



Harmonized collective investment undertaking

DOVRE BALTIC SEA

Prospectus

Main risk factors:

- Market liquidity risk
- Market volatility risk
- Fund's operational risk
- Foreign exchange risk
- Inflation risk
- Interest rate risk
- Counterparty and settlement risk
- Fund's investment objective and investment policy risk

I. GENERAL INFORMATION ON THE COLLECTIVE INVESTMENT UNDERTAKING

1. Basic data on the collective investment undertaking

Name	Dovre Baltic Sea (hereinafter - the Fund)
Legal form	Harmonized collective investment undertaking
Type	Open type investment fund
Address	Konstitucijos pr. 7, 09308 Vilnius, Lithuania
Telephone numbers	(LT) +370 5 2683459; (NO) +47 21390990
Fax	+370 5 2683463
E-mail	funds@dovreforvaltning.no
Website	www.dovreforvaltning.no
Start of activity	The next day after the supervisory authority of the Republic of Lithuania approval of the incorporation documents
Duration	Open-ended

Management Company

Name „Dovre Forvaltning“ UAB, (hereinafter - The Management Company)
Address Konstitucijos pr. 7,
Vilnius, Lithuania
Telephone numvers: (LT) +370 5 2683459;
(NO) +47 21390990
Fax +370 5 2683463

Custodian

Name „Swedbank“, AB, (hereinafter - The Custodian)
Address Konstitucijos pr. 20A,
Vilnius, Lithuania
Telephone numbers. +370 5 2684229
Fax +370 5 2684170

2. Basic Information about the Fund's units

The unit value on the Fund's inception date was equal to 100 (one hundred) Norwegian Krone (hereinafter - NOK).

3. Brief description of the investment strategy

The Fund is an actively managed investment fund, which aims to achieve the Fund's investment unit value growth.

The Fund specializes in the geographical area: Lithuania, Latvia, Estonia, Poland and Norway.

The Fund shall not specialize in industries.

The Fund invests in equities, various rank government or corporate bonds (typically up to 1 year term, but in exceptional cases, where the manager sees a particularly favorable opportunity, and longer duration), investment funds and deposits (Prospectus par. 27).

The Fund's portfolio management approach is based on tactical asset allocation and frequent portfolio adjustments. This means that the Fund manager, having regard the market situation as well as economic and political risk factors, may at its discretion decide what part of the Fund's assets must be invested in stocks (or stock funds). If the situation in the markets seem to be particularly favorable for equity, 100 percent of the Fund's assets may be invested in equities or equity funds. As equity securities have large price fluctuations the Fund's net assets may also experience big fluctuations. In cases where the market situation seems particularly unfavorable for equity securities, the Fund may hold up to 100 percent in cash or in deposits or be invested into money market instruments.

4. Risk factors associated with the purchase of Fund units and investments

Risk factors associated with acquisition of units: investors should note that the Fund's unit value can either increase or decrease and investors may receive less than invested. The past returns on investment do not guarantee the same returns will be achieved in the future.

Risk factors associated with investing in securities: specific risk (the risk that the securities price may change due to the factors related to the issuer of securities), market liquidity risk (the risk that under exceptional circumstances in the markets or if the need arises for the Fund to sell a large quantity of securities, due to lack of market liquidity the Fund may incur losses), market volatility risk (the risk that comes from fluctuations of stock prices), the Fund's operating risk (the risk that if there is a sharp rise in applications for redemption of Fund units, the Fund will be unable to pay the participants of the Fund for the units redeemed), foreign exchange risk (the risk that the value of investments will be reduced due to unfavorable exchange rate changes), the risk of inflation (real increase in the Fund's assets may be less due to inflation), interest rate risk (change in interest rates can directly affect the Fund's portfolio securities value), counterparty and settlement risk (the risk of loss resulting from counterparty failure to meet its financial obligations), and the Fund's investment objective and investment policy risk (the risk that the chosen strategy of the Fund will not work as expected).

You can find more information about the risks in paragraph 30 of this Prospectus.

5. Prospectus publication date and place

Prospectus publication date is the next day after approval of incorporation documents of the Fund by the supervisory authority of the Republic of Lithuania; publication place - www.dovreforvaltning.no.

6. Information about where and how to access the Prospectus, documents of incorporation, annual and semi-annual reports and get information about the Fund

You may access the Prospectus, documents of incorporation, annual and semi-annual reports and other information about the Fund at the Management Company Konstitucijos pr. 7, Vilnius, Lithuania (during Management Company's office hours), on the Management Company's website www.dovreforvaltning.no and by contacting the Management Company via e-mail funds@dovreforvaltning.no or by phone +370 5 2683459.

7. Information about the Fund units distributors

"Dovre Forvaltning" UAB
Company code - 302589746
Address - Mėsinių 3A/ 5-15, Vilnius
Telephone number - (LT) +370 5 2683459; (NO) +47 21390990

8. Persons responsible for the information given in the Prospectus

Persons responsible for the information given in the Prospectus:

- Management Company's Deputy CEO – Gytė Maleckaitė. Tel. +370 5 2683461, fax +370 5 2683463.
- Fund's accountant – Eglė Jonaitytė. Tel. +370 5 2683460, fax +370 5 2123269.

Consultants didn't participate while preparing the Prospectus.

9. Information about the audit

Audit company name - „Deloitte Lithuania” UAB
Address - Jogailos g. 4, Vilnius
Telephone number - +370 5 255 3000
Type – limited liability company
Permission to engage in audit activity number and issue date - No. 001275, date – 3/01/2006.

