

**Investment Fund**

**CBL Global Emerging Markets Bond Fund**

**FUND RULES**

The Fund is registered in the Republic of Latvia

Registered with the Financial and Capital Market  
Commission:

Registration date of the Fund: 23.05.2013

Registration number of the Fund: FL130

Amendments to the Prospectus:

Registered on 21.07.2014, in effect from 21.07.2014

Registered on 19.03.2015, in effect from 30.03.2015

Registered on 11.12.2017, in effect from 01.01.2018

Custodian: Citadele banka AS

Auditor of the Fund: KPMG Baltics SIA

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 repurchase 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](http://www.cblam.lv)

Distributor of the Share Certificates in Latvia:

AS Citadele banka

Republikas laukums 2A,

Rīga, LV-1010, Latvia

[www.citadele.lv](http://www.citadele.lv)

as well as the branches and customer service centres of AS Citadele banka in Latvia

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## 1. General information

Prior to investing in the Fund, in order 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: Investment fund CBL Global Emerging Markets 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, Fax: (+371)67778622

The location of the executive body of the Company is the same as its legal address.

Founded on: 11 January 2002

Unified registration number: 40003577500

Licences: Licence for Investment Management Services  
No 06.03.07.098/367.  
License 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, Fax: (+371)67010001

The location of the executive body of the Custodian is the same as its legal address.

Founded on: 30 June 2010

Unified registration number: 40103303559

Licenses: License 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 Global Emerging Markets Bond Fund", unless otherwise specified herein.

## 6. General Principles and Procedures for the Fund Management

The investment fund CBL Global Emerging Markets 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, CBL Global Emerging Markets Bond Fund is an investment fund and operates in accordance with Directive 85/611/EEK, 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 Fund's assets and the rights arising thereof in accordance with the Law on Investment Management Companies, other Latvian laws and regulations, its Articles of Association, the Prospectus of the Fund, 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 authorized persons of the Company as a result 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 accounting of the Fund and annual and semi-annual financial reporting. The Company is entitled to delegate accounting of the Fund to an authorized entity; however, the Company is responsible for the activities of such a person.

The Company keeps accounting of the Fund separate from the accounting of the property of the Company and other investment funds managed by the Company.

## **7. Procedure for Making Investment Decisions**

Decisions on handling the Fund's assets 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 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 basis of consensus. 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 signed 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 Custody Agreement and the procedure for the submission of orders agreed with the Custodian. If the order contradicts the Law, regulations of the Commission, Prospectus of the Fund, these Fund Rules or Custody Agreement, the Custodian shall not execute such an order.

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.

## **8. Investment limitations**

### **8.1 General Investment limitations**

- The Fund's investments, excluding the Fund's investment referred to in Paragraph 3.1, subparagraph 2 of the Prospectus, in transferable securities or money market instruments of a single issuer may not exceed 5 percent of the Fund's assets. The above limit may be raised to 10 percent of the Fund's assets; however, in such a case, the total value of the investments exceeding five percent may not exceed 40 percent of the Fund's assets.
- The Fund's investments in transferable securities of a single issuer can be increased up to 25 percent 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 or money market securities of a single issuer can be increased up to 35 percent of the Fund's assets if the transferable securities or money market securities are issued or guaranteed by a Member State, a Foreign

Country, local government of a Member State or an international institution if one or several Member States are members thereof.

