

Investment Fund

CBL Baltic & New Europe Bond Fund

FUND RULES

The Fund is registered in the Republic of Latvia

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Registered with the Bank of Latvia (until 01.01.2023 –
Financial and Capital Market Commission):

Registration date of the Fund: 20.07.2009

Registration number of the Fund: FL263

Amendments to the Fund Rules:

Registered on 05.10.2009, in effect from 05.10.2009

Registered on 08.10.2009, in effect from 09.11.2009

Registered on 29.01.2010, in effect from 29.01.2010

Registered on 27.07.2010, in effect from 02.08.2010

Registered on 10.08.2010, in effect from 10.08.2010

Registered on 05.09.2011, in effect from 16.09.2011

Registered on 02.12.2013, in effect from 12.12.2013

Registered on 21.07.2014, in effect from 21.07.2014

Registered on 19.03.2015, in effect from 30.03.2015

Registered on 09.03.2016, in effect from 18.04.2016

Registered on 08.06.2020, in effect from 19.06.2020

Registered on 16.10.2026, in effect from 30.10.2026

Custodian: AS Citadele banka

Auditor of the fund: AS KPMG Baltics

The Prospectus of the Fund, Fund Rules, Key Investor Information, annual and semi-annual reports of the Fund, information on the value of the Fund and sales and redemption price of the Share Certificates as well as other information on the Fund and the Company is available free of charge at the office of the CBL Asset Management IPAS at the following address:

Republikas laukums 2A, Rīga, LV-1010, Latvia,
on business days from 08:30 to 17:30,
as well as on the homepage www.cblam.lv

Distributor of the Share Certificates in Latvia:

AS Citadele banka (and its branches and customer service centres)

Republikas laukums 2A, Rīga, LV-1010,
Latvia, www.citadele.lv

TABLE OF CONTENTS

1. General Information	4
2. Information about the Fund.....	4
3. Information about the Company Managing the Fund	4
4. Information about the Custodian	4
5. Terms and Abbreviations.....	4
6. General Principles and Procedures for the Fund Management	4
7. Share Certificate Classes	5
8. Procedure for Making Investment Decisions	5
9. Conflicts of Interest Management	6
10. Investment Limitations.....	6
10.1. General investment restrictions	6
10.2. Investment Limitations as regards a Single Issuer	8
10.3. Loans at the Expense of the Fund.....	8
11. Exceeding Investment Limitations.....	8
12. Procedure for Servicing Investors.....	8
12.1. Availability of the Prospectus and Key Investor Information	8
12.2. Procedure for Providing Information on Distribution of the Fund's Income	9
13. Procedure for Issue, Redemption and Repurchase of Share Certificates.....	9
13.1. Issue of Share Certificates.....	9
13.2. Certification of Ownership Rights to Share Certificates	10
13.3. Redemption and Repurchase of Share Certificates	11
14. Notice of the Execution of the Application for Purchase and Redemption of Share Certificate	12
15. Liquidity Management and Transaction Execution Mechanisms.....	12
15.1. Anti-Dilution Levy.....	12
15.2. Redemption Gate	13
15.3. Suspension of Subscriptions, Redemptions and Repurchases	13
15.4. Side Pocket	14
16. Calculation of the Fund's value.....	15
17. Information on Distribution of the Fund's Income	16
18. Procedure for Liquidation of the Fund	16
19. Procedure for Transfer of Rights to Manage the Fund and the Fund's Assets to the Custodian or Other Persons.....	17
19.1. Expiry of the Fund Management Rights of the Company	17

19.2. Transfer of the Fund Management Rights and Property to the Custodian	17
19.3. Transfer of Rights to Manage the Fund and the Fund's Assets to Other Persons	
18	
20. Co-operation of the Company and Custodian in Managing the Fund.....	18
21. Fees charged to the Fund	18
22. Procedure for Making Public Statements and Distribution of Publicly Available	
Information	19
23. Procedure for Amending the Fund Rules.....	19

1. General Information

Prior to investing in the Fund, to make a reasoned decision on investing into the Fund and the potential risk inherent to such investment, an Investor must read the information stated in these Fund Rules, Prospectus of the Fund and laws and regulations of the Republic of Latvia applicable to the Fund, Company and Custodian.

The Fund Rules lay down the procedure for the Fund management.

2. Information about the Fund

Name of the Fund: CBL Baltic & New Europe Bond Fund

3. Information about the Company Managing the Fund

Name of the Company: CBL Asset Management IPAS

Legal address: Republikas laukums 2A, Riga, LV-1010, Latvia
Phone: (+371)67010810

The office of the Company's executive body is at the legal address of the company.

Founded on: 11 January 2002

Unified registration number: 40003577500

Licences: Licence for Investment Management Services
No 06.03.07.098/367
Licence for Management of State Funded Pension Scheme,
issued on 22 September 2002
Alternative Investment Fund Manager licence
No 06.13.08.098/369

4. Information about the Custodian

Name of the Custodian: Joint Stock Company Citadele banka

Legal address: Republikas laukums 2A, Riga LV-1010, Latvia
Phone: (+371)67010000

The office of the Custodian's executive body is at the legal address of the company.

Founded on: 30 June 2010

Unified registration number: 40103303559

Licenses: Licence for Credit Institution Activities No 06.01.05.405/280

5. Terms and Abbreviations

The terms in these Rules correspond to the terms used in the Prospectus of the investment fund 'CBL Baltic & New Europe Bond Fund'.

6. General Principles and Procedures for the Fund Management

The investment fund 'CBL Baltic & New Europe Bond Fund' founded by CBL Asset Management IPAS is a totality of assets consisting of investments made against Share Certificates as well as assets acquired from transactions with the property of the Fund.