10. Lithuania's state tax policy towards the Fund and its participants

Capital gains tax
<i>Taxation of individuals</i>
<p>When a participant of the Fund, who is a resident of Lithuania, redeems his units or transfers them he is not taxed in Lithuania, if the person acquired the Fund units more than 366 days ago. If a Lithuanian permanent resident acquired the units less than 366 days ago, the Fund's investment unit gains are subject to 15 percent of Lithuania personal income tax rate.</p> <p>Unit gains received by non-permanent residents of Lithuania are not taxed in Lithuania.</p>
<i>Taxation of legal persons</i>
<p>Lithuanian legal entity capital gains are included in its taxable income and are taxed at 15 percent income tax rate.</p> <p>Foreign legal entity (except a foreign entity acquiring units through a permanent establishment) income from capital gains are not taxed in Lithuania.</p>

Fund members are responsible for declaration and payment of the applicable taxes. Income or capital gains, exposed to an individual participant, may vary depending on the member's personal situation and (or) the place where such capital is invested. In case of uncertainty about the tax situation, the member should contact the local organizations for professional advice or information.

Fund taxation

The Fund doesn't pay income tax.

11. Fund's financial statements and profit distribution dates, financial year

The Fund's financial year begins - January 1, end - 31 December. Fund's annual financial statements are prepared and published within four months after the financial year ends.

The profit is not distributed to the members, it is used to increase the Fund's net asset value (hereinafter - the NAV).

12. Members rights

Fund member's rights:

- Ask the Management Company to redeem his units;
- To receive the remaining share of the abolished Fund;
- Access statutory information about the Fund;
- Sell, give or transfer the ownership of the Fund units in other ways to third parties;
- Other rights stated in Fund rules, units sale and purchase agreement (the application) and legal acts.

Fund member's obligations:

- Inform in writing the Management Company or the distributor about the changes of Fund member's data (name, surname, residence or home address, bank account, telephone, e-mail, as well as other data) indicated in the Fund units purchase agreement (the application) within 10 (ten) days after the relevant change;
- To provide the Management Company with the required documents when selling, giving or transferring the ownership or control of units in other ways;
- When transferring the units, which are the spouses joint ownership, the spouse must have a notarial mandate or come together with his/her spouse to the Management Company and sign a simple written form of proxy (if the participant is a resident of Lithuania);
- Other obligations provided in the Fund rules, Fund units purchase agreement (the application) and legal acts.

13. A statement by the head of administration, chief financial officer, consultants, involved in preparation of the Prospectus and those responsible for the accuracy of the information contained in it, that the information is correct and there are no suppressed facts which could have significant impact on investors' decisions

I „Dovre Forvaltning“ Deputy CEO Gytė Maleckaitė, certify that the information provided in the Prospectus is correct and there are no suppressed facts which could have significant impact on investors' decisions

(signature)

I, Fund's accountant, Eglė Jonaitytė, certify that the information provided in the Prospectus is correct and there are no suppressed facts which could have significant impact on investors' decisions

(signature)

II. DETAILS ON CAPITAL, INCOME AND EXPENSES

14. Equity capital

The Fund has no share capital. Fund equity is equal to the Fund's NAV and varies depending on the Fund units' issue (sale) / redemption and Fund's NAV change.

The Fund's initial capital, the maximum permissible amount of the Fund units and the maximum number of distributed units is not determined.

Unit value on the start date is NOK 100.

15. NAV evaluation methodology

NAV assessment rules and evaluation frequency; calculation of the unit value of per capita investment

Fund NAV is calculated each day according to the supervisory authority approved NAV calculation methodology and Management Company's NAV calculation procedures. The main principles of valuation are set out in "Assets valuation principles".

Calculation of NAV is calculated as follows:

1. Value of assets;
2. Value of liabilities;
3. The difference between the estimated assets and the estimated liabilities comprises the net asset value of the Fund (NAV).

Liabilities are calculated according to business accounting standards.

Liabilities (or portions thereof) are debited only when they disappear, i.e. when the contract obligations are met, canceled or expired.

Assets (or part thereof) are debited only when the rights are enforced to the property (or part thereof), when the rights expire or when the rights are passed.

Fund's NAV is calculated in NOK and LTL. When calculating net assets denominated in foreign currency, the value of the assets and liabilities is determined according to the Bank of Lithuania official currency exchange rate of the valued currency and NOK valid on valuation date.

Fund NAV is calculated to four decimal places rounded according to the mathematical rules of rounding.

The current day's NAV is calculated till 12.00 hrs on the next working day.

Day's NAV calculations include those transactions that were concluded prior to the date of NAV calculation 24 hrs.

The Fund unit value is determined each business day by dividing the NAV by the total number of circulating Fund units. The Fund unit value is calculated to four decimal places rounded according to mathematical rules of rounding.

Assets valuation principles:

Instruments', traded on regulated markets, fair value is determined by the market's publicly announced closing price on the valuation date (submitted by news agency Bloomberg, FactSet, Reuters and so on), except in cases where:

1. Instruments are traded in more than one regulated market, in which case the fair value used is of the regulated market where the trading of these instruments tend to have more liquidity, regularity and frequency of data;
2. If it is impossible to select the market based on the criteria 1 above, the data must be determined on the basis of the fair value using the regulated market's data, where the instrument's issuer's head office is;
3. If during the last trading session the instrument has not been traded on a regulated market, in which case the actual value used in determining is the final course, but not more than 30 days prior to the closing price of the former, if the last trading day no events occurred which would make the current market price significantly lower or higher than the last of course;
4. If instrument has not been traded on a regulated market for more than 30 days before the assessment date, or has been traded less than described in calculation procedure, in which case its value shall be determined as instruments that are not dealt on regulated markets. If this situation reoccurs several times, the Management Company's board must assess whether the continued designation of such instruments to the instruments traded on regulated markets is right, and whether their value should not be permanently established as an instruments of not traded on regulated markets.

The newly issued transferable securities are valued at purchase price up to the listing on a regulated market.

