

Strategy

MUTUAL FUND

P R O S P E C T U S

for public offering

of units

**THE UNITS ARE BOOK-ENTRY FINANCIAL INSTRUMENTS WHICH ARE REGISTERED BY
NAME WITH THE CENTRAL DEPOSITORY AND ARE DENOMINATED IN EURO**

The Prospectus contains the information necessary for investors to make an informed assessment of the proposed investment, including the risks related to it. The Prospectus contains information about the risk profile of the mutual fund, as well as information about the categories of assets in which the collective investment scheme may invest. It is in the interest of investors to familiarise themselves with the Prospectus before making a decision to invest.

Date of last update: 19.08.2026

CONTENTS

1. Information about the management company.....	5
Member state of origin.....	5
1.1. (Amended by Decision of the BoD of 02.08.2023) Name, registered office and management address.....	5
1.2. Date of registration, licence, term.....	5
1.3. (Amended by Decision of the BoD of 09.04.2024, 17.06.2024 and 11.08.2025) Other managed collective investment schemes.....	5
1.4. (Amended by Decision of the BoD of 22.01.2026) Members of the Board of Directors.....	5
1.5. (Amended by Decision of the BoD of 31.03.2026) Amount of subscribed capital with indication of the paid-up portion.....	7
2. Information about the mutual fund.....	7
2.1. Name.....	7
2.2. Date of incorporation, licence, term.....	7
2.3. The place where the fund's rules, periodic reports and additional information may be obtained....	7
2.5. Accounting dates and income distribution dates.....	9
2.6. Auditors.....	10
2.7. Stock exchanges or markets where the units are traded.....	10
3. Information on the types and main characteristics of the units.....	10
3.1. Nature of the rights of unitholders.....	10
3.2. Characteristics of the units as financial instruments.....	11
3.3. Documents certifying the right of ownership.....	11
3.4. Circumstances under which a decision to terminate the mutual fund may be taken, and the procedure for termination, in particular as regards the rights of unitholders.....	11
4. Terms and procedure for the issue (sale) and redemption of units.....	12
4.1. Written contract with the investor (Amended by Decision of the BoD of 14.04.2020, 16.06.2021 and 21.12.2022).....	13
4.2. Documents required upon conclusion of a contract.....	15
4.3. Documents required upon submission of an order for the purchase/redemption of units.....	16
4.4. Place for submission of orders (Amended by Decision of the BoD of 14.04.2020, 23.09.2021 and 02.08.2023).....	17
4.5. (Amended by Decision of the BoD of 08.02.2022) Cancellation of the order.....	17
4.6. Payment of the value of the units upon purchase of units (Amended by Decision of the BoD of 14.04.2020 and 19.08.2026).....	17
4.7. Payment of the value of the units upon redemption (Amended by Decision of the BoD of 14.04.2020, 21.12.2022 and 17.12.2025).....	18
4.8. Time limit for execution of orders from the date of submission.....	18
4.9. Provision of confirmation.....	18
4.10. Circumstances under which redemption may be suspended.....	18
4.11. Rules for determining and using income.....	19
5. Investment objectives, the investment policy, restrictions on the investment policy, the techniques and instruments for the use of loans.....	19
5.1. Investment objectives (Amended by Decision of the BoD of 16.06.2021).....	19
5.2. (Amended by Decision of the BoD of 10.03.2021, 09.12.2021 and 21.12.2022) Investment policy....	20

5.3. Types of assets in which the mutual fund may invest.....	24
5.4. Investment restrictions (Amended by Decision of the BoD of 16.06.2021).....	29
5.5. Procedure for raising borrowed funds by the fund (amended by Decision of the BoD of 22.05.2018).....	32
6. Rules for the valuation of assets.....	32
6.2. Frequency of calculation of unit prices.....	33
6.3. Fees related to the issue and redemption of units.....	33
6.4. The methods, places and frequency of publication of these prices.....	34
7. Remuneration payable by the mutual fund.....	34
7.1. Method of calculating the remuneration of the management company.....	34
7.2. Method of calculating the remuneration of the depositary bank.....	35
7.3. Operating expenses.....	35
7.4. Reimbursement of expenses.....	36
8. Risk profile and risk factors.....	36
8.1. Risk appetite and risk profile.....	36
8.2. Risk factors.....	37
8.3. Types of risks and risk assessment.....	37
9. Information about the depositary bank.....	42
Name, registered office and management address.....	42
Main activity of the depositary bank.....	42
9.2. (New by Decision of the BoD of 17.01.2017) Description of all safekeeping functions delegated by the depositary bank, list of the persons to whom functions have been delegated or sub-delegated, and the potential conflicts of interest that may arise from such delegation.....	44
9.3. (New by Decision of the BoD of 17.01.2017) Declaration by the management company.....	44
10. Information about the consultancy firms or external consultants who provide advice under a contract and whose remuneration is paid from the assets of the fund.....	45
11. Results of the activity of the mutual fund for previous years.....	45
12. Profile of the type of investor.....	50
13. Economic information.....	51
13.1. Transaction costs.....	51
13.2. Annual operating expenses.....	51
13.3. (new by Decision of the BoD of 18.11.2022) Description of the policy regarding the direct and indirect operating expenses and fees resulting from the use of efficient portfolio management techniques.....	51
14. COLLATERAL POLICY. (New by Decision of the BoD of 17.01.2017 and amended by Decision of the BoD of 22.02.2017 and 17.12.2025).....	52
15. (new by Decision of the BoD of 22.02.2017, amended by Decision of the BoD of 18.11.2022) Information about the mutual fund's intention to use the increased diversification limits specified in Art. 46(1) ACISOUCL.....	54
16. (new by Decision of the BoD of 27.05.2020, amended by Decision of the BoD of 08.02.2022 and 31.01.2023) DETAILS ON THE CURRENT REMUNERATION POLICY OF THE MANAGEMENT COMPANY.....	54
17. (New by Decision of the BoD of 18.11.2022) Information on the method used to calculate the total risk exposure, in the event that the possibility of investing in derivative financial instruments is expressly provided for in the Fund's investment policy.....	57
18. Annex No. 1.....	58

1. INFORMATION ABOUT THE MANAGEMENT COMPANY

Member state of origin

(amended by Decision of the BoD of 20.09.2019) MF "Strategy" and the management company which organises and manages the mutual fund originate from the Republic of Bulgaria.

1.1. (Amended by Decision of the BoD of 02.08.2023) Name, registered office and management address

MC "Compass Invest" JSC, referred to for brevity in this prospectus as the "management company". Registered office and management address: Republic of Bulgaria, Sofia 1000, Triaditsa district, 36 "Alabin" Str., floor 4,

1.2. Date of registration, licence, term

(Amended by Decision of the BoD of 25.10.2016) The Financial Supervision Commission has issued a licence to MC "Compass Invest" JSC for carrying out activity as a management company No. 56-UD/28.06.2017. The date of registration of the management company in the commercial register is 05.09.2008. The management company has an unlimited term of existence.