In accordance with the Law on Investment Management Companies of the Republic of Latvia, the CBL Baltic & New Europe Bond Fund is an investment fund and operates in accordance with Directive 2009/65/EC, as well as with other binding legislation of the European Union.

The Company, on its own behalf, at the expense of the Investors of the Fund, solely in the interests of the Investors of the Fund, manages the assets of the Fund and the rights arising thereof in accordance with the Law on the Investment Management Companies of the

Republic of Latvia, other Latvian laws and regulations, the Fund's Articles of Association, its Prospectus, and the Fund Rules.

The Company does not need the consent of the Investors of the Fund for activities related to the Fund management, nor for the use of the voting rights attached to equity shares belonging to the property of the Fund.

Investment targets are selected in accordance with the investment policy of the Fund and investment limitations described in the Prospectus of the Fund and in accordance with the procedure prescribed in the Fund Rules.

The Company does not have the right to invest its funds in the share capital of other investment management companies as well as to purchase Share Certificates of the Fund managed by the Company.

The Company is liable for losses caused to the Investors or third parties by officials or authorised persons of the Company because of violation of the provisions of the Law, the Prospectus of the Fund and the Fund Rules, by abusing the powers granted to them or fulfilling their duties negligently.

The Company is responsible for keeping accounting records of the Fund and annual and semi-annual financial reporting. The Company is entitled to delegate accounting of the Fund to an authorised entity; however, the Company is responsible for the activities of such a person.

The Company ensures such accounting procedures of the Fund that the operating result from transactions within one Share Certificate class does not affect the rights and interests of Investors established in another Share Certificate class.

The Company keeps accounting records of the Fund separate from the accounting of the property of the Company and other investment funds managed by the Company including in relation to the distribution of income to the Fund's Distribution share classes.

7. Share Certificate Classes

The Fund has five classes of Share Certificates that differ in terms of the applicable charge structure and currencies and which are also subject to a minimum investment amount.

The Fund's unit classes may also differ in terms of their income distribution policy, namely accumulation and distribution classes.

Accumulation unit class: a class under which the Fund's income is not distributed to Investors but is reinvested in the Fund's assets.

Distribution unit class: a class under which the Fund's income may be distributed to Investors in accordance with Section 16 of these Regulations and the Fund Prospectus.

The typical features of the Fund's Share Certificates of each class, the established rights and information on the distribution of the Fund's income and ongoing charges are detailed in Section 9 of the Prospectus.

8. Procedure for Making Investment Decisions

Decisions on handling the assets of the Fund are made by the Fund Managers appointed by the Management Board of the Company who manage the Fund in compliance with the terms of the Fund's Prospectus, investment policy of the Fund and the procedure specified by the effective laws and regulations of the Republic of Latvia and these Rules.

The Fund Managers are responsible for compliance with the investment policy of the Fund.

The Fund Managers deal with issues concerning the investment strategy and tactics of the Fund and, where relevant, make decisions on the consensus basis. In situations where a

consensus is not reached, each Fund Manager has the obligation to notify the Management Board of the Company, who then decides on further actions.

Transaction orders to the Custodian regarding transactions with the Fund's assets may be individually submitted by any Fund Manager.

The Fund Manager is not responsible for decisions made and orders passed during their absence until the Fund Manager has had the opportunity to familiarize with and assess the decisions and completed transactions made during their absence.

Any transaction with the Fund's assets must be based on an order submitted to the Custodian by the Fund Manager in accordance with the Custodian Agreement and procedure for the submission of orders agreed with the Custodian. If the order contradicts the Law, regulations of the Bank of Latvia, Prospectus of the Fund, these Fund Rules or Custodian Agreement, the Custodian is not to execute such an order. The Custodian is entitled not to execute the orders of the Fund Manager also in other cases provided for in the Custodian Agreement as well as in the agreement between the Custodian and the Company on the provision of brokerage services (if signed).

The Management Board of the Company has the right to request the Fund Managers to provide a detailed explanation regarding decisions made in respect of the Fund's assets.

9. Conflicts of Interest Management

The Management Company, taking into account its size, organisation, nature, scale and complexity of its professional activities, implements all necessary and proportionate measures to identify circumstances that give rise, or may give rise, to conflicts of interest.

As the Management Company is the manufacturer of the investment fund units issued by the investment funds it has established, it has implemented measures for the prevention and management of conflicts of interest relating to transactions in financial instruments developed by the Management Company itself. The Management Company has also identified conflicts of interest arising in relation to companies within the AS Citadele banka Group and has established measures for their prevention and management.

Investors may familiarise themselves with the Management Company's Conflicts of Interest Policy and a description of the relevant rules and procedures on the Management Company's website: <https://www.cblam.lv/lv/portfolio/protection/>.

10. Investment Limitations

10.1. General investment restrictions

The proceeds of the Share Certificates of various classes are invested in accordance with the investment policy specified in the Fund's Prospectus and complying with the respective investment restrictions.

- The Fund's investments, excluding the Fund's investments referred to in Paragraph 3.1, sub-paragraph 2 of the Prospectus, in transferable securities of a single issuer may not exceed 5% of the Fund's assets. The above limit may be raised to 10% of the Fund's assets; however, in such case, the total value of the investments exceeding 5% may not exceed 40% of the Fund's assets.
- The Fund's investments in transferable securities of a single issuer can be increased up to 25% of the Fund's assets if they are debt securities issued or guaranteed by a credit institution registered in a Member State and if the terms of such debt securities provide that the acquired funds will be invested in assets that during the entire duration of the debt security fully secure the liabilities arising out of such a debt security, and such liabilities must be settled on a priority basis if the issuer becomes insolvent.