Debt securities and money market instruments traded on regulated markets to be assessed:

1. Instruments that have more than one year maturity are valued by the following formula:

$$K = \sum_{t=1}^n \frac{S_t}{\left(1 + \frac{Y}{100}\right)^{\frac{P_t}{H}}},$$

Where:

K - all value of the instrument (calculated in nominal value);

Si - the 1st cash flow of instruments nominal value (coupon payment or redemption of the amount paid);

Y - profitability of instruments (in percentage), measured by market data;

H - number of coupon payments per year (if the measures do not have a coupon, it is considered that this number coincides with the usual other measures number of coupon payments);

n - the remaining number of coupon payments up to instruments redemption (if the instrument has a coupon - conditional number of coupon payments);

Pi - The number of coupon periods in the NAV calculation date to the 1st cash flow payment date (could be a fraction). If the instrument has non-standard coupon periods, calculation is made provided that all periods are standard.

2. Instruments that have no more than one year maturity are valued by the following formula:

$$K = \frac{S_i}{1 + \frac{Y}{100} \times \frac{d}{360}},$$

Where:

K - all value of the instrument (calculated in nominal value);

Si - the 1st cash flow of instruments nominal value (coupon payment or redemption of the amount paid);

Y - profitability of instruments (in percentage), measured by market data;

d - number of days from the NAV calculation date to the redemption date (coupon payment date).

3. In other cases, if you get the more accurate assessment than the 1 and 2 above, these instruments are evaluated:

3.1. Via Bloomberg, FactSet, Reuters news agency provided profitability information and (or) prices.

3.2. According to two commercial banks announced specific issue's that day's best purchase (the largest BID) average.

3.3. View of the same maturity, rating and similar conditions of release, securities value.

3.4. According to the expected sale price, set by the discounted cash flow method.

Collective investment undertakings (hereinafter - CIU) units (shares) are valued according to the latest publicly announced redemption price.

Term deposits with banks are rated by par / amortized cost value.

Cash and balances with credit institutions are valued at face value.

Dividends on equity securities of companies in the Fund's assets are accounted on an accrual basis on the date of publication of dividend. Information about the publication of the dividends is considered as the date when such information is published in the stock exchange websites or when this information is presented

by the Custodian. If the amount of dividends received does not match the company's general shareholders' meeting approved dividends, the Fund's NAV is suitably adjusted on the business day on which the dividends are received. The resulting difference is recorded as investment gain or losses.

Money market instruments with a maturity or up to the remaining time of no longer than 397 days, or regular yield adjustments in line with money market conditions at least every 397 days, or exposed to risk, including credit and interest rate risk, is very similar to the risk of financial instruments with a maturity yields meet the above characteristics are measured at amortized cost method.

Instruments', traded on regulated markets and multilateral trading systems, fair value is determined by the closing price of the multilateral system of trade in which these instruments tend to have more liquidity, regularity and frequency.

Instruments', traded only in the multilateral trading system, fair value is determined by the closing price of the multilateral trading system in which trade in these instruments tend to have more liquidity, regularity and frequency.

Purchase (sale) prices, unit's value publication place and frequency

The current day's NAV, the Fund unit value, unit sales and redemption prices shall be published until the next working day's 12.00 hrs on the Management Company's website www.dovreforvaltning.no.

Markets, which lay down prices, at which transactions in the OTC market are executed

Regulated markets, which name the prices at which transactions in the OTC market are executed, are listed in the Prospectus paragraph 27.5.

Currency

The Fund's currency, which is used for calculation of NAV, is NOK and LTL. The Fund's financial statements are prepared in LTL and NOK. The Fund's base currency is NOK.

16. Rules for income distribution and use

Fund income is not distributed to participants, it is used to increase Fund's NAV.

17. Costs

17. 1. The total rate of last year's spending

17.2. Fund expenditure types not taken into account to calculate the general cost-benefit ratio for the previous years; their sizes

17.3. Portfolio turnover rate

17.4. Estimated cost structure:

- Costs covered by the Fund;
- Costs covered by the Management Company.

Costs covered by the Fund:

17.4.1. Management fee

Management fee is calculated on an accrual basis each business day from the Fund NAV for the day. The Fund NAV of the day is multiplied by the percentage of annual management fee and divided by the annual number of working days. When calculating the fee the number of labor days in the relevant year is used. The management fee is paid to the Management Company monthly until next month's 10th day. The maximum management fee is 1.75 percent.

17.4.2. Custodian fee

The fee is paid to the Custodian in accordance with the custodian contract terms. Fee to the Custodian for the Fund's assets is calculated each working day. The day's share of the annual fee rate is calculated according to the exact day's Fund NAV, assuming that the number of days in a year is equal to the number of working days in the year. The Custodian writes off his fee from the Fund's account every month. Maximum custodian fee is 0.17 percent, but not less than 200 LTL (~ 450 NOK, depending on currency exchange rate) per month.

17.4.3. Staff fees

-

17.4.4. Audit fee

-

17.4.5. Distribution fee

-

17.5. Information about offset by the Custodian and Management Company for the expenses incurred in the benefit of the Fund:

Other fees to financial institutions

Other fees to financial institutions consist of no more than 0.3 percent of the Fund's average annual NAV. Cost calculation and payment procedures depends on the nature of the service (regular cost is calculated on an accrual basis, while unit costs are calculated on the day they are incurred). The payment is made following the terms of the agreement.

Brokerage fees

Transaction costs are not more than 0.2 percent from the transaction value. Different financial intermediaries may apply different minimum fees. The fee is calculated every business day if at least a single transaction was made that day. Fee is paid in accordance with the contract terms.

17.6. The Fund does not invest a large part of NAV into other collective investment undertakings or to those entities not covered by the Collective Investment Undertakings Act.

17.7. There are no tax-sharing and hidden commissions' agreements.

Costs borne by the Management Company:

All other unforeseeable or limits exceeding costs will be borne by the Management Company. Overall maximum of the Fund costs is 3 percent of the average annual Fund NAV. Fund units acquisition cost shall be covered directly by the investor.

III. INFORMATION ABOUT THE FUND UNITS

18. Information about the Fund units

Types of Fund units

Fund unit is a transferable security, which demonstrates the Fund's participant's rights to the assets of the Fund.

Proof of ownership

Proof of the ownership of the units of the Fund is a record in the participant's personal securities account.

