

**SHARE ISSUE PROSPECTUS**  
**OF INVESTMENT COMPANY WITH VARIABLE CAPITAL**  
**OMX BALTIC BENCHMARK FUND**  
**ISSUE FOR PUBLIC CIRCULATION**

***Risk factors related to the acquisition of securities: specific investment risk, market (fluctuation) risk, performance risk, concentration risk, liquidity risk, credit risk legal and political risk (including the risk of changes in the tax environment), fund activity risk, operational risk, risk of conflicts of interest, technological risk, foreign investor influence risk, and indexing strategy risk.***

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## **I. GENERAL INFORMATION ABOUT THE COMPANY**

### **1. Basic details of the Entity**

#### **1.1. Title**

Investment company with variable capital OMX Baltic Benchmark Fund (hereinafter the Entity).

#### **1.2. Legal form of operation**

Harmonised collective investment undertaking; investment company with variable capital.

#### **1.3. Particulars**

Address: A. Tumėno str. 4, West entrance, 12 floor, 01109 Vilnius, Republic of Lithuania.

Phone: +370 5 203 2699, e-mail: [info@orionam.lt](mailto:info@orionam.lt)

Website: [www.orionam.lt](http://www.orionam.lt)

#### **1.4. Beginning of the Entity's activities:**

From 2001-03-01. The Entity's net assets are calculated on each business day.

From 2001-04-09. The Entity's shares were distributed publicly and net asset value per each share was published publicly on the Entity's (or its management company's) website and in all the share distribution areas of the Entity.

#### **1.5. Activity duration**

Indefinite.

#### **1.6. License and registration data**

The number of license issued by the Securities Commission of the Republic of Lithuania (hereinafter referred to as Securities Commission): IKB-02; license issued on 29 January 2004.

For reasons of clarity, it should be noted that the rights and obligations of the Securities Commission were transferred to the Bank of Lithuania, which is an institution supervising the Fund and the management company (hereinafter – Supervisory Body).

Date and place of registration of the Entity: Fund registration date and place: 29 September 2000, Vilnius, Republic of Lithuania, code: 111713358.

#### **1.7. Management company details**

Private limited liability company Orion Asset Management (hereinafter – Management Company).

License No. VĮK-011, issued on 21 April 2006 under resolution No. 97 of the Securities Commission. The license was supplemented in 2010 for the management of real estate collective investment undertakings, and in 2014 for the management of collective investment undertakings intended for informed investors.

Address: A. Tumėno str. 4, West entrance, 12 floor, 01109 Vilnius, Republic of Lithuania.

Tel.: +370 5 203 2699

## **1.8. Information concerning the depository**

### **1.8.1. Depository's name, registered office address, phone, fax, e-mail address, website**

The Fund's depository is AB SEB bank (hereinafter – Depository).

Address: Konstitucijos pr. 24, 08105 Vilnius, Republic of Lithuania

Tel.: +370 5 268 2800

Fax.: +370 5 268 2333

E-mail: [info@seb.lt](mailto:info@seb.lt)

Website: [www.seb.lt](http://www.seb.lt)

### **1.8.2. Description of the functions carried out by the Depository and the conflicts of interest that may arise**

The Depository shall act for the benefit of shareholders of the Fund (shareholders of the Fund shall hereinafter be referred to as "investors") and shall carry out the following functions: 1) Protect and account for the Company's assets; 2) ensure that the sale, issue, redemption and cancellation of the Company's investment units is carried out in accordance with the requirements of the legislation governing collective investment undertakings and the Company's Articles of Association; 3) ensure that the value of the Company's investment units is calculated in accordance with the requirements of the legislation governing collective investment undertakings and the Company's statutes; 4) comply with the instructions of the Management Company, provided that they do not conflict with the requirements of the legislation governing collective investment undertakings and the Articles of Association of the Company; 5) ensure that the remuneration and proceeds of transactions in the Company's assets are credited to the Company's account within the prescribed time limits; 6) ensure that the income of the Company is used in accordance with the requirements of the legislation governing collective investment undertakings and the Company's Articles of Association; 7) ensure that the Company's cash flows are properly monitored in order to receive all payments made by or on behalf of investors in connection with the purchase of the Company's investment units; 8) ensure that all funds of the Company are credited to accounts opened in the name of the Company, or in the name of the Management Company acting on behalf of the Company, or in the name of the Depository acting on behalf of the Company, with an entity designated and supervised in accordance with the legislation adopted by the Supervisory Authority implementing the provisions of the Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive . In accordance with the Law on Collective Investment Undertakings, the Depository shall not be entitled to carry out activities associated with the Fund or the Management Company, which may lead to a conflict of interest between the Fund, its investors, the Management Company, and the Depository, unless the Depository has separated the performance of its Depository tasks from its other potentially conflicting tasks, and the potential conflicts of interest have been properly identified, managed, monitored and disclosed to the investors of the Fund, in accordance with the procedures established by the legislation governing the activities of collective investment undertakings. The Depository shall be obliged to refrain from activities which could give rise to conflicts of interest between the Fund, investors of the Fund and the Depository, and to comply with the requirements of the applicable legislation, including internal legislation of the Depository governing the conflicts of interest policy. Further information on the management and assessment of the Depository's



conflicts of interest and the application of preventive measures to avoid them is available in the conflict of interest policy of the SEB group:

[https://www.seb.lt/sites/default/files/web/pdf/Interesu\\_konfliktu\\_vengimo\\_politika.pdf](https://www.seb.lt/sites/default/files/web/pdf/Interesu_konfliktu_vengimo_politika.pdf).

1.8.3. Description of the functions of the depositary delegated to other entities; a list of all entities to which depositary functions have been delegated, including any subsequent delegations; a description of any conflicts of interest that may arise from the delegation and sub-delegation of depositary functions

In accordance with the agreement on Depositary services concluded with the Management Company and the requirements of the legislation in force, the Depositary may delegate the function of safekeeping of financial instruments to third parties (intermediaries).

More information about intermediaries to whom the Depositary may delegate the function of safekeeping of financial instruments is available in the list of Depositary intermediaries:

[https://www.seb.lt/sites/default/files/web/pdf/seb\\_banko\\_vp\\_saugotoju\\_sarasas.pdf](https://www.seb.lt/sites/default/files/web/pdf/seb_banko_vp_saugotoju_sarasas.pdf).

In the event of loss of the financial instruments stored in the Depositary or delegated to a third party for safekeeping, the Depositary shall immediately return to the Fund the financial instruments of the same type or an equivalent amount fixed in accordance with the market price of the financial instrument at the time of the loss.

The Depositary shall not be liable if it can prove that the loss arose due to an external event which was beyond its reasonable control and the consequences of which were inevitable despite all reasonable efforts (force majeure). If the Depositary performed its duties under the legislation in force and / or the agreement on Depositary services negligently or did it deliberately, the Depositary shall reimburse all other losses relating to improper performance of the Depositary services to the Fund and its investors.

1.8.4. A statement that a complete and up-to-date copy of the prospectus will be made available to investors or potential investors on request 1.8.2. – 1.8.3. The information referred to in points 2.1.1 and 2.2.1 of this document

If an investor or potential investor submits a written request to the Management Company, it will be provided with complete and up-to-date information referred to in Clauses 1.8.2-1.8.3 hereof.

## **2. Main information about the shares offered by the Fund**

The issued shares are intangible, redeemable, of no nominal value, ordinary registered shares, carrying equal rights to their holders. The value of shares varies depending on the value of the Entity's net assets.

An issue of shares of unlimited size is issued, the shares are distributed for an indefinite period.

## **3. Brief description on the investment strategy**

The aim of the Fund's investment activities is to replicate the composition of the OMX Baltic Benchmark GI Index as accurately as possible by investing and reinvesting monetary funds received from the distribution of the Fund's redeemable shares, by following the liquidity and investment portfolio diversification requirements.

This aim of the investment activities can be reached by following the indexing strategy. Indexing is investing into all securities comprising the selected market index in proportion in which they are included in the index.

The Fund invests in instruments comprising the OMX Baltic Benchmark GI (hereinafter – Index) share index. The index is calculated by Nasdaq, Inc. and the intellectual property rights to the Index belong to Nasdaq, Inc. The Fund's investment portfolio is formed by following the index, i.e. to the extent possible, investment is made in all securities forming the Index in proportion in which they are included in the index. The index is comprised of shares of the largest Lithuanian, Latvian and Estonian companies with free float capitalisation whose shares are listed in Nasdaq Vilnius, Nasdaq Riga and Nasdaq Tallin Stock Exchanges (hereinafter – Stock Exchange). The index is capitalised, i.e. the largest free-float capitalisation companies have the largest weight in the index. Index formation procedures, calculation method and composition are published on the Stock Exchange's website at <http://www.nasdaqbaltic.com/lt/>.

The composition of the Index changes with the changing capitalisation of companies listed in the Stock Exchange, the changing composition of shareholders, or when new shares are included in trading lists or old shares are excluded from Stock Exchange lists, or when changes occur due to other reasons. When Index composition changes, the Fund's investment portfolio is adjusted accordingly. The Index is re-formed once every six months.

The Entity's investment portfolio may not match the Index due to diversification requirements provided for in the applicable legislation and applied to the Entity's investment portfolio, due to shares that appeared in the investment portfolio after the company reorganisation (division) or due to other reasons provided for in the legal acts and the Entity's incorporation documents.

According to the investment portfolio diversification requirements applied to the Entity, up to 20 percent of the Entity's net assets can be invested in equity securities of one issuer. After receiving permission from the Supervisory Body, if this is required by special conditions when the regulated market is dominated by a single issuer, up to 35 percent of net assets can be invested in its shares.

Investment into the Fund is most suitable for long-term investors (who invest for 2-5 years), since, as experience shows, the return from long-term investments in shares greatly exceeds the interest rates of Government security (hereinafter referred to as GS) and bank deposits, whereas return from short-term investments in shares can be greater or smaller than GS and bank deposit interest rates.

#### **4. Risk factors related to the acquisition of shares and investment**

Any investments are more or less risky. The value of investments may rise or fall, and the investor can receive back less than he originally invested. There are no guarantees that the value of the investor's security portfolio will increase. The main risk factors which the investor can encounter are described below.

##### **4.1. Specific investment risk**

Specific investment risk is the risk of changes in the price of securities in the Fund's investment portfolio due to factors relating to the issuer of securities. Individual issuers comprising the Fund's investment portfolio can have a significant impact on it.

Investment in a portfolio comprised of shares of around 20 various companies from different industry sectors will be much more stable and have a lower risk than the portfolio comprised of a lower number of shares and dominated by single-sector companies.

##### **4.2. Market (fluctuation) risk**

Market risk is the risk that the stock market in which the Fund invests its assets, will decline. The risk is expressed with continuous price fluctuations of securities in the market. There are many

factors determining general fluctuations in the market: macroeconomic environment, sentiment, political events, future expectations, natural disasters and other.

To reduce this risk, it is necessary to invest in listed companies that are transparent, i.e. publicly disclose information and have a history in the listing of stock exchanges.

#### **4.3. Performance risk**

Performance risk is the risk that a financial instrument in the Fund's portfolio may lose its value because of the issuer's financial difficulties, market decline or bankruptcy.

To reduce this risk, assets of the Fund must be invested only in the stocks of companies that are included in known lists of stock-exchange markets.

#### **4.4. Concentration risk**

The Fund may encounter an investment concentration risk in terms of an asset class (e.g., shares).

There may be a situation in the market where the concentration of investments of similar collective investment subjects in certain markets can be too high, in which case there is a risk that all similar collective investment undertakings will try to liquidate their positions at the same time, thus negatively affecting the prices.

Concentration risk should be reduced by investing the Fund's assets in different regulated markets.

#### **4.5. Liquidity risk**

When investing in investment instruments with limited liquidity (particularly when investing outside the stock exchange), there is a risk that their realisation will take longer than planned, therefore there may be temporary lack of monetary funds necessary for the timely redemption of the Fund's shares, or positions may be realised at a lower price than desired.

This risk is minimal, since a large part of the Fund's net assets are invested in sufficiently liquid company shares.

#### **4.6. Credit risk**

It is a risk that the Fund, the counterparties or the issuer will not fulfil their obligations.

This risk should be reduced by properly selecting a depository for the Fund, separating the Fund's assets and diversifying its investments.

#### **4.7. Legal and political risk (including the risk of changes in the tax environment)**

Collective investment undertakings investing in a single geographic region or economic sector encounter a greater political and/or legal risk. Political risk is typical for all developing countries. Increased political risk is typical in countries that are not members of the European Union, particularly developing countries. Political instability in a country can lead to legal, fiscal and regulatory changes, for example, nationalisation and confiscation, restrictions on freedom of movement of the capital and other political decisions that could negatively affect CIU unit value. CIU unit value or amount of income of the Investor received from investments can be influenced by changes in the legislation and the tax environment.

The Fund invests only in the securities of the issuers of Lithuania, Latvia and Estonia, i.e. Members of the European Union, and invests in increased political / legal risk regions.



#### **4.8. Fund's activity risk**

There is a risk that if there is a sudden increase of applications to redeem the Fund's shares, the Fund will be unable to make timely settlements with its participants for the redeemed shares.