- The Fund's investments in transferable securities of a single issuer can be increased up to 35% of the Fund's assets, if the transferable securities are issued or guaranteed by a Member State, a Foreign Country, a local government of a Member State or an international institution if one or several Member States are its members. If the value of debt securities of a single issuer mentioned in Paragraph 3.1, sub-paragraph 2 of the Prospectus exceeds 5% of the Fund's assets, the total value of the Fund's investments that exceeds five percent may not exceed 80% of the Fund's assets.
- The Fund's assets placed with a single credit institution may not exceed 20% of the assets of the Fund. Such limitation does not apply to demand deposits with the Custodian.
- Investments of the Fund's assets in Share Certificates of a single investment fund may not exceed 10% of the Fund's assets. Total investments of the Fund into Share Certificates (units) of collective investment undertakings referred to in Paragraph 1.3.3, sub-paragraph 2 of the Prospectus may not exceed 30% of the Fund's assets.
- The Fund will only invest in the investment funds or similar or equivalent collective investment undertakings whose maximum management costs do not exceed 3% of the fund's asset value per annum.
- The Fund's investments in financial instruments issued by commercial companies which are part of the same group as the Company may not exceed 10% of the Fund's assets, inter alia, investments in transferable securities of a single issuer may not exceed 10% of the Fund's assets.
- Total risk arising from transactions in derivatives, inter alia, in the derivatives included in transferable securities may not exceed the Fund's net asset value. In calculating the total risk, the value of the underlying assets of the derivative, counterparty risk, future changes in the market and the time required for closing the relevant position must be considered. In assessing the total risk of the Fund, the Company applies the commitment approach.
- Risk position in transactions with over-the-counter derivatives with each counterparty may not exceed:
 - 1) 10% of the Fund's assets if the counterparty is a credit institution that has obtained a license for credit institution operations in a Member State or OECD member state that is included in the Group of Ten;
 - 2) 5% of the Fund's assets if the counterparty is an investment brokerage company whose capital and reserves total EUR 10 million or an equivalent amount in another currency according to the exchange rate published by the European Central Bank and which is registered in a Member State or OECD member state that is included in the Group of Ten and the operation of which is monitored by a competent financial supervisory authority.
- Disregarding the investment limitations separately specified in Paragraph 3.1, sub-paragraphs 1, 5, 9 and 10 of the Fund's Prospectus, the total Fund's investments in transferable securities, the Fund's deposits and transactions with derivatives, the issuer or guarantor, investment attractor or transaction counterparty of which is one and the same person may not exceed 20% of the Fund's assets. In applying the investment limitations specified in Paragraph 3.1 of the Prospectus, commercial companies belonging to one group must be considered as a single person.
- The investment limitations separately specified in Paragraph 3.1, sub-paragraphs 1, 2, 4, 5, 9 and 10 of the Fund's Prospectus may not be combined and thus the total

investments of the Fund in transferable securities, the Investment Fund's deposits and transactions with derivative financial instruments the issuer or guarantor, investment attractor or transaction counterparty of which is one and the same person may not exceed 35% of the Fund's assets.

10.2. Investment Limitations as regards a Single Issuer

The investments of the Fund in separate assets may not exceed the following criteria:

- 1) 10% of the total amount of debt securities issued by one issuer;
- 2) 25% of the number of Share Certificates of a single fund or collective investment undertaking.

The Fund's assets may not be disbursed in loans or invested in real estate, precious metals and derivatives, the underlying asset of which are precious metals.

10.3. Loans at the Expense of the Fund

To meet the liabilities of the Fund, including covering such expenses of the Fund that, if not paid on time, may cause losses to the Fund, the Company may borrow on the Fund's account in total up to 10% of the Fund's net asset value, but only for a short-term up to three months.

The decision regarding the borrowing on the Fund's account may be taken by the Fund Manager in accordance with the Fund's Prospectus and the Fund Rules.

11. Exceeding Investment Limitations

Investment limits may be exceeded due to exercising subscription rights pertinent to transferable securities comprised in the Fund's assets or to other circumstances the Company was unable to foresee. To counteract exceeding the limitations, the Company must perform sales transactions in accordance with the risk mitigation principle and in the best interest of the Investors.

The investment limitations referred to in Paragraph 3.2, sub-paragraph 1 of the Fund's Prospectus may be exceeded upon investing if at that moment it was not possible to determine or calculate the value or quantity of the issued securities with inherent liabilities or the value or number of the share certificates in circulation.

The Company must immediately inform the Bank of Latvia of exceeding the investment limitations and the counteracting measures to be taken.

12. Procedure for Servicing Investors

12.1. Availability of the Prospectus and Key Investor Information

The amendments to the Fund Rules come into effect not earlier than 10 days after their registration with the Bank of Latvia or within other term set by the Bank of Latvia which is not to exceed three months after the registration of the amendments and is determined taking into account the content of the amendments to the Prospectus and the interests of the Investors of the Fund.

Considering the changes in the Company's capital, composition of the Council or key management or other changes in the activities of the Company or the Fund to be approved by the Bank of Latvia in accordance with the Law, the Company, after agreeing on the above mentioned changes and without their prior registration with the Bank of Latvia, makes the respective amendments to the Prospectus of the Fund and submits its full text to the Bank of Latvia. Such amendments to the Fund's Prospectus take effect after their approval by the Management Board of the Company.

If any amendments to the Prospectus of the Fund are made, the Company must, after their registration with the Bank of Latvia, immediately ensure that the Investors of the Fund have access to the full Prospectus of the Fund with the amendments and reference to the day they became effective.