Personal account manager of issued investment units

Issued Fund units personal account manager is the Management Company.

Rights and duties given by the issued Fund units; the right to vote and possible limitations on voting rights, restrictions on transfer of the units issued

Fund units entitle the holders to rights and obligations indicated in paragraph 12 of the Prospectus. Units of the Fund do not provide any voting rights.

A maximum number of shares in circulation; number of shares for which contributions were paid by property, description of property contributions

The issue of units of the Fund is unlimited and indefinite.

19. Dividends

Fund does not pay dividends.

20. Abolishment

The Fund may be abolished:

1. By the decision of the Management Company's Board to abolish the Fund;
2. If the Management Company's right to manage the Fund has ended and another management company doesn't take over the management within 3 months;
3. Other cases provided in legal acts.

Following the decision on abolish the Fund, the Fund units' sale and redemption shall be terminated.

If during the abolishment of the Fund it occurs that the Fund's assets are not enough to cover the expense of the Fund, the Management Company is not required to fulfill the remaining obligations in cases where supervisory authority at the request of the Management Company confirms that there is no evidence that the Management Company had improperly executed duties stated in the Collective Investment Undertakings Act and the Rules of the Fund's.

When the claims of creditors are fulfilled, the money received from the sale of the Fund's assets are divided to the Fund's participants in proportion to their shares. If there are court actions pending concerning the obligations to be fulfilled at the expense of the Fund, the Fund is abolished only when the court decisions are in effect.

After abolishing the Fund, the Management Company shall promptly provide the supervisory authority the Fund's documentation, along with a request to recognize them null, the financial statements drawn up in accordance with the Fund's cancellation date data and audit report which contains the information specified in the legislation.

21. Conditions of issuing Fund units and decision-making procedures to issue units of the Fund

Fund units are issued when the investor:

- (i) signs the Fund units purchase agreement, or (ii) an application (if a signed Fund units purchase agreement allready exists); and
- pays the necessary amount to the Fund's account, provided in paragraph 22 of the Prospectus.

22. Fund distribution conditions and procedures

Fund units distributor's addresses and phone numbers

"Dovre Forvaltning" UAB

Company code - 302589746

Address - Konstitucijos 7, Vilnius

Telephone numbers - (LT) +370 5 2683459; (NO) +47 21390990

Distributors

-

Share subscription terms and procedure

-

Conditions and procedures for the Fund units purchase

Fund units are sold every business day.

When buying the Fund units one of the documents is provided:

- Fund units purchase agreement - signed during the first contact with the Management Company according to the procedures stated below. In the Fund units purchase agreement a password is given to the investor. The password is used to identify the investor in the further relationship with the Management Company.
- Fund units purchase application - to be completed in cases when the investor has already entered into Fund units purchase agreement with the Management Company. The application is provided in ways described in the Fund units purchase agreement.

Fund units can be purchased at:

- Management Company during office hours by concluding a simple written form Fund units purchase agreement.
- If it is stated in the Fund units purchase agreement, the Fund's units can be purchased on the submission of applications and other required documents by fax or e-mail. Application to purchase units submitted by facsimile or e-mail is treated as a simple written form of the Fund units purchase agreement and causes the same legal consequences.

Fund units' payment terms and procedures

Fund units purchase agreement or application must indicate the amount of money for which the investor wants to purchase Fund units.

Application or agreement to purchase Fund units received before 16 hrs on the current working day's (day T) Lithuanian time is executed on the following day (T +1), if the full payment for the units is received till the date on which agreement has been received (day T) 16 hrs In this case, the unit price is calculated using the Fund's NAV of the date on which agreement or application has been obtained (date T).

If the application or agreement to purchase Fund's units or full payment for the units is obtained after 16 hrs at the date T, the unit price is counted by using Fund NAV of the next day (day T +1) and concluded the day after (day T +2).

With allegations of late trading, the Management Company reserves the right not to execute the unit purchase / sell orders.

A confirmation that the Fund units purchase agreement or an application is accepted or rejected and that the figures are clear and accurate must be immediately provided (sent via e-mail / facsimile) to the investor who submitted Fund units purchase agreement or an application. The person accepting the application must indicate his name, surname, management company name and address, date of receipt, the exact time (hour, minute) and sign it. If the investor notices differences (conflicts) in the information within confirmation and the Fund units purchase agreement or an application, he must promptly, but not later than the date of receipt of approval, return the confirmation to the Management Company.

After the application is executed, but not later than 12 hrs the next business day, the Management Company must provide the investor with a confirmation (via e-mail / fax), plus details of foreign exchange transactions if there were any.

Investor pays money for the Fund units to the Fund's account:

<i>In Lithuania:</i>
Recipient – Dovre Forvaltning UAB (Dovre Baltic Sea) Bank – Swedbank, AB Bank code – 73000 SWIFT - HABALT22 Account No. Nr. LT987300010134520026 Address - Konstitucijos pr. 20A, Vilnius, Lithuania

Minimum investment if investing in Lithuanian litas is LTL 5 000 .
Minimum investment if investing in Norwegian krone is NOK 10 000.

It is recommended to pay in NOK for units. If paid in Litas, the Litas are converted to Norwegian kroner at Bank of Lithuania official rate. Fund units are bought for NOK.

Settlement of cash in other currencies is converted into NOK at the currency exchange rate of Swedbank AB of the deposit date. Conversion costs are covered by the investor. Fund units are bought for NOK.

The units are issued only upon receipt of the money in the Fund's account.

Ownership rights

Ownership of Fund units is acquired from the moment when the entry is made in the personal participant's account of the units. The record in the participant's personal account of the units is made no later than one business day from receipt of money in the Fund's account.

If the ownership of the units is transferred, an entry is made in the personal account on the date when the Management Company receives the required documents.