- If the value of debt securities of a single issuer mentioned in Paragraph 3.1, sub-paragraph 2 of the Prospectus exceeds 5 percent of the Fund's assets, the total value of the Fund's investments that exceeds five percent may not exceed 80 percent of the Fund's assets.
- The Fund's investments in a single credit institution may not exceed 20 percent of the assets of the Fund. Such a limitation does not apply to claims on-demand against the Custodian.
- Investments of the Fund's assets in Share Certificates of a single investment fund or a similar or equivalent collective investment undertaking may not exceed 10 percent of the Fund's assets. The Fund's total investments in the Share Certificates (units) of the collective investment undertakings specified in Paragraph 1.3.3, sub-paragraph 2 of the Prospectus may not exceed 30 percent of the Fund's assets.
- The total risk arising from transactions in derivatives, inter alia, in the derivatives included in transferable securities or money market instruments 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 taken into account. 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) ten percent 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) five percent of the Fund's assets if the counterparty is an investment brokerage company whose capital and reserves amount to EUR 10 million or more 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.
- Taking into account that transactions with derivative financial instruments aimed at generating profit may be concluded on the account of the Fund, the underlying asset of the derivative financial instrument shall be subject to the restrictions set forth in Paragraph 3.1 of the Prospectus.
- Disregarding the investment limitations separately specified in Paragraph 3.1, Sub-paragraphs 1, 5, 7, and 8 of the Prospectus, the total Fund's investments in transferable securities and money market instruments, 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 percent of the Fund's assets. In applying the investment restriction 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, 7 and 8 of the Prospectus may not be combined and thus the total investments of the Fund in transferable securities and money market instruments, the 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 percent of the Fund's assets.

## 8.2 Investment Limitations as regards a Single Issuer

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

- 1) 10 per cent of the total amount of debt securities issued by one issuer;
- 2) 10 per cent of the total value of the money market instruments issued by a single issuer;
- 3) 25 per cent 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 or commodities.

### 8.3 Loans at the expense of the Fund

To accommodate requests to redeem Share Certificates or to meet other liabilities of the Fund, 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 percent of the Fund's net asset value, but only for a short-term up to three months.

The decision as regards borrowing on the Fund's account is taken by the Investment Committee of the Fund in accordance with the Prospectus and the Fund Rules.

## 9. Exceeding Investment Restrictions

Investment limits may be exceeded due to exercising subscription rights pertinent to transferable securities or money market instruments comprised in the Fund's assets or to other circumstances the Company was unable to foresee. In order 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 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 Commission about exceeding the investment limitations and the counteracting measures to be taken.

## 10. Procedure for Servicing Investors of the Fund

### 10.1 Availability of the Prospectus of the Fund and Key Investor Information of the Fund

The Prospectus of the Fund as well as its subsequent amendments become effective as of the day when it is registered with the Commission.

If any amendments to the Prospectus of the Fund are made, the Company must, after their registration with the Commission, 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](http://www.cblam.lv).

### 10.2 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](http://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 Commission.

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

## 11. Procedure for Issue, Redemption and Repurchase of Share Certificates

### 11.1 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 Commission.

Share Certificates are issued in dematerialized form.

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

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



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 a 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 Investor's address, phone and/or fax number;
- 3) The number of the financial instruments account of the Investor in the country where the Share Certificates of the Fund are distributed and to which the purchased Share Certificates must be transferred;
- 4) The number of the Investor's settlement account;
- 5) The Fund's identification data (the name of the Fund, Share Certificate Class and ISIN code);
- 6) The number of the Share Certificates to be subscribed for or the amount to be invested.

The Company, Distributor and Account Holder, with which a 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 a 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 a financial instruments account for the Investor is opened, e.g. via Internet bank. An application shall be 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.

Neither the Company nor Distributor is liable for losses incurred by the Investor if any authorized 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. The Company and Distributor may accept the application by fax only when the customer identification procedure has been carried out.

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.

### **11.2 Certification of Ownership Rights to Share Certificates**

Share Certificates are taken to a financial instruments account of each owner of Share Certificates of the Fund.

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; this statement is issued by the bank or the investment brokerage company which holds 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.

### **11.3 Redemption and Repurchase of Share Certificates**



In order to enable the Company to perform redemption of Share Certificates owned by the Investor of the Fund, the Investor or their authorized 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 Investor's address, phone and/or fax number;
- 3) The number of the Investor's settlement account;
- 4) The Fund's identification data (the name of the Fund, Share Certificate Class and ISIN code);
- 5) The number of Share Certificates to be redeemed or the amount to be received for redemption of the Share Certificates.

Information about the redemption prices of the Share Certificates of all classes of the Fund is available at the locations listed in Chapter 11 of the Prospectus of the Fund and in accordance with the procedure 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 shall be 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.