The Key Investor Information of the Fund is updated at least once a year.

Investors can get acquainted with and receive free of charge the Prospectus and Key Investor Information of the Fund at the office of CBL Asset Management IPAS (address: Republikas laukums 2A, Riga, LV-1010, Latvia) on business days from 08.30 to 17.30 or on the website of the Company: www.cblam.lv.

12.2. Procedure for Providing Information on Distribution of the Fund's Income

Investors may read the information on changes in distribution of income received from transactions with the property of the Fund, having effect upon operations of the Fund, as well as information on other events related to the Fund's assets on the website of the Company: www.cblam.lv.

The Company has the right to change the procedure for distribution of the income from the Fund's assets only upon registration of the respective amendments to the Prospectus of the Fund with the Bank of Latvia.

If amendments to the Prospectus are made, the Company must, after their registration with the Bank of Latvia, immediately ensure that the Investors have access to the full Fund's Prospectus with amendments and reference to the day they became effective. Information regarding income distributions for Distribution unit classes, including whether a distribution is made and the key terms and conditions thereof, shall be disclosed in accordance with the procedures set out in the Fund Prospectus and applicable laws and regulations.

13. Procedure for Issue, Redemption and Repurchase of Share Certificates

13.1. Issue of Share Certificates

Share Certificates are issued in accordance with the procedure specified by the Law on Financial Instruments Market, the Law as well as regulations issued by the Bank of Latvia.

Share Certificates are issued in dematerialised form.

The number of Share Certificates and the issuance period are not limited.

Share Certificates are considered publicly traded securities even if they are not admitted to trading on a regulated market.

The Company does not exchange Share Certificates of one class for another class; however, Investors are entitled to simultaneously conduct transactions for the redemption of Share Certificate of one class and sale of another class according to the provisions of Paragraph 7.1 of the Prospectus of the Fund.

To apply for acquisition of Share Certificates of the Fund, the Investor of the Fund must fill and submit to the Company, Distributor or Account Holder, with which financial instruments account for the Investor is opened, an application for acquisition of Share Certificates of the Fund. The application for acquisition of Share Certificates is irrevocable.

In the application for acquisition of Share Certificates the Investor must state the following information:

- 1) the Investor's identification data (name, surname, personal ID code / registration number if there is no date of birth or name);

- 2) the number of the financial instruments account of the Investor in the country where the Share Certificates are distributed and to which the purchased Share Certificates must be transferred;
- 3) the number of the Investor's settlement account;
- 4) the Fund's identification data (the name of the Fund and the class (Unit classes may also differ with respect to their income distribution policy, namely Accumulation Classes and Distribution Classes) and ISIN code of the Share Certificates);
- 5) the number of the Share Certificates to be subscribed for or the amount to be invested.

The Company, Distributor and Account Holder, with which financial instruments account for the Investor is opened, have the right to request the Investor to certify the correctness of the respective information rendered. The person who accepts the application for acquisition of Share Certificates (the Company, Distributor, Account Holder, with which financial instruments account for the Investor is opened, or another intermediary respectively) is responsible for identification of the applicant.

The Company registers applications for acquisition of Share Certificates in a separate book in the order in which they are received.

Applications may be submitted in person or by means of communication accepted by the Distributor or the Account Holder, with which financial instruments account for the Investor is opened, e.g. via Internet bank. An application is considered submitted and registered when it is accepted by a representative of the Company, Distributor or Account Holder, with which financial instruments account for the Investor is opened.

Neither the Company nor Distributor is liable for losses incurred by the Investor if any authorised person has acted in abuse of the Investor's name and account number, except where otherwise provided by the legislation of the country in which Share Certificates of the Fund are distributed.

If an application for acquisition, redemption or repurchase of Share Certificates of the Fund is submitted by a third party acting in its own name, but for the benefit of its customers, and such a person has the right to hold financial instruments for the benefit of other persons, it is considered that having submitted the application this person confirms that it has performed identification of the Investor in accordance with its customer identification procedures, effective laws and regulations of the Republic of Latvia or the respective Foreign Country, in which Share Certificates of the Fund are sold.

13.2. Certification of Ownership Rights to Share Certificates

Share Certificates are taken to a financial instruments account of each owner of Share Certificates,

The Investor's ownership right to Share Certificates arises when the corresponding entry in their financial instruments account is made. A statement of the financial instruments account of the Investor of the Fund is the certification of ownership rights to Share Certificates; these statements are issued by the bank, the brokerage company or the Company holding the Share Certificates of the Investor of the Fund.

Relations between the Investor and the holder of their Share Certificates account are regulated by the Agreement on Servicing of Financial Instruments Account concluded between the Investor and the holder of their financial instruments account. All expenses related to servicing of these accounts are borne by the Investor on their own account.

13.3. Redemption and Repurchase of Share Certificates

To enable the Company to perform redemption of Share Certificates owned by the Investor of the Fund, the Investor or their authorised person must submit to the Company, Distributor or Account Holder, with which a financial instruments account for the Investor is opened, an application for redemption of Share Certificates of the Fund. The application for redemption of Share Certificates of the Fund is irrevocable.

The Investor of the Fund must state the following information in the application for redemption of Share Certificates:

- 1) the Investor's identification data (name, surname, personal ID code / registration number if there is no date of birth or name);
- 2) the number of the Investor's settlement account;
- 3) the Fund's identification data (the name of the Fund and the class and ISIN code of the Share Certificates);
- 4) the number of Share Certificates of the relevant Unit Class to be redeemed or the amount to be received for redemption of the Share Certificates.