23. Fund units redemption terms and procedure; redemption suspension conditions and procedures

Fund units redemption terms, addresses and telephones

“Dovre Forvaltning” UAB
Company code - 302589746
Address – Konstitucijos 7, Vilnius
Telephone numbers - (LT) +370 5 2683459; (NO) +47 21390990

Terms for applying for redemption of Fund units

Participants wishing to sell units of the Fund must present a simple written form application to the Management Company during office hours.

Participants may also sell the units of the Fund by submitting an application to the Management Company by facsimile or e-mail if this option is specified in Fund units purchase agreement.

The redemption application must state the number of Fund units to be redeemed.

If the application for redemption of Fund units is received before 16 hrs Lithuanian time on a working day, it is carried out by the Fund's NAV value of the day on which it was accepted.

If the application for redemption of Fund units is received after working day's 16 hrs, the unit price is counted according to the next day's Fund NAV.

To redeem the units of the joint property owned by spouses (Lithuanian resident), one spouse must have a notarized proxy or both spouses must arrive at the Management Company and sign a simple written form proxy.

A confirmation that the application is accepted or rejected and that the figures are clear and accurate must be immediately provided (sent via e-mail / facsimile) to the participant who submitted an application. The person accepting the application must indicate his name, surname, management company name and address, date of receipt, the exact time (hour, minute) and sign it. If the participant notices differences (conflicts) in the confirmation with the application, he must promptly, but no later than the date of receipt of approval, return the confirmation to the Management Company.

After the application is executed, but not later than before 12 hrs the next business day, the Management Company must provide the participant with a confirmation (via e-mail / fax), plus details of foreign exchange transactions if there were any.

Conditions and procedures for settlement with the participant for the redeemed Fund units

After redemption of the units, the money is paid to the investor by his choice – in NOK or LTL. Conversion costs are covered by the Fund.

The Management Company makes the settlement for the redeemed units within 7 days from the request for redemption, if it is not suspended.

The settlement terms with the participants, the Fund's distributor responsibility for the settlement

If the Management Company fails to transfer the money to the investor within the specified period, the Management Company must pay the interest provided in the Fund units purchase agreement to the investor. If with the investors it is not settled in time due to the Custodian or any other third-party guilt, the guilty party must compensate the Management Company's losses incurred due to the delayed settlement.

Consequences of request to redeem the units

Participant loses all rights related to units (including property rights), except for the right to receive cash for redeemed units, from the moment the entry in the personal account is made. From the redemption receipt date the Management Company becomes obliged to pay to the participant for the redeemed Fund units.

Grounds for suspension of redemption, the decision to suspend the redemption procedure

The right to suspend redemption of units shall be reserved to the Management Company and the supervisory authority. Redemption may be suspended for a period not exceeding 3 months per year.

Redemption of units or shares may be suspended where:

- This is necessary to safeguard interests of the public and participants against potential insolvency of the Fund or fall in the redemption price in case of unfavorable situation in the investment instruments markets or fall in the value of the portfolio of investment instruments;
- The applications to redeem Fund units comprise more than 10 percent of the previous day's NAV;
- The available amount of funds is insufficient to pay for the units subject to redemption, while the sale of the available investment instruments would result in a loss;
- Such sanction shall be imposed by the supervisory authority.

The following shall be prohibited from the moment the decision is taken to suspend redemption of units: (i) to accept applications for redemption; (ii) to make settlement for the units whose redemption was requested prior to the taking of the decision on the redemption suspension.

Investors' awareness of the decision to suspend the redemption methods and procedures

A notice of suspension of redemption will be forthwith communicated to the supervisory authority; a notice thereof will also be announced in the Management Company's website www.dovreforvaltning.no and in newspaper "Verslo Žinios".

A notice of suspension of redemption will be forthwith communicated to distributors and the supervisory authority. If units are distributed in foreign countries, the foreign supervisory authorities must be notified, too. The Management Company will inform about the suspension of redemption in writing all investors who intend to submit an application to purchase units of the Fund.

Where a decision on the suspension of redemption has been made by the supervisory authority, only the supervisory authority or court which has annulled this decision shall have the right to resume it. In other cases the Management Company shall have this right.

A notice on the decision to resume the redemption of units must be communicated in accordance with the procedure applied when communicating the notice of suspension of redemption.

24. Rules for determining Fund unit subscription and redemption prices

The main principles, methods, frequency for determining units' subscription and redemption prices

Fund unit subscription / redemption price is calculated every business day according to the supervisory authority approved NAV calculation rules and Management Company's approved NAV procedures.

Fund unit value is determined by dividing Fund's NAV by the total turnover of the Fund's investment units.

Information about the unit sales price or redemption price increase by the costs of distribution and redemption

Fund's investment unit subscription / redemption price is equal to the value of the unit, the unit subscription price is not increased by distribution costs / redemption price is not reduced by the redemption cost, except for these cases:

If the investment amount is less than LTL 50 000, when investing in LTL, 1 percent of subscription fee is charged and the remaining amount is divided by the unit purchase price - to get the number of units purchased, which is rounded to four decimal places.

If the investment amount is less than NOK 100 000, when investing in NOK, 1 percent of subscription fee is charged and the remaining amount is divided by the unit purchase price - to get the number of units purchased, which is rounded to four decimal places.

Subscription fee is also not applied when additionally invested amount reaches LTL 50 000 / NOK 100 000 or more.

Management Company's board may decide not to apply the subscription fee to the Management Company employees.

Unit subscription and redemption price publication: location, frequency

Fund unit subscription / redemption price is published every business day by 12:00 hrs on the website www.dovreforvaltning.no.

Possible charges or expenses other than the above, that will have to be covered by the investor or from the Fund assets

Subscription and redemption of Fund units are not subject to additional charges.

It should be noted that when purchasing units in currencies other than NOK and LTL, the investor has to cover the conversion costs.

25. Factors that may affect the distribution

Fund units distribution may be affected by the changes in legislation of collective investment undertakings as well as the irresistible force (force majeure), as defined by law.

IV. INFORMATION ON INVESTMENTS AND RISKS

26. Historical performance of the Fund

The last 10 years performance.

