Stock Exchange; **Sakartvelo:** Georgian Stock Exchange; **Senegal:** Regional Stock Exchange of West Africa; **Armenia:** Armenia Securities Exchange; **Tunisia:** Tunis Stock Exchange; **Latvia:** Riga Stock Exchange; **Cameroon:** Douala Stock Exchange; **Mozambique:** Stock Exchange of Mozambique; **Tanzania:** Dar es Salaam Stock Exchange; **Jordan:** Amman Stock Exchange; **Belize:** Belize Stock Exchange; **Estonia:** Tallinn Stock Exchange; **Macedonia:** Macedonian Stock Exchange; **Bosnia and Herzegovina:** Sarajevo Stock Exchange; **Montenegro:** Montenegro Stock Exchange; **Czech Republic:** Prague Stock Exchange; **Kyrgyzstan:** Kyrgyz Stock Exchange; **Tajikistan:** Central Asian Stock Exchange; **Turkmenistan:** Stock Exchange of Turkmenistan, State Commodity Exchange; **Uzbekistan:** Tashkent Stock Exchange; **Bangladesh:** Dhaka Stock Exchange, Chittagong Stock Exchange; **Bulgaria:** Sofia Stock Exchange; **Moldova:** Moldova Stock Exchange; **Kuwait:** Kuwait Stock Exchange; **Qatar:** Qatar Stock Exchange; **Saudi Arabia:** Tadawul (Saudi Arabia) Stock Exchange; **United Arab Emirates:** Dubai Stock Exchange; **South Korea:** Korea Exchange; **Thailand:** Stock Exchange of Thailand; **Taiwan:** Taiwan Stock Exchange.
- b) The Sub-Fund's assets may also be invested in debt securities issued by governments, government agencies or municipalities of the countries listed above, as well as debt securities issued by companies operating in these countries, provided that these financial instruments are traded on regulated markets of the Organisation for Economic Co-operation and Development or of the members of the European Union, or on markets of developed countries according to the classification of MSCI (Morgan Stanley Capital International).
- c) The Sub-Fund's assets may also be invested in the securities markets of countries whose economies are Emerging Markets or Frontier Markets, as classified by the World Bank or MSCI (Morgan Stanley Capital International), as well as in the debt securities issued by governments, municipalities, public bodies or corporations of those countries, provided that these financial instruments are traded on the stock exchanges referred to in these Rules.

**6. INFORMATION ON WHERE AND WHEN YOU CAN ACCESS THE PROSPECTUS, THE INSTRUMENTS OF INCORPORATION, THE ANNUAL AND SEMI-ANNUAL REPORTS AND INFORMATION ABOUT THE FUND**

The Fund's Prospectus, Fund Rules, Key Investor Information Document of each sub-fund and annual and semi-annual reports are available free of charge to investors as well as to Participants upon request at Šiaulių Bankas' outlets, by contacting the telephone number 1813 (+370 37 301 337 when calling from abroad) or by e-mail [info@sb.lt](mailto:info@sb.lt), at [www.sb.lt](http://www.sb.lt), and at all the sub-fund distributors.

**7. INFORMATION ON FUND DISTRIBUTORS**
**DISTRIBUTORS OF THE FUND IN LITHUANIA:**

<b>Šiaulių Bankas AB</b>	registration No. head office address tel. website	112025254 Tilžės g. 149, LT-76348 Šiauliai +370 41 595 607 <a href="http://www.sb.lt">www.sb.lt</a>
<b>INVL Financial Advisors UAB FMĮ</b>	registration No. head office address tel. website	304049332 Gynėjų g. 14, LT-01109 Vilnius +370 700 55 959 <a href="http://www.invlseimosbiuras.com">www.invlseimosbiuras.com</a>

**DISTRIBUTORS OF THE FUND ABROAD:**

INVL Emerging Europe Bond Sub-Fund and INVL Global Emerging Markets Bond Sub-Fund distributors in foreign countries:

<b>Nordnet Bank AB</b>	registration No. head office address tel. website	516406-0021 PO Box 14077, Bromma SE - 1671, Sweden +46850637730 <a href="http://www.nordnet.se">www.nordnet.se</a>
<b>MFEX Mutual Funds Exchange AB</b>	registration No. head office address tel. website	556559-0634 Grev Turegatan 19, 11438, Stockholm, Sweden +46 (0)8-559 03 640 <a href="http://www.mfex.se">www.mfex.se</a>
<b>Avanza Bank</b>	registration No. head office address tel. website	556573-5668 Klarabergsgatan 60, Box 1399, 111 93, Sweden +46856225045 <a href="http://www.avanza.se">www.avanza.se</a>
<b>Allfunds Sweden AB</b>	registration No. head office address tel. website	556405-0127 Engelbrektsgatan 9-11, 114 32 Stockholm, Sweden +4684057070 <a href="http://www.allfunds.com">www.allfunds.com</a>
<b>Allfunds Bank S.A.U.</b>	registration No. head office address tel. website	A-4100137 Padres Dominicos, 7, 28050, Madrid, Spain +34912746400 <a href="http://www.allfunds.com">www.allfunds.com</a>
<b>Allfunds Bank International, S.A.</b>	registration No. head office address tel. website	B133459 Boulevard Royal, 30, L-2449, Luxembourg, Luxembourg +352 27 48 01 04 <a href="http://www.allfunds.com">www.allfunds.com</a>

INVL Emerging Europe Bond Sub-Fund distributors in foreign countries:

<b>INVL Asset Management IPAS</b>	registration No. head office address tel. website	40003605043 Smilšu iela 7-1, LV-1050, Riga, Latvia +37167092988 <a href="http://www.invl.com/lat/lv">www.invl.com/lat/lv</a>
<b>Raiffeisen Bank International AG</b>	registration No. head office address tel. website	FN 122119 Am Stadtpark 9, 1030 Vienna, Austria +431717070 <a href="http://www.rbinternational.com/">www.rbinternational.com/</a>

**8. PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS**

8.1. The Management Company's Chief Executive Officer and Chief Financial Officer are responsible for the information contained in the Prospectus:

Vaidotas Rūkas, Director, tel. +370 37 301 337.

Mindaugas Petrošius, Head of Finance, tel. +370 37 301 337.



8.2. No consultants were used in the preparation of the Prospectus.

## 9. INFORMATION ON THE AUDIT

The audit of the financial statements from 2019 to the present is carried out by:

<b>KPMG Baltics UAB</b>	registration No. head office address tel. Authorisation for Audit Activities number, date of issue	111494971 Lvovo g. 101, LT-08104 Vilnius +370 5 210 600  No. 001281, 11 April 1997
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The financial statements were audited from 2012 to 2019 by:

<b>PricewaterhouseCoopers UAB</b>	registration No. head office address tel. Authorisation for Audit Activities number, date of issue	111473315 J. Jasinskio g. 16B, LT-03163 Vilnius +370 5 239 2300  No. 001273, 20 December 2005
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The financial statements were audited from 2010 to 2011 by:

<b>ERNST &amp; YOUNG BALTIC UAB</b>	registration No. head office address tel. Authorisation for Audit Activities number, date of issue	110878442 Subačiaus g. 7, LT-01302 Vilnius +370 5 274 2200  No. 000514, 24 December 2004
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## 10. GOVERNMENT TAX POLICY TOWARDS THE FUND, THE FUND'S PARTICIPANTS

Investment funds established under the Law on Collective Investment Undertakings of the Republic of Lithuania are not tax entities, i.e., the Fund is not a taxpayer.

**Taxation of participants.** The following summary of the tax treatment of a Participant's income from the transfer of units of a sub-fund in the Republic of Lithuania should not be construed as tax advice. The Management Company is not responsible for the accuracy or correctness of this information. Sub-fund Participants are responsible for the proper and timely payment of taxes due to them, and sub-fund Participants should consult their own tax advisors in the event of any uncertainty regarding taxation.

**Taxation of permanent residents of Lithuania.** Income derived by individuals from the sale or other transfer of units of sub-funds is taxed at a personal income tax rate of 15 per cent (from 1 January 2019 – 15 per cent for the taxable part of the income up to 120 average wages and 20 per cent for the part above 120 average wages) except as provided below.

The sale or other transfer of sub-fund units is exempt from personal income tax if the difference between the proceeds from the sale or other transfer of the sub-fund units and other financial instruments and the purchase price of the sub-fund units and other financial instruments and the other expenses incurred in connection with the sale or other transfer of the sub-fund units and other financial instruments does not exceed EUR 500 in any one tax period.

**Taxation of Lithuanian legal entities.** Income of a Lithuanian legal entity, including capital gains, dividends and other distributed profits, derived from the holding of units in the Fund is treated as non-taxable income.

Profits from capital gains received by a **non-permanent resident of Lithuania and a foreign legal entity** are not subject to personal income tax and corporate income tax of the Republic of Lithuania.

If international treaties of the Republic of Lithuania lay down different rules of taxation than those laid down in the respective tax laws of the Republic of Lithuania, and these treaties have been ratified, have entered into force and are applied in the Republic of Lithuania, the rules laid down in these international treaties will prevail.

The **exchange of sub-fund units** for units of another sub-fund is not subject to personal income tax in the Republic of Lithuania.

## 11. DATES OF PREPARATION OF THE SUB-FUNDS' FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFITS, FINANCIAL YEAR

The financial statements of the Fund are drawn up after the end of the financial year.

The financial year of the Fund is the calendar year from 1 January to 31 December. The Fund's annual financial statements are drawn up and published within 4 months of the end of the financial year.

The profits of the Fund are not distributed to the Participants during the lifetime of the Fund and increase the value of the Fund's net assets. The profits of the Fund are reinvested in accordance with the general procedures set out in the Rules.

## 12. RIGHTS AND OBLIGATIONS OF A PARTICIPANT

12.1. Participants in the sub-funds have the following rights:

- 12.1.1. to request at any time that the Management Company redeem his/her sub-fund units in accordance with the procedure set out in the Prospectus;

- 12.1.2. to receive the remaining part of the sub-fund to be wound up in accordance with the law;
  - 12.1.3. to receive information about the Fund and sub-funds as required by law;
  - 12.1.4. to sell, gift or otherwise transfer the ownership of the sub-fund units to third parties;
  - 12.1.5. to request at any time that the Management Company exchange his/her sub-fund units for units of other sub-funds;
  - 12.1.6. other rights set out in the Fund Rules, the Sub-Fund's Unit Purchase and Sale Agreement and the law.
- 12.2. Participants in the sub-funds have the following obligations:
- 12.2.1. to notify the Distributor in writing within a maximum of ten (10) days of any change in the Participant's particulars (name, surname or company name, residential or head office address, current account, telephone number, e-mail address and other details);
  - 12.2.2. when selling, gifting or otherwise transferring the ownership or management right to the sub-fund units, to enter into a written agreement with the transferee of the sub-fund units, one copy of which must be submitted to the Distributor within three (3) working days;
  - 12.2.3. other obligations set out in the Fund Rules, the Sub-Fund's Unit Purchase and Sale Agreement and the law.

13.A CONFIRMATION BY THE CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER, THE CONSULTANTS WHO PREPARED OR ASSISTED IN THE PREPARATION OF THE PROSPECTUS AND WHO ARE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED THEREIN THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE, IN ACCORDANCE WITH THE REQUIREMENTS OF THE LAW AND THAT THERE ARE NO OMISSIONS OF FACTS THAT COULD MATERIALLY AFFECT THE DECISIONS OF INVESTORS.