Information regarding the redemption price of Share Certificates of all the classes is available at the locations listed in Paragraph 10.3 of the Prospectus of the Fund and under the procedures stated therein.

The Company registers applications for redemption of the Share Certificates in a separate book in the order in which they are received.

Applications may be submitted in person or by means of communication accepted by the Distributor or the Account Holder, with which a financial instruments account for the Investor is opened, e.g. via Internet bank. An application is considered submitted and registered when it is accepted by a representative of the Company, Distributor or Account Holder, with which a financial instruments account for the Investor is opened.

Where the application has been submitted in person, an authorised representative of the Company or Distributor signs it and returns one copy of the application to the Investor.

Neither the Company nor Distributor is liable for losses incurred by the Investor if any authorised person has acted in abuse of the Investor's name and account number, except where otherwise provided by laws and regulations of the country in which Share Certificates of the Fund are distributed. The Company and Distributor may accept the application ensuring that the customer identification procedure has been carried out.

The Company is obliged to execute only accurately filled and drawn up applications for the redemption of the Share Certificates in which the number of the Share Certificates stated is fully covered by securities.

The amount for the redeemed Share Certificates of the Fund is transferred to the settlement account of the Investor of the Fund after submission of the application for the redemption of the Share Certificates of the Fund not later than within six business days after the receipt of the Share Certificates in the issue account of the Fund with the LCD.

The Company repurchases the Share Certificates if the Company is held responsible for losses incurred by the Investors due to incorrect or incomplete data provided in the Fund's Prospectus. Repurchase of the Share Certificates is carried out in accordance with the Law and Paragraph 11.4 of the Prospectus.

The Custodian ensures that Share Certificates are issued, sold, and redeemed on behalf of the Company and in accordance with the Law, the Prospectus of the Fund and the Fund Rules.

14. Notice of the Execution of the Application for Purchase and Redemption of Share Certificate

The Company, via a durable medium, sends to the Investor a notice confirming the enforcement of the application not later than the working day following the execution of the application or, if the Company receives such a notice from a third party, not later than the working day following the receipt of the notice from a third party, unless the Company's notice comprises the same information as provided in the confirmation immediately sent to the Investor by a third party.

The notice must comprise the following information:

- 1) the Company's identification data;
- 2) the Investor's identification data (name, surname, personal ID code / registration number if there is no date of birth or name);
- 3) the date and time of the receipt of the application and the payment method;
- 4) the execution date;
- 5) the Fund's identification data (and the ISIN code of the Share Certificates);
- 6) type of application — purchase, redemption or repurchase;
- 7) the number of Share Certificates;
- 8) the value of a Share Certificate upon purchase, redemption or repurchase;
- 9) the date on which the value of a Share Certificate is established;
- 10) gross value of the application, including the entry charge for the Share Certificate issuance, or net value less redemption charge;
- 11) the total amount of the transaction charge and other charges received.

15. Liquidity Management and Transaction Execution Mechanisms

In accordance with the requirements of the Investment Management Companies Law, which implements the provisions of Directive (EU) 2024/927, the Management Company has selected and included in this Fund Prospectus liquidity management tools that may be applied in the interests of the Fund's investors for the purpose of managing the Fund's liquidity, particularly in cases of significant redemption requests. The selection of these tools has been made after assessing their suitability for the Fund's investment strategy, liquidity profile and redemption policy.

15.1. Anti-Dilution Levy

Nature: The Management Company is entitled to apply an anti-dilution levy, being an additional charge imposed on Investors subscribing for or redeeming Fund units. The anti-dilution levy shall be credited to the Fund's assets in order to compensate for transaction costs arising from the purchase or sale of assets.

Activation criterion: The anti-dilution levy may be applied where the aggregate amount of net subscription transactions or net redemption transactions on a particular valuation day exceeds 10% of the Fund's net asset value. The amount of the Anti-Dilution Levy shall be determined on the basis of the estimated costs associated with the purchase or sale of assets required to meet subscription or redemption activity, including direct and, where applicable, indirect costs, and shall not exceed 1.0% of the value of the relevant transaction.

Purpose: To ensure a fair allocation of costs between active Investors (whose transactions generate transaction costs) and Investors remaining in the Fund, thereby preventing the dilution of the value of other Investors' holdings resulting from the costs generated by transactions of other Investors.

The Management Company shall immediately notify the Custodian Bank and the Investors to whom the anti-dilution levy is applied of the implementation of this liquidity management tool. The Bank of Latvia shall be notified in the cases required by applicable laws and regulations, including where the

tool is applied otherwise than in accordance with the ordinary application framework set out in these Regulations.

15.2. Redemption Gate

Nature: The Management Company is entitled to impose a temporary limit on the maximum number of Fund units that may be redeemed by Investors on any redemption day or during a redemption period. This tool is intended to limit the execution of redemption requests on a partial basis rather than to suspend them completely.

Activation criterion: The tool may be applied where the total volume of net redemption requests over a period of three business days exceeds 10% of the Fund's net asset value. The tool shall be applied on a non-discriminatory basis to all Investors, and the activation threshold shall be determined at the Fund level.

Treatment of the excess portion: Redemption requests exceeding the established threshold shall be reduced on a pro rata basis, and the unexecuted portion shall be carried forward to the next redemption period. Any unexecuted portion of a redemption order shall be automatically transferred to the next dealing date and shall be given priority over redemption orders submitted on subsequent dealing dates.

Duration: The tool shall be applied separately for each redemption period in which the threshold is exceeded and shall automatically cease to apply once the volume of net redemption requests in the following period no longer exceeds the established threshold. Where the redemption threshold is exceeded on two or more consecutive days, redemption orders shall be executed in order of priority.