1.3. (Amended by Decision of the BoD of 09.04.2024, 17.06.2024 and 11.08.2025) Other managed collective investment schemes

MF Eurostability, MF Progress, MF Compass Global Trends, MF Active Euro Deposit, MF Compass Funds Select-21

1.4. (Amended by Decision of the BoD of 22.01.2026) Members of the Board of Directors

Milena Ivanova Aleksandrova – Chair of the BoD and representative

Ivaylo Krasimirov Angarski – executive director

(New by Decision of the BoD of 16.06.2021) Dragomir Hristov Velikov – member of the Board of Directors

(New by Decision of the BoD of 16.06.2021) Boyko Nikolaev Bratanov – member of the Board of Directors

(New by Decision of the BoD of 12.06.2026) Armin Bogner – member of the Board of Directors

Data on activity carried out outside the management company

(Amended by Decision of the BoD of 22.02.2017, 16.06.2021, 20.12.2022, 02.08.2023, 08.02.2024, 17.06.2024, 04.04.2025, 14.11.2025 and 22.01.2026) Ivaylo Krasimirov Angarski is the owner of 32.167% of the capital and executive director of "COMPASS CAPITAL" JSC; manager and owner of 100% of the capital of Harvest Capital Ltd., member of the Board of Directors of Impact Capital JSC and member of the supervisory board of Eurohold Bulgaria JSC

Milena Ivanova Aleksandrova is a member of the Board of Directors of "Compass Capital" JSC, manager of "Skalisto" Ltd., "Kranfors" Ltd. and "Triple G" Ltd.

(New by Decision of the BoD of 16.06.2021, amended by Decision of the BoD of 06.04.2023, 08.02.2024 and 14.11.2025) Boyko Nikolaev Bratanov holds 3.594% of the capital of "COMPASS CAPITAL" JSC, owner of the law partnership "Spasov and Bratanov", member of the Board of Directors of "Sofia Hotel Balkan" JSC and of "S and B Services" JSC.

(New by Decision of the BoD of 16.06.2021, amended by Decision of the BoD of 20.12.2022, 02.08.2023, 08.02.2024, 29.08.2024 and 14.11.2025) Dragomir Hristov Velikov is the owner of 64.239% of the capital and a member of the Board of Directors of Compass Capital JSC.

Sole owner of the capital and manager of Artea 21 Ltd. and Artea 3 Ltd., manager of Compass Capital GP Ltd., representative of Mercury 21 LP and Compass Digital Finance.

(New by Decision of the BoD of 12.06.2026) Armin Bogner is a partner and manager in Kapitalia Ltd. London.

Other information regarding the participation of the members of the Board of Directors of the management company in other commercial companies as unlimited-liability partners, ownership of more than 25 per cent of the capital of another company, as well as their participation in the management of other companies or cooperatives as procurators, managers or members of boards, is disclosed in the annual activity report of the company as part of the annual financial statements.

1.5. (Amended by Decision of the BoD of 31.03.2026) Amount of subscribed capital with indication of the paid-up portion

The subscribed and paid-up capital of MC "Compass Invest" JSC is EUR 153,000.

2. INFORMATION ABOUT THE MUTUAL FUND

2.1. Name

(amended by Decision of the BoD of 20.09.2019) MF "Strategy" is the name of the mutual fund, referred to for brevity in this prospectus as the "mutual fund" or the "fund".

(amended by Decision of the BoD of 20.09.2019) MF "Strategy" is a collective investment scheme within the meaning of the Act on the Activities of Collective Investment Schemes and Other Undertakings for Collective Investment (ACISOUIC), which publicly issues (sells) units and invests the raised funds in transferable securities, units of collective investment schemes and bank deposits.

2.2. Date of incorporation, licence, term

(amended by Decision of the BoD of 22.05.2018) The Fund was incorporated upon its entry in the register of the Financial Supervision Commission as an issuer under Art. 30(1)(4) of the FSCA, by virtue of Decision No. 537-DF of 11.04.2007. The Fund has an unlimited term of existence.

2.3. The place where the fund's rules, periodic reports and additional information may be obtained

(amended by Decision of the BoD of 20.09.2019, 06.04.2023 and 02.08.2023) Investors who show interest in the units offered by MF "Strategy" may obtain, free of charge, a copy of the Prospectus, the Key Information Document, the Fund Rules, the latest published annual and 6-month financial statements of the fund, details about the current remuneration policy of the management company, the procedure for the submission of complaints by investors in accordance with the complaint-handling policy, as well as additional information, at the office of the Management Company "Compass Invest" JSC, every business day from 9.00 to 17.00 hours, at the address: Sofia 1000, 36 "Alabin" Str., floor 4.

The management company publishes information about the fund on its website, where it announces data on the issue value and the redemption price of the fund's units on the day the valuation is carried out, publishes a current prospectus for the public offering of units and a key information document, as well as the fund rules and periodic reports, and other information at the following internet address: www.compass-invest.eu.

Contact telephone: 02/4219517, e-mail: office@compass-invest.eu, website: www.compass-invest.eu.

2.4. Tax regime – taxation of the income of unitholders

This section of the prospectus presents information about the general tax regime applicable to the fund, which is relevant to unitholders, and concerns the taxation of their income from transactions with the fund's units in accordance with the tax legislation in force as at the date of this Prospectus.

Unitholders may derive income from their investments in the fund in the form of a capital gain (a positive difference between the sale price and the documented acquisition price of the units).

The capital gain of investors is non-taxable pursuant to:

- Art. 196 of the Corporate Income Tax Act (CITA) – the income of legal persons derived from the disposal of financial instruments within the meaning of § 1(21) of the Supplementary Provisions of the CITA is not taxed;
- Art. 13(1)(3) of the Personal Income Tax Act (PITA) – the income of natural persons derived from the disposal of financial instruments within the meaning of § 1(11) of the Supplementary Provisions of the PITA is not taxed.

"Disposal of financial instruments" for the purposes of Art. 196 CITA and Art. 13(1)(3) PITA are the transactions:

a) (Amended by Decision of the BoD of 22.05.2018) with units of collective investment schemes, shares and rights, carried out on a regulated market within the meaning of Art. 152(1) and (2) of the Markets in Financial Instruments Act; "rights" for the purposes of the first sentence are the securities granting the right to subscribe a certain number of shares in connection with a decision taken to increase the capital;

b) concluded under the terms and procedure of redemption by collective investment schemes admitted to public offering in the country or in another Member State of the European Union, or in a State party to the Agreement on the European Economic Area.

Consequently, the income of unitholders from transactions under the terms and procedure of the redemption of units from the fund, as well as from their trading on "Bulgarian Stock Exchange-Sofia" JSC, is not subject to tax. No withholding at source is made on a positive capital difference paid by the mutual fund to the unitholders, and no corporate tax is due on the profit of the mutual fund.