I, Vaidotas Rūkas, Director of SB Asset Management UAB, confirm that the information contained in the Prospectus is correct and that there are no omissions of facts that may materially affect the decisions of investors

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(signature)

I, Mindaugas Petrošius, Head of Finance of SB Asset Management UAB, confirm that the information contained in the Prospectus is correct and that there are no omissions of facts that may materially affect the decisions of investors

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(signature)

## II. DATA ON CAPITAL, ALLOCATION OF INCOME AND EXPENDITURE

### 14. EQUITY

The Fund and the sub-funds do not have authorised capital. The equity of each sub-fund is always equal to the net asset value of the relevant sub-fund and varies depending on the issuance/sale and redemption of the sub-fund units and the change in the net asset value of the sub-fund.

The INVL Global Emerging Markets Bond Sub-Fund has an initial capital of EUR 10,000 and the INVL Emerging Europe Bond Sub-Fund has an initial capital of EUR 2,896.20.

There is no maximum amount and no maximum number of sub-fund units that may be distributed. Units of the sub-funds have no nominal value.

### 15. METHODOLOGY FOR MEASURING NET ASSETS

- 15.1. The net asset value of the sub-funds is calculated on each working day in accordance with the methodology for calculating the net asset value approved by the Supervisory Authority and the Methodology and Procedures for Calculating Net Asset Value approved by the Board of the Management Company.
- 15.2. The net asset value (NAV) of the sub-funds is calculated as the value of the sub-funds' assets minus their liabilities.
- 15.3. Assets and liabilities are measured at fair value unless such value cannot be measured reliably.
- 15.4. The fair value of assets and liabilities is determined by reference to observable market transactions or market information. If observable market transactions and market information relating to the assets and liabilities are not available, fair value is determined using valuation techniques. The objective of fair value measurements is the same in all cases: to estimate the amount for which counterparties could sell an asset or service, or transfer a liability, to each other in an arm's length transaction at the measurement date.
- 15.5. The value of a sub-fund unit is determined by dividing the NAV of the sub-fund by the total number of the sub-fund units in circulation.
- 15.6. The value per unit of the INVL Global Emerging Markets Bond Sub-Fund was EUR 100 at the start of the sub-fund's operations, while the value per unit of the other sub-funds of the Fund was EUR 28.9620 at the sub-funds' start date.
- 15.7. The value of a sub-fund unit is calculated to four decimal places and rounded according to mathematical rounding rules.
- 15.8. The previous day's value of a sub-fund unit is calculated on each working day and published not later than 2 p.m. on the current working day on the website [www.sb.lt](http://www.sb.lt).



- 15.9. The sub-funds' net assets are valued in euros. The value in euros of the sub-funds' net assets that are not denominated in euros is determined in accordance with the Law on Accounting of the Republic of Lithuania and the Sub-Fund Accounting Policy adopted by the Management Company.
- 15.10. The sub-funds' net assets are valued in accordance with the procedures established by the legislation of the Republic of Lithuania, the Lithuanian Financial Reporting Standards (Business Accounting Standards), the Methodology for the Calculation of the Net Asset Value approved by the Bank of Lithuania and the Methodology and Procedures for Calculating Net Asset Value approved by the Management Company. The following principles are used to measure net assets:
- 15.10.1. The fair value of equity securities and collective investment undertakings traded on trading venues is determined by reference to the publicly announced closing price of the underlying market for that instrument; the fair value of other financial instruments traded on trading venues is determined based on the publicly announced closing price of the main market of the instrument or the average market price, except for the cases set out in the Methodology for the Calculation of the Net Asset Value approved by the Bank of Lithuania and the Methodology and Procedures for Calculating Net Asset Value approved by the Management Company;
  - 15.10.2. The fair value of financial instruments not traded on regulated markets is determined in accordance with the Methodology and Procedures for Calculating Net Asset Value approved by the Management Company;
  - 15.10.3. Units/shares of collective investment undertakings are valued at the NAV determined by the collective investment undertaking or at the last publicly announced redemption price;
  - 15.10.4. Term deposits with banks are measured at amortised cost;
  - 15.10.5. Cash and balances with credit institutions, other than term deposits, are measured at nominal value;
  - 15.10.6. Other assets are measured at their most probable selling price based on a selected valuation model that is generally accepted in the financial market.
- 15.11. A regulated market on which the price at which transactions outside the regulated market are executed is set  
A list of the regulated markets on which the price at which OTC transactions are executed is set is provided in point 2 of the Prospectus.
- 15.12. Currency of the collective investment undertaking  
The currency of the sub-funds in which the Fund's NAV is calculated is the euro.

## 16. RULES ON THE DISTRIBUTION AND USE OF INCOME

The income of the sub-funds is not distributed to the Participants, but increases the value of the sub-funds' net assets. The income of the sub-fund is reinvested in accordance with the general procedures set out in the Rules.

## 17. EXPENDITURE

- 17.1. Gross expense ratio (GER) for the previous year.
- 17.2. Types of expenditure not taken into account in the calculation of the gross expense ratio.
- 17.3. Portfolio turnover ratio (PTR).

**The information required to be disclosed under sub-paragraphs 17.1 to 17.3 of the Prospectus is set out below for each sub-fund separately:**

2023 DATA FOR THE INVL EMERGING EUROPE BOND SUB-FUND:

<b>Conditional gross expense ratio (conditional GER)</b>	A percentage that represents the average proportion of the sub-fund's net assets that is allocated to cover its management costs. These costs directly reduce the return to the investor. The calculation of the GER does not take into account: transaction costs (0.00% of the average annual NAV); distribution fee paid directly by the investor when purchasing sub-fund units (0.00% of the average annual NAV); exchange fees (0.00% of the average annual NAV).	0.77 per cent
<b>Portfolio turnover ratio (PTR)</b>	An indicator describing trading activity in the instruments comprising the sub-fund's portfolio. The higher the ratio, the more transaction costs the sub-fund incurs.	-21.13 per cent

2023 DATA FOR THE INVL EMERGING EUROPE BOND SUB-FUND:

<b>Gross expense ratio (GER)</b>	A percentage that represents the average proportion of the sub-fund's net assets that is allocated to cover its management costs. These costs directly reduce the return to the investor. The calculation of the GER does not take into account: transaction costs (0.00% of the average annual NAV); distribution fee paid directly by the investor when purchasing sub-fund units (0.00% of the average annual NAV); exchange fees (0.00% of the average annual NAV).	1.51 per cent
<b>Portfolio turnover ratio (PTR)</b>	An indicator describing trading activity in the instruments comprising the sub-fund's portfolio. The higher the ratio, the more transaction costs the sub-fund incurs.	29.57 per cent

17.4. Estimated expenditure structure:

Costs covered from the sub-funds' assets:

- 17.4.1. **Remuneration to the Management Company**, which is calculated on an accrual basis on each working day, on a delivery-versus-payment basis, and is paid monthly by the tenth (10th) day of the following month. The remuneration payable to the Management Company in respect of each sub-fund is set out in point 2 of the Prospectus.
- 17.4.2. **Remuneration to the Depositary** for the services rendered by the Depositary under the Agreement will amount in aggregate to a maximum of five-tenths (0.5) per cent of the average annual net asset value of each sub-fund. Remuneration to the Depositary is paid in accordance with the terms and conditions set out in the Services Agreement. Remuneration to the Depositary is calculated on an accrual basis on each working day, on a delivery-versus-payment basis.
- 17.4.3. --
- 17.4.4. **Remuneration to the audit firm and financial institutions** for services rendered, which will not exceed one (1) per cent of the average annual net asset value of the sub-fund. Remuneration to the audit firm and financial institutions is paid in accordance with the terms and conditions set out in the Services Agreements.
- 17.4.5. Costs covered directly by the Participant:
  - 17.4.5.1. **Distribution fee** – zero (0) per cent of the value of the sub-fund unit when the Participant purchases units of the INVL Emerging Europe Bond Sub-Fund or the INVL Global Emerging Markets Bond Sub-Fund, and up to a maximum of two (2) per cent of the value of the sub-fund unit when the Participant purchases units of the other sub-funds of the Fund. The distribution fee, which is included in the selling price of a sub-fund unit, is paid by the Participant to the Management Company for the purchase of sub-fund units in accordance with the Sub-Fund Unit Purchase and Sale Agreement. The distribution fee, which is not included in the selling price of the sub-fund units, shall be paid by the Participant directly to the Distributor. The remuneration to the Distributor may vary depending on the Distributor in question. The Management Company exempts certain Participants from the application of the distribution fee<sup>1</sup>. The exact amount of the distribution fee is published on the website [www.sb.lt](http://www.sb.lt), at the distribution points and is provided prior to the purchase of Fund units.
  - 17.4.5.2. **Sub-fund switching fee** – not applicable.
  - 17.4.6. **Remuneration to financial intermediaries** (transaction costs, costs of fee-free instructions for the transfer of financial instruments, costs of safekeeping of financial instruments, etc.), which will be limited to a maximum of one (1) per cent of the value of the transactions concluded. Remuneration to financial intermediaries is calculated on each working day if at least one transaction has been made on that day. Remuneration to financial intermediaries is paid in accordance with the terms and conditions set out in the Services Agreements.
  - 17.4.7. **Legal costs incurred by the sub-fund**, which in aggregate will not exceed one (1) per cent of the sub-fund's average annual NAV. Legal costs are charged to the sub-fund in the cases and according to the procedures laid down in the Fund Rules, on the basis of the documents supporting such costs.
  - 17.4.8. **Bank charges** (including, but not limited to, charges to banks and other credit institutions for domestic and international payment orders). These costs are calculated based on the rates set by the banks and other credit institutions whose services are used by the sub-fund.
  - 17.4.9. **Fees payable to Nasdaq CSD – Central Securities Depository for the Baltics** ('Nasdaq CSD'):
    - 1) one-off sub-fund registration fee;

<sup>1</sup> The Management Company will not charge a distribution fee:

- a) to Participants who have entered into an employment contract with any of the following companies (during the term of the employment contract only):
  - SB Asset Management UAB;
  - INVL Financial Advisors UAB FMI;
  - INVL Atklatais Pensiju Fonds AS;
  - INVL Asset Management IPAS.
- b) to Participants who meet all the following criteria:
  - the Participant has entered into a Portfolio Management Agreement (hereinafter, the 'Management Agreement') with the Management Company;
  - the Participant has undertaken to pay to the Management Company, for the services rendered, a management fee of not less than EUR 1,448.10 per year during the term of the Management Agreement, as set out in the Management Agreement;
- c) to entities licensed and/or otherwise supervised by Member States of the European Union that operate in financial markets;
  - to credit institutions, brokerage firms, other licensed and/or supervised financial institutions, insurance undertakings, collective investment undertakings and their management companies, pension funds and their management companies, and other institutional investors whose main business is investing in financial instruments, including entities engaged in the business of investing in assets or in other financing transactions.

- 2) quarterly account maintenance fee;
- 3) material securities event servicing fee;
- 4) fee for compiling a list of security holders;
- 5) annual fee;
- 6) custody fee;
- 7) other.

- 17.4.10. **Fees** payable to the Management Company's agent to the NASDAQ CSD and to the operator of the accounts of the Participants and their units.
- 17.4.11. The sub-fund's share of the fee to the **Supervisory Authority for the supervision of supervised financial market participants**, which is calculated in accordance with the provisions of the Description of the Methodology for Calculation and Payment of the Fees of Supervised Financial Market Participants.
- 17.4.12. Fees to providers of financial indices used in the sub-fund's benchmark for index composition information and historical data.
- 17.4.13. Other expenses related to the sub-fund's activities that are not paid periodically or in accordance with established procedures.
- 17.4.14. The costs referred to in sub-paragraphs 17.4.8 to 17.4.13 of the Prospectus may amount to a maximum of one (1) per cent of the sub-fund's average annual NAV.

The audit and tax, custody and advisory costs of the INVL Global Emerging Markets Bond Sub-Fund may also be fully or partially covered by the Management Company during the first three years of operation.