Purpose: To smooth the impact of unusually large and simultaneous redemption requests, allowing the Management Company to realise the Fund's assets in an orderly manner and protect the interests of Investors remaining in the Fund, while ensuring that all Investors retain the right to full execution of their redemption requests, albeit over a longer period of time.

The Management Company shall immediately notify the Custodian Bank and the affected Investors of the application of this liquidity management tool. The Bank of Latvia shall be notified in the cases required by applicable laws and regulations, including where the tool is applied otherwise than in accordance with the ordinary application framework set out in these Regulations.

15.3. Suspension of Subscriptions, Redemptions and Repurchases

Nature: In addition to the selected liquidity management tools, the Management Company is entitled, in exceptional circumstances where required by the situation and in the interests of Investors, to temporarily suspend subscriptions, repurchases and redemptions of Fund Units.

The suspension shall apply simultaneously and for the same period to subscriptions, repurchases and redemptions of Fund Units and shall apply to all Investors and all Classes of Fund Units. The Management Company shall not suspend repurchases or redemptions without simultaneously suspending subscriptions.

Activation criteria: The tool may be applied in exceptional circumstances where such action is required by the prevailing conditions and is justified in the interests of the Fund's Investors, including where one or more of the following circumstances occur:

- significant difficulties in the valuation of the Fund's assets;
- significant liquidity constraints or substantial redemption requests;
- closure of relevant markets, disruption of trading venues or trading restrictions;
- a critical cyber incident or other significant operational disruption;
- a significant financial or political crisis;
- significant indications of fraud;
- a natural disaster or other comparable extraordinary circumstances.

Treatment of pending requests: This tool does not provide for partial execution of requests or the proportional carry-forward of requests to a subsequent period. All subscription, redemption and repurchase requests shall be suspended in their entirety and shall only be executed after the

suspension has been lifted, in accordance with the subscription, redemption and repurchase prices and procedures applicable at that time.

During the Suspension

The suspension may also include the suspension of the calculation of the Fund's Net Asset Value where material valuation uncertainty exists and the Net Asset Value of the Fund cannot be determined reliably.

In all other circumstances, the Management Company shall continue to value the Fund's assets and publish the Fund's Net Asset Value.

Duration: The suspension of subscriptions, repurchases and redemptions shall be maintained only for as long as the circumstances giving rise to such suspension continue to exist. The Management Company shall regularly reassess the justification for the suspension and determine any further measures, including the resumption of normal operations, the liquidation of the Fund or the establishment of a Side Pocket, where necessary for the protection of the Fund and its Investors.

The duration of the suspension is neither predetermined nor cyclical and shall be reviewed on an ongoing basis until the circumstances giving rise to the suspension have ceased to exist.

Purpose: To ensure equal and fair protection of all Investors in exceptional circumstances. This tool shall be used as a measure of last resort where the other liquidity management tools provided for in this Fund Prospectus are not sufficient.

The Management Company shall immediately inform the Bank of Latvia, the Custodian Bank, and all Investors of the application of this tool by publishing a notice on the Company's website.

15.4. Side Pocket

Nature

In addition to the selected Liquidity Management Tools, the Management Company may establish a Side Pocket in exceptional circumstances where this is required by the prevailing conditions and justified in the best interests of the Fund's Investors.

A Side Pocket involves the segregation of certain Fund assets from the remainder of the Fund's assets where the economic or legal characteristics of such assets have materially changed or become uncertain as a result of extraordinary circumstances.

Activation criteria:

A Side Pocket may be established where a specific portion of the Fund's assets is subject to material valuation uncertainty, significant illiquidity or the absence of an active market, trading prohibitions or restrictions, including those resulting from sanctions, a temporary inability to determine fair value, or the effects of fraud, financial crisis, armed conflict or similar events affecting a particular sector, country or region, as well as in other comparable circumstances.

Forms of Implementation

The Management Company may establish a Side Pocket in either of the following forms:

(a) Accounting Segregation

A separate Class of Fund Units may be created to which the segregated assets are allocated. The Net Asset Value of the remaining Classes of Fund Units shall be calculated excluding the segregated assets.

The segregated Class shall be closed to subscriptions, repurchases and redemptions.

(b) Physical Segregation

Assets whose economic or legal characteristics have not materially changed may be transferred to a newly established fund or merged into an existing fund, while the original Fund containing the segregated assets shall be closed to subscriptions, repurchases and redemptions and subsequently liquidated.

Units or shares representing interests in the Side Pocket shall not be available for subscription, repurchase or redemption. Investors' rights in relation to the Side Pocket, including proceeds

generated from the realization of the segregated assets, shall be allocated proportionately based on each Investor's holding in the Fund at the time the segregation takes place.

Where appropriate, the Management Company may allocate a reasonable amount of cash to the Side Pocket for the purpose of meeting actual or potential liabilities relating to the segregated assets.

Duration

The Side Pocket shall remain in place only for as long as the circumstances giving rise to the segregation continue to exist or until the segregated assets have been realised, written off or otherwise removed from the Fund's assets.

The Management Company shall maintain separate records of the segregated assets and shall regularly assess whether continuation of the Side Pocket remains appropriate.

Purpose

The purpose of the Side Pocket is to protect the interests of all Investors by ensuring that valuation uncertainty, illiquidity, disposal difficulties or legal uncertainty affecting assets exposed to extraordinary circumstances do not disproportionately affect the management of the remaining Fund assets or the fair treatment of Investors.