Other cases of tax-exempt income from the units of the mutual fund:

- inheritance tax is not paid by the surviving spouse and by the heirs in the direct line without limitation (Art. 31(2) of the Local Taxes and Fees Act);
- the properties acquired by donation between relatives in the direct line and between spouses are not subject to tax (Art. 44(6) of the Local Taxes and Fees Act).
- Pursuant to Art. 37(1)(12) and Art. 46(1) of the Personal Income Tax Act, the income from transactions with units of the fund (realised capital gain), derived by natural persons from third countries other than residents of Bulgaria, established for tax purposes in a Member State of the EU or another Member State of the EEA, is taxed with a final tax at the rate of 10% on the taxable income.

Foreign persons – holders of units of the fund should bear in mind that where a treaty for the avoidance of double taxation has been concluded between the Republic of Bulgaria and the respective foreign state whose resident is the recipient of the income, its provisions take precedence over Bulgarian domestic legislation, whereby the Procedure for the application of the treaties for the avoidance of international double taxation of income and property with regard to foreign persons under Chapter 16, Section III of the Tax and Social Insurance Procedure Code applies.

Attention: This information is not exhaustive and does not constitute legal or tax advice. Taxation depends on the specific circumstances related to the investor and may change in the future.

2.5. Accounting dates and income distribution dates

The management company is obliged to submit to the Financial Supervision Commission and to the public the following reports on the activity of the fund:

1. an annual report within 90 days from the end of the financial year;

2. a semi-annual report, covering the first six months of the financial year, within 30 days from the end of the reporting period.

3. (New by Decision of the BoD of 17.01.2017 and amended by Decision of the BoD of 20.09.2019) by the 10th day of the respective month the management company discloses on its website summarised information about the structure of the mutual fund's portfolio as at the last date of the previous month, which contains at least data on the percentage of the fund's assets invested in the various types of financial instruments.

By 31 March each year, the Board of Directors of the management company draws up, for the elapsed calendar year, financial statements and an activity report of the mutual fund and submits them for review to the registered auditor selected by the management company.

According to the Rules for the activity of MF "Strategy", the mutual fund does not distribute the profit achieved as income among the unitholders. The management company reinvests the profit of the mutual fund, as a result of which the net asset value of the fund's assets increases, in the interest of the unitholders of the fund.

2.6. Auditors

(Amended by Decision of the BoD of 22.05.2018, 03.05.2019, 22.11.2019, 16.06.2021, 08.02.2022, 08.02.2024, 04.04.2025 and 14.11.2025) By decision of the Board of Directors of MC Compass Invest JSC of 26.11.2012, 27.11.2013, 01.12.2014, 01.12.2015, 06.09.2016 and 15.05.2017, Mariyana Petrova Mihaylova with reg. No. 0203 was selected as auditor of the Fund for 2012, 2013, 2014, 2015, 2016 and 2017. On 23.07.2018, 02.09.2019, 07.10.2020, 22.10.2021, 03.10.2022, 21.11.2023, 12.11.2024 and 03.11.2025, the audit firm RSM BG No. 173 was selected as auditor of the Fund for 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025.

2.7. Stock exchanges or markets where the units are traded

(amended by Decision of the BoD of 20.09.2019) The units of MF "Strategy" are not admitted to trading on the Bulgarian Stock Exchange or another stock exchange.

3. INFORMATION ON THE TYPES AND MAIN CHARACTERISTICS OF THE UNITS

3.1. Nature of the rights of unitholders

All units grant equal rights to their holders, as follows:

Right to redemption of the fund's units

Every investor in the mutual fund has the right at any time, within business days and business hours, to submit an order for the redemption of the units held by them, which will be executed under the terms provided in the Fund Rules and the Prospectus, except where redemption is suspended in the cases provided for in the law or the Fund Rules. The order for redemption may relate to part or to all of the units held by the investor.

Right to subscribe units of the fund

Every investor in the mutual fund has the right at any time, within business days and business hours, to submit an order for the subscription of units, including new units, without limitation in value, with the exception of the cases in which the legislation in force provides for an amount of the unit investment in a mutual fund, which will be executed under the terms provided in the Fund Rules and the Prospectus, except where redemption is suspended in the cases provided for in the law or the Fund Rules.

Right to information (Amended by Decision of the BoD of 20.12.2022, 06.04.2023 and 02.05.2023)

Every investor has the right to information contained in the Prospectus, the Key Information Document and the periodic reports of the mutual fund, as well as to other public information about the fund. The

management company provides, free of charge, upon request by investors, the Prospectus, the Key Information Document and the latest published annual and 6-month reports of the fund.

Right to a liquidation quota

Upon liquidation of the fund, every investor has the right to a proportionate part of the fund's property, corresponding to the units held by them.

(New by Decision of the BoD of 22.05.2018) Right to submit complaints

Investors have the right to submit complaints, without paying a fee for this, whereby the information regarding the Policy for the acceptance and consideration of complaints is provided free of charge to investors and is published on the website of the management company.

3.2. Characteristics of the units as financial instruments

The units of the fund are book-entry, registered financial instruments recorded in the personal sub-accounts of investors with the account of the management company at "Central Depository" JSC.

3.3. Documents certifying the right of ownership

"Central Depository" JSC keeps a book of unitholders and issues depository receipts as a certifying document of ownership.

3.4. Circumstances under which a decision to terminate the mutual fund may be taken, and the procedure for termination, in particular as regards the rights of unitholders

The mutual fund is terminated:

1. by decision of the Board of Directors of the management company, including in the case of redemption of all units;
2. upon withdrawal of the authorisation of the management company to organise and manage the mutual fund by the commission;
3. (Amended by Decision of the BoD of 17.01.2017) in the cases under Art. 35(7) of the Fund Rules, if no replacement of the management company is effected;
4. on the grounds of Art. 363, letters "a" and "b" of the Obligations and Contracts Act.

Apart from the case under item 2, the termination of the mutual fund is carried out with the authorisation of the commission, under the terms and procedure specified in Chapter Fourteen of ACISOU CI, Section V, and Chapter Four, Section V of Ordinance No. 44. The persons proposed as liquidators of the fund, as well as the liquidation plan, in which measures for the protection of the unitholders are mandatorily provided, including a prohibition on carrying out transactions with the fund's assets, unless this is required by the liquidation, are approved by the authorisation of the commission. The mutual fund is struck off upon its deletion from the register of the Financial Supervision Commission.

(New by Decision of the BoD of 17.01.2017) After deducting the liabilities of the mutual fund and determining the net property of the fund, the liquidator announces, following the procedure of Art. 19(3) of the Fund Rules, a notice regarding the terms, procedure and time limits for payment by the depository bank of the parts of the net property of the fund due to investors, proportionate to the units held by them.

4. TERMS AND PROCEDURE FOR THE ISSUE (SALE) AND REDEMPTION OF UNITS

(Amended by Decision of the BoD of 26.04.2016 and 20.09.2019) The mutual fund is obliged, continuously (every business day), to offer its units to investors at an issue value based on the net asset value per unit, increased by the issue costs (where such are provided for), as well as, upon request by the unitholders, to redeem them at a redemption price equal to the net asset value per unit, reduced by the redemption costs. When, upon redemption of units from Strategy, the net amount of the redemption is

invested in one or more of the other collective investment schemes managed by Compass Invest JSC, redemption costs are not charged. In these cases, the orders for the issue and redemption are executed at the net asset value per unit. The purchase of units is carried out against payment of their full issue value.