Any other unforeseen costs or costs in excess of the limits are borne by the Management Company. The maximum total amount of expenditure covered by the sub-fund is:

- 2 per cent of the average annual net asset value of the INVL Emerging Europe Bond Sub-Fund;
- 2 per cent of the average annual net asset value of the INVL Global Emerging Markets Bond Sub-Fund;

**17.5. Information on reimbursable expenses incurred by the Depositary and the Management Company on behalf of the Fund**

Expenses incurred by the Depositary and the Management Company for the benefit of the Fund will not be reimbursed, except for the expenses referred to in sub-paragraph 17.4 of the Prospectus, which will be charged to the Fund's assets.

- 17.6. The maximum management fee that may be paid to the Management Company by other collective investment undertakings in which the sub-funds invest may not exceed three (3) per cent of the average annual value of the investments.
- 17.7. There are no hidden commissions. The following arrangements exist for the sharing of the remuneration (distribution and management fees) received by the Management Company. The Management Company pays a portion of the remuneration to the distributors of the Fund's units acting under the Fund Unit Distribution Agreement as specified in Section 7 of the Prospectus. The Management Company also has the right, taking into account the specificities of the foreign market in which the Fund's units are distributed, to pay a part of the remuneration it receives to other third parties acting on the basis of co-operation agreements, which assist in the establishment, development and maintenance of the relationship between the Management Company and the Participants, insofar as this is not in contravention of the Management Company's obligation to act in the best interests of the collective investment undertaking and its Participants. The Management Company undertakes to provide additional information on the payments described in this paragraph to third parties at the request of a Participant. The Management Company has developed and applies requirements for incentive measures, which are available at [www.sb.lt](http://www.sb.lt).
- 17.8. The total expenses of the Fund that cannot be allocated to a particular sub-fund individually will be allocated among the sub-funds in proportion to the past average net asset value at the time of the recognition of the expenses or the commencement of the accumulation of expenses.

### III. INFORMATION ON SUB-FUND UNITS

#### 18. INFORMATION ON THE INVESTMENT UNITS OFFERED BY THE FUND

- 18.1. Sub-fund unit is a transferable security evidencing the obligations of the sub-fund to the holder of the security, i.e., Participant.
- 18.2. —
- 18.3. —
- 18.4. Ownership of the sub-fund units is evidenced by an entry in the Participant's personal securities account, which will be made not later than within one working day after the date of receipt of the money in the sub-fund account or in accordance with the procedure established by the public trading intermediary if the sub-fund units were acquired on the secondary market.
- 18.5. The operator of the personal accounts of the sub-fund units issued and the manager of the Register of Participants is Public Limited Liability Company Šiaulių Bankas. The maintenance of the Register of Participants holding units in the INVL Emerging Europe Bond Sub-Fund and/or the INVL Global Emerging Markets Bond Sub-Fund is entrusted to the Distributors referred to in point 7 of the Prospectus: INVL Financial Advisors UAB FMĮ and foreign distributors of the respective sub-fund through which these investment units were purchased.
- 18.6. The sub-fund units confer on their holders the rights and obligations set out in point 12 of the Prospectus. Sub-fund units do not carry voting rights. A Participant has the right to transfer, redeem or exchange sub-fund units owned jointly with the spouse only with the power of attorney from the spouse, which may be made in a simple written form. There are no other restrictions on the transfer of sub-fund units, unless the sub-fund units are seized or otherwise encumbered in accordance with the procedure established by law.
- 18.7. Issues of sub-fund units are unlimited and open-ended.

- 18.8. The Management Company, the manager of the Register of Participants and the operator of their sub-fund unit accounts, and the distributors ensure that sub-fund units in respect of which a redemption request has been made are not transferred to a public trading intermediary with a view to the sale of the sub-fund units on a stock exchange, and that sub-fund units purchased on the stock exchange and in respect of which an order to sell on a stock exchange has been placed are not transferred with a view to the redemption of sub-fund units.
- 18.9. The units issued by the sub-fund are accounted for at two levels of accounting: at the highest level of accounting for financial instruments in accounts opened and maintained by the Central Securities Depository (NASDAQ CSD), and at the lower level of accounting for financial instruments in accounts opened and maintained by other account operators.
- 18.10. The Management Company's agent for relations with NASDAQ CSD is the Public Limited Liability Company Šiaulių Bankas.

## 19. DIVIDENDS

The sub-funds do not pay dividends.

## 20. LIQUIDATION OR DISSOLUTION OF THE SUB-FUND

- 20.1. The sub-fund may be dissolved by a decision of the Board of the Management Company, the Supervisory Authority or the Board of the Depository.
- 20.2. Following the decision to dissolve the sub-fund, the redemption and distribution of the sub-fund units will cease and the investment diversification requirements laid down in the Law on Collective Investment Undertakings will no longer apply.
- 20.3. If, at the time of the liquidation of the sub-fund, it becomes apparent that the assets constituting the sub-fund are insufficient to cover the obligations incurred on its account, the Management Company will not be obliged to meet the remaining obligations in cases where, at the request of the Management Company, the Supervisory Authority certifies that there is no evidence of any failure by the Management Company to comply with the obligations imposed on it by the Law on Collective Investment Undertakings and by the Fund Rules.
- 20.4. After creditors' claims have been satisfied, the proceeds from the sale of the assets comprising the sub-fund will be distributed to the sub-fund Participants in proportion to their respective shares.
- 20.5. In the case of legal proceedings concerning obligations to be discharged at the expense of the sub-fund, the sub-fund may be dissolved only after the judgements in such proceedings have become final.

## 21. TERMS AND CONDITIONS FOR THE ISSUE OF UNITS OF THE FUND AND THE PROCEDURES FOR DECIDING ON THE ISSUE OF UNITS OF THE FUND

Sub-fund units are issued after the investor has signed a Sub-Fund Purchase and Sale Agreement and paid the amount of money specified in the Agreement into the account of the selected sub-fund.

## 22. TERMS AND PROCEDURES FOR THE DISTRIBUTION OF THE SUB-FUND UNITS

- 22.1. The sub-fund units are distributed at the distribution points specified in point 7 of the Prospectus. A Participant who has purchased sub-fund units from a particular Distributor must apply to the same Distributor to redeem sub-fund units or to take other actions.
- 22.2. The Distributors must comply with the requirements of this Prospectus and the Fund Rules.
- Distributors distribute sub-fund units on the basis of a distribution or other similar agreement (hereinafter, the 'Distribution Agreement') signed with the Management Company. The Distribution Agreement governs the relationship between the Distributor and the Management Company arising from the distribution, exchange and redemption of the sub-fund units.

### Limits on the liability of Distributors:

- 22.2.1. Under the Distribution Agreement, the Distributor undertakes to provide advisory services to potential Participants of the Management Company's sub-funds about the Fund and sub-funds managed by the Management Company, to provide investors with information about the sub-funds and to provide the sub-funds' documents, to distribute the sub-fund units, to accept applications to exchange, redeem the sub-fund units held by the sub-fund Participants and, in accordance with the deadlines set out in the Distribution Agreement, to submit to the Management Company the documents referred to in the Distribution Agreement and any other documents received from the Participant, as well as to perform any other acts provided for in the Distribution Agreement. The Distributor does not assume any obligations towards the sub-fund Participants other than those expressly stated in the Distribution Agreement.
- 22.2.2. The Distributor undertakes not to delegate to any third party any of the powers conferred by the Distribution Agreement in relation to the performance of the Distribution Agreement without the prior written consent of the Management Company.
- 22.2.3. However, in any event, the Distributor will be liable to the Management Company for any damage caused to the Management Company as a result of a breach of law by a third party to whom the Distributor has delegated the right to carry out any of the activities set out in the Distribution Agreement. The Distributor will be liable for any breach of its obligations under the law and the Distribution Agreement in accordance with the procedure laid down by law.

### 22.3. Share subscription procedure

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### 22.4. Terms and procedures for the acquisition of the sub-fund units

A Participant may purchase sub-fund units:

- 1) through the Distributors specified in point 7 of the Prospectus on their working days and during their business hours, by concluding a Unit Purchase and Sale Agreement in a simple written form with the Distributor of the sub-funds.

- 2) using the online banking or equivalent electronic system of the Distributor referred to in point 7 of the Prospectus, if the Participant has entered into an Electronic Services Agreement with that Distributor.
- 3) by submitting an instruction/application to the Distributor referred to in point 7 of the Prospectus by telephone, facsimile and/or other means of telecommunication, provided that the Participant has entered into an agreement for the provision of such services with that Distributor.

An instruction/application to purchase sub-fund units given through the online banking system and/or by telephone and/or facsimile and/or other means of telecommunication will be equivalent to a Sub-Fund Unit Purchase and Sale Agreement in a simple written form and will have the same legal effect.

#### **22.5. Deadline and procedure for the payment of sub-fund units and entry into force of the Sub-Fund Unit Purchase and Sale Agreement**

Payment for the purchase of sub-fund units may only be made in the currency of the Fund, i.e., euro.

There is no minimum amount that can be invested in the Fund.

In order to invest cash in the sub-fund of his/her choice, the Participant must pay the cash for the sub-fund units to the account of the sub-fund specified in point 2 of the Prospectus under the relevant information on the specific sub-fund, or to an account opened with the Distributor, if so agreed with the Distributor.

Payment for the purchase of sub-fund units must be made not later than on the third working day (as defined in the Fund Rules) following the date of conclusion of the Sub-Fund Unit Purchase and Sale Agreement. Failure by a Participant to transfer funds in accordance with the procedure set out in this sub-paragraph will result in the Sub-Fund Unit Purchase and Sale Agreement not becoming effective and being cancelled.

When a Participant enters into a Sub-Fund Unit Purchase and Sale Agreement, the cash will be converted into sub-fund units:

- 1) at the price on the day of receipt of the Unit Purchase and Sale Agreement/application at the Management Company (day T+0), provided that the Unit Purchase and Sale Agreement/application is received at the Management Company by 11:00 a.m. and the cash is received by 11:59 p.m. of that same day (T+0);
- 2) at the price of the next day (T+1) following the receipt of the Unit Purchase and Sale Agreement/application at the Management Company, provided that the Unit Purchase and Sale Agreement/application is received at the Management Company after 11:00 a.m. and the cash is received by 11:59 p.m. on the same day (T+0);
- 3) at the price on the date of receipt of the cash, if the cash is received after the date of receipt of the Unit Purchase and Sale Agreement/application.

Cash will be deemed to have been received into the sub-fund's account on the day of crediting if the cash is credited before 11:59 p.m. on a working day (as defined in the Fund Rules). If the cash is credited to the sub-fund's account on a non-working day, the cash will be deemed to have been received on the next working day following the day on which the cash is credited.

A Sub-Fund Unit Purchase and Sale Agreement/application submitted on a non-working day will be deemed to have been received on the next working day (as defined in the Fund Rules) following its submission.

#### **22.6. The moment when the right of ownership arises**

The Participant acquires ownership of the sub-fund units from the moment an entry is made in his/her personal investment unit account. The entry in the Participant's personal investment unit account will be made not later than within one (1) working day (as defined in the Fund Rules) after the receipt of the cash into the sub-fund's account.

#### **22.7. Restriction of late trading and market timing practices**

The Management Company retains the discretion to unilaterally reject and/or refuse to execute Sub-Fund Unit Purchase and Sale Agreements/applications in the event of evidence of late trading or market timing practices. Late trading is generally understood as the practice of accepting applications for the purchase, exchange or redemption of sub-fund units after the cut-off time set out in the Fund Prospectus and the execution of such applications at the selling price or redemption price of the sub-fund units prevailing before the time of application. The market timing is generally understood as the practice of submitting applications for the purchase, exchange or redemption with a view to anticipating and/or having information about changes in the value of the net assets of a sub-fund (e.g., due to timing differences related to the calculation of the NAV or the closure of the markets in which the sub-fund trades, errors or inaccuracies in the calculation of the NAV, etc.). The market timing practice extends to all forms of market timing, including short-term trading.

