

## BASIC INFORMATION FOR INVESTORS

This document provides basic information for investors about the fund. It is not advertising material. Legal enactments stipulate that such information should be provided that allows you to understand what is characteristic for investing in the fund and what risks might be involved. We recommend you read it in order to take a reasoned decision about your investment.

### Rietumu Asset Management Fund

#### Sub-fund Rietumu Asset Management Fund – Fixed Income Investment Grade USD,

ISIN:LV0000400901 (hereinafter – the Sub-fund). This Sub-fund is managed by JSC “Rietumu Asset Management” IMC, which is a commercial company of the JSC “Rietumu Banka” group.

### Goals and Investment Policy

The Sub-fund provides an opportunity for the Investor to efficiently use free assets for a long term. Sub-fund mainly invests in investment grade debt securities with relatively high quality, money market instruments, investment funds certificates and fixed deposits.

Investment portfolio composition:

- up to 100 % (one hundred per cent) of Sub-fund assets could be invested in debt securities and money market instruments issued by credit institutions and companies registered in the world global market countries, debt securities and money market instruments issued by these countries and their municipalities, as well as their central banks;
- up to 20 % (twenty per cent) of Sub-fund assets could be invested in deposits in credit institutions of the EU and EEA member states or of the OECD countries included in the Group of Ten;
- up to 10 % (ten per cent) of Sub-fund assets could be invested in shares of investment funds which invest in debt securities and money market instruments with investment grade.

The investment policy is determined based on the existing political, economic, financial and monetary factors. Sub-fund's investments are actively-managed using the whole debt securities maturity structure.

To insure against the risk related to fluctuations of the values of the Sub-fund assets, the Fund Manager may perform transactions with derivative financial instruments at the expense of the Sub-fund.

To ensure liquidity, the Sub-fund may perform sale and repurchase (REPO) transactions with the assets.

All incomes obtained during the Sub-fund investment operations, are reinvested in accordance with the Sub-fund investment policy.

The Investor can submit an order about the purchase or sale of a Sub-fund Certificate every working day from 9:00 till 18:00.

The main currency of the Sub-fund is the US dollar (USD).

The minimum investment amount in the Sub-fund is USD 1 000.00.

The minimum recommended period of holding the investment certificate is not less than 2 years.

The operation results of the Sub-fund are not compared with the determined market standard.

### Risk and Return Profile

Lower Risk ← Higher Risk  
Usually Lower Return ← Usually Higher Return

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

The synthetic indicator shows the Sub-fund risk category based on the Sub-fund return fluctuation indices during the previous five years.

To calculate the synthetic indicator for the period when there is no Sub-fund information available, the benchmark return data are used.

The benchmark is: Barclays US Aggregate Bond Index USD.

The Sub-fund is included in the second risk category, as the historical year fluctuation of the Sub-fund return data is within the interval of 0.5% to 2.0%.

Historical data of the synthetic indicator cannot be a safe performance index in the future. The indicated risk category is not guaranteed and can change in the course of time.

Description of significant risks for the Sub-fund which are not sufficiently included in the synthetic indicator:

**Liquidity Risk.** The risk that financial instruments available in the Sub-fund investment portfolio cannot be sold or liquidated during the desired period with no significant losses, or no transaction can be performed as a result of which the position is closed, and the risk that in this way the Sub-fund will have restricted fulfilment of the demand for the redemption of investment certificates.

**Credit Risk.** A possibility of the occurrence of loss in the event counterparty cannot or refuses to perform the obligations to the Sub-fund in accordance with the Agreement terms.

**Counterparty Risk.** The risk of the Sub-fund suffering loss, in the event the counterparty stops performing its obligations prior to the last payment of the settlement cash flow.

**Operational Risk.** The risk of the Sub-fund suffering loss due to the influence of inappropriate or incomplete internal processes, human or system activities or external circumstances.

**REPO Transaction Risk.** The risk that the Sub-fund will suffer loss in the event the counterparty cannot and/or is unable to fulfil its obligations in accordance with the concluded REPO agreement, as well as if as a result of such an event the

Company cannot implement a pledge served for the REPO transaction in the amount required to cover possible losses.

## Fees

Fees you pay are used to cover operational costs of the Sub-fund, including the costs of sale and distribution of investment certificates. These fees can reduce the potential increase of the investment.

### Single fee prior to or after making an investment

|                       |                |
|-----------------------|----------------|
| Issue commission      | 0.20%          |
| Repurchase commission | Is not applied |

The fixed fee figure is provided based on the fixed fees paid in the previous year ending on 31.12.2019. This figure can differ from year to year. It does not include the following payments related to operations of the Sub-fund:

- portfolio transaction costs, except for cases when the Sub-fund covers the commission for the issue/ redemption of investment certificates when purchasing or selling investment certificates of other investment funds;

### Fees collected from the Sub-fund during a year

|            |       |
|------------|-------|
| Fixed fees | 0.91% |
|------------|-------|

- payments to third parties (tax payments, expenses related to securities transactions, expenses related to market influence).

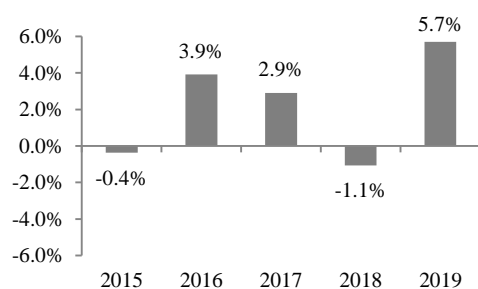
Further information about the fees can be found in the Sub-fund appendix to the Investment Fund Prospectus, which is electronically available on [www.rietumu.com/lv](http://www.rietumu.com/lv).

### Fees collected from the Sub-fund in specific cases

|                 |                |
|-----------------|----------------|
| Performance fee | Is not applied |
|-----------------|----------------|

The current amount of the commissions and the fees is provided on the Company webpage [www.rietumu.com/lv](http://www.rietumu.com/lv).

## Current Performance Figures



Figures of previous periods are considered indicative, and those do not guarantee similar return in the future. The stated data takes into account all expenses. The stated data does not take into account issue commission. The Sub-fund started its operations in October 2014. The Sub-fund's previous performance figures are calculated in the US dollars.

## Practical Information

The Fund Custodian Bank and distributor: JSC "Rietumu Banka" ([www.rietumu.com/lv](http://www.rietumu.com/lv))

The Prospectus, the Regulations, the annual and semi-annual reports of the Fund, the current Remuneration Policy and other information can be obtained for free at the Company office at 7 Vesetas Street, Riga, or can be found on the webpage [www.rietumu.com/lv](http://www.rietumu.com/lv). The latest purchase and sale price of the Investment Certificates and the Sub-fund operation results is published on the Company webpage [www.rietumu.com/lv](http://www.rietumu.com/lv). The legal enactments of the Republic of Latvia on taxes can influence on the personal situation of the Investor as a taxpayer.

JSC "Rietumu Asset Management" IMC can be held responsible for the provision of any information included in this document which is misleading, incorrect or is not in conformity with the corresponding parts of the Prospectus.

*This Fund is registered in the Republic of Latvia and is supervised by the Financial and Capital Market Commission.*

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*This Basic Information for the Investors is true and is published on 15.05.2020*

*Translation from Latvian.*

*In case of any discrepancies, between this translation and original Latvian version, the text of Latvian version shall prevail.*