(Amended by Decision of the BoD of 22.05.2018) The calculation of the net asset value of the mutual fund's assets and of the net asset value per unit is carried out twice weekly, on Wednesday and Friday, on the basis of the fund's assets as at the preceding Tuesday and Thursday, by the management company under the control of the depositary bank. On the day the valuation is carried out, the management company announces the issue value and the redemption price per unit of the mutual fund on the website of the management company, at the office of the management company and at all places where the orders for the sale and redemption of units are accepted and contacts with the fund's investors are made.

The management company executes the order for the purchase or redemption of units of the mutual fund at the issue value, respectively the redemption price, determined for the nearest day following the day on which the order was placed.

4.1. Written contract with the investor (Amended by Decision of the BoD of 14.04.2020 and 16.06.2021 and 21.12.2022)

The activity of issuing (selling) and redemption of units of the mutual fund is carried out through the management company on the basis of a written contract with the client. The written form is deemed observed if the contract is concluded through electronic statements signed with an electronic signature within the meaning of the Electronic Document and Electronic Trust Services Act.

The contract may also be concluded remotely and through the exchange of the necessary documents signed by the parties, provided that the client is the holder of a bank account opened in a credit institution meeting the requirements described below. The client, respectively their representative, sends to the management company the signed contract, a document in original issued by the respective credit institution that the client is the holder of a bank account, and a certified copy of their identity document, and for clients – legal persons – also a certified copy of documents for commercial registration containing data on the incorporation and the representation, as well as other documents described in detail in the Fund Prospectus. The certification is carried out by affixing the inscription "True to the original", the date and the signature of the client. The management company may also require other additional information related to the identification of the client with regard to the specific case and/or in accordance with the requirements of the regulatory acts.

The bank account must be opened in a credit institution that has obtained a licence in a Member State of the European Union, or a State party to the Agreement on the European Economic Area. The credit institution that issued the document may also have its registered office in a State – member of the Financial Action Task Force (FATF), the Asia/Pacific Group on Money Laundering (APG), the Eurasian Group on combating money laundering and the financing of terrorism (EAG) or the Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL) at the Council of Europe.

Transfers of funds in connection with the purchase and redemption of units of the fund by the client under a contract concluded remotely are made only from and to a payment account maintained by a credit institution under this paragraph, of which the client is the holder.

Remote conclusion of a contract through a proxy is not allowed.

Orders (Amended by Decision of the BoD of 14.04.2020, 23.06.2025 and 17.12.2025)

The subscription and redemption of units of the fund is carried out through the submission of a written order. The order for the purchase or redemption of units is submitted in person by the applicant or by their proxy. The applicant or their proxy must obligatorily identify themselves with an official identity document. It is also permissible to submit orders remotely, whereby the exchange of documents is carried out by electronic mail, regular mail or a courier company with acknowledgement of receipt.

The submission and execution of an order for the purchase of units may be done in one of the following ways, in compliance with the following conditions:

- 1) "Order for value" – the investor deposits into the fund's collection account the amount for which they wish to acquire units. After calculating the issue value, the amount is divided by the issue price and the number of units is obtained.
- 2) "Order for number of units" – with this type of order the investor declares what number of units they wish to purchase. The amount that must be deposited into the collection account at the moment of submitting the order is in the amount of 110% of the value of the declared number of units, calculated at the last announced issue value. In the event that there is a remainder, it is refunded within three days to an account indicated by the client. If the issue price increases and there is a shortfall of funds for the execution of the order, the investor is informed immediately and is obliged to pay in addition the amount necessary for the execution of the order.

In addition, the client may, with a special instruction entered in the order, declare their wish to acquire only a whole number of units.

The submission and execution of an order for the redemption of units may be done in one of the following ways, in compliance with the following conditions:

- 1) The order for redemption by number of units – the investor declares the number of units they wish to sell.
- 2) Order for redemption for value – the investor declares the amount they wish to receive as a result of the sale.

When submitting this type of order, two conditions must obligatorily be met:

- The amount declared, divided by the last calculated NAV per unit, shall form up to 90% of the units under each client contract, and
- The residual value of the units obtained by multiplication by the last NAV per unit must not be less than EUR 51.13 for each contract.

When the client wishes to sell all their units, an order for number of units is submitted and executed.

4.2. Documents required upon conclusion of a contract

- **from an applicant – natural person**

- an official identity document of the investor/proxy/legal representative, of which a copy is taken, certified by the person and the employee of the management company who verified the identity;

- an original of a notarised power of attorney or a notarised transcript thereof, containing representative power to carry out management or disposal actions with financial instruments;

- an official document certifying the right of legal representation (birth certificate, act for the appointment of a guardian or trustee), of which a copy is taken, certified by the legal representative and the employee of the management company who verified the identity.

- (new by Decision of the BoD of 22.05.2018) a declaration for the purposes of the automatic exchange of financial information on the grounds of Art. 142t(1) of the Tax and Social Insurance Procedure Code (TSIPC);

- (new by Decision of the BoD of 22.05.2018; amended by Decision of the BoD of 03.05.2019) a declaration under Art. 42(2)(2) of the AMLMA for holding a senior public position

- **from an applicant – legal person and sole trader**

- an official identity document of the legal representative/proxy, of which a copy is taken, certified by the person and the employee of the management company who verified the identity;

- an original or a notarised copy of an official extract from the relevant register for the current status, in the event that the person is not registered in the Commercial Register at the Registry Agency;
- a certified copy of the memorandum of association or the incorporation act, in the event that the person is not registered in the Commercial Register at the Registry Agency;
- a copy of the identification card under the BULSTAT register, for those that are entered in the BULSTAT register and are not entered in the commercial register – legal persons that are not traders, the commercial representations of foreign persons, unincorporated companies under the OCA, foreign legal persons, branches and other persons under Art. 3 of the BULSTAT Register Act;
- a copy of the relevant licence, permit or certificate of registration, from the persons carrying out transactions and operations in connection with a certain activity that is subject to licensing, permitting or registration.
- for foreign persons – comparable documents certifying their registration, the choice of a legal representative and address;
- an original of a notarised power of attorney or a notarised transcript thereof, containing representative power to carry out management or disposal actions with financial instruments;
- (amended by Decision of the BoD of 22.05.2018) a declaration under Art. 59(1)(3) of the AMLMA for the beneficial owners of the legal person and a certificate or another valid document under the legislation of the jurisdiction in which the applicant is registered, issued by a central register or by a registering agent, from which it is evident who the beneficial owners (down to natural persons) of the legal person are.
- (new by Decision of the BoD of 22.05.2018) a declaration for the purposes of the automatic exchange of financial information on the grounds of Art. 142t(1) of the Tax and Social Insurance Procedure Code (TSIPC);
- (new by Decision of the BoD of 22.05.2018; amended by Decision of the BoD of 03.05.2019) a declaration under Art. 42(2)(2) of the AMLMA for holding a senior public position by the representative(s) of the legal person.