To reduce this risk, the Fund should invest in the most liquid securities possible. Part of the Fund's monetary funds should also be kept in cash or cash equivalents.

#### **4.9. Inflation risk**

There is a risk that with a rise in inflation, the Fund's share unit value can be reduced accordingly; in addition, the Fund's asset increase in value may not compensate the Fund's loss of real value due to inflation.

If possible, inflation risk should be reduced by investing in different countries and in different currencies.

After the Republic of Lithuania became member of the European Union, it gained an additional safeguard against the risk of inflation – EU requirements raised for the currencies and fiscal policy of Member States.

#### **4.10. Counterparty and settlement risk**

It is a risk of suffering losses due to failure of a counterparty to fulfil its financial obligations.

The transactions of securities purchased by the Fund will be carried out via the Stock Exchange by using a payment system ensuring the timely delivery of securities and cash and the Stock Exchange Guarantee Fund. The transfer of securities will be carried out through Nasdaq CSD – national system that has been functioning for a number of years and is used by all the participants of the Baltic securities market.

Most transactions concluded using the Fund's monetary resources should be executed by following the principle of simultaneous settlement. The Fund's investment portfolio should be diversified in order to decrease the significant influence of a single position on the entire investment portfolio.

The Entity's Depository is AB SEB bank – one of the largest and one of the most reliable financial institutions in Lithuania.

#### **4.11. Operational risk**

A risk of suffering losses may occur during operation due to the influence of improper and/or unimplemented internal control processes, employee mistakes and/or illegal actions, information system failures and external events.

Operational risk should be reduced by choosing qualified fund managers, analysts and partners, including the depository.

This risk should also be reduced by maintaining appropriate internal processes and procedures.

#### **4.12. Risk of conflicts of interest**

The Fund's Management Company is linked with UAB FMĮ Orion Securities which provides financial intermediary and distribution services, and UAB Orion Capital which provides accounting and other related services.

Employees of the Management Company may also assume positions in other companies or carry out individual activities (self-employment).

Risk of conflicts of interest should be managed in the best interests of the Fund and according to the Avoidance of Conflicts of Interest Policy of the Management Company.

#### **4.13. Technological risk**

There is a risk that, due to technical reasons, the Fund or other trading parties may not be able to properly execute transactions during trading, which may result in the loss of assets of the Fund or any other loss.

This risk should be reduced by using reliable technological measures typically applied in the market.

#### **4.14. Foreign investor influence risk**

If an international financial capital operating in Lithuania (or in other small country) operates by using financial resources that are relatively large for that market, such capital may be sensitive to changes in the market. Therefore the participation of one or several new international financial investors or their withdrawal from the market may significantly influence the prices of financial instruments.

However, the influence of foreign investors in the market is amortised gradually with the emergence of local institutional investors, such as pension funds.

#### **4.15. Indexing strategy risk**

Since the Fund invests by following the index tracking strategy, if, for any reason, there is a decrease in the markets, the Fund will continue to follow the index and will not be able to adapt to changes in the market (and thus earn a profit).

If a collective investment undertaking chooses to follow the index tracking strategy, it will not be able to reduce the risk.

#### **4.16. Indicator describing the risk level**

The standard deviation of the change in the value of the Fund's share was equal to 13,62 % in 2021. It is a statistical indicator showing the intensity of the annual fluctuation of the Fund's daily profitability compared to the average daily profitability. Annual standard deviation is provided.

### **5. Prospectus publication date and place**

Publication date: 1 February 2023

Publication place: <https://www.orionam.lt/fondas/omx-baltic-benchmark-fund/>

### **6. Information about where and when the Prospectus, foundation documents, the Fund's Annual and Semi-Annual Reports and information about the Fund can be obtained**

This Prospectus, the Entity's Articles of Association, the Entity's annual and semi-annual reports and other information about the Entity and its activities are available on business days during business hours:

At the Entity's registered office at A. Tumėno g. 4, Vakarų įėjimas, 12 aukštas, Vilnius, and at the Management Company's headquarters A. Tumėno g. 4, Vakarų įėjimas, 12 aukštas, Vilnius, also by e-mail: [info@orionam.lt](mailto:info@orionam.lt) or website: [www.orionam.lt](http://www.orionam.lt) by selecting the Fund by name in the Funds section.

Also, via the distributor of securities:

UAB FMĮ Orion Securities

Company code: 122033915

Address: A. Tumėno str. 4, West entrance, 7 floor, Vilnius, Republic of Lithuania

Phone: +370 5 231 3833

E-mail: [info@orion.lt](mailto:info@orion.lt)

Website: [www.orion.lt](http://www.orion.lt)

**7. Name of the distributor of the Entity's shares, legal entity code, address, telephone numbers**

Information is provided above (UAB FMĮ Orion Securities).

**8. Persons responsible for information provided in the Prospectus**

**8.1. Persons responsible for the Prospectus:**

- Mantas Skipitis, General Manager of the Management Company, tel.: +370 5,203 2699;
- Chief Financial Officer of the Management Company Dainius Minelga, phone: +370 5 203 2699.

**8.2. Consultant who assisted the preparation of the Prospectus:**

Consultants' services were not used.

**9. Audit information**

Audit firm's name: KPMG Baltics

Address: Lvivo g. 101, Vilnius, Republic of Lithuania.

Telephone number: +370 5 210 2600

Company code: 111494971

Entity type: private limited liability company

Director: Rokas Kasperavičius

Audit firm's certificate number: 001506

Certificate issue date: 2020-10-26

As of 2015 until 2022 financial statements of the Fund were audited by UAB ERNST & YOUNG BALTIC (legal entity code 110878442, address Subaciaus str. 7, Vilnius, audit firm's certificate number and issue date - 001335, 2007-07-23).

For more information, please contact the Management Company.

## 10. State tax policy towards the Entity, with respect to the Entity's participants

### 10.1. Taxes paid by the Fund

<b>Income tax (capital gain)</b>	The Fund is considered to be a unit of Lithuania in terms of the income tax law of the Republic of Lithuania, however a tax exemption is applied to the Fund, i.e. the Fund's investment income, excluding certain exemptions, is not taxed.
<b>Value-added tax</b>	The Fund is a taxable entity of the Republic of Lithuania in terms of the Value Added Tax Law of the Republic of Lithuania, therefore it must pay the value-added tax in cases provided by law. According to the Fund's investment strategy, the value-added tax should not be applied to the Fund's investment activities.
<b>Other taxes</b>	Collective investment undertakings may also be considered as tax undertakings in terms of other tax laws, however, according to the Fund investment strategy, other taxes are not relevant to the Fund (e.g., land tax) on the day this Prospectus is published.

### 10.2. Taxes paid by investors

<b>Natural persons</b>	<b>Legal entities</b>
When an investor sells or otherwise transfers the Entity's shares owned by that investor, the income of that investor who is a resident of Lithuania shall not be subject to personal income tax, if the difference between income from the sale or other transfer of shares and the acquisition price of shares and other costs related to the sale or transfer of shares does not exceed 500 EUR during the tax period. Otherwise, a 15% personal income tax rate will be applied.  In the event of Fund liquidation, in terms of personal income tax calculation, it shall be deemed that the investor is selling its shares. The above exemption shall not apply if, in the event of Fund liquidation, the investor sells shares or otherwise transfers them to the Fund that issued these shares.  Annual share of income from non-employment relationships or relationships that are similar in essence which exceeds the amount of 120 average wages and which is applied to the calculation of the state social insurance	Any gains of a legal entity of Lithuania are considered to be its taxable income subject to a 15% rate.  The income of a foreign legal entity (excluding foreign entities acquiring investment units through permanent registered office) acquired from the increase of asset value in Lithuania are not taxed.

contribution base of insured persons for the current year shall be subject to a 20% tax rate.

Income of a temporary resident of Lithuania indicated above shall not be taxed.

Please note that information indicated in this Prospectus regarding taxes paid by the Fund and the Investors cannot be considered as tax advice. The above indicated taxes can be applied to the Fund as a collective investment undertaking differently than indicated above, both due to changes in the legislation and due to changes of the clarification / interpretation of the legislation carried out by a tax administrator, or due to other reasons.

In all cases, we recommend to consult your tax adviser regarding the payment and application of taxes applied to Investors.

### **10.3. Tax payment procedures**

Investors (both natural persons and legal entities) shall be responsible for the proper declaration and payment of taxes applied to them. Investors must calculate, declare and pay their capital gain taxes themselves.

### **11. Dates of preparation of the Entity's annual financial statements and profit distribution, fiscal year.**

The Entity's annual financial report must be prepared and approved within 4 months from the end of the financial year.

Annual and semi-annual reports must be prepared, published and submitted to the supervisory authority to the Bank of Lithuania within the following final due dates:

- annual report – within 4 months after the end of the fiscal year;
- semi-annual report – within 2 months after the end of the semester.

Investors receive profit of the Fund only after selling the Fund's shares. Dividends (cash benefits) are not paid to investors.

The Fund's financial year shall be the calendar year.

### **12. Rights of the participant (investor)**

The Fund can issue only ordinary registered redeemable shares that provide equal rights to their owners (investors). Investors can request the redemption of their shares at any given time and according to the procedures established by the Fund. Shares issued by the Fund are uncertificated. Confirmation of ownership of shares is an entry in the personal securities account.

Rights granted by the shares are described in section 18.6 hereof.

### **13. Approval of the manager, chief financial officer, consultants who prepared or assisted in the preparation of the prospectus and who are responsible for the accuracy of the information contained therein.**

We, the undersigned, hereby certify that the provided information is correct and comply with the regulatory requirements, and there are no omitted facts that might have significant influence on the decisions of investors.



Mantas Skipitis Head of the Management Company \_\_\_\_\_

Dainius Minelga Chief Financial Officer at the Management Company \_\_\_\_\_



## **II. INFORMATION ON THE CAPITAL, INCOME AND COST ALLOCATION**

### **14. Equity**

The Fund does not have an authorised capital. The Fund's authorised capital is always equal to own (net) assets and varies depending on the issue (sale) and redemption of the Fund's shares. The maximum allowable number of distributed shares is not limited. The shares do not have a nominal value.

### **15. Net asset valuation method**

15. 1. Description of the procedure for the valuation of assets (detailing); the description of the rules for the determination (calculation) of net assets (detail); procedure for calculating the value per security unit

#### **Calculation of the Entity's net asset value and determination of the share price**

The net value of the Entity's net assets (hereinafter the NAV) is calculated for each business day in the following manner:

- applications to purchase (redeem) shares shall be accepted in accordance with the procedure by 16:00 Lithuanian time of date X (the date when the order is submitted);
- a confirmation that the application has been accepted or refused, and that the data provided by the applicant is clear and accurate to the person accepting the application, shall be provided (sent) to the applicant without delay;
- if the applications are submitted and the applications to purchase the shares are paid after 16:00 Lithuanian time, they shall not be taken into account when calculating the NAV of the X business day. They will be evaluated when calculating the NAV of the next day (X+1);
- after the final due date for acceptance of applications on day X, the NAV on day X of the next business day is calculated and the value of the Entity's share is calculated accordingly;
- after calculating of the Entity's share value, applications received on the business day (X-1) after 16:00 Lithuanian time and orders received on day X before 16:00 Lithuanian time shall be processed.
- after the execution of the said applications, the final NAV of the X business day is calculated, which is published no later than by 12:00 noon of the next business day.

The price of one share of the Entity is equal to the NAV of the Entity divided by the number of shares issued and not redeemed by the Entity.

The value of the Entity's share must coincide with the portion of the Entity's net assets per share.

The Entity's NAV and the value of the Entity's share must be calculated for each business day.

#### **Valuation of the Entity's assets and net assets**

The Entity's NAV is determined in euro (EUR) in accordance with the Net Asset Value Calculation Methodology approved by the Supervisory Authority and the Description of NAV Calculation Procedures as adopted by the Management Company.

The Entity's assets are estimated following the data of the Management Company and the depository.

Obtained dividends are the Fund's income included in its net assets.

When calculating the NAV, the following items must be calculated separately:

- asset value;
- value of liabilities;
- the difference between the values of the calculated assets and the calculated liabilities, which represents the NAV.

Calculation of assets and liabilities shall be based on their fair value that should reflect the NAV at which they are most likely to be sold.

Liabilities shall be calculated in accordance with business accounting standards.

In calculating the NAV of the Entity in foreign currency, the value of the valid asset and liability shall be determined in accordance with the exchange rate between the euro and the foreign currency applied in the accounting, the date of valuation and established in accordance with the Law on Accounting of the Republic of Lithuania, and the accounting policy applied by the Management Company.

Cost, revenue, accounts receivable and payable, investment portfolio changes, associated with the purchase, sale of instruments, as well as changes in the number of shares associated with the redemption or issue of the Entity's shares must be reflected in the NAV calculations according the data on the end of the business day.

Assets (or part thereof) shall be written off only when the rights to these assets (or part thereof) are realized, when the validity of the rights expires, or when the rights are assigned.

Liabilities (or part thereof) shall be written off only when they disappear, i.e. when the liabilities of the Entity are carried out, voided, or lapse.