If the Management Company detects signs of unlawful late trading or market timing practices on the part of an investor, it will be entitled to impose on such investor a penalty of 1 per cent of the value of the sub-fund units purchased, exchanged or redeemed by the investor, which will be considered to be the minimum loss for the other sub-fund participants. The Management Company reserves the right to take any other legal action necessary to protect the interests of the participants of the sub-fund concerned, including actions for rescission of transactions, injunctive relief, or indemnification for any losses not covered by the penalty provided for in this paragraph.

The restrictions on late trading and market timing practices described above apply both where the investor purchases units directly from the Management Company and where they are purchased through Distributors or other financial intermediaries, depending on the specifics of the application and/or the custody/accounting of the units, including custody of the units in omnibus accounts.

### **23. TERMS AND PROCEDURE FOR EXCHANGE, REDEMPTION OF SUB-FUND UNITS, TERMS AND PROCEDURE FOR SUSPENSION OF EXCHANGE AND REDEMPTION**

#### **23.1. Terms and conditions for exchange, redemption of sub-fund units**

A Participant will have the right to exchange his/her sub-fund units for units of another sub-fund of the same Fund, or to request the redemption of his/her sub-fund units at any time:

- 1) by submitting to the Distributor referred to in point 7 an application in the prescribed form to exchange or redeem the sub-fund units (hereinafter, the 'Application') on the Distributor's working days and during the Distributor's business hours;
- 2) using the online banking or equivalent electronic system of the Distributor referred to in point 7, if the Participant has entered into an Electronic Services Agreement with that Distributor;



3) by submitting an instruction/application to the Distributor referred to in point 7 of the Prospectus by telephone, facsimile and/or other means of telecommunication, provided that the Participant has entered into an agreement for the provision of such services with that Distributor.

**Sub-fund units may not be exchanged for units of another sub-fund on the secondary market.**

An instruction/application to exchange, redeem sub-fund units given through the online banking system and/or by telephone and/or facsimile and/or other means of telecommunication will be equivalent to an Application in a simple written form and will have the same legal effect.

An Application for the exchange or redemption of sub-fund units owned jointly by the spouses will be made by one of the spouses only if he/she has a power of attorney issued by the other spouse, which may be made in a simple written form.

In the event of an exchange of sub-fund units, a Participant's existing sub-fund units will be exchanged for units of the other sub-fund selected by the Participant at the price as at the date of receipt of the Application. An application to exchange sub-fund units submitted on a day which falls on a non-working day of one of the sub-funds involved in the exchange will be deemed to have been received on the next day following the date of submission of the application, which is a working day for both sub-funds involved in the exchange. An Application will be deemed to have been submitted on the date of its submission if it is received by the Management Company in the manner provided for in this paragraph on working days before 11:00 a.m. Applications received after 11 a.m. on working days will be deemed to have been received by 11 a.m. on the next working day. If an Application is received on a non-working day, the date of receipt of the Application will be deemed to be the next working day following the date of receipt of the Application.

The settlement terms referred to in sub-paragraphs 23.3–23.4 of the Prospectus are only applicable to the redemption of sub-fund units (i.e., they do not apply when a Participant exchanges his/her sub-fund units).

Sub-fund units are redeemed at the price as at the date of receipt of the Application. An Application will be deemed to have been received on the date of its submission if it is received by the Management Company in the manner provided for in this paragraph on working days before 11:00 a.m. Applications submitted after 11 a.m. on working days will be deemed to have been received by 11 a.m. on the next working day. If an Application is received on a non-working day, the date of receipt of the Application will be deemed to be the next working day following the date of receipt of the Application.

A Participant must transfer the sub-fund units by a fee-free transfer to the sub-fund Participants' account operator before submitting an application to the Management Company to redeem the sub-fund units purchased from other Distributors (other than the Management Company itself) referred to in point 7. The Participant must submit the instruction to transfer the sub-fund units to the Distributor through which he/she purchased the Fund units.

**23.2. The procedure for submitting an application to redeem sub-fund units** is set out in sub-paragraph 23.1 of the Prospectus.

**23.3. Terms and procedure for settlement with the Participants for redeemed sub-fund units**

Payment for the redeemed sub-fund units is made to the Participant in cash of the Fund or in cash received from the sale of the Fund's assets in accordance with the terms and procedure set out in sub-paragraph 23.1 of the Prospectus. The Participant shall be paid in euro for redeemed Fund units.

**23.4. Terms of settlement with Fund Participants for redeemed Fund units**

Unless redemption of sub-fund units is suspended, the Management Company will pay the Participant for the redeemed sub-fund units not later than within seven (7) calendar days from the date of receipt of the Application. The money for the redeemed sub-fund units will be credited to the Participant's account specified in the Application.

**23.5. Consequences for the Participant of a request for redemption of sub-fund units**

The Participant will forfeit all rights attached to the sub-fund units (including the right of ownership), other than the right to receive cash in respect of the sub-fund units to be redeemed, as from the time of the submission to the Distributor of an Application to redeem the sub-fund units. From the date of receipt of the Application to redeem the Fund units, the Management Company will become obliged to settle with the Participant for the Fund units specified in the Application.

The Participant will cease to be a Participant of the sub-fund from the moment he/she applies to the Management Company to redeem his/her sub-fund units and the Management Company makes a record of the sale of the sub-fund units in his/her personal securities account.

**23.6. Grounds and procedure for suspending the exchange and redemption of sub-fund units**

The Management Company and/or the Supervisory Authority have the right to suspend the redemption, exchange of sub-fund units for a maximum of 3 months per year. In the case of the INVL Emerging Europe Bond Sub-Fund, this time limit may be extended depending on the time limit provided for in the decision taken by the Management Company of the master sub-fund. In this case, the redemption of units of the INVL Emerging Europe Bond Sub-Fund will be suspended for the same period as that of the master sub-fund.

The redemption, exchange of sub-fund units may be suspended if:

- this is necessary to protect the interests of the Participants against a possible insolvency of the sub-fund or a fall in the redemption price in the event of adverse conditions in the market in financial instruments and a decline in the value of the sub-fund's investment portfolio;
- there is insufficient cash to pay for sub-fund units to be redeemed and/or exchanged, and the sale/disposal of the financial instruments held would be loss-making;
- in the case of the INVL Emerging Europe Bond Sub-Fund, if the Management Company of a sub-fund of the INVL Emerging Europe Bond Fund decides to suspend the acquisition or redemption of units of that sub-fund, or to suspend the calculation of the net asset value;
- such a measure is imposed by the Supervisory Authority.

From the moment of adoption of the decision to suspend the redemption, exchange of sub-fund units, it will be prohibited to accept applications for redemption, exchange of the units of this sub-fund, pay for the sub-fund units that were called for redemption or exchange before the decision to suspend redemption and/or exchange was taken.



Suspension and resumption of redemptions and/or exchanges of the sub-fund units will be notified immediately in writing to the Supervisory Authority, to the Distributors through which the redemptions and/or exchanges are effected and the information will be published on the website of the Management Company at [www.sb.lt](http://www.sb.lt).

23.7. **The methods and procedure for informing investors of the decision to suspend redemption of the Fund units** are set out in sub-paragraph 23.6 of the Prospectus.

23.8. **Exchange of the sub-fund units**

A Participant will have the right to exchange units held in one sub-fund for units in another sub-fund of the Fund. The exchange will be subject to the exchange fee set out in sub-paragraph 17.4.5.2 of the Prospectus.

23.9. The restrictions on late trading and market timing practices set out in sub-paragraph 22.7 of the Prospectus apply in the case of exchanges and redemptions of the sub-fund units.

**24. RULES FOR SETTING THE SALE, EXCHANGE AND REDEMPTION PRICE OF SUB-FUND UNITS**

24.1. The net asset value of each sub-fund and the sub-fund unit value are calculated on each working day (as defined in the Fund Rules) in accordance with the methodology for calculating the net asset value approved by the Supervisory Authority and the Methodology and Procedures for Calculating Net Asset Value of the Funds Managed by the Management Company, as approved by the Board of the Management Company. The price of exchange and redemption of sub-fund units is determined in accordance with the procedure set out in sub-paragraph 23.1 of the Prospectus at the time of the Application.

24.2. The selling price per sub-fund unit published on the website is equal to the sum of the value of the sub-fund unit and the distribution fee applicable to that sub-fund (if applicable). The distribution fee is intended to cover the costs of distributing the sub-fund units. It is not included in the calculation of the net asset value.

The exchange price per sub-fund unit is equal to the sum of the value of the sub-fund unit and the exchange fee applicable to that sub-fund. The exchange fee is intended to cover the costs of exchanging the sub-fund units. It is not included in the calculation of the net asset value.

The redemption price of a sub-fund unit is equal to the value of the sub-fund unit. The redemption price is not reduced by redemption costs.

24.3. The current day's NAV of the sub-fund and the sub-fund unit value are calculated on each working day (as defined in the Fund Rules) and published by 2 p.m. of the following working day on the website [www.sb.lt](http://www.sb.lt).

24.4. —

**25. FACTORS THAT MAY AFFECT DISTRIBUTION**

The distribution of sub-fund units may be affected by changes in the legislation governing the activities of collective investment undertakings, as well as by force majeure as defined by the legislation.

**IV. INFORMATION ON INVESTMENTS AND RISKS**

**26. HISTORY OF THE FUND'S ACTIVITY**

Below is information on the history of the activities of each sub-fund.

26.1. Annual net return on investment\* (in percentage and absolute terms (value of the investment in EUR after investment of EUR 1 at the beginning of the year)), comparison of the net asset value and the net asset value per unit of the sub-fund and the benchmark index return (percentage);

26.2. A comparison of the net asset value and the net asset value per unit over a 10-year period is presented in sub-paragraph 26.1;

26.3. Average net return on investment (%) over the last 3, 5, 10 years;

26.4. **Please note that past performance of the sub-fund does not guarantee future results.**

26.5. The benchmark of each sub-fund is specified in point 2. A comparison of the sub-funds' performance with the change in the value of the benchmark over the relevant period;

26.6. Information on distribution fees, which are not taken into account in the calculation of the return on investment, resulting in a lower real return for the investor due to the impact of these fees. A concrete example given to illustrate the impact of all charges on the investor's final return on investment.

**The information required to be disclosed under sub-paragraphs 26.1 to 26.6 of the Prospectus is set out below for each sub-fund separately:**

**PERFORMANCE OF THE INVL EMERGING EUROPE BOND SUB-FUND:**

	Annual net return on investment, %	Annual net return on investment	NAV at year-end, EUR	NAV per sub-fund unit at year-end, EUR	Standard deviation of the change in the value of a unit*, %
<b>2012</b>	15.82	1.158	9,748,206	33.4617	1.69
<b>2013</b>	3.74	1.037	12,175,561	34.6906	1.13
<b>2014</b>	0.39	1.004	12,877,697	34.8135	2.07
<b>2015</b>	6.67	1.067	16,693,207	37.1224	2.12

<b>2016</b>	5.63	1.056	27,150,409	39.1444	1.72
<b>2017</b>	5.07	1.051	43,685,816	41.0641	0.82
<b>2018</b>	-4.24	0.958	36,520,546	39.2705	1.93
<b>2019</b>	7.29	1.073	30,557,270	42.0770	0.65
<b>2020</b>	3.45	1.035	30,371,294	43.4841	2.69
<b>2021</b>	-0.55	0.994	9,648,823	43.1685	1.17
<b>2022</b>	-13.63	0.864	7,272,050	37.1972	5.33
<b>2023</b>	9.64	1.097	8,257,609	40.6957	1.84

\* The standard deviation of the change in the value of an investment unit is a statistical indicator of risk that describes the volatility of portfolio returns.

If the standard deviation of returns on investment is zero, the portfolio has a constant fixed return.