4.3. Documents required upon submission of an order for the purchase/redemption of units

■ from an applicant – natural person

- an official identity document of the investor/proxy/legal representative, for verification of identity; a copy, certified by the person and the employee of the management company who verified the identity, is kept only in the event of a change in the data in the identity document attached to the contract;
- an original of a notarised power of attorney or a notarised transcript thereof, containing representative power to carry out management or disposal actions with financial instruments; it is provided and kept only in the event that there is none attached to the contract or there is a change.

■ from an applicant – legal person and sole trader

- an official identity document of the legal representative/proxy; a copy, certified by the person and the employee of the management company who verified the identity, is kept only in the event of a change in the data in the identity document attached to the contract;
- an original or a notarised copy of an official extract from the relevant register for the current status, which is provided in the event of a change in the circumstances certified upon the conclusion of the contract; in the absence of a change, an extract from the register is printed out, which is certified by the person and the employee of the management company who carried out the check in the commercial register;

- an original of a notarised power of attorney or a notarised transcript thereof, containing representative power to carry out management or disposal actions with financial instruments; it is provided and kept only in the event that there is none attached to the contract or there is a change.

4.4. Place for submission of orders (Amended by Decision of the BoD of 14.04.2020, 23.09.2021 and 02.08.2023)

The place for the submission of orders is as follows:

- Sofia, 36 "Alabin" Str., floor 4;
- remotely: by e-mail, regular mail or a courier company with acknowledgement of receipt.
- Business hours

Every business day from 9.00 to 17.00 hours.

4.5. (Amended by Decision of the BoD of 08.02.2022) Cancellation of the order

The order for the purchase and redemption of units may be cancelled by 17.00 hours on the nearest day (Tuesday or Thursday) preceding the day for determining the net asset value (Wednesday or Friday).

4.6. Payment of the value of the units upon purchase of units (Amended by Decision of the BoD of 14.04.2020 and 19.08.2026)

(amended by Decision of the BoD of 20.09.2019) At the moment of submitting the order for the purchase of units, the applicant deposits an amount in the size of which they wish to acquire units. The deposit of the amount is carried out as follows:

to the account of MF "Strategy" IBAN BG21UBBS80021016658820, BIC UBBSBGSE, opened at "United Bulgarian Bank" JSC, with grounds for payment – subscription of units of MF "Strategy".

4.7. Payment of the value of the units upon redemption (Amended by Decision of the BoD of 14.04.2020, 21.12.2022 and 17.12.2025)

The amount from the redemption of units is paid as follows:

by bank transfer, to the account indicated by the client.

4.8. Time limit for execution of orders from the date of submission

Orders for the purchase of units – up to 7 days.

The order for redemption – up to 10 days.

4.9. Provision of confirmation

The management company is obliged, at the first opportunity but no later than the end of the first business day following the execution of the order, to provide the person who submitted the order with a written confirmation of execution in the manner indicated by the applicant: at the office of the management company, by post, by fax or by e-mail.

4.10. Circumstances under which redemption may be suspended

By decision of the Board of Directors of the management company, the redemption of units of the fund may be temporarily suspended only in exceptional cases, if the circumstances so require and the suspension is justified with regard to the interests of the unitholders, including in the following cases:

1. when, on a regulated market on which a substantial part of the assets of the mutual fund are admitted or traded, the conclusion of transactions is terminated, suspended or subjected to restrictions – for the period of the suspension or restriction;

2. when the assets or liabilities of the mutual fund cannot be correctly valued or the management company cannot dispose of the fund's assets without harming the interests of the unitholders – for the period during which the impossibility lasts;

3. from the moment of taking a decision on the termination or transformation through merger or amalgamation of the mutual fund – until the completion of the procedure;

4. in the presence of other conditions under which, if the redemption is not suspended, it is envisaged that the interests of the unitholders of the mutual fund will be harmed.

The management company also immediately discontinues the issue of units for the period of the temporary suspension of the redemption, respectively for the period by which the term of the temporary suspension of the redemption of units has been extended. The management company notifies the unitholders through the website of the fund. In the event that an extension of the term of the temporary suspension is required, the management company is obliged to notify the unitholders of this through the website of the fund, no later than 7 days before the expiry of the initially determined term. If the term of the suspension is shorter than seven days, including in the cases when the redemption was suspended due to technical reasons, the management company makes the notifications under the preceding sentence by the end of the business day preceding the date on which the redemption should have been resumed.

(Amended by Decision of the BoD of 17.01.2017 and 18.01.2023) Orders submitted after the last announcement of the redemption price before the start date of the term of the temporary suspension are not executed. The management company refunds the amounts to investors who have submitted orders for the purchase of shares or units, to their bank account or at the company's cash desk by the end of the business day following the day on which the decision to suspend the issue of units was taken. The redemption is resumed by the management company upon the expiry of the term specified in the decision to suspend the redemption, respectively in the decision to extend the term of the suspension of the redemption. The notification of the unitholders about the resumption is carried out through the website of the fund. The issue value and the redemption price after the resumption of the redemption must be announced on the day preceding the resumption.

4.11. Rules for determining and using income

According to the Fund Rules, the fund does not distribute profit in the form of income (analogous to a dividend). The management company reinvests the profit of the fund, as a result of which the net asset value of the fund's assets, the issue value and the redemption price increase, in the interest of the unitholders of the fund.

5. INVESTMENT OBJECTIVES, THE INVESTMENT POLICY, RESTRICTIONS ON THE INVESTMENT POLICY, THE TECHNIQUES AND INSTRUMENTS FOR THE USE OF LOANS

5.1. Investment objectives (Amended by Decision of the BoD of 16.06.2021)

The main objective of the Fund is to provide investors with an increase in the value of their investments in real terms at a moderate level of risk. The Fund combines the security and income of investments in low-risk debt securities with the potential for significant growth and capital gains of investments in shares of public companies.

The Fund follows a balanced investment policy, striving to achieve an optimal ratio between risk and return, whereby the structure of the portfolio will be changed depending on the market conditions and the attractiveness of the various classes of financial instruments.

The Fund invests in a balanced manner in shares, debt securities and money market instruments, predominantly in Bulgaria.

To achieve the main objectives of its investment activity, the Fund may apply appropriate strategies for protection against market and currency risk.

There is no certainty that MF "Strategy" will achieve its investment objectives.

5.2. (Amended by Decision of the BoD of 10.03.2021, 09.12.2021 and 21.12.2022) Investment policy

The Fund follows a balanced investment policy and is intended for investors who seek growth in real terms of the investments made through combining the stable income secured by the investments in fixed-income securities, and the realisation of capital gains from the investments in shares of public companies, and are prepared to assume a moderate level of risk. The Fund strives to achieve an optimal ratio between risk and return, whereby the structure of the portfolio will be changed depending on the market conditions and the attractiveness of the various classes of financial instruments.

To achieve the investment and financial objectives set for the Fund, the Management Company follows an active investment strategy in the management of the portfolio of securities and funds, whereby the structure of the portfolio will be changed depending on the market conditions and the attractiveness of the various classes of financial instruments, in compliance with the Fund Rules and this Prospectus.