The valuation of the Entity's assets requires:

- to evaluate the portfolio of securities and money market instruments held by the Entity (hereinafter collectively referred to in this section as securities), i.e. to evaluate each component of the portfolio and to summarise the evaluation results;
- to evaluate other assets of the Entity, if the Entity has such.

The securities are evaluated by a financial broker holding a qualification certificate issued by the Bank of Lithuania. It should be noted that the certificates issued by the LSC (currently taken over by the Supervisory Authority) are also valid.

Securities portfolio shall be evaluated in the following order:

- Stocks of companies composing the portfolio:
  - o The Entity invests accumulated cash in shares of companies whose shares are listed on the Exchange. Closing price announced at the end of the trading session is used to determine their value;
  - o if securities in the Entity's investment portfolio are traded on several points of sale, their real value shall be determined using information from that points of sale where trading in those securities is more liquid, regular, and more frequent.
- Equity securities that are traded on regulated markets are evaluated as follows:
  - o according to the assessment of an independent business valuator, who has the right to engage in such activities, if not more than one year has passed after the assessment period, and if no events occurred after the assessment due to which the current market price is significantly lower or higher than the price determined by the valuator;
  - o If the valuation provided in paragraph above has not been carried out or if the conditions of the said paragraph are not met, the valuation shall be carried out taking into account the ratio of profit per one share of a similar company (before taxes) (using the weighted average number of ordinary shares that have been in circulation for a certain period), multiplied by the earnings per share of the valued company:

fair price = P/E x EPS, where:

P/E – market price per share in a similar company divided by earnings per share;

EPS – the evaluated COMPANY'S earnings per share over the last 12 months.

- o If for some reason the methods in the two paragraphs above cannot be used, the evaluation shall be carried out according to the expected sale price determined by the selected model of evaluation (specified in the evaluation procedures), which is universally applicable and accepted in the financial markets.
- Debt securities and money market instruments that are not traded on regulated markets are evaluated in accordance with the Business Accounting Standards.

Cash and funds in credit institutions, except deposit accounts, are evaluated in accordance with their nominal value.

The cash account and cash account balance in euro and currency shall be credited to the assets under valuation on the basis of accounting data.

Dividend income is recognised when the shareholders' rights to receive cash are confirmed.

Other assets, if any, in the Entity's investment portfolio, shall be evaluated using the most probable selling price, determined according to the selected evaluation model that is widely recognized and applied in the finance market.

Differences of the previously estimated NAV and the NAV calculated at the fair value resulting of the NAV calculation errors (wrong calculation of the NAV, incorrect determination of the number of shares in circulation, wrong timing of information or unreliable source of such information and so on) must be compensated.

The Management Company no later than in 7 working days after the detection of calculation errors has to calculate the total amount of all losses caused by errors in the calculation to all current and withdrawn investors.

If the estimated value of the share was lower because of the NAV calculation error and the difference between the estimated false and the true value is at least 0.1 percent of the fair value of the share, the difference should be compensated by the Management Company's own funds. When the difference is less than 0.1 percent – it may be not compensated.

The Management Company must inform every withdrawn investor entitled to receive the calculated difference amount within 30 days from the total sum calculation date.

On the last day of each month, the average Entity's share value of the last month and the change of this average value from the beginning of the financial year-to-date shall be calculated using the following formula:

Average investment unit value (for the previous month):

$$\frac{\sum_{n=1}^m \frac{GAV_n}{q_n}}{m}$$

where:

GAV<sub>n</sub> – net asset value on the n-th business day of the month;

q<sub>n</sub> – the number of shares on the n-th business day of the month;

m – the number of business days in the month for which the calculations are carried out.

Average annual NAV and average annual NAV per investor shall be calculated using the number of business days of that year:

Average annual NAV:

$$\frac{\sum_{n=1}^m GAV_n}{m},$$

where:

GAV<sub>n</sub> – grynųjų aktyvų vertė n-ąją metų darbo dieną;

m – tų metų, už kuriuos atliekami skaičiavimai, darbo dienų skaičius.

Vidutinis vienam Investuotojui per metus tenkantis GAV dydis:

$$\frac{\sum_{n=1}^m \frac{GAV_n \times q_n^i}{q_n}}{m}$$



where:

$GAV_n$  – grynųjų aktyvų vertė n-ąją mėnesio darbo dieną;

$q_n$  – akcijų skaičius n-ąją metų darbo dieną;

$q_n$  – i-ajam Investuotojui n-ąją metų darbo dieną  
tenkantis akcijų kiekis;

$m$  – tų metų, už kuriuos atliekami skaičiavimai, darbo  
dienų skaičius.]

At the end of the financial year, the Management Company calculates the average NAV per individual investor per year.

#### **15.2. Procedure for announcing share sale and redemption prices, value per share (instruments, location and periodicity)**

The value of the Entity's net assets, share value, share distribution (sale) and redemption price are calculated for each business day and announced no later than by 12:00 noon Lithuanian time of the following business day at all points of sale and redemption of the Entity's shares and on the website of the Management Company of the Entity [www.orionam.lt](http://www.orionam.lt) under the section "Funds", after selecting the name of the Entity.

On each Stock Exchange trade day and according to the procedures established by its rules and other legislation, the Stock Exchange publishes the Entity's net asset value per one share of the Entity, the change in the number of the Entity's shares sold in the Stock Exchange, the changes in the composition of the Entity's financial measure portfolio and other information indicated in the rules of the Stock Exchange.

#### **15.3. Regulated market (exchange), which determines the price at which transactions are carried out outside the regulated market (name, address, website address)**

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#### **15.4. Currency under which the Fund's net assets are calculated**

The Fund's net assets are calculated in Euros.

#### **16. Rules on the allocation and use of income**

The Fund receives income by collectively investing its assets according to the procedures established by the legislation and the Fund's articles of association. The Fund does not pay dividends to its investors and does not assign new securities. All dividends and interest received from companies are income of the Entity, included in net assets and increasing their value and the value of the Entity's shares held by investors.

The main principle of the Fund's income distribution policy is to maximise the reinvestment of income and increase the value of shares owned by investors.

Investors receive the entire share value in cash only after selling the Fund's shares.

Fund income is allocated by the Fund's Management Company according to the procedures established in the articles of association of the Fund and the applicable legislation.

Income allocation for covering costs (percentage) is indicated in section 17 hereof.

## **17. Costs**

### **17.1. The Fund's overall cost ratio of the previous year**

The Company's gross expense ratio for the previous year (2022) was 3.61% of the average annual value of the Company's net assets. During these calculations, transaction conclusion costs were not considered which are comprised of commission fees for public trading intermediaries and of fees that the investor pays directly, therefore the actual rate of return to the investor is lower.

The investor pays share acquisition and redemption fees and taxes directly to the state (which are described in more detail in section 10 hereof). To cover the Fund's share distribution costs, the Fund's share buyer pays a commission fee of up to 2 percent of the share price, which is received by the Fund's distributor. Upon the decision of the Management Board, the investment unit distribution fee may not be applied. In order to cover the Fund's share redemption costs, a redemption fee of up to 1 percent of the share price can be paid. This fee is used to decrease the price of redeemable shares. Redemption fee, if such is applied, is transferred to the Management Company of the Fund.

### **17.2. Types of expenditure of the Entity for the previous year which were not taken into account for the calculation of the overall cost ratio, amounts of the**

Transaction costs, which are not taken into account when calculating the general cost ratio, in 2022 accounted for 0,05 % of the average annual value of the Entity's net assets.

### **17.3. Portfolio turnover rate**

The turnover ratio of the Entity's portfolio in 2022 was equal to 25,13% (this indicator describes the activity of trading in instruments comprising the portfolio, therefore, the higher this indicator, the higher the transaction costs incurred by the Entity).

### **17.4. Estimated cost structure**

The Fund's resources can be used to cover only the costs that are related to Fund management and whose final list is indicated in the Fund's articles of association. All unplanned Fund costs or costs that exceed the set limits must be covered on at the expense of the Management Company. The annual amount of all the costs indicated below, covered from the Entity's assets, must not exceed 5 % of the average annual value of the Entity's net assets.

The Fund must use its assets to cover the following costs related to the Fund's activities:

1. remuneration to the Management Company for the management of the Fund's assets;
2. other costs related to Fund management:
  - 2.1. remuneration to the auditor for audit services and consultations;
  - 2.2. remuneration to legal consultants for legal consultations, legal aid and representation;
  - 2.3. remuneration for accounting and related services, preparation of reports, calculation of NAV;
  - 2.4. costs related to information provision to the Fund's investors, and their service costs;

- 2.5. costs paid to financial intermediaries, banks, Stock Exchange and others for carried out asset transfer transactions, various mediation, fund transfer, account opening and management, commission fees and other fees related to the Entity's asset management;
- 2.6. costs related to the publishing of information about the Fund, Fund promotion, marketing and investor attraction to the Fund;
- 2.7. expenses for notaries, registers, state fees;
3. remuneration to the Depository for depository services;
4. remuneration to public trading intermediaries for the services of a finance broker (public trading intermediary);
5. OMX Baltic Benchmark GI index use licensing fee;
6. Taxes related to Fund share quotation in the Stock Exchange: taxes to the Stock Exchange: a) fee for the listing of financial instruments on the Exchange; b) annual listing fee for financial instruments. Fees to AB Nasdaq Vilnius: a) annual contribution; b) quarterly account management fee; c) service charge for material events in the securities; d) fee for drawing up a list of security holders. Market former, account manager and issuer's main representative, investor registrar fees to UAB FMĮ Orion Securities.

Funds for covering other costs related to the Fund's activities, which are not paid periodically or according to the set procedures, stored in the Fund's account and transferred when such costs occur.

Remuneration may be set and paid to the members for their activity in the Supervisory Board by the decision of the General Meeting of Shareholders.

17.4.1. The remuneration of the Management Company for the management of the Entity's assets is equal to 1 % of the average annual value of the Entity's net assets, but in any case not less than EUR 3000 per calendar month. The remuneration amount paid to the Management Company is calculated each day when calculating the Fund's net asset value, and paid within 10 business days at the end of the month. Remuneration amount paid to the Management Company is revised at the end of the year. Overpayments of remuneration to the Management Company accumulated during the year are returned to the Fund within 10 business days. Underpayments of remuneration are transferred to the Management Company within 10 business days.

17.4.2. Remuneration to the Depository for the Entity's asset accounting and storage of assets (depository services) cannot be higher than 0.3% of the average annual value of the Entity's net assets. The Depository receives an additional fixed rate of no more than 10 EUR or equivalent amount in another currency from the Fund's monetary resources, which also cover the fee of each securities and cash operation in the Entity's cash and securities accounts. Remuneration to the depository for the accounting of the Entity's shares, custody of property (depository services) is calculated each time when calculating the Entity's net asset value, and paid within 10 business days at the end of each quarter. Tax amount paid to the Management Company is revised at the end of the year. Fee overpayments accumulated during the year are returned to the Entity within 10 business days. Fee underpayments are transferred to the depository from the Entity accounts within 10 business days.

17.4.3. The Fund does not have employees working under employment contracts and does not pay them salaries. Fund administration functions are carried out by the Management Company.

17.4.4. The remuneration of the auditor for audit services may not exceed EUR 10 000 per year or the equivalent amount in another equivalent currency, excluding additional consultancy fees.

17.4.5. The remuneration to the distributor for the distribution of shares may not exceed 2% of the net asset value per share, and for redemption may not exceed 1% of the net asset value per share. The specified fees, in accordance with the procedure established by legal acts, are levied on the investor acquiring or selling the Entity's shares, increasing (or reducing – in case of redemption) the price of the sold share accordingly. Upon the decision of the Management Company, share distribution/redemption fee may not be applied. Specific distribution fees are indicated in the Fund investment contract.

Remuneration to public trading intermediaries for financial brokerage (public trading intermediary) services is set forth in the contracts concluded with the intermediary.

**17.5. Information about compensated costs incurred by the Custodian and the Management Company in favour of the Fund: their determination and inclusion method, compensation principles and procedures**

Existing agreements of the Fund, Depository and the Management Company do not provide compensation of other costs incurred in favour of the Fund.

The Management Company covers the Funds costs directly with the Fund's assets according to the supplier's invoice or other form of document complying with the legal requirements, which can be the basis for carrying out the payment.

In cases when, for whatever reason, it is not possible for the Fund to pay directly for services provided to it, the Management Company shall pay third parties for their provided services at its own expense, and shall later write off the same amount from the Fund's account.

**17.6. The Fund does not plan to invest a large part of net assets in other collective investment undertakings or undertakings that are not regulated by the Law on Collective Investment Undertakings.**

**17.7. If any agreements exist regarding fee/tax distribution and commission fees, then detailed information must be provided about such type of agreements which would help the investor understand who receives the money (benefits) and how are potential conflicts of interests solved in favour of the investors.**

There are no hidden commission fees.

Remuneration to share distributor for the distribution of shares cannot exceed 2% of the share's price. The Management Company concluded an Agreement on the Distribution of Collective Investment Undertaking Units with the distributor. Commission fee for the sale (distribution) of the Fund's shares is calculated only from the Fund's shares distributed by the Distributor. Distribution commission fee is the same for all the investors and depends only on the invested amount (investment size), therefore there are no conflict of interests.