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10-year period NAV and NAV per one investment unit comparison.

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The average net return on investment over the last three, five, ten years.

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Previous results do not guarantee future results.

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Fund performance compared with the variation in the benchmark over the period.

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Information on returns - there are distribution and (or) redemption fees, which are not taken into account in calculating the return on investment, so the actual return on the investor's share of the tax effect is less as a specific example to illustrate the impact of the final tax return on the investor's share.

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27. Investment portfolio composition

27.1. The Fund's investment portfolio may include:

27.1.1. The transferable securities and money market instruments admitted to trading on a market that is considered regulated and operating in the Republic of Lithuania, Latvia, Estonia or Poland, and/or

27.1.2. the transferable securities and money market instruments admitted to trading in the Republic Latvia, Estonia or Poland on a market operating according to the established rules, recognized, supervised and accessible to the public, and/or

27.1.3. the transferable securities and money market instruments admitted to trading in Kingdom of Norway on a market operating according to the established rules, recognized, supervised and accessible to the public - Oslo Børs (<http://www.oslobors.no>), and/or

27.1.4. newly issued transferable securities where the conditions of issue provide for a commitment to admit these securities to trading on a regulated market (mentioned in par. 27.1.2 and 27.1.3) and where the securities will be admitted to trading not later than within one year from the date of issue, and/or

27.1.5. fixed-term deposits with maturity not exceeding 12 months which may be withdrawn on demand from a credit institution whose registered office The Republic of Lithuania or Kingdom of Norway, and/or

27.1.6. money market instruments, which are not admitted to trading on a regulated market and the issue or issuing body of such instruments is itself regulated for the purpose of protecting investors and their savings, and these instruments:

27.1.6.1. are issued or guaranteed by the government, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, the government of a non-Member State or one of the members making up a federal state or an international organization to which at least one Member States belongs, or

27.1.6.2. are issued by an undertaking whose securities are admitted to trading on the regulated markets referred to in subparagraphs 27.1.1 – 27.1.3, or

27.1.6.3. are issued or guaranteed by an undertaking subject to prudential supervision in accordance with the requirements set forth by the European Union law or the requirements which are not less stringent than in the European Union, or

27.1.6.4. are issued by a company meeting the criteria approved by the supervisory authority, whose capital and reserves amount to at least EUR 10 million and which draws up consolidated financial reports and performs the function of financing of the group of companies, where the transferable securities of at least one company belonging to the group are admitted to trading on a regulated market, or which is used to issue the securities financed by bank loans, and the investment into such money market instruments are protected at least to the extent referred to in subparagraphs 27.1.6.1. - 27.1.6.3.

27.2. Fund's portfolio composition must meet the requirements for portfolio diversification and investment restrictions set out in the Collective Investment Undertakings Act:

27.2.1. No more than 5% of the net assets comprising the assets of the Fund may be invested in transferable securities or money market instruments of a single issuing body, with the exception of the cases specified in paragraphs 27.2.2, 27.2.5 and 27.2.6 2 of this Prospectus.

27.2.2. It shall be allowed to invest in the transferable securities or money market instruments of a single issuing body more than 5%, but not more than 10% of net assets, provided the total amount of such investments does not exceed 40% of the value of the net assets (this restriction shall not apply to deposits).

27.2.3. The investments made in deposits with a single credit institution may not exceed 20% of Fund's NAV.

27.2.4. The aggregate amount of investments in transferable securities or money market instruments of a single issuing body, deposits and liabilities arising from derivative contracts undertaken with the same person may not exceed 20 % of the value of Fund's NAV.

27.2.5. Investments in the transferable securities or money market instruments of a single issuing body issued or guaranteed by a Member State or local authority thereof, other state or international organization of which at least one Member State is a member may not exceed the aggregate amount of 35% of Fund's NAV.

27.2.6. Investments in the bonds issued by a credit institution which has its registered office in a Member State and is subject to special public supervision under law by that state for the purposes of protection of interests of bond-holders, while the amount derived from the issue of these bonds is invested in the assets which, during the whole period of validity of these bonds, are sufficient to cover claims of the bond-holders and which, in the event of insolvency of the issuing body, would be used on a priority basis to meet claims of the bond-holders for reimbursement of the principal and payment of the accrued interest, may not exceed 25% of net assets. When more than 5%, but not more than 25% of the net assets are invested in the bonds issued by a single issuing body, the aggregate amount of these investments may not exceed 80% of the net assets.

27.2.7. The transferable securities and money market instruments provided for in paragraphs 27.2.5 and 27.2.6 of this Prospectus shall not be taken into account when calculating the amount of investment subject to the limit of 40 % according to paragraph 27.2.2 of this Prospectus. The limits specified in paragraphs 27.2.1 - 27.2.6 of this Prospectus may not be combined, thus the aggregate amount of investment in the transferable securities and money market instruments of a single issuing body, deposits and the liabilities arising from derivative contracts with this person may not exceed 35% of Fund's NAV.

27.2.8. Investment in the transferable securities and money market instruments issued by the companies belonging to a group subject to the requirement of drawing up of consolidated financial reports may not exceed 20% of net assets.

27.2.9. The shares held by a Management Company in an issuing body together with the shares in that issuing body held by the Fund may not carry over 1/10 of all voting rights at the general meeting of shareholders of the issuing body.

27.2.10. Fund may acquire no more than:

27.2.10.1. 10% of all non-voting shares of an issuing body;

27.2.10.2. 10% of all bonds and non-equity securities of other forms of an issuing body;

27.2.10.3. 25% of units or shares of another collective investment undertaking;

27.2.10.4. 10% of money market instruments of a single issuing body.

27.2.11. The prohibitions specified in subparagraphs 27.2.10.2, 27.2.10.3 and 27.2.10.4 of paragraph 2 of this Prospectus may be disregarded at the time of acquisition where the aggregate value of those transferable securities or money market instruments cannot be calculated.