Of essential importance to any successful active strategy is the identification and analysis of the factors that most strongly influence the performance of the various classes of assets.

In investing in shares of public companies, the factors that influence the performance of the assets are the macroeconomic environment both in a global and in a regional aspect, the market conditions, their belonging to various sectors of the market, their differing structure and other fundamental and technical factors specific to the individual companies.

In the case of investments in fixed-income securities, these are the expectations for the movement of interest rate levels, their volatility and the spreads between the interest rate levels on the various types of fixed-income securities – government securities, municipal securities, corporate securities, etc.

The instruments in which the Fund will invest will be selected in such a way that the investment portfolio is maximally diversified and protected from unfavourable movements of prices on the financial markets, as well as from substantial exposure to an individual market sector/company/issue. To achieve maximum diversification and an optimal ratio between risk and return, investment decisions will be based both on the expected return of a certain financial instrument and on the basis of the correlation of the daily return of the financial instrument with the daily return of the Fund's assets.

The Fund may use techniques and instruments related to transferable securities and money market instruments, for the efficient management of the portfolio, representing contracts for the purchase or sale of financial instruments with an agreement for the repurchase of the financial instruments (repo transactions), provided that the transactions are economically appropriate, the risks arising from them are adequately identified in the risk management process and provided that they serve the fulfilment of at least one of the following objectives:

1. reduction of risk;
2. reduction of costs;
3. generation of additional income for the Fund with a level of risk that corresponds to its risk profile and the rules for the diversification of risk.

The use of the techniques under 1 may not lead to a change in the investment objectives and restrictions or to an increase in the risk profile of the Fund specified in the prospectus and these rules, approved by the Commission, respectively the deputy chairman.

The Fund may conclude repo transactions only if the counterparties thereto are credit or financial institutions which are subject to prudential supervision by a competent authority of a Member State or another State, party to the Agreement on the Organisation for Economic Co-operation and Development.

The Fund may conclude repo transactions only in respect of financial instruments in which it is permitted to invest in accordance with the prospectus and rules approved by the FSC.

The Fund provides to the Financial Supervision Commission, in its financial statements, separate information on all financial instruments purchased, respectively sold under repo transactions under para. 1, disclosing also the total amount of the contracts in force as at the date of preparation of the statement.

Upon conclusion of the repo transactions, the risk exposure of the Fund to each individual counterparty may not exceed 10 per cent of its assets when the counterparty is a bank under Art. 38(1)(6) ACISOUCL, and 5 per cent of the assets in the other cases.

The Fund may conclude repo transactions for the purchase of financial instruments with an agreement for their repurchase by the seller at a price and within a term specified in the contract between the two parties, or reverse repo transactions, in compliance with the following restrictions:

1. the contract must expressly provide for the possibility of its early termination by the collective investment scheme, whereby the latter repurchases the financial instruments given as a loan, the subject of the contract, or receives back the full monetary amount;
2. the value of the repo transactions concluded must not impede the fulfilment of the Fund's obligation to redeem the units at any time upon request by their holders.

Term repo transactions and reverse repo transactions whose duration does not exceed seven days are considered transactions whose terms allow the collective investment scheme to repurchase the assets at any time.

) The financial instruments that may be the subject of a transaction under para. 1 are:

1. money market instruments within the meaning of Art. 38(1)(9) ACISOUCL;
2. bonds issued or guaranteed by a Member State or another State, party to the Agreement on the Organisation for Economic Co-operation and Development, their central banks, their local government authorities, by the European Central Bank, the European Investment Bank or by a public international organisation of which at least one Member State is a member, as well as qualified debt securities issued or guaranteed by third countries with a credit rating not lower than investment grade, assigned by a credit rating agency registered or certified in accordance with Regulation (EC) No. 1060/2009;
3. shares or units issued by a collective investment scheme under Art. 38(1)(5) ACISOUCL;
4. bonds traded on a regulated market in a Member State or another State, party to the Agreement on the Organisation for Economic Co-operation and Development, the trading of which bonds is sufficiently liquid;
5. shares traded on a regulated market in a Member State or another State, party to the Agreement on the Organisation for Economic Co-operation and Development, provided that these shares are included in an index maintained by this market.

The Fund may conclude repo transactions for the sale of financial instruments with an agreement for their repurchase by the Fund at a price and within a term specified in the contract between the parties, whereby, upon the occurrence of maturity, it is obliged to have sufficient funds for the payment of the amount agreed for the repurchase of the financial instruments.

(Amended by Decision of the BoD of 17.06.2024) Declaration: The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Management Company "COMPASS INVEST" JSC does not take into account the principal adverse impacts of investment decisions on the sustainability factors, in respect of:

- The mutual funds which the Company manages;
- The portfolios of clients with whom the Company has concluded a contract for the management of portfolios of financial instruments;
- In the process of providing investment advice (consultations).

The reasons for not taking into account the principal adverse impacts of investment decisions on the sustainability factors at the present moment are the following:

- the specifics of the mandatory provisions of the sector legislation – in the provision of services the Company is guided by acting in the best interest of the client, taking into account the risk profile and the investment policy for each of them. In connection with the above, if it does not follow these principles and specifics, claims for lost benefits could be directed at the Company as a result of incorrectly taken or not taken investment decisions or, respectively, advice provided. The Company engages all its available resources to achieve the objectives of its clients, which at the present moment do not include requirements for sustainable investments;
- the lack, at the present moment, of regulated and publicly accessible means of disclosure by public companies regarding the presence or absence of ESG data, which could potentially provide an opportunity for the formation of objective information about sustainability factors or their absence.
- The costs of the technical and software provision necessary when taking into account ESG factors in making investment decisions and managing the accompanying risks manifold exceed the possible benefits for investors in view of the scale of the Company's activity;
- the potential effect of any lost benefits as a result of decisions taken or advice provided for investments in the so-called more sustainable products would have to be possible to determine quantitatively through statistical analysis with a view to compliance with the investment policy and the risk profile of the respective Mutual Fund, respectively portfolio of financial instruments, and the achievement of its objectives for an optimal return/risk ratio;
- the considerations of whether a sufficient volume of information or the necessary data can be provided by all public companies in a comparable format, as well as the lack of guarantees that misleading information will not be published.
- the ongoing procedure for the development of a unified European legal framework in connection with the disclosure of information regarding the sustainability risks for the participants in the financial markets.

Notwithstanding that at the present moment the Company does not take into account the principal adverse impacts of the investment decisions and the investment advice on the sustainability factors, it will carry out an ongoing review of the legal requirements and the client preferences and, upon the elimination of the reasons for not taking them into account and a change in the investment policy of the clients, it will analyse and assess whether taking into account the principal adverse impacts on the sustainability factors would contribute to the provision of investment services in compliance with the principle of acting in the best interest of the client/the Funds.