**17.8. ----- (clause non-relevant to the Fund).**

**III. INFORMATION ON SHARES**

**18. Data on the shares offered by the Entity**

**18.1. Type**

The Fund can issue only ordinary registered redeemable shares that provide equal rights to their owners (investors). Investors can request the redemption of their shares at any given time and according to the procedures established by the Fund. Shares issued by the Fund are uncertificated. Ownership of shares is acquired after an entry is made in the personal securities (shares) account. An entry is made in the personal securities (shares) account no later than within 1 business day after money is received in the Fund's account. After shares of the Fund are acquired in the Stock Exchange (secondary market), an entry is made in the personal securities (shares) account under the procedures established in the contract with the public trading intermediary.

## **18.2. Classes**

Shares are not divided according to class.

## **18.3. Series**

Shares are not divided according to series.

## **18.4. Title of ownership**

Confirmation of ownership of shares is an entry in the personal securities account.

## **18.5. Manager of personal accounts for issued shares**

Manager of personal accounts of issued shares, the registrar and the issuer's agent to contact the Exchange:

UAB FMĮ Orion Securities

Company code: 122033915

Address: A. Tumėno g. 4, West entrance, 7 floor, Vilnius, Republic of Lithuania

Phone: +370 5 231 3833

## **18.6. Rights and obligations provided by shares**

The Fund's investors shall have the following property rights:

- to sell (request redemption) the Fund its shares at the redemption price announced for the day of the sale;
- to bequeath all or part of its shares to one or several persons;
- to sell or otherwise transfer all or part of the shares to other persons. To sell shares in the Stock Exchange for Stock Exchange price;
- to receive an appropriate part of the Fund's assets in proportion to the number of shares, when the Fund is liquidated;
- other property rights provided by law and the articles of association of the Fund.

The Fund's investors shall have the following non-property rights:



- to participate in the general meeting of shareholders with the right to vote. Each fully paid ordinary registered share provides the right of one vote to its owner (investor) in the general meeting of shareholders;
- to receive information about the commercial – economic activities of the Fund according to procedures established by laws;
- to appeal to the court against resolutions of the general meeting, the Management Company, the Supervisory Board;
- other non-property rights provided by law and the articles of association of the Fund.

Persons who were investors of the Entity at the end of the day investors (shareholders) of the Entity's general meeting of shareholders were accounted for shall have the right to participate and vote in the Entity's general meeting of shareholders.

Investor accounting day of the general meeting of shareholders shall be the fifth business day prior to the general meeting of the Entity's shareholders.

The Fund's investors shall not have a priority right to acquire newly issued shares.

The investor's voting right cannot be restricted if the investor did not submit an application to the share distributor for the redemption of the Entity's shares, according to the established procedures.

The Management Company, the Entity's investor registrar and the distributor shall ensure that the Entity's shares, for whose redemption an application was submitted, are not transferred to the public trading intermediary with the purpose to sell them in the secondary market, and the Entity's shares purchased in the secondary market, for which an order is made to sell them in the secondary market, are not transferred with the purpose to redeem them.

There are no restrictions for the transfer of paid shares.

Fund investors have the following obligations:

- to pay the entire subscribed Entity share price according to the procedures established in the legislation, articles of association and the Investment Contract;
- inform the Management Company about changes in the name, surname, personal identification number, residential address, e-mail address, telephone and other details (if the investor is a natural person), or name, legal entity code, registered office address, manager or authorised representative, e-mail address, telephone and other details (if the investor is a legal entity) no later than within 15 calendar days from the day this data or information has changed;
- if the investor is a natural person and Fund shares are redeemed, upon the request of the Management Company, or when transferring Fund shares to another person, provide a confirmation that they are the personal property of the investor, or a written authorisation from a spouse if the Fund investment units are the joint community property of spouses;
- fulfil other obligations provided for in the investment contract;
- other obligations provided for by the legislation and the Fund's articles of association.

**18.7. Maximum number of shares issued in circulation, as well as the number of shares for which contributions have been paid in kind, description of the contributions in kind**

The size of the share issue (number of shares issued) is unlimited.

Property contributions cannot be used as payment for shares.

New shares cannot be distributed to existing investors of the Fund free of charge or as dividends.

## **19. Dividends**

The Fund does not pay dividends to its investors and does not assign new securities. All dividends and interest received by the Entity from other companies are the Entity's income and are included in net assets.

## **20. Liquidation**

The basis for Fund liquidation can be:

- court's or creditors' decision to liquidate the bankrupt Fund;
- court's decision to liquidate the Fund for legal violations provided for by the laws of the Republic of Lithuania;
- court decision to recognise the Entity as unlawfully established;
- decision of the general meeting of shareholders;
- withdrawal of license issued by the Supervisory Body;
- other cases established by law.

The sale and redemption of the Fund's shares is suspended after a decision is made in the general meeting of shareholders to liquidate the Fund. Persons who are carrying out the distribution and redemption of the Entity's shares must be notified about this decision within one day.

The institution that decided to liquidate the Entity assigns a liquidator with authorisations established in the legislation. As of the date of appointment of the liquidator, the management bodies of the Entity (if any, and the Management Company), except for the general meeting of shareholders, shall cease their powers to manage the Entity.

The liquidator informs the registrar about the Entity's changed status and provides data about the liquidator according to the procedures established by law. After the Fund is re-registered and gains the status of a company under liquidation, the term "in liquidation" is written after its name.

The Fund in liquidation can carry out only those transactions that are related to its liquidation.

Information about the Entity's liquidation process and terms is provided upon request to each participant of the Entity', directly to the interested third party and the Supervisory Body.

Assets of the Fund in liquidation must be sold according to the procedures established by the legislation, and investors must be paid in cash.

The liquidator must provide the supervisory authority, in accordance with the procedure laid down by it, with information on the progress of the liquidation, including settlement with the shareholders of the Entity, and other information specified in the legal acts

The Fund's bankruptcy procedure is carried out according to the legal acts regulating the bankruptcy process and only by court order.

The Supervisory Body shall have the right to submit a statement to court regarding initiation of bankruptcy proceedings for the Fund.

## **21. Conditions for the issue of shares and procedures for making decisions to issue shares**

The legal basis for issue is the decision of the sole shareholder of the Entity's equal to the decision of the general meeting of shareholders to issue new shares.

Decision adoption date: 36804

The decision was made by the Fund's shareholder Max Edward Zavanelli who had 1000 (one thousand) votes, i.e. 100 percent of all votes.

After Fund registration, a share issue prospectus intended for potential investors, was prepared according to the procedures established by the Law on the Register of Enterprises of the Republic of Lithuania. The public distribution of the Fund's shares began when the Fund's Supervisory Body received permission to carry out public distribution.

Issue of shares registered for public trading is unlimited. Separate decision of the general meeting of shareholders regarding the issue of new shares is not needed. The Fund's shares are distributed on the basis of this prospectus and its subsequent changes.

## **22. Conditions and procedures for the distribution (sale) of shares**

### **22.1. Acquisition of shares from the management company or distributor (initial sale)**

#### **22.1.1. Distribution points, telephones**

The Entity's shares can be acquired in the Management Company of the Entity:

Private limited liability company Orion Asset Management

Address: A. Tumėno str. 4, West entrance, 12 floor, 01109 Vilnius, Republic of Lithuania

Phone: (8-5) 203 2699

Or from the Fund's share distributor:

UAB FMĮ Orion Securities

Address: A. Tumėno g. 4, West entrance, 7 floor, Vilnius, Republic of Lithuania

Phone: +370 5 231 3833

#### **22.1.2. Basic provisions of the contract with the distributor, scope of liability**

According to the contract signed with the Management Company, the distributor shall undertake to distribute and redeem the Fund's shares. The distributor shall be responsible for the loss, damage or shortage of the Fund's assets, incurred as a result of its fault. The premature termination of the Distribution Agreement shall not relieve him from compensation for damage caused to the Company or its investors.

The parties shall be liable for failure to fulfil or improper fulfilment of their other obligations under the distribution contract according to the procedures established by the laws of the Republic of Lithuania. Transfer of share distribution functions to third parties (distributors) shall not release the Management Company from liability.

#### **22.1.3. Share subscription procedures**

Shares are sold on business days during the business hours of the Management Company or the relevant distributor. Determination and publication of the Fund's share distribution price is described in section 24 hereof.

When purchasing shares, an investor or potential investor must sign a share purchase (investment) contract with the Entity. Draft investment contract can be provided by the distributor or the Entity's Management Company, as well as available on the website of the Management Company at [www.orionam.lt](http://www.orionam.lt). The signed contract includes share subscription and redemption procedures, as well as other information related to the Entity's shares.

#### **22.1.4. Terms and procedures of conclusion of the purchase and sale transaction**

The investor submits a written application in the prescribed form to purchase the shares of the Entity on weekdays to the Management Company or to a person (distributor) authorised by the Management Company or this application may be transmitted by e-mail in accordance with the procedure laid down in the investment agreement. The application for purchasing the Fund's shares shall include the amount of money which the investor or potential investor will pay when purchasing the Fund's shares. The purchasing application shall not include the number of acquired Fund shares.

The minimum number of acquired shares shall be 1 (one) share.

An confirmation must be submitted (sent) to the investor who has submitted an application to purchase the Entity's shares, that the application in question has been accepted or refused for execution, and that the particulars provided to the person who made the application are clear and accurate.

Upon acceptance of the application for the purchase of the Entity's shares, the person who received it must indicate his name, surname, the name and address of the company in which the application was received, application receipt date, exact time (hours, minutes) and provide his signature.

If the investor notices discrepancies (contradictions) in the confirmation received with the information in his application, he shall return the acknowledgement received, indicating the discrepancies, without delay, but no later than by the date of receipt of the confirmation, to the person who accepted the application in question.

#### **22.1.5. Terms, procedure and conditions of payment, consequences of non-payment on time, consequences of signing when the amount allowed by the Bank of Lithuania for distribution is exceeded**

The investor transfers the money for the shares to the Entity's account specified in the investment agreement.

If the investor has submitted an application to purchase the Entity's shares and transferred the amount of money indicated in the application to the Entity's account before 16:00 Lithuanian time (day X), he acquires the Entity's shares by paying for them the sale price of the Entity's shares on day X. If the amount of money indicated in the application is credited in the Entity's account after

16:00 Lithuanian time (day X), he acquires the Entity's shares by paying for them the sale price of the Entity's shares on day X + 1. The exact procedure for the distribution of the Entity's shares is specified in the Articles of Association of the Entity.

Only monetary payments in euros (EUR) are accepted as payment for shares, including the distribution commission fee. All other costs related to currency exchange (conversion) to euros (EUR) and monetary contribution transfer to the Fund's account shall be paid (covered) by the investor. It is prohibited to use assets as payment for the shares of the Fund.

The Management Company (distributor) undertakes to provide to the Entity, the Management Company, the Supervisory Authority, the Nasdaq CSD, the financial broker, the Entity's investors and other persons entitled to receive relevant information, notices and reports provided for in the legal acts and agreements between the parties.

Since the issue of the Entity's shares is unlimited, it is impossible to subscribe shares that exceed the maximum amount set by the Supervisory Body.

#### **22.1.6. Moment of title**

Ownership of shares is acquired after an entry is made in the personal securities (shares) account. An entry is made in the personal securities (shares) account no later than within 1 business day after money is received in the Fund's account.

### **22.2. Share acquisition through a public trading intermediary in the Stock Exchange (secondary market)**

#### **22.2.1. Distribution points, telephones**

The Entity's shares may be purchased on the Exchange (secondary market) through any public trading intermediary, who can be contacted according to the contact details indicated by him, including the telephone number.

Fund's share market maker in the Stock Exchange:

UAB FMĮ Orion Securities

Company code: 122033915

Address: A.Tumėno str. 4, West entrance, 7 floor, Vilnius, Republic of Lithuania

Phone: +370 5 231 3833

A market maker acts under the procedures established by legal acts regulating the securities market and internal legal acts of the Stock Exchange in order to ensure liquidity of the Fund's shares in the secondary market, as well as the similarity of their market price to the net asset value.

#### **22.2.2. The main provisions of the contract with the public trading intermediary, scope of liability**

Public trading intermediaries act according to the procedures established in the Stock Exchange rules and legal acts regulating the public trading of securities. An investor signs a contract with a public trading intermediary and, based on this contract, submits orders to buy Fund shares in the Stock Exchange. The contractual parties shall be liable for failure to fulfil or improper fulfilment of their obligations under the intermediation agreement according to the procedures established by legal acts regulating the public trading of securities.



### **22.2.3. Share subscription procedures**

Shares can be acquired on business days, at Stock Exchange trading time, according to the procedures established in the Stock Exchange rules. In order to acquire shares, it is necessary to contact a public trading intermediary and make an order in the Stock Exchange through the intermediary to purchase the Entity's shares. Before making an order to purchase the Entity's shares, the funds necessary to purchase these shares must be transferred to the account of the public trading intermediary, or payment for the acquired Fund shares must be ensured otherwise. Order to purchase the Fund's shares are made in the Stock Exchange only through a public trading intermediary.