The Management Company shall notify the Bank of Latvia, the Custodian and, simultaneously or as soon as reasonably practicable thereafter, the Investors of the establishment or termination of a Side Pocket, the reasons for its application and its principal terms, by publishing a notice on the Management Company's website within a reasonable period prior to the establishment or termination of the Side Pocket.

The Bank of Latvia shall be notified in the cases prescribed by applicable laws and regulations, including where the tool is applied outside the ordinary application framework set out in these Regulations.

16. Calculation of the Fund's value

The Fund's Value (also referred to as the Fund's net asset value) is the value of the assets of the Fund less the value of the Fund's liabilities.

To determine the value of a Share Certificate Class, the Company has introduced, for accounting purposes, a notional fund and on a daily basis determines the value of the Units of the notional fund.

The value of the notional fund is determined in USD taking into account that the assets of the notional fund include financial instruments, cash and derivatives entered into for the purposes of the management of the Fund. The liabilities of the notional fund include all the fees, charges and expenses specified in the Prospectus of the Fund, except for the Custodian's fee and the Company's fee for the management of the Fund.

The value of a Unit of the notional fund is the net asset value of the notional fund divided by the number of Units of the notional fund registered in the Company's accounting system.

The number of Units of the notional fund is registered in a separate register maintained by the Company's accounting system and is determined by taking into account all the applications submitted in respect of all Share certificate Classes for the acquisition and redemption of the Units of the notional fund as at the moment of the determination.

The Value of a Unit of a Share Certificate Class is the value of the Share Certificate Class divided by the number of Share Certificates in circulation of that respective Share Certificate Class.

If, in respect of Distribution Classes, an income distribution is made, the value of the Units of the relevant Class may be reduced accordingly by the amount distributed.

The asset value of a Share Certificate Class includes the Units of the notional fund, derivatives to a specific Share Certificate Class of the Fund, if the currency of the Share certificate Class is other than USD, as well as in some cases, cash.

The value of the liabilities of a Share Certificate Class includes the Custodian's fee and the Company's fee for the management of the Fund.

The rights and liabilities provided for in the Share Certificates covers the Fund's assets in their entirety. The Share Certificates of one Class provide for equal rights.

The number of the Share Certificates of each Class is the number of the Share Certificates of the respective class issued less the number of the Share Certificates withdrawn from circulation after the receipt of an application for redemption.

The Company determines the value of the Fund and the value of the Unit of each Share Certificate Class, which is determined in the currency of each Share Certificate Class, at the end of every business day after 17:30.

17. Information on Distribution of the Fund's Income

The Investor of the Fund participates in distribution of income derived from transactions with the Fund's assets in proportion to the value of the Share Certificates owned.

For Accumulation Classes, income generated from the Fund's assets shall be reinvested in the Fund, and the Investor's return shall be reflected in an increase (or decrease) in the value of the Units.

For Distribution Classes, the Fund's income may be distributed to Investors in whole or in part. The method, amount and frequency of such distributions shall be determined by the Management Company in accordance with the Fund Prospectus and applicable laws and regulations.

Income distributions in respect of Distribution Classes may result in a reduction of the value of the Units of the relevant Class.

The Investor can receive the income from their investments in the Fund by requesting the Company to redeem the Share Certificates owned by them or by selling their Share Certificates to third parties.

18. Procedure for Liquidation of the Fund

The liquidation of the Fund is conducted in accordance with the Law.

The Fund is liquidated by the liquidator. The liquidator may be the Company itself, the Custodian, or a person appointed by the Bank of Latvia.

The Company liquidates the Fund if:

- on the next day after expiry of the Custodian Agreement a new Custodian Agreement has not taken effect;
- within a year after establishing of the Fund no Share Certificate of the Fund has been placed in circulation;
- all the Investors of the Fund have exercised their rights to redeem Share Certificates and the Company has resolved to liquidate the Fund;
- the Bank of Latvia or the Company has taken a decision on commencing the liquidation of the Fund.

The liquidator immediately informs the Bank of Latvia about the initiation of the liquidation of the Fund and publishes a respective announcement to that effect in the official gazette "Latvijas Vēstnesis" and/or makes an announcement in accordance with the legal requirements of the country in which the Share Certificates of the Fund are sold.

If the Company or the Custodian does not initiate the liquidation of the Fund within a month from the day when the liquidation should have been initiated, the Bank of Latvia has the right to appoint the liquidator of the Fund. Such a liquidator of the Fund has the same rights as the

Company if it were performing the liquidation. The liquidator is only entitled to carry out activities related to the liquidation of the Fund.

During the liquidation of the Fund, it is prohibited to issue and redeem Share Certificates, and to distribute to the Investors the Fund's income referred to in the Prospectus of the Fund.

The liquidator must act in the interests of the Investors and creditors of the Fund. In selling the Fund's property, the liquidator does not have to comply with the investment limitations specified in the Fund's Prospectus.

The liquidator is fully liable to the Investors of the Fund and third parties for any losses caused during the liquidation, if, wilfully or due to negligence, the liquidator has violated the Law or the Fund Rules or failed to comply with his obligations through negligence.

Upon initiation of the liquidation of the Fund, the liquidator organizes and performs the sale of the property of the Fund, except for the cash in the Fund. The Custodian or the liquidator distributes the proceeds derived from the sale of the Fund's assets under liquidation as well as the cash in the Fund (liquidation proceeds) in the following order:

- claims of the secured creditors;
- claims of the creditors who lodged their claims within the term prescribed in the liquidation announcement;
- claims of creditors who lodged their claims after the term prescribed in the liquidation announcement but prior to distribution of the liquidation proceeds.

The remaining liquidation proceeds shall be distributed among the Investors of the Fund in proportion to the class and number of Share Certificates held.