THE SUB-FUND'S HISTORICAL AVERAGE NET INVESTMENT RETURN, %:

Over the last 3 years 31/12/2020–31/12/2023	Over the last 5 years 31/12/2018–31/12/2023	Over the last 10 years 31/12/2013–31/12/2023	Since inception 29/10/2010–31/12/2023
-1.98	0.89	1.75	2.03

Please note that the sub-fund's past performance is no guarantee of future performance.

SUB-FUND'S PERFORMANCE IN COMPARISON TO THE CHANGE IN THE VALUE OF THE BENCHMARK:

	Change in the value of a Fund unit (change in the NAV per Fund unit), %	Change in the Benchmark, %
31/12/2012	15.72	17.87
31/12/2013	3.67	1.78
31/12/2014	0.35	-0.91
31/12/2015	6.63	9.68
31/12/2016	5.45	6.95
31/12/2017	4.9	5.3
31/12/2018	-4.37	-1.53
31/12/2019	7.15	11.01
31/12/2020	3.34	3.90
31/12/2021	-0.73	-1.58
31/12/2022	-13.83	-34.42
31/12/2023	9.41	10.33

The distribution fee (if applicable) is not taken into account in the calculation of the return on investment and the actual return to the Participant may be lower due to this fee.

**An example illustrating the impact of charges on the final return to the sub-fund Participant.**

The example shows the calculation of how much would be deducted (in euros) from a Participant's contributions at the current level of deductions, and how much he/she would receive after 1, 3, 5, 10 years if he/she invested EUR 3,000 with a 5% annual return on investment.

In this case, the investor would bear the following share of charges:

	After 1 year	After 3 years	After 5 years	After 10 years
Deductions paid	26	84	153	382
Accumulated amount in the absence of deductions	3,150	3,473	3,829	4,887
Accumulated amount at current level of deductions	3,124	3,389	3,676	4,505

\* The amount of charges varies depending on the management activity of the sub-fund, but cannot be higher than those specified in the Fund Rules.

**PERFORMANCE OF THE INVL GLOBAL EMERGING MARKETS BOND SUB-FUND:**

	Annual net return on investment, %	Annual net return on investment	NAV at year-end, EUR	NAV per sub-fund unit at year-end, EUR	Standard deviation of the change in the value of a unit*, %

<b>2016**</b>	4.56	1.046	5,962,046	104.4604	3.76
<b>2017</b>	9.08	1.091	11,238,902	113.786	1.44
<b>2018</b>	-4.25	0.958	6,959,562	108.8025	2.10
<b>2019</b>	9.88	1.099	7,189,548	119.3584	1.14
<b>2020</b>	2.9	1.029	8,750,510	122.6744	5.08
<b>2021</b>	-0.73	0.993	8,077,819	121.6110	1.86
<b>2022</b>	-13.51	0.865	6,800,453	104.7314	5.58
<b>2023</b>	12.58	1.126	9,626,126	117.6057	3.19

\* The standard deviation of the change in the value of an investment unit is a statistical indicator of risk that describes the volatility of portfolio returns.

If the standard deviation of returns on investment is zero, the portfolio has a constant fixed return.

\*\* The sub-fund's launch date is 1 July 2016.

THE SUB-FUND'S HISTORICAL AVERAGE NET INVESTMENT RETURN, %:

Over the last 3 years 31/12/2020–31/12/2023	Over the last 5 years 31/12/2018–31/12/2023	Over the last 10 years 31/12/2013–31/12/2023	Since inception 01/07/2016–31/12/2023
-1.13	1.79	-	2.24

**Please note that the sub-fund's past performance is no guarantee of future performance.**

SUB-FUND'S PERFORMANCE IN COMPARISON TO THE CHANGE IN THE VALUE OF THE BENCHMARK:

	Change in the value of a Fund unit (change in the NAV per Fund unit), %	Change in the Benchmark, %
31/12/2016	4.46	-1.64
31/12/2017	8.93	7.3
31/12/2018	-4.38	-7.38
31/12/2019	9.70	11.07
31/12/2020	2.78	4.81
31/12/2021	-0.87	-2.13
31/12/2022	-13.88	-17.36
31/12/2023	12.29	6.68

The distribution fee (if applicable) is not taken into account in the calculation of the return on investment and the actual return to the Participant may be lower due to this fee.

**An example illustrating the impact of charges on the final return to the sub-fund Participant.**

The example shows the calculation of how much would be deducted (in euros) from a Participant's contributions at the current level of deductions, and how much he/she would receive after 1, 3, 5, 10 years if he/she invested EUR 3,000 with a 5% annual return on investment.

In this case, the investor would bear the following share of charges:

	After 1 year	After 3 years	After 5 years	After 10 years
Deductions paid	49	159	288	707
Accumulated amount in the absence of deductions	3,150	3,473	3,829	4,887
Accumulated amount at current level of deductions	3,101	3,314	3,541	4,180

\* The amount of charges varies depending on the management activity of the sub-fund, but cannot be higher than those specified in the Fund Rules.

## 27. COMPOSITION OF THE INVESTMENT PORTFOLIO

27.1. The investment strategies of each sub-fund are set out in point 2 of the Prospectus. The assets of each sub-fund may, in accordance with the objectives and investment policy of each sub-fund, include:

27.1.1. transferable securities and money market instruments that are admitted to:

27.1.1.1. the trading list of a market regulated and operating in the Republic of Lithuania or in another Member State;

27.1.1.2. trading on a market in another Member State that is established, recognised, supervised and open to the public in accordance with established rules;

- 27.1.1.3. trading on a market in another country (other than the Member States) which is established, recognised, supervised and open to the public in accordance with established rules, provided that the market in question is specified in point 2 of the Prospectus;
- 27.1.2. newly issued transferable securities, provided that the terms of the issue contain an obligation to admit the securities to trading on a regulated market and if they are admitted to trading not later than within one year after their issue (if such a market exists in the country referred to in point 2 of the Prospectus);
- 27.1.3. units and shares of harmonised collective investment undertakings and units and shares of collective investment undertakings that meet the following conditions:
  - 27.1.3.1. undertakings the sole purpose of which is to accumulate, by means of a public offer of units or shares, the funds of individuals and to invest those funds collectively in transferable securities and/or other liquid assets by spreading out risk, and the units or shares of which must be redeemable at any time on demand by the holder, these undertakings are licensed in the Republic of Lithuania and subject to supervision at least as stringent as that in the European Union, or licensed in a State where supervision is at least as stringent as that in the European Union and where the supervisory authority is in cooperation with the relevant supervisory authority of another Member State or third country;
  - 27.1.3.2. the protection of the rights of the participants in the undertakings, including the regulation of asset separation, borrowing, lending and the gratuitous transfer of assets, is at least as stringent as that afforded to harmonised collective investment undertakings under the Law on Collective Investment Undertakings;
  - 27.1.3.3. undertakings report on their activities on a half-yearly and annual basis, allowing an assessment of their assets and liabilities, profits and performance during the reporting period;
  - 27.1.3.4. not more than 10 per cent of their net assets may be invested in units or shares of other collective investment undertakings in accordance with their instruments of incorporation.
- 27.1.4. deposits with a maximum maturity of 12 months, which can be withdrawn on request from a credit institution with registered office in a Member State or in another country with prudential supervision at least equal to that in the European Union;
- 27.1.5. money market instruments that are not admitted to trading on a regulated market, provided that the issue or issuer of these instruments is regulated for the purpose of protecting investors and their savings, and these instruments:
  - 27.1.5.1. have been issued or guaranteed by a government, a regional government, a municipality or a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a government of a third country or one of the entities forming a federal state, or an international organisation of which at least one Member State is a member, or
  - 27.1.5.2. have been issued by an entity whose securities are admitted to trading on the regulated markets referred to in sub-paragraphs 27.1.1.1 to 27.1.1.3 of the Prospectus, or
  - 27.1.5.3. have been issued or guaranteed by an entity whose operational risk is subject to supervision in accordance with the requirements of European Union law or with such requirements which are at least as stringent as those applicable in the European Union, or
  - 27.1.5.4. have been issued by a company meeting the criteria approved by the supervisory authority, which has capital and reserves of at least EUR 10 million and which prepares consolidated financial statements and performs the financing function of a group of companies, where the transferable securities of at least one of the companies within its group are admitted to trading on a regulated market, or is used for the issuance of securities financed by bank loans, and where investments in such money market instruments are protected at least to the extent specified in sub-paragraphs 27.1.5.1 to 27.1.5.3 of the Prospectus.
- 27.1.6. derivative financial instruments (including those that only give the right to receive cash) that:
  - 27.1.6.1. are admitted to trading on the markets referred to in sub-paragraphs 27.1.1.1 to 27.1.1.3 of the Prospectus, or that are traded outside the markets referred to above;
  - 27.1.6.2. are linked to investment instruments, financial indices, interest rates, currencies or exchange rates as referred to in sub-paragraphs 27.1.1 to 27.1.5 of the Prospectus;
  - 27.1.6.3. the counterparty to transactions outside the markets referred to in sub-paragraphs 27.1.1.1 to 27.1.1.3 of the Prospectus meets the criteria set by the supervisory authority and is subject to prudential supervision;
  - 27.1.6.4. instruments traded outside the markets referred to in sub-paragraphs 27.1.1.1 to 27.1.1.3 of the Prospectus can be verified on a daily basis, reliably and accurately measured, and may be sold or otherwise disposed of at fair value at any time.

The sub-funds do not invest more than 35 per cent of their net assets in transferable securities or money market instruments issued or guaranteed by the Republic of Lithuania or by the States of the European Union, by their municipalities, by other countries or by international organisations of which at least one State of the European Union is a member.

Information on stock exchanges, regulated markets and/or multilateral trading facilities is provided separately for each sub-fund in point 2 of the Prospectus.

## 28. OBJECTIVES AND INVESTMENT POLICY OF THE FUND

The objectives and policies of the Fund are described separately for each sub-fund in point 2 of the Prospectus.

Despite the fact that the composition of the sub-funds' investment portfolios complies with the general rules and restrictions laid down by law, the sub-funds may still be exposed to increased risk in relation to the asset classes, industries or geographical sectors in which the sub-funds invest.

The Management Company may not borrow for the benefit of the sub-fund at the expense of the sub-fund, with the exception of loans of up to 10 per cent of the NAV for a maturity of up to three months, which are necessary to maintain liquidity. This does not

imply a prohibition on borrowing foreign currency against which financial instruments are purchased, as long as at least the same amount in another currency is transferred to the lender to secure repayment of the loan.

## 29. DESCRIPTION OF THE FUND'S TYPICAL INVESTOR

The typical customer of the INVL Emerging Europe Bond Sub-Fund is a non-professional investor with limited investment experience or basic knowledge and general understanding of investment funds, bonds and their inherent risks, who can bear the risk of losing a part of his/her invested capital (up to 10 per cent), who invests with the aim of growing his/her investments and who plans to invest for up to 3 years.

The typical customer of the INVL Global Emerging Markets Bond Sub-Fund is a non-professional investor with limited investment experience or basic knowledge and general understanding of investment funds, bonds and their inherent risks, who can bear the risk of losing a part of his/her invested capital (up to 25 per cent), who invests with the aim of growing his/her investments and who plans to invest for up to 3 years.

The sub-funds may not be suitable for a customer who cannot or does not want to lose the capital invested, prefers a known return or plans to invest for a shorter period than the one indicated for the sub-fund concerned.

The sub-funds may be distributed in any of the following ways, i.e., by means of an execution-only service, thereby offering or recommending and managing investments under a Portfolio Management Agreement.