27.2.12. The limits stipulated in subparagraphs 27.2.10.2. and 27.2.10.4. of this Prospectus shall not apply to the transferable securities or money market instruments issued and guaranteed by a state or local authorities.

27.2.13. Investment in units and shares of collective investment undertakings shall be allowed only provided they fulfill the following conditions:

27.2.13.1. The undertakings are licensed in the Republic of Lithuania or a state where they are subject to supervision not less stringent than that established in the European Union, and the supervisory authority co-operates with an appropriate foreign supervisory authority;

27.2.13.2. The level of protection for rights of participants in the undertakings, including regulation of segregation, borrowing, lending and gratuitous transfer of assets, is not less stringent than that laid down under the Law on Collective Investment Undertakings;

27.2.13.3. The undertakings publish half-yearly and annual reports about their activities to enable assessment of their assets and liabilities, profit and activities over the reporting period;

27.2.13.4. Not more than 10% of their net assets may be invested in units or shares of other collective investment undertakings.

27.2.14. Not more than 10% of net assets of a collective investment undertaking may be invested in each of the undertakings referred to in paragraph 27.2.13 of this Prospectus. The aggregate amount invested in special collective investment undertakings and the collective investment undertakings that are not regulated under the Law on Collective Investment Undertakings may not exceed 30% of the net assets.

27.2.15. A close link shall be deemed to exist between collective investment undertakings if they are managed by the same management company or management companies in which more than a half of members of management bodies are the same persons or which are controlled by the same person or one of which holds more than 10% of votes at the general meeting of shareholders of the other management company. Units or shares of the collective investment undertakings which are linked by close links may be acquired only for the value of net assets.

27.3. The Fund may derogate from the investment limits laid down in paragraphs 27.1 and 27.2 of this Prospectus when it exercises the pre-emptive rights attaching to the transferable securities or money market instruments held by it. In such cases and also when provisions of investment rules are violated for the reasons beyond the control of a management company, the derogation must be eliminated without delay, but in any case not later than within 6 months.

27.4. The investment portfolio of the Fund may derogate from the requirements laid down in articles 27.2.1 – 27.2.8 and 27.2.13 – 27.2.15 of this Prospectus for 6 months after the approval by the supervisory authority of the incorporation documents.

27.5. The Fund invests in financial instruments in these foreign regulated markets:

- Lithuania (<http://www.nasdaqomxbaltic.com>)

- Estonia (<http://www.nasdaqomxbaltic.com>)

- Latvia (<http://www.nasdaqomxbaltic.com>)

- Poland (<http://www.gpw.pl>)

- Norway (<http://www.oslobors.no>)

28. Fund's investment policy and goals

The Fund's financial goal is to achieve the investment unit value growth.

The Fund invests in those financial instruments that meet the Fund's objectives and investment policy. The Fund's investment policy restrictions and measures used in the implementation of investment objectives:

- The Fund invests in the Baltic region (Lithuania, Latvia, Estonia), Poland and Norway;
- The Fund invests only into items mentioned in paragraph 27 of the Prospectus, in accordance with restrictions mentioned in paragraph 27 of the Prospectus.

The measures and instruments are used to ensure stable and good performance of the Fund. The Fund's manager is responsible for compliance with the objectives, measures and restrictions.

The Management Company which manages the assets of the Fund may not borrow, on the account of the Fund, except for loans with duration of 3 months in the amount of up to 10% of its net assets is taken to maintain liquidity. This shall not constitute a prohibition to borrow foreign currency for the purpose of acquisition of transferable securities or money market instruments, provided the lender is submitted at least an equivalent amount in another currency in order to secure repayment of the loan.

Investment strategy

The Fund is an actively managed investment fund, which aims to achieve the Fund's investment unit value growth.

The Fund specializes in the geographical area: Lithuania, Latvia, Estonia, Poland and Norway.

The Fund shall not specialize in industries.

The Fund invests in equities, various rank governments or corporate bonds (typically up to 1 year term, but in exceptional cases, where the manager sees a particularly favorable opportunity, and longer duration), investment funds and deposits (Prospectus par. 27).

The Fund's portfolio management approach is based on tactical asset allocation and frequent portfolio adjustments. This means that the Fund manager, having regard the market situation as well as economic and political risk factors, may at its discretion decide what part of the Fund's assets must be invested in stocks (or stock funds). If the situation in the markets seem to be particularly favorable for equity, 100 percent of the Fund's assets may be invested in equities or equity funds. As equity securities have large price fluctuations the Fund's net assets may also experience big fluctuations. In cases where the market situation seems particularly unfavorable for equity securities, the Fund may hold up to 100 percent in cash or in deposits or be invested into money market instruments.

Although there are no specific limits for regions, sectors or financial instruments, the Fund, however, expects that the average proportions will be:

- 45% shares listed in Poland, or investment funds that invest in the relevant financial instruments;
- 15% shares listed in the Baltic States (Lithuania, Latvia and Estonia) or investment funds that invest in the relevant financial instruments;
- 40% cash and deposits (in Lithuania and / or Norwegian financial institutions), government or corporate bonds up to 1 year duration, listed in Lithuania, Latvia, Estonia, Poland and Norway,

investment funds that invest in the relevant financial instruments, and other money market instruments which are not admitted to trading on a regulated market and fulfill criteria in par 4. and geographic specialization of the Fund.

The corresponding proportions are reflected in the choice of the benchmark:

- 45% WIG20 Index
- 15% OMX Baltic Benchmark Capped Index GI
- 40% Norway Government Bond Index 0.25 years (ST1X)

NASDAQ OMX index calculation methodology details are available on NASDAQ OMX's website <http://www.nasdaqomxbaltic.com>, index column. WIG information about the WIG index family is given in the Warsaw Stock Exchange website (<http://www.gpw.pl/>) index column. ST1X index calculation methodology detailed information is available on the website <http://www.oslobors.no>. WIG and OMX selected indices consist of various industrial and service sectors highest liquidity and market capitalization company shares from the relevant stock exchange. ST1X index reflects the yields of money market instruments. Currency of the benchmark is NOK.