### **22.2.4. Terms and procedures of conclusion of the purchase and sale transaction**

The Fund's share purchase transaction is concluded after an order to purchase the Fund's shares placed through a public trading intermediary is fulfilled according to the procedures established by the Stock Exchange rules. The minimum number of acquired shares shall be 1 (one) share. A commission fee is paid for the services of a public trading intermediary, which is indicated in the contract signed with the public trading intermediary.

### **22.2.5. Payment terms and procedure and consequences for non-payment on time**

Before making an order to purchase the Fund's shares, the funds necessary to purchase the shares must be transferred to the account of the public trading intermediary. Payments are made according to the procedures established by the Stock Exchange.

### **22.2.6. Moment of title**

Ownership of shares is acquired after an appropriate entry is made in the personal securities (shares) account.

## **23. Conditions and procedures for redemption of shares, conditions and procedures for suspension of redemption**

### **23.1. Share redemption through the Management Company or Distributor (initial sale)**

#### **23.1.1. Share redemption locations, telephone numbers and redemption conditions**

The Fund's shares are redeemed in the Fund's Management Company:

Address: A. Tumeno str. 4, West entrance, 12 floor, 01109 Vilnius, Republic of Lithuania

Phone: +370 5 203 2699

Or through the Fund's share distributor:

UAB FMĮ Orion Securities

Address: A. Tumeno str. 4, West entrance, 7 floor, Vilnius, Republic of Lithuania

Phone: +370 5 231 3833

The redemption of the Entity's shares is carried out on business days during the business hours of the Management Company or the respective distributor. Determination of the Fund's share redemption price is described in clause 24 hereof. The investor is familiarised with the redemption



procedure by signing the Entity's investment agreement. A share redemption transaction is considered concluded when the Entity's investor submits an application to the Management Company or the distributor to redeem the shares, and confirmation is provided to the investor that the relevant application has been accepted for execution, and that the data provided to the person who has received the application, is clear and accurate.

#### **23.1.2. Procedures for the submission of the application for the redemption of shares**

Application for the redemption of shares can be submitted at every share distribution location or sent via e-mail by following the procedures set forth in the investment contract. A confirmation must be submitted (sent) to the investor who has submitted an application to redeem the Entity's shares, that the application in question has been accepted or refused for execution, and that the data provided to the person who received the application are clear and accurate. Upon acceptance of the application for the redemption of the Entity's shares, the person who received it must indicate his name, surname, the name and address of the company in which the application was received, application receipt date, exact time (hours, minutes) and provide his signature. If the investor notices discrepancies (contradictions) in the confirmation received with the information in his application, he shall return the acknowledgement received, indicating the discrepancies, without delay, but no later than by the date of receipt of the confirmation, to the person who accepted the application in question.

The redemption application shall include the number of the Entity's shares which the Entity must redeem from the investor.

If the investor has submitted an application to redeem the Entity's shares before 16:00 Lithuanian time (day X), the Entity's shares are redeemed at the redemption price on day X.

If the investor has submitted the application to redeem the Entity's shares after 16:00 Lithuanian time (day X), the Entity's shares are redeemed at the redemption price on day X + 1.

#### **23.1.3. Terms and conditions of settlement with the Entity's participants after the redemption of shares**

Settlements are made with investors for their redeemed shares in monetary funds received after selling the Fund's assets. In the contract between the Fund and the distributor redeeming the shares, the Fund undertakes to transfer the funds necessary for the redemption of its shares to the distributor's account.

The investor is paid in euro (EUR) for the redeemed Fund's shares. Under a separate agreement between the Fund and the investor, the investor can be paid in another currency for the redeemed Fund's shares, at an exchange rate of the bank where the Fund has its account. All euro (EUR) exchange (conversion) costs are paid (covered) by the investor.

#### **23.1.4. Terms of settlement with the Entity's participants, responsibility of the Entity and the distributor for timely and proper settlement**

Payment for the redeemed shares shall be made to the investor not later than within 7 days from the receipt of the request to redeem the shares.

The distributor and the Fund shall be responsible for the loss, damage or shortage of the investor's assets, incurred due to the fault of the distributor or the Fund. The distributor shall not be exempt from the fulfilment of its obligations due to the fact that all or part of its rights and obligations were transferred to a third party.

Premature termination of the distribution contract shall not relieve the party that terminated the contract from providing compensation to the other party or its shareholders for damages resulting from illegal actions.

The Parties shall be liable for their failure to discharge their obligations of the Agreement in part or in full in accordance with the procedure stipulated in the legislation of the Republic of Lithuania.

#### **23.1.5. Consequences to the investor for the demand to redeem shares**

A Fund share redemption transaction shall be considered to be concluded from the moment the investor receives a confirmation that his application for the redemption of shares was accepted for execution.

From the moment of concluding a share redemption transaction, the investor loses all rights carried by the Entity's shares, except for the rights arising from the conclusion of the redemption transaction. The main right resulting from redemption transaction conclusion is the right to demand the Fund to pay for the redeemed shares.

#### **23.1.6. Basis for the suspension of share redemption, procedure for decision to suspend the redemption of shares**

The Fund's Management Company and Supervisory Body shall have the right to suspend the redemption of shares. Share redemption may be suspended for no longer than 3 months per year.

Redemption may be suspended if:

- this is necessary in order to protect the interests of the public and, consequently, the interests of the Entity's investors from a possible drop in the Entity's insolvency or redemption price in the event of an adverse market situation and a decrease in the value of the Entity's investment portfolio;
- the amount paid for the redemption of shares is insufficient and the sale of existing securities would be detrimental;
- such sanction is applied by the Supervisory Body according to the procedures established by legal acts.

From the moment a decision is made to suspend the redemption of shares, it is prohibited to:

- accept redemption applications;
- pay for shares whose redemption was demanded until a decision was made to suspend redemption.

Distribution of the Entity's shares may be suspended for no longer than 7 days when the distribution, redemption, purchase and sale price of the Entity's shares is changed during the division or consolidation of the Entity's shares.

#### **23.1.7. Methods and procedures for informing investors on the decision to suspend the redemption of shares**

Information about the suspension of redemption must be immediately provided to persons through which redemption is carried out, as well as to the Supervisory Body and to foreign supervisory bodies if shares are distributed abroad, and such information must also be published according to the procedures via the mass media. In Lithuania, this will be *Verslo Žinios* newspaper.

**23.1.8. The right to exchange the Entity's shares to other investment units/shares of collective investment undertakings managed by the Management Company**

An investor may convert the Entity's holdings into units or shares of another collective investment undertaking managed by the Management Company, only by selling the shares/units of one entity and buying the shares/units of another entity in accordance with the procedures laid down in their incorporation documents. Ordinary distribution and redemption taxes are applied when moving from one undertaking to another.

**23.2. Sale of shares through a public trading intermediary in the Stock Exchange (secondary market)****23.2.1. Points of the sale of shares, telephones, sales terms and conditions**

The Fund's shares can be sold in the Stock Exchange (secondary market) according to the procedures established by legal acts regulating the activities of this Stock Exchange. Orders to sell the Entity's shares on the secondary market may be submitted to any public trading intermediary by using the contacts indicated by him, including, by phone.

Settlements for the Fund's shares sold in the Stock Exchange (secondary market) shall be made according to the procedures established by the Stock Exchange. A commission fee is paid for the services of a public trading intermediary, which is indicated in the contract signed with the public trading intermediary.

Entity's shares acquired in the secondary market can also be redeemed by the Entity's upon the request of the investor. Before submitting an application to the Management Company regarding redemption of the Fund's shares acquired in the Stock Exchange (secondary market), it is necessary to transfer the Fund's shares as a non-tax transfer to the Fund's authorised representative (manager of the Fund's securities accounts) – UAB FMĮ Orion securities. Order to transfer the Fund's shares must be submitted to a public trading intermediary who accounts for the Fund's shares acquired in the Stock Exchange. Determination of the Fund's share redemption price is described in clause 24 hereof.

**23.2.2. Procedures for submitting orders to sell shares in the secondary market**

Shares can be sold on business days according to the procedures established by the Stock Exchange, by submitting orders to sell the Fund's shares. Orders to sell the Fund's shares are submitted through a public trading intermediary according to the procedures established in the contract signed with the intermediary.

**23.2.3. Terms and procedure for settlement with the Entity's participants after the sale of shares on the secondary market**

The investor shall receive the entire payment for the sold shares within the number of days established in Stock Exchange rules from the day the share sale transaction in the Stock Exchange was concluded.

**23.2.4. Terms of settlement with the Entity's participants, liability of the intermediary**

Settlements are made for the sold shares according to the procedures established in the contract signed with the public trading intermediary. Public trading intermediary shall be liable for timely and appropriate settlements and according to the procedures established in the Stock Exchange rules and legal acts regulating the public trading of securities.

#### **23.2.5. Consequences of the investor resulting from the submission of order to sell shares in the secondary market**

Fulfilment of the order to sell the Entity's shares in the Stock Exchange (conclusion of a transaction) shall give the right to demand the full price of the sold shares, after the deduction of commission fee paid to the public trading intermediary and the obligation to transfer the ownership rights to the Entity's shares. The investor shall not be considered to be the Fund's investor after an entry is made in the personal securities (shares) account on the transferred Fund's shares.

#### **23.2.6. Grounds for suspension of trading on the Exchange, procedure for decision to suspend trading**

Trading in the Stock Exchange can be suspended according to the procedures established by the Stock Exchange rules and legal acts regulating the public trading of securities.

#### **23.2.7. Methods and procedure for informing investors about the suspension of trading on the Stock Exchange**

Investors shall be notified about the suspension of trading in the Stock Exchange according to the procedures established by the Stock Exchange rules and legal acts regulating the public trading of securities.

#### **23.2.8. The right to exchange the Entity's shares to other investment units/shares of collective investment undertakings managed by the Management Company in the secondary market**

Exchange of shares in the secondary market to other investment units or shares (securities) of collective investment undertakings managed by the Management Company is not possible.

### **24. Rules for determining the sale and redemption price of shares**

#### **24.1. Main principles, methods and frequency for determining the sale and redemption price of shares**

The value of the Entity's net assets is calculated for each business day. The Fund's securities portfolio is evaluated by a financial broker holding a license issued by the Supervisory Body.

The price of one share of the Entity is equal to the Entity's net asset value divided by the number of shares issued by the Entity and not redeemed.

If the investor has submitted an application to purchase the Entity's shares and transferred the amount of money indicated in the application to the Entity's account before 16:00 Lithuanian time (day X), he acquires the Entity's shares by paying for them the sale price of the Entity's shares on day X. If the amount of money indicated in the application is credited in the Entity's account after 16:00 Lithuanian time (day X), he acquires the Entity's shares by paying for them the sale price of the Entity's shares on day X + 1.

If the investor has submitted an application to redeem the Entity's shares before 16:00 Lithuanian time (day X), the Entity's shares are redeemed at the redemption price on day X. If the investor has submitted the application to redeem the Entity's shares after 16:00 Lithuanian time (day X), the Entity's shares are redeemed at the redemption price on day X + 1.

At the end of the application period on day X, the net asset value on day X is calculated on the next business day and the value of the Entity's share is calculated according to it.

after calculating of the Entity's share value, orders received on the business day (X-1) after 16:00 Lithuanian time and applications received on day X before 16:00 Lithuanian time shall be processed. After the above applications have been executed, the final value of the net assets on business day X is calculated, and published no later than by 12:00 noon on the following business day.

#### **24. 2. Information about the increase in the sale price of the shares or the reduction in the redemption price by the distribution and redemption costs**

The Fund's share sale price is increased by the Fund's share distribution cost amount per one share, not included in the Fund's net asset value. To cover these distribution costs, the buyer of the Fund's shares pays a distribution fee of up to 2 percent of the share's value. Upon the decision of the Management Company, share distribution fee may not be applied.

The redemption price of the Entity's share may be reduced by the redemption fee, which is used to cover the redemption costs of the Entity's shares, which are not included in the value of the Entity's net assets. Maximum redemption fee is 1 percent from the value of the redeemed shares. Redemption fee, if such is applied, is transferred to the Management Company of the Fund. If the Entity's shares were acquired before 29 December 2010, the redemption fee shall not apply.

#### **24. 3. Procedures, location and periodicity for the publication of share sale and redemption prices**

The Entity's net asset value, share value, Entity's share sale and redemption prices are calculated on each business day and published in all Entity share sale and redemption locations, as well as on the Management Company's website at [www.orionam.lt](http://www.orionam.lt) by selecting the Entity name in the Funds section, no later than until 12:00 of the following business day.

According to the procedures established in the Stock Exchange rules and other legal acts, the Stock Exchange publishes the Entity's net asset value per one share of the Entity, the change in the number of the Entity's shares sold in the Stock Exchange, the changes in the composition of the Entity's financial measure portfolio and other information indicated in the rules of the Stock Exchange.

#### **24. 4. Possible taxes, fees or expenses, except those mentioned above, to be paid by the participants of the Entity or by the Entity from its assets**

All possible fees or expenses of the Entity and the investor are set out in this section and in section 17 of the prospectus.

#### **25. Factors that may affect the distribution of shares**

Distribution of shares may be significantly affected by the Management Company's work efficiency, and its ability to develop a network of persons participating in the distribution and offering to buy shares. Procedures related to the distribution of shares may be affected by the issuance of new legislation governing the Entity's activities or by amendment in the legislation currently in force.