## 30. INVESTMENT RISK AND ITS MANAGEMENT

### 30.1. Investment risk

**MARKET VOLATILITY RISK.** Market volatility risk is the main risk that directly affects changes in the values of the sub-funds' investment portfolio. The markets in financial instruments can go up and down. To protect against sudden market fluctuations, the sub-funds aim to invest for the longer term and in financial instruments with good future prospects. There is also the possibility of negative macroeconomic developments that could affect the market in financial instruments as a whole.

**EMERGING MARKET RISK.** The sub-fund invests in emerging markets, which are characterised by greater economic and political instability, high exchange rate volatility and lower liquidity in local markets compared to the developed world.

**RISKS ASSOCIATED WITH THE FUND'S INVESTMENT OBJECTIVES AND INVESTMENT POLICY.** Sub-funds investing in a single geographical region, economic sector or commodity may have higher volatility (standard deviation) of unit values.

**INTEREST RATE RISK.** Changes in interest rates have a direct impact on the value of the financial instruments in the sub-funds' portfolios, i.e., the value of these investments decreases when interest rates increase and conversely increases when interest rates decrease. To manage interest rate risk, fund managers may use derivatives or swap bonds with a longer maturity for bonds with a shorter maturity.

**CREDIT RISK.** This is the risk of losses (possibly a fall in the value of the investment) due to the inability of the issuer of financial instruments to meet its financial obligations. This risk is more common for sub-funds investing in bonds. Fund managers mitigate credit risk through a comprehensive credit analysis, i.e., an assessment of the issuer's financial stability. Credit risk is managed by diversifying the investment portfolio in accordance with the law. This means that the investments in the portfolio are allocated in such a way that not more than 5 per cent of the sub-fund's net assets may be invested in transferable securities or money market instruments of one issuer.

**CURRENCY FLUCTUATION RISK.** This is the risk of losses due to unfavourable movements in foreign exchange rates against the euro. Exchange rate risk is managed by allocating part of the sub-funds' assets to derivative financial instruments.

**INFLATION RISK.** As inflation accelerates, the purchasing power per unit of the sub-funds decreases accordingly. The risk of fluctuations in inflation can be managed by allocating part of the sub-fund's assets to derivatives, the value of which fluctuates in line with changes in inflation. As an additional hedge against inflation risk, fund managers may choose to invest in bonds whose value is linked to inflation rates, or to swap bonds with a longer maturity for bonds with a shorter maturity.

**MARKET LIQUIDITY RISK.** Risk of losses due to low market liquidity, which prevents financial instruments from being sold at the right time at the right price. Market liquidity risk is managed by carefully assessing the liquidity of a financial instrument before it is purchased.

**COUNTERPARTY AND SETTLEMENT RISK.** Over-the-counter transactions are subject to the risk that the counterparty will not fulfil its obligations. This risk also exists in the case of stock market transactions for which settlement is not guaranteed by the relevant exchange procedures. This risk is minimised by conducting the majority of investment transactions on regulated markets and with reliable, reputable financial institutions.

**POLITICAL AND LEGAL RISK.** Political and legal risk is inherent in all investments, so sub-funds investing in a single geographic region or economic sector are exposed to higher political and/or legal risk. Developing countries outside the European Union present increased political risk. Political instability in a country may lead to legal, fiscal, tax and regulatory changes such as nationalisation, confiscation, restrictions on the freedom of movement of capital, and other political decisions that would adversely affect the value of a sub-fund unit. Political and legal risk is mitigated by diversifying the sub-fund's investment portfolio in accordance with the law, i.e., by spreading investments across different geographical regions.

**DERIVATIVES RISK.** Certain derivatives can increase the volatility of the sub-fund. In adverse market conditions, investors may receive minimal returns, make no profit or even make a loss on these investments. Investing in these instruments can reduce the earning potential even when financial markets are rising.

**RESPONSIBLE INVESTMENT RISK.** The ESG rating process reduces the pool of potential investments. Applying ESG criteria may mean that a sub-fund's investment returns under certain conditions in the macroeconomic environment and financial markets will be different (lower or higher) than the returns that would have been earned if the sub-fund had not invested in accordance with the ESG principles. In addition, the ESG principles and criteria used by the Management Company may differ from those used by investors and/or other market participants and, as a result, the Management Company's investment decisions may not coincide with the assessments of investors and/or other market participants. Due to a variety of circumstances, it can be difficult to correctly

assess whether a particular company meets the Management Company's ESG criteria, which may lead to a decision not to invest in a company that meets the ESG criteria or vice versa.

**SUSTAINABILITY RISK.** Sustainability risk is defined as an environmental, social or governance (ESG) event or situation that could have an actual or potential significant negative impact on the value of an investment. For example, the Fund may invest in an issuer whose revenues may decrease or costs may increase due to climate change risks (e.g., reduced production capacity due to supply chain disruptions, lower sales due to demand shocks), or transition risks (e.g., reduced demand for carbon-intensive products and services, or increased production costs due to changing raw material prices). The materialisation of sustainability

risk may adversely affect the value of the Fund's net assets, and thus the value of the Fund's investors' assets. To mitigate this risk, the Management Company also assesses the sustainability factors and associated sustainability risks relevant to the specific investment being analysed and applies a Policy for Integration of Responsible Investment and Sustainability Risks.

### 30.2. Risk management approaches chosen

To effectively manage the above risks, the Management Company uses generally accepted risk management techniques that meet the portfolio diversification requirements and investment restrictions set out in the Law on Collective Investment Undertakings.

The investment risk management approaches chosen are set out in sub-paragraph 30.1 along with the description of specific risks.

### 30.3. Possible outcomes of the use of derivatives in risk management

The Fund may invest in derivative financial instruments if they are used to hedge against the risk of losses due to adverse changes in the market prices of some of the financial instruments that make up its assets. Investing in these derivatives imposes transaction costs on the Fund, but should significantly reduce fluctuations in the value of some of the Fund's assets.

The amount of risk assumed by the Fund under transactions in derivatives may not exceed 100 per cent of the value of the Fund's net assets.

The Fund's overall risk exposure may not exceed 200 per cent of the value of the Fund's net assets. The Fund may not increase its overall risk exposure by more than 10 per cent by taking out a short-term loan, and therefore the overall risk exposure may not exceed 210 per cent of the value of the Fund's net assets.

The appropriate use of derivatives and the limitations on the amount of risk that can be assumed in connection therewith are provided for, managed and controlled in accordance with the Management Company's Rules on the Use of Risk Assessment Methods and Derivatives for Collective Investment Undertakings and the Assessment of Counterparty Risk.

30.4. Information on risks is provided free of charge to investors who request it on weekdays at the Management Company's office at Gynėjų g. 14, 01109 Vilnius, by telephone at +370 37 301 337 or by e-mail to info@sb.lt, on the website www.sb.lt, and at all distributors of the Fund.

## 31. INVESTMENT ADVISERS

The Management Company does not use the services of investment advisers.

## V. INFORMATION ON THE FEEDER AND THE MASTER UNDERTAKINGS

### 32. THE FEEDER AND THE MASTER UNDERTAKINGS

The INVL Emerging Europe Bond Sub-Fund is the feeder of the INVL Emerging Europe Bond Fund, a sub-fund of the INVL Fund, a composite harmonised undertaking for collective investment in transferable securities (UCITS) established in the Grand Duchy of Luxembourg, which, on an ongoing basis, invests in the units of the INVL Emerging Europe Bond Fund a minimum of 85 per cent of its net assets (hereinafter, the 'feeder sub-fund'). The Luxembourg sub-fund INVL Emerging Europe Bond Fund is treated as a master in this structure (hereinafter, the 'master sub-fund') for the purposes of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities. This means that the master sub-fund:

- has, among its unit-holders, at least one feeder sub-fund;
- is not itself a feeder sub-fund;
- does not hold units of a feeder sub-fund.

The master sub-fund is authorised for operation and approved by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF).

### 33. INFORMATION ON INVESTMENT OBJECTIVES AND POLICY, RISK PROFILE, PERFORMANCE OF THE FEEDER AND THE MASTER UNDERTAKINGS

The objective of the INVL Emerging Europe Bond Sub-Fund is to ensure balanced growth of the sub-fund's assets. The sub-fund does not normally invest directly in securities, but invests almost all (at least 85 per cent) of its net assets in units of the master sub-fund, thereby investing indirectly in government and corporate debt securities. The remainder of the Sub-Fund's net assets are held in cash in a bank account or invested only in liquid assets that are consistent with the investment strategy as set out in point 27 of the Prospectus, in accordance with the requirements laid down by law. The sub-fund invests in Unit Class I of the INVL Emerging Europe Bond Fund intended for institutional investors.

Information on the risks and their nature is set out in sub-paragraphs 30.1 and 34.3 of the Prospectus. Before investing, it is recommended that you carefully read the risks outlined in the prospectuses of both sub-funds.

Information on the performance of the INVL Emerging Europe Bond Sub-Fund is available on the Management Company's website at www.sb.lt.

Information on the performance of the sub-fund of the INVL Emerging Europe Bond Fund is available on the Company's website at www.hauck-aufhaeuser.com/fonds.



The investment performance of these sub-funds may differ to a small extent due to the different deductions and amounts deducted from each sub-fund's assets and the performance of the part of the INVL Emerging Europe Bond Sub-Fund that is not invested in units of the INVL Emerging Europe Bond Fund.

#### 34. ORGANISATIONAL STRUCTURE OF THE MASTER SUB-FUND INVL EMERGING EUROPE BOND FUND

MANAGEMENT COMPANY (hereinafter, the 'Company') – Hauck & Aufhäuser Fund Services S.A., 1c rue Gabriel Lippmann L-5365 Munsbach, Luxembourg (for more information, please visit [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com)).

INVESTMENT PORTFOLIO MANAGER – SB Asset Management UAB, Gynėjų g. 14, LT-01109 Vilnius (for more information, please visit [www.sb.lt](http://www.sb.lt)).

DEPOSITARY – Hauck & Aufhäuser Privatbankiers AG, Niederlassung Luxembourg, 1c rue Gabriel Lippmann L-5365 Munsbach, Luxembourg (for more information, please visit [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com)).

MANAGER OF THE REGISTER OF PARTICIPANTS – Hauck & Aufhäuser Fund Services S.A., 1c rue Gabriel Lippmann L-5365 Munsbach, Luxembourg (for more information, please visit [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com)).

AUDIT COMPANY – KPMG Luxembourg, Société coopérative, 39 avenue John F. Kennedy, L-1855 Luxembourg (for more information, please visit <https://home.kpmg.com/lu/en/home.html>).

DISTRIBUTOR – SB Asset Management UAB, Gynėjų g. 14, LT-01109 Vilnius (for more information, please visit [www.sb.lt](http://www.sb.lt)).

##### 34.1. PURPOSE OF THE MASTER SUB-FUND INVL EMERGING EUROPE BOND FUND

Ensuring balanced growth of the sub-fund's assets. Up to 100 per cent of the sub-fund's assets are invested in debt securities of the most promising governments and companies in emerging Europe, selected by the managers.

##### 34.2. INVESTMENT STRATEGY OF THE MASTER SUB-FUND INVL EMERGING EUROPE BOND FUND

The sub-fund invests in debt securities of governments and corporates in the emerging CEE region (stock exchanges and markets) that appear to be the most attractive in terms of credit analysis. The sub-fund combines riskier (corporate bonds) and safer (government bonds) investments to protect the value of the assets and to ensure an even return on the sub-fund's investments. The sub-fund's investments are not limited to a particular industry. The sub-fund may invest in bonds of different maturities and credit ratings. The sub-fund may invest in derivatives if they are used for risk management.