5.3. Types of assets in which the mutual fund may invest

According to the regulatory requirements, the investments of the mutual fund consist only of:

1. (Amended by Decision of the BoD of 16.09.2014 and 22.05.2018) transferable securities and money market instruments admitted to or traded on a regulated market under Art. 152(1) and (2) of the Markets in Financial Instruments Act ("MFIA");
2. (amended by Decision of the BoD of 22.05.2018) transferable securities and money market instruments traded on a regulated market other than that under Art. 152(1) and (2) of the MFIA, in

the Republic of Bulgaria or in another Member State, operating regularly, recognised and publicly accessible, as well as securities and money market instruments issued by the Republic of Bulgaria or another Member State;

3. (Amended by Decision of the BoD of 26.04.2016) transferable securities and money market instruments admitted to trading on an official market of a stock exchange or traded on another regulated market in a third country, operating regularly, recognised and publicly accessible, which are included in a list approved by the deputy chairman of the Financial Supervision Commission in charge of the "Investment Activity Supervision" Division, or are provided for in the Fund Rules;
4. (Amended by Decision of the BoD of 26.04.2016) recently issued transferable securities, in the terms of whose issue there is included an undertaking to request admission and, within a term not longer than one year from their issue, to be admitted to trading on an official market of a stock exchange or on another regulated market, operating regularly, recognised and publicly accessible, which are included in a list approved by the deputy chairman of the Financial Supervision Commission in charge of the "Investment Activity Supervision" Division, or are provided for in the Fund Rules;
5. units of collective investment schemes and/or of other undertakings for collective investment which meet the conditions of Art. 4(1) of ACISOUCL, regardless of whether they are seated in a Member State, provided that:

a) the other undertakings for collective investment meet the following conditions:

aa) they have obtained authorisation to carry out activity under a law pursuant to which supervision is exercised over them which the deputy chairman of the Financial Supervision Commission in charge of the "Investment Activity Supervision" Division considers equivalent to the supervision under the law of the European Union, and cooperation between the supervisory authorities is sufficiently ensured;

bb) the level of protection of the holders of units in them, including the rules for the distribution of the assets, for the use and granting of loans of transferable securities and money market instruments, as well as for the sale of securities and money market instruments which the undertakings for collective investment do not hold, is equivalent to the rules and the protection of the holders of units of collective investment schemes;

vv) they disclose information periodically by preparing and publishing annual and 6-month reports enabling assessment of the assets, liabilities, income and operations carried out during the reporting period, and

b) no more than 10 per cent of the assets of the collective investment schemes or of the other undertakings for collective investment whose acquisition is envisaged may, according to their incorporation acts or their rules, be invested in aggregate in units of other collective investment schemes or in other undertakings for collective investment;

6. deposits in credit institutions, payable on demand or for which there exists the right to be withdrawn at any time, and with a maturity date of not more than 12 months; the credit institutions in a third country must observe rules and be subject to supervision which the deputy chairman of the Financial Supervision Commission in charge of the "Investment Activity Supervision" Division considers equivalent to those under the law of the European Union;
7. derivative financial instruments, including instruments equivalent to them, the obligations under which may be fulfilled by monetary payment, traded on regulated markets under items 1–3;
8. derivative financial instruments traded on over-the-counter markets, provided that:

a) their underlying assets are transferable securities and money market instruments specified in item 1 above, financial indices, interest rates, currency or exchange rates in which the Mutual Fund may invest according to its investment policy specified in these rules;

b) the counterparty to the transaction with these derivative financial instruments is an institution subject to prudential supervision and meets requirements approved by the deputy chairman of the Financial Supervision Commission in charge of the "Investment Activity Supervision" Division;

v) they are subject to reliable and verifiable daily valuation and, at any moment, at the initiative of the Mutual Fund, may be sold, liquidated or closed through an offsetting transaction at fair value;

9. money market instruments other than those traded on a regulated market and specified in § 1(6) of the supplementary provisions of ACISOUCL, if supervision is exercised over the issue or the issuer of these instruments for the purpose of protecting investors or savings and they meet the following conditions:

a) they are issued or guaranteed by central, regional or local authorities in the Republic of Bulgaria or in another Member State, by the Bulgarian National Bank, by a central bank of another Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a third country and, in the cases of a federal state, by one of the members of the federal state, by a public international organisation of which at least one Member State is a member;

b) they are issued by an issuer whose issue of securities is traded on a regulated market under items 1–3 above;

v) they are issued or guaranteed by a person over whom prudential supervision is exercised according to criteria specified by the law of the European Union, or by a person who is subject to and observes rules adopted by the respective competent authority which are at least as strict as the requirements specified by the law of the European Union;

g) they are issued by issuers other than those under letters "a", "b" and "v" above, meeting criteria approved by the deputy chairman of the Financial Supervision Commission in charge of the "Investment Activity Supervision" Division, guaranteeing that:

aa) the investments in these instruments are subject to investor protection equivalent to the protection to which the investments under letters "a", "b" and "v" above are subject;

bb) (Amended by Decision of the BoD of 17.12.2025) the issuer is a company whose capital and reserves amount to not less than EUR 10,000,000, which presents and publishes annual financial statements in accordance with the Fourth Council Directive of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies (78/660/EEC) or with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards, and is a person that finances a group of companies in which one or several companies admitted to trading on a regulated market participate, or a person that finances securitisation companies benefiting from a banking line for ensuring liquidity.

Table 1 presents the structure of the assets to which the fund will strive to adhere.

Table 1. Structure of the assets (Amended by Decision of the BoD of 25.10.2016, 22.05.2018 and 03.01.2020)

Type of asset	Limit
A) bonds, other debt securities and money market instruments admitted to trading or traded on a regulated market under Art. 152(1) and (2) MFIA or traded on another regulated market in the Republic of Bulgaria, operating regularly, recognised and publicly accessible, or another Member State, or admitted to trading on an official market of a stock exchange or traded on another regulated market in a third country, operating regularly, recognised and publicly accessible, which is included in a list approved by the deputy chairman and/or is specified in Art. 7(2) of the Fund Rules;	up to 70% of the assets of the Fund
B) transferable securities and money market instruments issued or guaranteed by the Republic of	