### **IV. INFORMATION ABOUT INVESTMENTS AND TYPES OF RISKS**

#### **26. History of the Entity's activities**

##### **26. 1. Performance for each of the last 10 years**

The Fund was established (registered in the Ministry of Economy of the Republic of Lithuania) on 29 September 2000 (registration No. UĮ 2000-271). The Securities Commission of the Republic of



Lithuania issued a license to the Fund enabling it to operate as an investment company on 26 January 2001 (License No. IKKB01), which was replaced with License No. IKB-02 on 29 January 2004. The public distribution of the Entity's shares began on 9 April 2001. The Entity is the first investment company with variable capital established in Lithuania.

Year	Annual net return on investment on annual investment amount (as a percentage)	Annual net return on investment (in absolute terms)
2012	+23.45%	+0.2345
2013	+9.44%	+0.0944
2014	-8.87%	-0.0887
2015	+11.64%	+0.1164
2016	+18.10%	+0.1810
2017	+16.80%	+0.1680
2018	-10.51%	-0.1051
2019	+10.81%	+0.1081
2020	+7.08%	+0.0708
2021	+36.49%	+0.3649
2022	-14.57%	-0.1457

## 26.2. Comparison of the value of net assets per share for the 10-year period and the value of net assets per share

1000 units of ordinary registered shares were issued during the establishment of the Fund, all of which were acquired by the Fund's founder. During the establishment of the Fund, the price of one share (matching part of net assets per one unit) was 1000 LTL (289,62 EUR). At the beginning of the public distribution of the Fund's shares, the price per one Fund share was 955,68 LTL (276,78 EUR). The table below shows the changes of the Fund's share price that occurred in the last 10 years.

Year	Value of the Entity 's net assets		Net asset value per 1 share	
	Lt	EUR	Lt	EUR
2012.12.31	8 328 970	2 412 236	24.3132	7.0416
2013.12.31	7 640 919	2 212 963	26.6083	7.7063
2014.12.31	6 580 378	1 905 809	24.2476	7.0226
2015.12.31	-	1 925 931	-	7.8397
2016.12.31	-	2 225 578	-	9.2588
2017.12.31	-	2 624 278	-	10.8141
2018.12.31	-	2 159 877	-	9.6770
2019.12.31	-	1 938 645	-	10.7228
2020.12.31	-	1 886 238	-	11.4817
2021.12.31	-	2 490 866	-	15.6711
2022.12.31	-	1 824 518	-	13.3871

## 26.3. Average net investment return over the last three, five and ten years

Average investment return is calculated as a geometric average of annual investment returns.



	Over the last 3 years 2019.12.31- 2022.12.31	Over the last 5 years 2017.12.31- 2022.12.31	Over the last 10 years 2012.12.31- 2022.12.31	From the beginning of activities 2001.04.09- 2022.12.31
Average net investment return	+7,68%	+4,36%	+6,64%	+7,54%

#### 26. 4. Notice on the Fund's past and future results

Please note that the Fund's past results do not guarantee the Fund's future results, therefore the Fund's investment return can be lower than within the historical period. The Entity can also suffer more losses.

Also, please note that the Entity's investment strategy was changed in 2010 by changing the index which the Entity is trying to repeat.

#### 26. 5. Comparison of changes of the Entity's share value and benchmark value from the beginning of activities

Year	Change of the Entity's share value (change of net asset value per one Entity share)	Benchmark** change
2011	-6.43%*	-12.41%*
2002	+0.54%	+12.20%
2003	+83.82%	+105.81%
2004	+49.19%	+68.18%
2005	+34.22%	+52.93%
2006	+4.98%	+9.78%
2007	+8.69%	+4.38%
2008	-67.69%	-65.14%
2009	+38.82%	+46.03%
2010	+54.71%	+56.49%
2011	-24.58%	-19.11%
2012	+23.45%	+26.63%
2013	+9.44%	+12.16%
2014	-8.87%	-7.65%
2015	+11.64%	+14.43%
2016	+18.10%	+21.57%
2017	+16.80%	+19.78%
2018	-10.51%	-7.44%
2019	+10.81%	+13.62%
2020	+7.08%	+11.27%
2021	+36,49%	+42,01%
2022	-14,57%	-11,75%

\* From 2001-04-09 (i.e. since the beginning of public distribution of the Entity's shares)

\*\* OMX Baltic Benchmark GI Index is comprised of the shares of the largest free float capitalisation Lithuanian, Latvian and Estonian companies whose shares are listed in the Stock Exchange. The index is capitalised, i.e. the largest free float capitalisation companies have the largest weight in the index.

## 26. 6. Taxes were not taken into account in calculating the return on investment

When calculating the Fund's investment return, fees paid directly by the investor are not considered, therefore the actual investment return received by the investor is lower due to the influence of these fees.

Example of the influence of fees on the final return received by the investor:

Investment period	Change in the Fund's share value (after all fees, excluding distribution* and redemption** fees paid directly by the investor)	Final investor return (after all fees, including distribution* and redemption** fees)
<b>2021.12.31-2022.12.31</b> (if shares are not redeemed at the end of the period, i.e. the investor directly pays only the distribution fee*)	-14,57 %	-16,25 %
<b>2021.12.31-2022.12.31</b> (if shares are redeemed at the end of the period, i.e. the investor directly pays the distribution* and redemption fee**)	-14,57 %	-17,09 %

\* Share distribution fee is up to 2% from the value of the acquired shares.

\*\* Share redemption fee is up to 1% from the value of share. If shares are acquired until 2010. 12.29, redemption fee is not applied

## 27. Investment portfolio composition

The Fund invests in instruments comprising the Index. The index is calculated by Nasdaq, Inc. and the intellectual property rights to the Index belong to Nasdaq, Inc. The Entity's investment portfolio is compiled by following the Index, i.e.: as far as possible, investments are made in all securities comprising the Index in the ratio in which they are included in the Index. The Index is comprised of shares of the largest Lithuanian, Latvian and Estonian companies with free float capitalisation whose shares are listed in the Stock Exchange. The index is capitalised, i.e.: the largest free share capitalisation companies (firms) have the largest weight in the Index. Index formation procedures, calculation method and composition are published on the Stock Exchange's website at <http://www.nasdaqbaltic.com/lt/>.

In situations where it is necessary to protect the interests of investors, under a separate decision of the Management Company, investments can be made in other instruments and assets indicated in the Fund's Asset Management Agreement.

The Fund's investment portfolio must comply with all the requirements provided for in the Law on Securities Market of the Republic of Lithuania, Law on Collective Investment Undertakings of the Republic of Lithuania, in resolutions of the Supervisory Body, and in other existing legal acts.

Up to 20 percent of the Entity's net assets may be invested in equity securities of one issuer. After receiving permission from the Supervisory Body, if this is required by special conditions when the regulated market is dominated by a single issuer, up to 35 percent of net assets can be invested in

its shares. On 20 September 2021, permission was granted by the Supervisory Body to invest up to 35 percent of the Entity's net asset value in a single issuer's securities– AS LHV Group.

## **28. Entity's objectives and investment policy**

### **28.1. Financial objectives, investment policies and trends**

The Fund is a growth fund (income is not distributed to investors, but used to increase the net asset value).

The Fund invests accumulated monetary resources in company shares comprising the Index in proportion in which they are included in the Index.

### **28.2. Description of the Entity's goals**

The main objective of the Fund's investment activities is to replicate the composition of the Index as accurately as possible by investing and reinvesting monetary funds received from the distribution of the Fund's redeemable shares, by following the liquidity and investment portfolio diversification requirements.

The composition of the Index changes with the changing capitalisation of companies listed in the Stock Exchange, the changing composition of shareholders, or when new shares are included in trading lists or old shares are excluded from Stock Exchange lists, or when changes occur due to other reasons. When Index composition changes, the Fund's investment portfolio is adjusted accordingly. The Index is re-formed once every six months. The Entity's investment portfolio may not match the Index due to diversification requirements provided for in the applicable legislation and applied to the Entity's investment portfolio, due to shares that appeared in the investment portfolio after the company reorganisation (division) or due to other reasons provided for in the legal acts and the Entity's incorporation documents.

Guarantees provided by third parties to protect investors:

- all Entity assets are stored in the Depository, separately from the assets of the Entity's Management Company;
- additional safeguard for investors are requirements established by the Supervisory Body for depositories.

### **28.3. Investment policy**

#### **28.3.1. Investment objects (categories of permitted financial instruments)**

The Fund's investment objects are shares of companies listed in the Stock Exchange comprising the Index.

#### **28.3.2. Investment specialisation**

The Fund invests accumulated monetary resources in company shares comprising the Index in proportion in which they are included in the Index. Companies comprising the Index are from various sectors of economy – energy, transport, light and food industry, etc.

The Fund does not plan to invest in shares of companies that are not included in the Index.

#### **28.3.3. Investments in non-transferable securities and money market instruments**

The Fund did not and does not plan to invest in non-transferable securities or money market instruments.

#### **28.3.4. Warning of increased risk for certain narrow asset classes, industries and geographical sectors**

Despite the fact that the actual portfolio composition must comply with the general rules and restrictions established by legal acts, increased risk can still occur during the Fund's operational period in terms of certain narrow asset classes, industries and geographical sectors.

#### **28.3.5. Investments in non-equity securities**

The Entity has not invested and does not intend to invest in non-equity (debt) securities.

#### **28.3.6. The use of derivative financial instruments**

The Fund does not use and does not plan to use any derivative financial instruments.

#### **28.3.7. Benchmark**

The Fund invests in instruments comprising the Index. Composition of the Fund's investment portfolio and its compliance with the Index, as well as Index calculation and publication procedures are described in clause 27 hereof. Investment objects are company shares listed in the Stock Exchange. Investment objectives are indicated in clause 28.2 hereof. The planned share of securities comprising the Index in net assets is close to 100 percent. The Fund's benchmark is the OMX Baltic Benchmark GI Index.

#### **28.3.8. Investments in transferable securities or money market instruments issued or guaranteed by the Republic of Lithuania or European Union countries, their municipalities, other countries or international organisations which have at least one member among the EU countries**

The Entity does not plan to invest more than 35% of net assets in transferable securities or money market instruments issued or guaranteed by the Republic of Lithuania or European Union countries, their municipalities, other countries or international organisations which have at least one member among the EU countries.

#### **28.3.9. Warning on the impact of portfolio composition and management methods on significant fluctuations in the value of net assets**

The Fund's portfolio composition and management method themselves should not cause large fluctuations in value (the Fund aims to repeat the composition of diversified index).

However, the Fund invests by replicating the benchmark index in company shares listed in the Stock Exchange. The Fund's investments are limited by geographic region and asset class, therefore there is a risk that, under exceptional circumstances in the Baltic stock markets, fluctuations in the Fund's net asset value will be significant.

#### **28.3.10. Tactical asset allocation and frequent portfolio adjustments**

The portfolio management method is not based on tactical asset reallocation and frequent portfolio adjustments.

### **28.3.11. Investment policy restrictions, instruments and measures that can be used for the implementation of investment objectives, the objectives and procedures of the implementation of these measures and instruments**

The main Entity's investment policy restrictions are investing in company shares comprising the Index in proportion in which they are included in the Index and by following investment diversification restrictions provided by law. Other securities and investment instruments (not included in the Index) can be in the Fund's investment portfolio only in exceptional cases as auxiliary or used for risk management, when investing in the Index can be unprofitable.

### **28.3.12. Borrowing purposes and possibilities**

Borrowing is not provided in the Fund's investment policy. The Fund can borrow resources for the purpose of redeeming its shares according to the procedures provided for by legal acts, or for other purposes established by legal acts.

## **29. Description of the representative investor of the Entity**

The Fund is chosen by those who want to invest in the Baltic stock market for a longer period of time (2-5 years) and agree to receive an investment return that matches the average profitability of the Baltic stock market.

A 2-5 year investment period is recommended since, as experience shows, the return from long-term investments in shares greatly exceeds the interest rates of Government securities (GS) and bank deposits, whereas return from short-term investments in shares can be greater or smaller than GS and bank deposit interest rates.

Typical investor of the Fund:

- Wants to make relatively safe investments in the Baltic stock market and agrees to receive average market profitability for low fees.
- Wants to put as little time as possible into the continuous monitoring and analysis of the stock market, does not want to often buy and sell securities or declare and pay fees for the increase in the value of securities.
- May not have enough funds for forming a sufficiently diversified investment portfolio. (Investment risk increases if the investment portfolio is not sufficiently diversified).

Typical investor tolerates an average to relatively low level of risk. Long-term investments decrease the level of risk. A detailed description of the risk of investing into the Fund's shares is described in section 4 hereof.

## **30. Investment risk and its management**

### **30.1. Investment risk**

Risk factors are described in detail in section 4 hereof.

### **30.2. Selected risk management methods**

Risk management methods are described in detail in section 4 hereof.

### **30.3. Possible results of the use of derivatives in risk management**

The Fund does not use and does not plan to use derivative investment instruments.