##### 34.3. RISKS ARISING FROM THE MASTER-FEEDER STRUCTURE

The general risks associated with the investments of the sub-fund of the INVL Emerging Europe Bond Fund are described in point 30 of the Prospectus. Additional risks of the INVL Emerging Europe Bond Sub-Fund arising from the investment of net assets in units of the sub-fund of the INVL Emerging Europe Bond Fund are related to the following factors:

**LIQUIDITY RISK.** As the INVL Emerging Europe Bond Sub-Fund invests almost all of its net assets in units of another sub-fund, the remainder of the net assets are considered to be cash to cover the sub-fund's operating expenses and to redeem units from investors. Should the Company suspend the issuance and/or redemption of units of the INVL Emerging Europe Bond Fund, the issuance and/or redemption of units of the INVL Emerging Europe Bond Sub-Fund will be suspended as well.

**ASSET VALUATION RISK.** The value of the net assets of the INVL Emerging Europe Bond Sub-Fund depends on the value of the net assets of the INVL Emerging Europe Bond Fund (including, but not limited to, timeliness of calculation, errors).

**OPERATIONAL RISK.** For a feeder sub-fund operating in such a structure, the main operational risks arise from the receipt of information from the Company of the master sub-fund, i.e., the INVL Emerging Europe Bond Fund. This information relates to the smooth exchange of applications for the purchase and redemption of units of the master sub-fund between the Management Company and the Company of the master sub-fund, the coordination of the third parties involved in this process, and the exchange of documents between the two management companies, the depositaries and the auditors of the sub-funds.

**MANAGEMENT RISK.** The performance of the INVL Emerging Europe Bond Sub-Fund is significantly dependent on the performance of the INVL Emerging Europe Bond Fund and the third-party services provided to the Company by the latter.

Investors can read more about the INVL Emerging Europe Bond Fund's risk factors, prospectus and other documents on the website [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com).

Certain measures to manage the risks described above are provided for in the agreements between the management companies, depositaries and audit firms of the two sub-funds. These agreements aim to ensure that the Management Company of the INVL Emerging Europe Bond Sub-Fund receives all information necessary for the operation of the sub-fund, and define what information as well as when and how it should be shared between these parties. Investors may also obtain additional information about the INVL Emerging Europe Bond Fund and the information-sharing agreement between the management companies of the sub-funds at the Management Company's head office at Gynėjų g. 14, 01109 Vilnius, at the customer service units or by e-mail to [info@sb.lt](mailto:info@sb.lt).

#### 35. SUMMARY OF THE INFORMATION-SHARING AGREEMENT BETWEEN THE FEEDER AND THE MASTER UNDERTAKINGS

There is an agreement between the management companies of the two sub-funds on the provision of documents and information. This agreement defines when and what documents and information the Company of the INVL Emerging Europe Bond Fund undertakes to provide to the Management Company of the INVL Emerging Europe Bond Sub-Fund in order to enable it to carry out its statutory and regulatory functions. The agreement covers the exchange of documents and information on risk management, the

execution of applications for the purchase and sale of units, the reporting and correction of errors in the calculation of net assets, the preparation of audit reports, the replacement of parties performing key functions and other areas.

### 36. INFORMATION ON WHERE TO OBTAIN FURTHER INFORMATION ON THE MASTER UNDERTAKING AND ON THE AGREEMENT BETWEEN THE FEEDER AND THE MASTER UNDERTAKINGS

Investors may obtain additional information about the INVL Emerging Europe Bond Fund and the agreement for the provision of documents and information concluded between the management companies at the Management Company's head office at Gynėjų g. 14, 01109 Vilnius, at the customer service units, by telephone at +370 37 301 337 or by e-mail to info@sb.lt.

### 37. A DESCRIPTION OF THE COSTS INCURRED BY THE FEEDER UNDERTAKING IN INVESTING IN THE MASTER UNDERTAKING, AS WELL AS A DESCRIPTION OF THE DEDUCTIONS APPLIED BY THE FEEDER UNDERTAKING AND THE MASTER UNDERTAKING

The feeder INVL Emerging Europe Bond Sub-Fund does not pay distribution fees when investing in Unit Class I of the master INVL Emerging Europe Bond Fund intended for institutional investors but may incur

third-party costs (including, but not limited to, charges to banks and other credit institutions for domestic and international payment orders). These costs are calculated based on the fees of third parties involved in the execution and administration of the INVL Emerging Europe Bond Sub-Fund's investment in the INVL Emerging Europe Bond Fund. A description of the cost structure of the INVL Emerging Europe Bond Sub-Fund is set out in point 17 of the Prospectus. A brief description of the cost structure of the master sub-fund is given below:

Fee to the Company	a maximum of 0.12 per cent of the average annual net asset value of the sub-fund and a minimum of EUR 24,000 per year
Fee to the Investment Portfolio Manager	a maximum of 0.75 per cent of the average annual net asset value of the sub-fund
Fee to the Depositary, Manager of the Register of Participants	to the Depositary: a maximum of 0.06 per cent of the average annual net asset value of the sub-fund and a minimum of EUR 15,000 per year; to the Manager of the Register of Participants: EUR 1,500 per year.
Fee to the supervisory authority (CSSF)	0.01 per cent of the average annual net asset value of the sub-fund.

The master sub-fund may incur other additional costs. All possible costs are set out in the prospectus of the master sub-fund and in point 14 of the Rules. Investors can learn more about the cost structure of the master sub-fund on the Company's website at [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com) or at the Management Company's head office at Gynėjų g. 14, 01109 Vilnius, customer service unit or by e-mail to info@sb.lt.

## VI. SUSTAINABILITY

### 39. INFORMATION ON INTEGRATING SUSTAINABILITY INTO OPERATIONS.

**39.1. Integration of sustainability risks.** Sustainability risk is defined as an environmental, social or governance event or situation that could have an actual or potential significant negative impact on the value of an investment. This risk may be relevant both as a stand-alone risk category and as part of other risks, including market, credit, liquidity and other risks. As the sub-fund may invest in financial instruments that may be subject to sustainability risks, the materialisation of these risks may adversely affect the value of the sub-fund's net assets, and therefore the value of the sub-funds' investors' assets.

In making investment decisions, the Management Company seeks to assess all the risks and factors that may affect the value and performance of investments. Accordingly, the Management Company also assesses the sustainability factors relevant to the specific investment being analysed (hereinafter, the 'ESG factors') and the associated sustainability risks, in addition to assessing all other risks and factors that may have a real or potential negative impact on the value of investments.

In addition, the Management Company has adopted and applies a Policy for Integration of Responsible Investment and Sustainability Risks, which details the integration of the assessment of ESG risks and factors into the Management Company's investment decision-making process. This includes elements such as negative screening, initial and periodic analysis of ESG risks and opportunities, engagement and participation, positive screening, among others. Unless otherwise specified in the investment strategy of a particular sub-fund, the sub-fund does not aim at sustainable investments within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, nor is the sub-fund intended to promote environmental or social performance, or any combination of such performance. The investments related to this financial product do not take into account the EU criteria for environmentally sustainable economic activity under Regulation (EU) 2020/852 of the European Parliament and of the Council.

**39.2. Assessing the likely impact of sustainability risks on the Fund's investment returns.** In view of each sub-fund's investment strategy in relation to sustainability factors, the Management Company considers that the impact of sustainability risks on the sub-fund's potential investment returns is in line with the impact of general investment risks, including market, credit and liquidity risks, and does not have a specific impact on the respective sub-fund's investment performance and/or the extent of the risks it takes on.

39.3. **Assessment of negative impacts on sustainability.** Although the Management Company has integrated the assessment of sustainability risks into its investment decision-making procedures and applies some other ESG practices, the principal adverse impacts (PIAs) on sustainability factors, as defined in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, are not currently taken into account when making investment decisions. In the opinion of the Management Company, the ability to collect information from issuers of financial instruments in which the Fund's sub-funds invest is currently limited.

39.4. **Other sustainability-related information.**

For more detailed information on the integration of sustainability risk into the investment decision-making process and other aspects of the assessment of ESG factors, please visit the Management Company's website at [www.sb.lt](http://www.sb.lt).

VII. MANAGEMENT

40. MANAGEMENT SCHEME

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41. SUPERVISORY BOARD

—

42. GENERAL MEETING OF SHAREHOLDERS

—

43. MEMBERS OF THE MANAGEMENT BODIES, SUPERVISORY BOARD

—

44. INFORMATION ON THE MANAGEMENT COMPANY

44.1.

Name of the Management Company	SB Asset Management UAB
Head office address	Gynėjų g. 14, 01109 Vilnius
Registration number	306241274
Type of company	Private Limited Liability Company
Authorisation for Management Activities No.	Licence No. 22 issued by the Bank of Lithuania on 29 August 2023
Calculation of the remuneration to the Management Company	The amount and method of calculation of the remuneration to the Management Company are set out in point 17 of this Prospectus.

44.2. **MANAGERS OF THE MANAGEMENT COMPANY AND THEIR INVOLVEMENT IN OTHER COMPANIES, INSTITUTIONS AND ORGANISATIONS:**

**Vaidotas Rūkas** – Director of the Management Company.

Participation in other companies, institutions and organisations:

- Member of the Investment Committee of life insurance company SB Draudimas UAB;
- Member of the Board of Lithuanian Investment and Pension Funds Association (LIPFA).

**Tomas Varenbergas** – Chairman of the Board of the Management Company

Participation in other companies, institutions and organisations:

- Chairman of the Board of life insurance company SB Draudimas UAB;
- Member of the Board of Šiaulių Bankas AB;
- Head of Investment Management Division of Šiaulių Bankas AB.

**Laura Križinauskienė** – Member of the Board of the Management Company.

Participation in other companies, institutions and organisations:

- Member of the Board of Šiaulių Bankas AB;
- Head of Private Client Division of Šiaulių Bankas AB.

**Algimantas Gaulia** – Member of the Board of the Management Company.

Participation in other companies, institutions and organisations:

- Member of the Board of life insurance company SB Draudimas UAB;
- Member of the Board of Šiaulių Bankas AB;
- Head of Risk Management Division.

44.3. —

44.4. —

#### 44.5. OTHER ENTITIES MANAGED BY THE MANAGEMENT COMPANY AND THEIR INVESTMENT STRATEGY

SB Asset Management UAB currently also manages one (1) harmonised investment fund, two (2) closed-end special investment funds, eight (8) second-pillar pension funds and five (5) third-pillar pension funds. Below is a more detailed description of the managed products:

##### HARMONISED INVESTMENT FUND

**Open-Ended Harmonised Investment Fund INVL Baltic Fund** aimed at investors with limited investment experience. The Fund invests in shares of companies listed on the Baltic markets or active in the Baltic States, seeking to maximise capital gains, while assuming a high level of risk. The Fund focuses on long-term investments, identifying attractive economic sectors and specific companies.

##### CLOSED-END SPECIAL INVESTMENT FUNDS

**INVL Alternative Investment Fund** – invests in other collective investment undertakings, including special collective investment undertakings that meet the applicable requirements and collective investment undertakings other than harmonised CIUs, which in turn invest the bulk of their assets in an alternative asset class comprising private equity, energy and infrastructure, tangible assets (real estate, forests, land), private debt and other alternative asset classes.

**INVL Alternative Investment Fund II** – invests in other collective investment undertakings, including special collective investment undertakings that meet the applicable requirements and collective investment undertakings other than harmonised CIUs, which in turn invest the bulk of their assets in an alternative asset class comprising private equity, private debt, real assets (real estate, forests, land) and other alternative asset classes.

##### SECOND-PILLAR PENSION FUNDS:

- **INVL Pension 1954-1960 Index Plus** – a life-cycle fund for people born between 1954 and 1960.
- **INVL Pension 1961-1967 Index Plus** – a life-cycle fund for people born between 1961 and 1967.
- **INVL Pension 1968-1974 Index Plus** – a life-cycle fund for people born between 1968 and 1974.
- **INVL Pension 1975-1981 Index Plus** – a life-cycle fund for people born between 1975 and 1981.
- **INVL Pension 1982-1988 Index Plus** – a life-cycle fund for people born between 1982 and 1988.
- **INVL Pension 1989-1995 Index Plus** – a life-cycle fund for people born between 1989 and 1995.
- **INVL Pension 1996-2002 Index Plus** – a life-cycle fund for people born between 1996 and 2002.