It should be noted that the Fund's investment strategy does not seek to replicate an index. Benchmark reflects what is expected to be medium-sized proportions. Benchmark index is reviewed at least once a year and shall be adjusted, if the average proportions change.

The Fund does not set limits for individual sectors; therefore, there may be periods when the risk increases with certain narrow asset classes or industry sectors.

The Fund does not invest more than 35 percent of net assets in transferable securities or money market instruments issued or guaranteed by the Republic of Lithuania and European Union member states, their municipalities, other countries or international organizations with at least one European Union country.

29. Description of a typical investor

Fund is intended for investors with little experience in securities investment. The recommended holding period is more than three years. In respect of risk tolerance, investors should be persons who tend to assume high levels of risk.

30. Investment risk and its management

Investment risk

Specific risk

Specific risk – risk that securities', that are in the Fund's investment portfolio, prices will change due to risk factors relating to the issuer of the securities. To reduce this risk, the Fund's investment portfolio will be diversified among different issuers of securities, which are active in different regions and industries.

Market liquidity risk

Under exceptional circumstances for markets or when there is need for the Fund to sell a large quantity of securities due to lack of market liquidity the Fund may incur losses. When making investment decisions security's liquidity will be taken into account.

Market volatility risk

Fluctuations in the market risk - the risk that affects permanent stock price volatility in the market (the prices may rise and fall). There are many factors that determine the overall market volatility: the macroeconomic environment, sentiment, political events and expectations for the future, natural disasters and more. The Fund will seek to reduce the risk by diversifying the portfolio.

Fund operational risk

There is a risk that if there is a sharp rise in applications for redemption of Fund units, the Fund will be unable to pay the members of the Fund for the units redeemed. To reduce this risk, the Fund will invest as much as possible in liquid securities. Also part of the Fund assets will be kept as cash or cash equivalents.

Exchange rate fluctuations

There is a risk that the value of investments will be reduced by the unfavorable exchange rate changes, which are not directly related to the Fund securities' results. The Fund has not established any upper or lower limits on investments in the specific currency-denominated securities. The Fund may manage the risks by using derivative instruments (forward exchange transactions and currency options). Derivative financial instruments will be used to offset any adverse change in the Fund's assets due to exchange rate fluctuations.

Inflation risk

Real Fund growth may be lower due to inflation; in addition the inflation directly affects the interest rate changes, which may have an impact on Fund investment portfolio. Historically, investments in equity

securities provide sufficient protection against inflation, so the Fund will seek to reduce this risk by investing primarily in equity securities.

Interest rate risk

Change in interest rates can directly affect the Fund's portfolio securities values. Since the majority of Fund investment portfolio will consist of shares, the direct impact of this risk to the Fund's investment returns will be minimal. The Fund will not forecast and will not manage interest rate risk.

Counterparty and settlement risk

The risk of loss resulting from counterparty failure to meet its financial obligations.

The Fund will seek to minimize risk through transactions only with reliable, excellent reputation financial institutions. Most of the Fund transactions will be conducted in accordance with the payment principle. The Fund's investment portfolio will be diversified in order to reduce positions of substantial influence on the entire investment portfolio, however, there is no guarantee that the Fund's portfolio value will grow.

Fund investment objective and investment policy risk

There is a risk that the chosen Fund strategy will not work as expected. There is no guarantee that Fund objectives will be achieved.

Chosen risk management methods

In order to effectively manage the above mentioned risks, the Management Company will use the generally accepted risk management techniques (portfolio diversification, etc.).

Each risk's management methods are described above in the specific risk profile.

Provide the potential results for use of derivatives to manage the risks

The Fund does not use derivative financial instruments.

Where and how I can get information about the risks

Information about the risks is provided by the Management Company by phone +370 5 2683459.

31. Investment consultants

V. MANAGEMENT

32. Management scheme

33. Management bodies and the Supervisory Board rights and responsibilities

34. General Meeting of Shareholders

35. Members of Management bodies and Supervisory Board

36. Information about the Management Company

Management Company information

Name - UAB „Dovre Forvaltning“

Address – Konstitucijos pr. 7, Vilnius

Company code - 302589746

Type – limited Liability Company

License number - VĮK-018

Fee calculation methods - in paragraph 17 of the Prospectus

Management Company's managers, their participation in other enterprises, institutions and organizations

Stig Roar Myrseth – Chairman, CEO.

Participation in other companies, institutions and organizations:

- UAB „Trinity Capital“ sole shareholder and CEO.

Rytis Simanaitis – Board member.

Participation in other companies, institutions and organizations:

- UAB "Tuvlita" shareholder.

Gytė Maleckaitė – Board member, deputy CEO.

Participation in other companies, institutions and organizations:

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The essential elements of a contract with the management company that can be relevant to the unit owners

Other entities controlled by the Management Company and their investment strategy

Dovre Inside Nordic harmonized investment fund. The Fund's investment strategy is based on the fact that it is believed that the insiders have information superiority, which is revealed by their transactions. The fund primarily invests in companies where insiders transactions are publicly available.

Management Company's authorized capital

Management Company's subscribed and paid up capital is 1.205.000 litas.

37. Custodian

Name - Swedbank, AB
Company code - 1202965
Address - Konstitucijos pr. 20A, 09321 Vilnius, Lithuania
Type of company - a joint-stock company
Main activities - financial services
CEO - Antanas Danys

38. Financial intermediaries

Name - Swedbank, AB
Company code - 1202965
Address - Konstitucijos pr. 20A, 09321 Vilnius, Lithuania
Type of company - a joint-stock company
Main activities - financial services
The nature of the agreement - broker transactions
Salary calculation methods - fee for the mediation is not more than 0.3 percent. from the transaction value.
The nature of the transaction may be subject to different minimum taxes.

39. Delegation of functions

40. Other important information that could affect investors decision