#### **30. 4. How and where to receive information about the risks**

Information about risks is provided in detail in this prospectus. This prospectus and information about the risks can be obtained:

- At the Management Company of the Fund – private limited liability company Orion Asset Management

Address: A. Tumėno str. 4, West entrance, 12 floor, 01109 Vilnius, Republic of Lithuania

Tel.: +370 5 203 2699

E-mail: [info@orionam.lt](mailto:info@orionam.lt)

On the Management Company's website at [www.orionam.lt](http://www.orionam.lt), by selecting the Fund's name in the Funds section

- In all the Fund's share distribution locations.

#### **31. Investment consultants**

The Entity and the Entity's Management Company did not sign any contracts with investment consultants.

#### **V. INFORMATION ON THE FINANCED AND FINANCING COLLECTIVE INVESTMENT UNDERTAKINGS**

The Entity is neither the financed nor financing collective investment undertaking, and therefore not subject to the statutory requirements to disclose information about the financed or financing collective investment undertaking.

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## **VI. SUSTAINABILITY**

### **39. Information on integrating sustainability into activities**

Sustainability risk means an environmental, social or governance event/situation which, if it were to occur, could have an actual or potential material adverse effect on the value of an investment. Sustainability risk can be understood as an independent risk category or as a component of other risks inherent in the management of a collective investment undertaking. There is a possibility that the Company will invest in such financial instruments that may be associated with sustainability risks. When making investment decisions, the aim is to assess all risk factors, however, as the Company's investment strategy is to invest by reproducing the composition of the Index as accurately as possible, it is considered that sustainability risk is not relevant when making the Company's investment decisions. In line with the investment strategy, the Company does not aim at sustainable investments, nor does the Company purposefully promote environmental or social characteristics, nor does it promote any combination of these characteristics. Investments related to this financial product do not take into account the EU criteria for environmentally sustainable economic activity.

## **VII. MANAGEMENT**

### **40. Management scheme**

The Fund was established as an investment company with variable capital whose management was transferred to the Fund's Management Company.

Bodies of the Fund:

- Supervisory board (supervisory body);
- general meeting of shareholders (supreme body deciding on the most important matters regarding activities of the Fund as a legal entity);

Board and other governing bodies shall not be formed. The rights and obligations of the Board and the Head of the Entity established in the Law on Public Limited Companies of the Republic of Lithuania are transferred to the Management Company. Transfer and allocation of the rights and obligations is indicated in the Fund's articles of association and the investment company's asset management contract. The Management Company manages the Fund's financial accounting.

Activities of the Management Company are controlled by the Fund's supervisory board elected by the Fund's general meeting of shareholders.

### **41. Rights and obligations of the management bodies and the supervisory board**

Only the general meeting of the Fund's shareholders shall have the right to:

- change and supplement the Fund's articles of association (except in cases provided by law);
- elect and revoke an auditor and establish the payments terms and conditions for audit services;
- elect and revoke members of the supervisory board;
- approve the asset management contract with the Management Company and/or changes in the asset management contract, to authorize a person to sign on behalf of the Entity the approved asset management contract with the Management Company. Such decisions must be made by at least 2/3 majority vote attached to the shares of the investors

participating in the general meeting of shareholders. The adoption of these decisions by the general meeting of shareholders may be delegated to the Supervisory Board of the Entity, but for a period not exceeding 3 years, if the Articles of Association provide for the maximum amount of remuneration to the Management Company. The Supervisory Board shall have the right to adopt these resolutions by 2/3 majority of the board members;

- approve the depository, to change the depository and/or adopt a new depository. If the Depository fails to follow the regulatory requirements, fails to fulfil its obligations or fulfils them improperly, in this case, in order to ensure the rights of Investors, the Supervisory Body shall have the right to order the Entity to terminate the contract and replace the Depository.
- approve a contract with the depository and/or modifications to this contract. Such decisions must be adopted by 2/3 majority vote attached to the shares of the investors participating in the general meeting of shareholders. The adoption of these decisions by the general meeting of shareholders may be delegated to the Entity's Supervisory Board, but for a period not exceeding 3 years if the Articles of Association provide for the maximum amount of remuneration to the Depository. The Supervisory Board shall have the right to adopt these resolutions by 2/3 majority of the board members;
- to approve the set of annual financial statements;
- to adopt a decision to liquidate the Entity;
- address other matters attributed by the existing legal acts or the Entity's articles of association to the competence of the general meeting of shareholders.

Resolutions of the Fund's general meeting of shareholders indicated above come into effect only after receiving permission from the Supervisory Body, if this is required by law.

The Entity's supervisory board is a collegial body carrying out the supervision of the Entity's activities.

The Fund's supervisory board has the following powers:

- selects the Management Company and submits proposals to the general meeting of shareholders regarding its approval, submits proposals to the general meeting of shareholders to approve the management agreement with the Management Company;
- selects the depository of the Entity and submits proposals to the general meeting of shareholders regarding its approval, submits proposals to the general meeting of shareholders to approve the agreement with the depository;
- analyses the activities of the Management Company, Depository and the share distributor, the use of financial resources, the Fund's asset management, accounting and share distribution organisation, payment for services and financial condition perspective;
- submits to the general meeting of shareholders proposals and feedback on the Entity's set of annual financial statements;
- represents the Fund when handling disputes between the Fund, its Management Company, Depository, share distributor and other persons;
- represents the Entity and authorises other persons to represent the Entity in court, arbitration;

- provides proposals to the Management Company, Depository and share distributor to withdraw their decisions that conflict with the existing legal acts, articles of association and resolutions of the general meeting of shareholders;
- adopts other decisions provided for in the legal acts and articles of association.

The supervisory board shall hold meetings as necessary, but as often as provided by the existing legal acts. Ordinary meetings of the supervisory board shall be convened based on their schedules by the chairman of the supervisory board, or the deputy chairman if the chairman is not present.

Extraordinary meetings are convened at the request of at least one-third of members of the supervisory board, the Management Company or the auditor.

Procedures for the convening of meetings of the supervisory board, voting within them and other operational matters are regulated by the rules of procedure of the supervisory board.

The Fund's Depository and Management Company can be changed upon the decision of the Fund's supervisory board.

The Entity may change the depository and the Management Company only with the prior consent of the Supervisory Authority.

#### **42. General meeting of shareholders**

Persons who were investors of the Entity at the end of the day of the Entity general meeting of shareholders were accounted for shall have the right to participate in the Entity's general meeting of shareholders.

Investor accounting day of the general meeting of shareholders shall be the fifth business day prior to the general meeting of the Entity's shareholders.

Decisions of the general meeting of shareholders of the Entity are adopted by a simple majority vote (more votes of investors in favour than against), except in cases when the applicable legal acts or the Articles of Association of the Entity provide for a larger majority of votes.

General meeting of shareholders is organised by the Management Company.

The right to convene the general meeting of shareholders is vested in the Management Company, the Supervisory Board and investors whose value of shares is not less than 10% of the value of the Entity's net assets. Net asset value is calculated on each business day and published no later than until 12:00 of the next business day. It should be noted that the Fund's share value is equal to the net asset value divided by the general number of shares issued and not redeemed by the Fund. The Management Company must convene ordinary general meeting of shareholders annually, within 4 months after the end of the financial year.

Authorised representatives of the Management Company have the right to participate in the general meetings of shareholders of the Entity with the right of advisory vote.

An extraordinary general meeting of shareholders must be convened if:

- it is planned to liquidate the Fund;
- the Entity is announced or announces itself as unable to carry out its financial obligations;

- the Fund's supervisory board resigns or less than three members of the supervisory board remain;
- this is required by the investors with the right of initiative, the Management Company or the supervisory board;
- in other cases provided by law and the Fund's articles of association.

The notice of the convened general meeting of shareholders shall be announced in accordance with the procedure established by law in the electronic publication issued by the manager of the register of legal persons for the publication of public notices or sent to each investor by registered mail. Information about the convened general meeting of shareholders is also published according to the procedures established by legal acts regulating the activities of the Stock Exchange.

The notice of convening the general meeting of shareholders must contain all the information required by legal acts, as well as indicate the entity or institution that has made the decision to convene the general meeting of shareholders and the initiators of the extraordinary general meeting of shareholders.

Investors must be given the opportunity to read the documents related to the agenda of the meeting prior to the meeting and within the time period indicated by law.

The Entity's general meeting of shareholders can make decisions regardless of the number of votes provided by the shares of investors participating in the meeting.

The general meeting of shareholders shall not have the right to withdraw the resolutions of the Management Company regarding the Fund's asset management or adopt resolutions on asset management which would be mandatory to the Management Company. The aforesaid resolutions shall apply to the extent that they are not contrary to the competence of the general meeting of shareholders consolidated by the Law on Companies of the Republic of Lithuania.

Decisions of the general meeting of shareholders of the Entity may be declared invalid by judicial procedure in accordance with the procedure laid down in legal acts.

#### **43. Members of the management bodies and the supervisory board**

The Fund's supervisory board is formed of 3 persons for a period of 4 years.

The following information is provided about the members of the Entity's Supervisory Board and their participation in the activities and (or) capital of other companies, institutions and organisations.

##### **Arnas Vizbaras, Member of the Supervisory Board**

Title	Position/share of capital/votes
UAB Nandi Finance	Director, Member of the Board (Chairman)
Orsta private limited liability company	15 %

Does not participate in the capital of companies other than those that are specified.

##### **Mykantas Urba, Member of the Supervisory Board**

Title	Position/share of capital/votes
UAB FMĮ Orion Securities	Head of Corporate Finance Department

Does not participate in the capital of other companies.

#### **Simonas Daukintis, Member of the Supervisory Board**

Title	Position/share of capital/votes
Avia Solutions Group PLC	Chief Business Controller

Does not participate in the capital of other companies.

Contracts for activities within the supervisory board shall be concluded with the members of the Supervisory Board, which shall provide for their rights, obligations and responsibilities. The terms of such contracts shall be determined by the general meeting of shareholders in accordance with the requirements established by legal acts and the good corporate governance practice. Remuneration may be set and paid to the members for their activity in the Supervisory Board by the decision of the General Meeting of Shareholders.

Costs incurred for the benefit of the Fund shall not be compensated for members and employees of the Fund's management bodies.

#### **44. Information about the Management Company**

##### **a. Particulars of the Management Company, legal form of the legal person, number of the license to engage in the activities of the Management Company, methods of calculating the remuneration for the Management Company**

Title: private limited liability company Orion Asset Management.

Address: A. Tumėno str. 4, West entrance, 12 floor, 01109 Vilnius, Republic of Lithuania

Tel.: +370 5 203 2699

Number of legal entity: 111707985

Legal form of legal entity: private limited liability company

Republic of Lithuania Securities Commission License No. VĮK-011, issued on 2006 04 21, supplemented on 2010 09 23, 2014 05 28 (supplemented by the Supervisory Body to which rights and obligations of the Securities Commission were transferred).

Remuneration to the Management Company for the management of the Fund's assets shall be a percentage management fee calculated from the Fund's net asset value. The amount of remuneration paid to the Management Company for the management of the Entity's assets is 1 percent of the average annual value of the Entity's net assets, but in any case not less than EUR 3,000 per calendar month. The remuneration amount paid to the Management Company is calculated each day when calculating the Fund's net asset value, and paid within 10 business days at the end of the month. Calculation of the management fee amount is described in clause 4.1 of



section 17 hereof. Remuneration for the management of the Fund's assets is transferred by the Depository by order of the Fund. The Management Company shall undertake to provide the Depository with an invoice along with reports and documents proving that remuneration of the Management Company is calculated correctly. Remuneration amount paid to the Management Company is revised at the end of the year. Overpayments of remuneration to the Management Company accumulated during the year are returned to the Fund within 10 business days. Underpayments of remuneration are transferred to the Management Company within 10 business days.

## **b. Information on the Heads of the Management Company**

### **i. List of the heads of the Management Company**

<b>Member of the Board (Chairman) and General Manager</b>	Mantas Skipitis
<b>Member of the Board</b>	Saulius Garbaravičius
<b>Member of the Board</b>	Paulius Vazniokas
<b>Member of the Board</b>	Benas Poderis

### **ii. Engagement of Management Company managers in other companies, institutions, organisations**

<b>Person</b>	<b>Positions in other companies/institutions/organisations</b>	<b>Names of other companies/institutions/organisations</b>
<b>Mantas Skipitis, Member of the Board (Chairman) and General Director</b>	Director	UAB NTD1, real estate investment and development
	General Manager	UAB SC Baltic Realty, real estate investment and development
	Director	UAB VIALEGMA, real estate investment and development, consultations
	Director	UAB Wealthgrow, implementation of investment projects
<b>Benas Poderis, Board Member</b>	Member of the Board	UAB Patikimos garantijos, provision of guarantees
	Director	UAB PC Investicijų grupė, implementation of investment projects
	Director	UAB YOKAI Investicijos, implementation of investment projects
	Director	UAB TREZOR Ventures, implementation of investment projects
	Director	UAB SSL projektai, real estate investment and development



	Director	UAB Baltic Sea Groceries Developments, implementation of investment projects
<b>Member of the Board Paulius Vazniokas</b>	Director	UAB Baltic Food Investment, head office activities
	Member of the Board	UAB Grainmore, production of grain milling products
	Member of the Board	UAB Tasty Foods, groats production
	Director	UAB LTRE Investicijos, business and other management consulting activities
	Director	UAB Hardoc, business and other management consulting activities
	Director	UAB PaVa Invest, business and other management consulting activities
<b>Member of the Board Saulius Garbaravičius</b>	Director (member of the board of directors)	Rigel Capital Partners Limited (UK), real estate management
	Director (member of the board of directors)	Onvestor Advisory Limited (United Kingdom), financial consulting
	Member of the Board	UAB Orion Leasing, finance lease
	Member of the Board	UAB Nordrent, item rental

**c. Essential provisions of the Agreement with the Management Company that may be relevant for the Entity's investors**

According to the asset management contract, the Management Company manages the Fund's assets under trust law. The contract regulates relations resulting from the management of the Fund's assets between the Fund, the Management Company, the Fund's Depository and other persons. Under the management contract, the Fund shall transfer the management of its assets and financial accounting to the Management Company under trust law, and the Management Company shall undertake to manage the Fund's assets professionally, by following the existing legal acts, the Fund's articles of association and provisions of the management contract.