The life-cycle pension funds managed by SB Asset Management UAB invest the bulk of their assets in equities until the average age of the target group reaches 48 years. At 17 years before retirement, the fund starts to reduce the share of equities and increase the share of bonds. When the average age of the target age group reaches 64 years, the expected proportion of equities in the fund is 10%, but can range between 0% and 20%.

- **INVL Pension Asset Preservation Fund.** The fund is intended for the funds of persons of retirement age. The purpose of the fund is to preserve the purchasing power of accumulated assets in the long run, therefore at least 80% of the assets are invested in a safer asset class – bonds.

##### THIRD-PILLAR PENSION FUNDS:

- **INVL Drašus** – invests in corporate equities without limitation to investment regions or sectors.
- **INVL Apdairus** – invests equally in equities, bonds and real estate without limitation to investment regions or sectors.
- **INVL STABILO III 58+ / INVL Stabilus** – invests in bonds issued or guaranteed by governments or municipalities, as well as corporate bonds.
- **INVL EXTREMO III 16+ pension fund** invests in corporate equities and related investments without limitation to investment regions or sectors.
- **INVL MEDIO III 47+ pension fund** invests up to 50% of its assets in corporate equities and related investments and at least half of its assets in bonds issued or guaranteed by governments and central banks, bank deposits and corporate bonds.

#### 44.6. AUTHORISED CAPITAL OF THE MANAGEMENT COMPANY

The subscribed and fully paid-up authorised capital of SB Asset Management UAB is EUR 2,800,000, which is divided into 28,000 ordinary registered shares with a nominal value of EUR 100.

#### 44.7. DESCRIPTION OF THE REMUNERATION POLICY OF THE MANAGEMENT COMPANY:

44.7.1. The Management Company has adopted a Remuneration Policy for risk-takers that complies with the requirements of the Law on Collective Investment Undertakings.

An employee's fixed remuneration includes the employee's monthly salary and fringe benefits, which are granted to the employee irrespective of his/her performance and are paid to all employees who meet certain criteria in accordance with the Management Company's procedures (e.g., pension contributions to voluntary pension funds). The monthly salary and the amount of the salary is laid down in employment contracts and is paid in accordance with the law. The monthly salary is determined in accordance with the requirements of the post and the nature of the work, and in the light of the employee's qualifications and abilities. Monthly salary levels may vary for individual employees in the same position; the level of the salary takes into account the employee's qualifications, experience and personal performance, previous employment with the company or its affiliates (subsidiary, parent or sister company), and other skills and abilities; the level of the monthly salary can also be influenced by the demand for and supply of labour on the labour market.

In addition to the monthly salary, employees may receive an incentive in the form of a bonus based on the achievement of the Management Company's annual business plan and/or budget, the achievement of the annual targets set by the employee's unit

and the achievement of the employee's individual plans and tasks. The monthly salary is fixed in such a way as to ensure an appropriate balance between the monthly salary and the bonus. The monthly salary represents a sufficiently high share of the total remuneration paid to the employee to enable the Management Company to operate a flexible incentive policy.

Bonuses are paid in accordance with the following payment deadlines:

- a portion equal to 50% of the amount of the bonus is paid in a single instalment in accordance with the procedure and within the time limits laid down in a decision of the Board of the Management Company;
- the remaining part of the bonus (i.e., the remaining 50% of the bonus) is paid to the employee on a pro-rata basis over a period of three years, i.e., the deferred part of the bonus is pro-rated over the deferral period, commencing not earlier than 1 year after the end of the employee's performance appraisal and paid annually, by paying a pro rata share of the calculated bonus. In individual cases, the Board of the Management Company, which decides on the award of the bonus, has the right to decide on a longer deferral period (normally not exceeding 5 years), taking into account the business cycle of the Management Company and/or the relevant collective investment undertaking or pension fund, the nature of the business, the risks and performance of the employee, as well as any other criteria provided for by law.

The deferral period provided for above does not apply if the annual bonus awarded to the employee is up to 20% of the annual salary and is less than EUR 15,000. In such a case, the total amount of the bonus is paid in a single instalment in accordance with the procedure and within the time limits set out in the decision of the Board of the Company. The bonus is paid in the same way to employees not classified as risk-takers.

The bonus is usually paid in cash. The Management Company does not impose a mandatory requirement to pay a proportion of the bonus in financial instruments, in line with the principle of proportionality. However, if the Management Company makes it possible, the bonus may, at the employee's own choice, be replaced by other incentives, such as the granting of financial instruments or their equivalents (stock options, contributions to a private pension fund).

A bonus, including its deferred portion, may only be granted and/or paid to an employee in the event of a sustainable financial situation of the Management Company, taking into account the performance of the Management Company and/or its division, and only if the employee's annual individual appraisal results are positive.

Given the size and organisational structure of the Management Company, there is no Remuneration Committee. The remuneration and bonuses to the CEO, the Internal Auditor and other employees who report/are accountable to the Board in accordance with the management structure approved by the Board will be determined/awarded by the Board. The remuneration of all other employees is determined and bonuses are awarded by the CEO of the Management Company. Details of the members of the Board and the CEO are set out in sub-paragraph 43.2 of the Prospectus.

44.7.2. Details of the latest Remuneration Policy, including but not limited to the Remuneration Policy for Risk-Takers adopted by the Management Company, as well as the identity of the persons responsible for the granting of remuneration and other benefits, are available on the Management Company's website at [www.sb.lt](http://www.sb.lt). A printed copy of the document will be provided free of charge to the investor upon request.

#### 45. DEPOSITARY

Name of the Depositary	SEB Bankas AB
Registration number	112021238
Head office address	Konstitucijos pr. 24, LT-08105 Vilnius
Type of company	Public Limited Liability Company
Main activities	provision of financial services
Director	Sonata Gutauskaitė-Bubnelienė

#### 46. FINANCIAL INTERMEDIARIES

**Methods of calculating remuneration:** the remuneration for intermediation is capped at 1 per cent of the value of the transactions concluded by the sub-fund.

<b>Public Limited Liability Company Šiaulių Bankas</b>	registration No. head office address main activities nature of the agreement with the Management Company	112025254 Tilžės g. 149, LT-76348 Šiauliai Provision of financial services Šiaulių Bankas AB is chosen as the main intermediary for transactions involving securities
<b>SEB Bankas AB</b>	registration No. head office address main activities nature of the agreement with the Management Company	112021238 Konstitucijos pr. 24, LT-08105 Vilnius Provision of financial services SEB Bankas AB is chosen as an alternative intermediary for transactions involving securities
<b>Orion Securities UAB FMĮ</b>	registration No. head office address main activities nature of the agreement with the Management Company	122033915 A. Tumėno g. 4, LT-01109 Vilnius, Lithuania provision of financial services Orion Securities UAB FMĮ is chosen as an alternative intermediary for transactions involving securities
<b>InterCapital Securities Ltd</b>	registration No. head office address main activities nature of the agreement with the Management Company	122033915 Masarykova 1, 10000 Zagreb, Croatia provision of financial services InterCapital Securities Ltd is chosen as an alternative intermediary for transactions involving securities
<b>WOOD &amp; Company</b>	registration No.	122033915

head office address  
main activities  
nature of the agreement with the  
Management Company

Náměstí Republiky 1079/1a, 110 00, Praha 1 - Nové  
Město, Czech Republic  
provision of financial services  
WOOD & Company is chosen as an alternative  
intermediary for transactions involving securities

**47. DELEGATION OF FUNCTIONS**

- 47.1. The Management Company has entrusted the maintenance of the Register of Participants and the accounts of the units held by them to the Public Limited Liability Company Šiaulių Bankas.
- 47.2. The maintenance of the Register of Unitholders of the INVL Emerging Europe Bond Sub-Fund and/or the INVL Global Emerging Markets Bond Sub-Fund, in so far as it relates to unitholders who have purchased units through the respective distributor, is entrusted to the distributors referred to in point 7 of this Prospectus: INVL Financial Advisors UAB FMĮ and foreign distributors of the respective sub-fund through which these investment units were purchased.
- 47.3. The Management Company may also delegate other functions to third parties authorised to provide relevant services.
- 47.4. The Management Company is not entitled to delegate to another company so many of its management functions that it effectively ceases to have them. The fact that some of the functions are delegated to another company does not relieve the Management Company of its liability.

**48. OTHER INFORMATION CONSIDERED BY MANAGERS TO BE IMPORTANT AND LIKELY TO INFLUENCE INVESTORS' DECISION MAKING**

The information contained in the Fund Prospectus is not directed to U.S. residents within the meaning of Regulation S under the U.S. Securities Act. The investment funds described in the Prospectus are not registered under any U.S. securities laws and are not intended for sale to U.S. residents or within U.S. jurisdiction.



**ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY**

This Annex provides additional information for potential investors in the Federal Republic of Germany. This Annex forms an integral part of the Prospectus and should be read in conjunction with the Prospectus. Terms used in the Annex have the same meaning as in the Prospectus, unless a different meaning is apparent from the context.

The information contained in this Annex is reviewed and updated together with the information contained in the Prospectus. The date of publication of the current version of the Prospectus on the Management Company's website [www.sb.lt](http://www.sb.lt) is indicated on the cover page of the Prospectus.

The open-ended harmonised composite investment fund INVL Umbrella Fund is established in Lithuania and supervised by the Bank of Lithuania. SB Asset Management UAB is a management company licensed in Lithuania and supervised by the Bank of Lithuania. The Management Company has received the Bank of Lithuania's confirmation of receipt of the Prospectus and/or amendments thereto, which entitles the Management Company to distribute the Fund units in accordance with the procedure and on the terms and conditions set out in the Prospectus.

**Please note that the Management Company does not intend to distribute this sub-fund in the Federal Republic of Germany and has not submitted a notification for distribution in the Federal Republic of Germany:**

- INVL Global Emerging Markets Bond Sub-Fund

**INFORMATION AGENT IN GERMANY:**
**FWW Fundservices GmbH**

Münchener Straße 14  
85540 Haar bei München  
Germany

Investors may obtain paper or electronic copies of the Fund's prospectus (in English), Fund Rules (in English), key investor information documents of the sub-funds (in English or German), and the most recent annual and/or semi-annual financial statements (in English), free of charge, from the information agent in Germany, at the address given above. These documents are also available on the Management Company's website at [www.sb.lt](http://www.sb.lt).

Investors may consult other information and documents required by law with the information agent.

A **paying agent** is not appointed in **Germany** as no printed individual certificates are issued.

Applications for redemption and exchange of Fund units are to be submitted to the Management Company through the Distributors specified in the Prospectus in accordance with the procedure set out in the Prospectus. Unless redemption of sub-fund units is suspended, the Management Company will pay for the redeemed sub-fund units not later than within seven (7) calendar days from the date of receipt of the Application.

**Publication of prices:** The purchase, redemption and exchange prices and the net asset values of the Fund are available free of charge from the German intermediary indicated above and are published on the website of the Management Company at [www.sb.lt](http://www.sb.lt).

**Distribution fee:** the remuneration paid to distributors for the distribution of the Fund units is capped at 2% of the amount invested by the investor. The exact amount of the distribution fee is provided at the time of purchase of the Fund units.

**Notices and information to German investors in the cases provided for in Article 298 (2) of the German Investment Code (*Kapitalanlagegesetzbuch, KAGB*) will be made available to German investors in a durable medium in accordance with Article 167 of the KAGB and is also available on the website of the Management Company at [www.sb.lt](http://www.sb.lt). All other information and notices to investors are published on the website of the Management Company at [www.sb.lt](http://www.sb.lt).**