All payments to creditors and the Investors of the Fund shall be made in cash.

The liquidator has the right to cover liquidation expenses from the liquidation proceeds during liquidation. The liquidation expenses may not exceed two percent of the liquidation proceeds.

19. Procedure for Transfer of Rights to Manage the Fund and the Fund's Assets to the Custodian or Other Persons

19.1. Expiry of the Fund Management Rights of the Company

The rights of the Company to manage the Fund expire:

- with transfer of the Fund management rights to another company;
- with withdrawal of the license;
- with completion of the liquidation of the Fund carried out by the Company;
- from the moment the Bank of Latvia has appointed the liquidator of the Fund in accordance with the provisions of the Law.

19.2. Transfer of the Fund Management Rights and Property to the Custodian

If the rights of the Company to manage the Fund expire, the rights to manage the Fund are transferred to the Custodian, except where such rights are assigned to another company. The Custodian to which the rights to manage the Fund have been transferred enjoys all rights of the Company, except for the rights of issue and redemption of Share Certificates of the Fund.

The Custodian must transfer the Fund management rights to another investment management company within three months from the date of assumption of the Fund management rights. The Bank of Latvia may extend this period to six months from such date. The transfer of the Fund management rights to another company is always subject to the permission of the Bank of Latvia.

If the Custodian does not transfer the rights to manage the Fund to another investment management company within the term prescribed above, the Custodian must liquidate the Fund.

19.3. Transfer of Rights to Manage the Fund and the Fund's Assets to Other Persons

The Company may transfer the Fund management rights to another investment management company on a contractual basis.

The transfer of the Fund management rights is subject to permission of the Bank of Latvia. After the Bank of Latvia has granted the permission, the Company submits an announcement about the transfer of the Fund management rights to another company for publication in the official government gazette "Latvijas Vēstnesis" and in one daily newspaper, stating the name, registration number, legal address and the location of the Management Board of the respective company.

The Contract on transferring the Fund management rights to another company comes into effect no sooner than after a month since the day of the publication of the announcement about the transfer of the Fund management rights to another company in the official government gazette "Latvijas Vēstnesis". With the contract coming into effect, all rights and obligations related to the Fund are transferred to the new company.

20. Co-operation of the Company and Custodian in Managing the Fund

The Company performs transactions with the assets of the Fund the Custodian. To manage assets of the Fund, the Company concludes a contract with the Custodian whereby the Custodian undertakes to hold the assets of the Fund, to service the accounts of the Fund, and to perform other activities in accordance with the Law, Custodian Agreement and instructions of the Company.

When performing the duties prescribed in the Law, the Custodian operates independently from the Company and only in the interests of the Investors of the Fund, provided that such interests are not contrary to the laws and regulations of the Republic of Latvia, regulations of the Bank of Latvia, Prospectus of the Fund and the Fund Rules.

The Custodian only makes payments from the accounts of the Fund on the basis of the Company's instructions and/ or in accordance with the Custodian Agreement. The Custodian is also entitled not to follow any instructions of the Company in respect to the assets of the Fund provided such instructions are contrary to the laws and regulations of the Republic of Latvia, regulations of the Bank of Latvia, Prospectus of the Fund, Fund Rules and Custodian Agreement.

21. Fees charged to the Fund

The Company receives a fee for the management of the Fund that is calculated and paid from the Fund's assets in accordance with the provisions specified in Section 15 of the Fund's Prospectus.

The fee to the Custodian is paid in accordance with the provisions specified in Sections 7 and 16 of the Fund's Prospectus.

The fee to the Certified Auditor of the Fund is paid from the Fund's assets; the fee is accumulated and paid from the Fund's assets in accordance with the provisions specified in Sections 7 and 8 of the Fund's Prospectus.

Payments to third parties are made in accordance with the source documents or the actual costs. Other payments include the payments referred to in Paragraph 7.3 of the Prospectus.

The fee for transaction processing is determined in accordance with the pricelist of the provider of the respective service

22. Procedure for Making Public Statements and Distribution of Publicly Available Information

Any person has free access information about the Fund:

- the Prospectus and Key Investor Information Document (KIID) intended for the Investors of each Share Certificate Class in circulation;
- the Fund Rules;
- annual and semi-annual reports of the Fund (for the last three years);
- past performance data of the Fund;
- time and locations of distribution of Share Certificates;
- the Fund's Value and the value of the Unit of each Share Certificate Class;
- sale and redemption prices of Share Certificates of each Class;
- information about the Company;
- information about the Custodian;
- other information specified in the laws and regulations

at the office of CBL Asset Management IPAS at Republikas laukums 2A, Riga, LV-1010, Latvia, Phone: (+371) 67010810, on business days from 08.30 to 17.30 or on the website of the Company: www.cblam.lv or at the office of the Distributor:

in Latvia: AS Citadele banka
Republikas laukums 2A, Riga, LV-1010, Latvia
Phone: (371)67010000
www.citadele.lv

Information about the sale and redemption prices for Share Certificates of the Fund as well as other information is published in accordance with the legal requirements of the Foreign Country in which Share Certificates of the Fund are distributed.

23. Procedure for Amending the Fund Rules

The Management Board of the Company makes the decision on approval of amendments to the Fund Rules and submits them to the Bank of Latvia for registration. The amendments to the Fund Rules come into effect not earlier than 10 days after their registration with the the Bank of Latvia or within other such term determined by the Bank of Latvia which is not to exceed three months after registration of such amendments. The amendments to the Fund Rules regarding the Company's firm, registration number, legal address and license number should not be registered with the Bank of Latvia and they come into effect upon their approval by the Management Board of the Company.