The applications may be submitted in person or via facsimile. An application shall be considered submitted and registered when it is signed by a representative of the Company or Distributor.

Where the application has been submitted in person, an authorized 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 authorized 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 by fax only when 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. Where an Investor or Investors within 3 business days submit applications for the redemption of the Share Certificates of the investment Fund that on aggregate exceed 10% of the Fund's net asset value and their execution may substantially affect the interests of other Investors of the Fund, the settlement period for the redemption may be extended to ten business days. In such a case, the Company retains the rights to make payments for the Share Certificates to be redeemed also before the deadline specified in the confirmation of the respective transaction.

Derogation from the above terms is possible only on an exceptional basis under conditions described in Paragraph 11.5 of the Prospectus of the Fund which are related to exceptional circumstances when the redemption of the Share Certificates of the Fund is suspended.

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 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.

## **12. Notice of the Execution of the Application for Purchase and Redemption of Share Certificates**

The Company, via a durable medium, shall send 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 shall 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 (the name of the Fund, Share Certificate Class and ISIN code);
- 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.

## **13. 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.

In order 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.

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

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 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.

#### 14. 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. Income received from the Fund's assets is reinvested in the Fund. The income of the Investor is reflected in the increase or decrease in the value of Share Certificates.

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.

#### 15. 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 Commission.

The Company liquidates the Fund if:

- on the next day after expiry of the Custody Agreement a new Custody 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 Commission or the Company has taken a decision on starting the liquidation of the Fund.

The liquidator immediately informs the Commission about the initiation of the liquidation of the Fund and publishes a respective announcement to that effect in the official government 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 Custodian does not initiate the liquidation of the Fund within a month from the day when the liquidation should have been initiated, the Commission has the right to appoint the liquidator of the Fund. Such a liquidator 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, it is prohibited to issue and redeem Share Certificates, and to distribute the income of the Fund referred to in the Prospectus to the Investors 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 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.
- 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.

## **16. Procedure for Transfer of Rights to Manage the Fund and the Fund's assets to the Custodian or Other Persons**

### **16.1 Termination 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 Commission has appointed the liquidator of the Fund in accordance with the provisions of the Law.

### **16.2 Transfer of the Fund Management Rights and Property to the Custodian**

If the rights of the Company to manage the Fund terminate, 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 Commission 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 Commission.

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.

### **16.3 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 Commission. After the Commission 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.

## **17. Co-operation of the Company and Custodian in Managing the Fund**

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

In 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 laws and regulations of the Republic of Latvia, regulations of the Commission, the Prospectus and the Fund Rules.

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

## 18. Fees Charged to the Fund

The Company receives a fee for the management of the Fund which is calculated and paid from the Fund's assets in accordance with the provisions specified in Chapter 15 of the Prospectus. The fee to the Custodian is paid in accordance with the provisions specified in Chapters 7 and 16 of the Prospectus.

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

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

Any person can freely access information about the Fund:

- The Prospectus and Key Investor Information (KII) intended for the Investors of each Share Certificate Class in circulation;
- The Prospectus and Key Investor Information of the Fund;
- The Fund Rules;
- Annual and semi-annual reports of the Fund;
- 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 s;
- Information about the Company;
- Information about the Custodian;
- Other necessary information required by the applicable laws and regulations,

in the office of CBL Asset Management IPAS at Republikas laukums 2A, Riga, LV-1010, Latvia, Phone: (+371) 67010810, Fax: (+371) 67778622, on business days from 08.30 to 17.30 or on the website of the Company: [www.cblam.lv](http://www.cblam.lv) or in the office of the Distributor:

in Latvia: AS Citadele banka  
Republikas laukums 2A, Riga, LV-1010, Latvia  
Phone: (371)67010000  
Fax: (+371)67010001  
[www.citadele.lv](http://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.

## 20. 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 Commission for registration. The amendments to the Fund Rules come into effect not earlier than 10 days after their registration with the Commission or within other such term determined by the Commission which shall not be longer than 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 Commission and they come into effect upon their approval by the Management Board of the Company.