The Management Company, under trust law, shall manage the Entity's assets, prepare the Entity's prospectuses, reports and other documents, manage the Entity's accounting, represent the Entity in relations with the Entity's Depository and other persons, convene the Entity's general meetings of shareholders, give orders to pay for services provided to the Entity and pay other costs of the Company on behalf of the Entity, make decisions on the purchase and/or sale of securities in the Entity's securities portfolio, give orders to public trading intermediaries to carry out transactions, give orders to the Entity's Depository to provide monetary funds and/or securities for carrying out

the Entity's transactions, receive documents confirming the conclusion of transactions made on behalf of the Entity's, as well as other documents of the Entity which the Management Company shall collect and store, as well as carry out all the Entity's administration and management functions provided by law.

When managing the Fund's assets, the Management Company must operate in accordance with the existing legal acts, the Fund's articles of association and contracts between parties in a professional manner that is most beneficial to the Fund.

In order to achieve a more efficient asset management and according to the procedures established by law, the Management Company can transfer part of its functions to an undertaking that has the right to provide appropriate services. The Supervisory Body must be immediately informed hereof. The fact that part of the functions are transferred to be carried out by other persons shall not exempt the Management Company from liability.

The Management Company must act fairly in the best interests of the Fund's investors and market reliability, it must act with care, and have the necessary skills and diligence, as well as have and use the tools and procedures necessary for its activities. The Management Company must give the investor sufficient amount of necessary information related to the investor, try to avoid any conflict of interests, and, if this is not possible, ensure that the Fund's investors are treated fairly.

The Entity pays the Management Company a fee for the management of the Entity's assets, equal to 1 percent of the average annual value of the Entity's net assets, but in any case not less than EUR 3,000 per calendar month.

#### **d. State of incorporation of the Management Company**

The Management Company is established in the Republic of Lithuania and supervised by the Supervisory Body.

#### **e. Other collective investment undertakings managed by the Management Company and their investment strategy**

The Management Company did not sign any asset management contracts with other investment companies with variable capital.

Other collective investment undertakings managed by the Management Company are described below.

The aim of Orion Absolute Return Fund (open-ended investment fund for informed investors) is to earn a positive return in the long run, regardless of the general market direction or economic cycle phase, by investing in different asset classes and actively changing the composition of the portfolio in order to use the average duration market changes. In order to achieve its goals, the fund does not limit its investments to one asset class or geographical region.

The aim of Orion Agroland Debt Fund (former Orion Agroland Value Fund I) (closed-ended investment fund for informed investors) is to collectively, by dividing the risks, invest its accumulated monetary funds into agricultural land plots in the Republic of Lithuania that are suitable for agricultural activities, and aim to achieve an average investment yield from these investments.

Orion London Property Fund (closed-ended investment fund for informed investors) – the fund aims to invest in residential real estate located in the United Kingdom, in areas of London where a new subway line is being constructed (Crossrail project).

Diversified RE Fund (closed-ended investment fund for informed investors) – real estate fund. The fund plans to invest in real estate used for various purposes, in order to generate rent flow from real estate objects. The fund also plans to invest in real estate during its development stage.

Orion RE Income Fund I (former Orion Kaunas Opportunity Fund I) (closed-ended real estate investment fund for informed investors). The fund plans to invest in developed real estate in the Baltic States: Lithuania, Latvia and Estonia, which generates stable revenue from lease, and in companies (securities) that control commercial real estate.

Orion Healthcare and Wellness Fund (closed-ended private limited liability company for informed investors). The company shall invest in enterprises operating in sectors of health, accommodation, SPA, recreational and related procedures, which control health service centres and / or related infrastructure necessary to them.

Orion Private Equity Fund I (closed-ended investment fund for informed investors). The fund is a private equity fund according to its investment strategy. The fund will invest in dual-purpose target companies: minority packages of companies with a potential for rapid growth, and minority packages of more mature companies.

Orion Private Debt Fund I (former Orion Baltic High Yield SME Fund) (open-ended investment fund for informed investors). According to its investment strategy, the Fund plans to invest in debt securities of the Baltic countries (the target geographic market is the Baltic region, but the Fund reserves the opportunity to invest in other companies in the European Economic Area). The Fund expects to invest the majority of its portfolio in covered bonds, i.e. bonds the redemption whereof is secured by certain means of ensuring the fulfilment of obligations issued by the issuer or a third party. The Fund expects to invest between 1 and 2 million in one bond issue. EUR depending on the size of the Entity, but reserves the right to invest in smaller amounts.

Orion Infrastructure Fund (closed-ended investment fund for informed investors). According to its investment strategy, the fund is an infrastructure investment fund which plans to invest in developed engineering, social and energy infrastructure objects in the Baltic States (Lithuania, Latvia and Estonia) that generate a steady flow of income, as well as in enterprises (securities) that control infrastructure objects.

ORION Social Infrastructure Fund (closed-end investment fund for informed investors). According to its investment strategy, the fund is a social infrastructure investment fund which provides for investment in, including but not limited to, public and private social infrastructures managed under public-private partnership agreements, as well as in real estate for social purposes, as well as for concluding lease and other types of contracts with both public and private legal entities or the acquisition of equity securities of legal entities providing social infrastructure services.

ORION Opportunity Fund I (closed-end investment fund for informed investors). According to its investment strategy, the fund is an opportunistic/venture capital real estate investment fund, which provides for investment in various types of high return (and high risk) real estate properties or other real estate related investment properties that may typically be subjects to certain weaknesses or risks that such objects can be purchased at a certain discount and realized by making improvements/removal of defects by earning a higher return.

OAM USA Logistics Fund (closed-end investment fund for informed investors). According to its investment strategy, the fund's assets are intended to be indirectly invested in multi-use real estate suitable for logistics and related assets in the United States of America in order to receive regular income (such as dividends, interest, etc.) and to earn from the growth of the real estate value.

OAM USA Private Equity Fund (closed-end investment fund for informed investors). According to its investment strategy, the fund's assets are intended to be indirectly invested in private equity

companies operating in the software and technology sector in the United States of America in order to receive regular income (such as dividends, interest, etc.) and to earn from the growth in the value of the investment objects.

**f. Management Company's authorized capital, amount of subscribed and paid-in capital**

The Management Company's authorised capital is 399 675,60 EUR (1 380 000 LTL prior to the introduction of Euro). The entire capital is subscribed and fully paid.

**g. Description of the Management Company's remuneration policy**

- i. Details of the latest remuneration policy, including but not limited to a description of how remuneration and other benefits are calculated; identities of the persons responsible for determining remuneration and other benefits, including the composition of the remuneration committee, where such a committee is set up.
- ii. a summary of the remuneration policy and a statement that complete information about the latest version of the remuneration policy, including, but not limited to a description on how remuneration and other payments are calculated, as well as identities of the individuals responsible for granting of remuneration and other payments, including the composition of the remuneration committee, where such committee has been formed, is available on the website together with a link to the website, and a printed copy of the document will be provided free of charge at the request of the investor.

The Management Company has approved its Employee Remuneration Policy which complies with the Law on Collective Investment Undertakings of the Republic of Lithuania and ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive.

Fixed and variable components of remuneration may be paid to employees of the Management Company.

Fixed part of the remuneration should form a sufficiently high proportion of the total remuneration and should be determined by taking into account the employee's level of education, work experience, level of required competence, skills and limitations, as well as the appropriate business sector and region. Fixed part of the remuneration is revised once a year.

Variable part of the remuneration should not exceed 50 % of total remuneration paid to an employee of the Management Company. It is recommended to ensure that variable part of remuneration does not exceed 20 % of the fixed remuneration amount.

Based on the assessment of the company's performance, the board of the Management Company shall determine the conditions for paying variable remuneration for the next 12 months at the beginning of each financial year. Previously assigned variable remuneration shall be revised at the same time. The board uses both quantitative (financial) and qualitative (non-financial) criteria to assess individual performance.

Variable remuneration shall be paid only if the situation of the Management Company is sustainable and shall be linked to the performance of the Management Company and its appropriate employee. In order to ensure that variable remuneration is paid only for the sustainable results attained, the payment of not less than 40 % of the variable part should be deferred for a period of 3-5 years.

Taking into account the size and organisational structure of the Management Company, the remuneration committee shall not be formed; thus, the function of the remuneration committee shall be carried out by the board of the Management Company. The remuneration of the director general

of the Management Company is established by the Board of the Management Company, other employees – by the director general of the Management Company. The identities of these individuals are set out above in this prospectus.

It should be noted that all detailed information relating to the provisions of the remuneration policy is available on the website [www.orionam.lt](http://www.orionam.lt) of the Management Company under the section "Documents". At the request of the investor, a complete and latest copy of the remuneration policy / document will be respectively provided / printed out.

#### 45. Depository

Title	AB SEB bank
Registration number of legal person	112021238
Registered office (address)	Konstitucijos pr. 24, 08105 Vilnius, Republic of Lithuania
Legal form of legal entity	public limited liability company, commercial bank
Main activities	commercial banking

Raimondas Kvedaras is the Head of the Depository. Detailed information about the depository is available on the website [www.seb.lt](http://www.seb.lt).

#### 46. Financial intermediaries

<b>Financial intermediary name:</b>	<b>AB SEB bank</b>
Address	Konstitucijos pr. 24, 08105 Vilnius, Republic of Lithuania
Entity type	public limited liability company, commercial bank
Main activities	commercial banking
<b>Financial intermediary name:</b>	<b>UAB FMĮ Orion Securities</b>
Address	A. Tumeno str. 4, West entrance, 7 floor, 01109 Vilnius, Republic of Lithuania
Entity type	private limited liability company
Main activities	financial brokerage firm

Financial intermediary (hereinafter – Intermediary) carries out operations with securities according to the laws of the Republic of Lithuania, resolutions of the Government of the Republic of Lithuania, normative acts of the Supervisory Body, Stock Exchange, Nasdaq CSD and other legal acts.

Nature of contracts between the Intermediary and the Management Company:

- The Intermediary provides mediation services when purchasing and selling securities.



Remuneration received by the Intermediary is calculated as a percentage from the transaction amount.

#### 47. Delegation of functions

The Management Company shall have the right to transfer part of its functions related to Entity management to another company that has the right to provide similar services. Currently, the Management Company has delegated the following functions:

UAB FMĮ Orion Securities:

- a) Distribution of the Entity's shares.
- b) Accounting management of the owners of shares issued by the Entity.

UAB Orion Capital:

- a) Management of the Fund's accounts (accounting);
- b) Calculation of the Fund's net asset value and determination of the Fund's share price;
- c) Filling of declarations of the Fund for the State Tax Inspectorate;
- d) Preparation of the Management Company's and Fund's annual, semi-annual, financial and statistics reports, and their submission to the Supervisory Body;
- e) Revision / administration of data on the Management Company's website as far as the presentation of reports and the Fund's indicators are concerned;
- f) Handling of other administrative matters related to the accounting of the Fund.

Title	UAB FMĮ Orion Securities
Address	A. Tumėno str. 4, West entrance, 7 floor, 01109 Vilnius, Republic of Lithuania
Phone	+370 5 231 3833
Company code	122033915
Director	Alius Jakubėlis

Title	UAB Orion Capital
Address	A. Tumėno str. 4, West Entrance, Vilnius, Republic of Lithuania
Phone	+370 6 861 1947
Company code	301492753
Director	Nerijus Veikša

The Management Company reserves the right to transfer part of its functions – distribution of the Entity's investment units and accounting functions to persons that have the right to provide such services. The rights and obligations of the aforesaid persons during the distribution and redemption

of the Entity's investment units are determined by the existing legal acts and contracts signed by the parties.

Transfer of part of the functions shall not exempt the Management Company from liability.

**48. Other information important in the opinion of managers that may affect investors in making a decision**

Unlike actively managed collective investment undertakings, OMX Baltic Benchmark Fund, an investment variable capital company, is significantly restructuring its investment portfolio only once a half-year following a change in the composition of the Index. Due to this reason, the portfolio is less active and commission fees paid to financial intermediary and lower.

Signatures:

Mantas Skipitis      Head of the Management Company

Dainius Minelga      Chief Financial Officer at the Management Company