Type of asset	Limit
Bulgaria, another Member State or a third country, their regional and local authorities, or a public international organisation of which at least one Member State is a member, admitted to or traded on a regulated market under Art. 152(1) and (2) MFIA or traded on another regulated market in the Republic of Bulgaria, operating regularly, recognised and publicly accessible, or another Member State, or admitted to trading on an official market of a stock exchange or traded on another regulated market in a third country, operating regularly, recognised and publicly accessible, which is included in a list approved by the Deputy Chairman and/or is specified in Art. 7(2) of the Fund Rules; V) recently issued debt securities, if the terms of the issue include an undertaking to request admission and to be admitted, within a term not longer than one year from their issue, to trading on an official market of a stock exchange or another regulated market, operating regularly, recognised and publicly accessible, which is included in a list approved by the deputy chairman and/or is specified in Art. 7(2) of the Fund Rules;	
A) shares in companies, tradable rights and other transferable securities equivalent to shares in companies, admitted to or traded on a regulated market under Art. 152(1) and (2) of the MFIA or traded on another regulated market in the Republic of Bulgaria or a Member State, operating regularly, recognised and publicly accessible, as well as admitted to trading on an official market of a stock exchange or traded on another regulated market in a third country, operating regularly, recognised and publicly accessible, which is included in a list approved by the deputy chairman and/or is specified in Art. 7(2) of the Fund Rules; B) recently issued shares or other transferable securities equivalent to shares, if the terms of the issue include an undertaking to request admission and to be admitted, within a term not longer than one year from their issue, to trading on an official market of a stock exchange or another regulated market, operating regularly, recognised and publicly accessible, which is included in a list approved by the deputy chairman and/or is specified in Art. 7(2) of the Fund Rules;	up to 80% of the assets of the Fund
(Amended by Decision of the BoD of 17.01.2017) Units of collective investment schemes and/or of other undertakings for collective investment which meet the conditions of Art. 4(1) of ACISOU CI, regardless of whether they are seated in a Member State, provided that the other undertakings for collective investment meet the conditions of Art. 38(1)(5)(a) and (b) of ACISOU CI;	up to 10% of the assets of the Fund
(Supplemented by Decision of the BoD of 11.08.2014) derivative financial instruments, including instruments equivalent to them, the obligations under which may be fulfilled by monetary payment, traded on a regulated market in the Republic of Bulgaria, operating regularly, recognised and publicly accessible, another Member State or a third country, operating regularly, recognised and publicly accessible, which is included in a list approved by the deputy chairman and/or is specified in Art. 7(2) of these Rules, as well as derivative financial instruments traded on over-the-counter markets which meet the legal requirements under Art. 38(1)(8) of ACISOU CI	up to 25% of the assets of the Fund
(Amended by Decision of the BoD of 20.08.2012) deposits in credit institutions which meet the requirements of the law under Art. 38(1)(6) of ACISOU CI	up to 100% of the assets of the Fund
transferable securities and money market instruments other than those under items 1–5 above	up to 10% of the assets of the Fund

5.4. Investment restrictions (Amended by Decision of the BoD of 16.06.2021)

(1) The management company may not invest more than 5 per cent of the assets of the Fund in transferable securities or in money market instruments issued by one person.

(2) The management company may not invest more than 20 per cent of the assets of the Fund in deposits with one credit institution under Art. 38(1)(6) ACISOUCL.

(3) The risk exposure of the Fund to the counterparty in a transaction with derivative financial instruments traded on over-the-counter markets may not exceed 10 per cent of the assets when the counterparty is a credit institution under Art. 38(1)(6) ACISOUCL, and 5 per cent of the assets in the other cases.

(4) The management company may invest up to 10 per cent of the assets of the Fund in transferable securities or in money market instruments issued by one person, provided that the total value of the investments in the persons in which more than 5 per cent of the assets of the Fund are invested does not exceed 40 per cent of the assets of the Fund. The restriction under the first sentence does not apply to deposits in credit institutions over which prudential supervision is exercised, nor to transactions with over-the-counter traded derivative financial instruments with these institutions.

(5) (Amended by Decision of the BoD of 30.06.2021) Notwithstanding the restrictions under paras. 1–3, the Fund may not combine the investments in transferable securities or money market instruments issued by one person, the deposits with that person, as well as the exposure to the same person arising as a result of transactions with over-the-counter traded derivative financial instruments, when, as a result of this combination, the total value of these investments would exceed 20 per cent of its assets.

(6) The management company may invest up to 35 per cent of the assets of the Fund in transferable securities and money market instruments issued by one person, if the securities and the money market instruments are issued or guaranteed by the Republic of Bulgaria, another Member State, by their regional or local authorities, by a third country or by a public international organisation of which at least one Member State is a member.

(7) (Amended by Decision of the BoD of 30.06.2021 and 18.11.2022) The management company may invest up to 25 per cent of the assets of the Fund in covered bonds. The total value of the investments under the first sentence exceeding the restriction under para. 1 for exposures to one issuer may not exceed 80 per cent of the assets of the collective investment scheme.

(8) (Amended by Decision of the BoD of 30.06.2021) The transferable securities and money market instruments under paras. 6 and 7 are not taken into account for the purposes of the restriction under para. 4.

(9) (Amended by Decision of the BoD of 30.06.2021 – former para. 7) The investment restrictions under paras. 1–7 may not be combined when, as a result of this combination, the total value of the investments of the collective investment scheme in transferable securities or money market instruments issued by one person, the deposits with that person, as well as the exposure to the same person arising as a result of transactions with derivative financial instruments under paras. 1–7, would exceed 35 per cent of its assets.

(10) (Amended by Decision of the BoD of 30.06.2021) The companies included in one group for the purposes of preparing a consolidated financial statement in accordance with the recognised accounting standards are regarded as one person in applying the restrictions under the preceding paragraphs.

(11) (Amended by Decision of the BoD of 30.06.2021) The total value of the investments in transferable securities or money market instruments issued by the companies in one group may not exceed 20 per cent of the value of the assets of the collective investment scheme.

(12) The Mutual Fund may not acquire more than:

1. ten per cent of the shares without voting rights issued by one person;
2. ten per cent of the bonds or other debt securities issued by one person;
3. twenty-five per cent of the units of one collective investment scheme or other undertaking for collective investment which meets the requirements of Art. 4(1) ACISOUCL;

4. ten per cent of the money market instruments issued by one person.

(13) The restrictions under para. 12, items 2, 3 and 4 do not apply when, at the moment of acquiring the said instruments, the management company cannot calculate the gross amount of the debt securities, of the money market instruments, or the net value of the issued securities.

(14) (Amended by Decision of the BoD of 30.06.2021) The Fund may invest not more than 10 per cent of its assets in units of one and the same collective investment scheme or other undertaking for collective investment under Art. 38(1)(5), regardless of whether it is seated in a Member State or not.

(15) (Amended by Decision of the BoD of 30.06.2021) When a collective investment scheme invests in units of other collective investment schemes or other undertakings for collective investment managed directly or by delegation by its management company or by another company with which its management company is linked through common management or control, or through a substantial direct or indirect participation, its management company or the other company are not entitled to collect fees from the investing collective investment scheme upon the sale and redemption of the units of the collective investment schemes or the other undertakings for collective investment in which it invests.

(16) The restrictions under the preceding paragraphs do not apply when subscription rights arising from securities and money market instruments which form part of the assets of the Fund are exercised.

(17) In the event of a breach of the investment restrictions for reasons beyond the control of the management company, it, as a matter of priority but no later than six months from the occurrence of the breach, brings the assets of the Fund into compliance with the investment restrictions through sale transactions, taking into account the interests of the unitholders. The management company is obliged, within a 7-day term from the commission of the breach, to notify the Commission, providing information about the reasons for its occurrence and about the measures undertaken for its elimination.

(18) (Amended by Decision of the BoD of 20.12.2022) The total value of the exposure of the Fund related to derivative financial instruments may not be greater than the net asset value of its assets. The MC calculates the total risk exposure of the fund by the commitment method.

(19) The Mutual Fund may invest in derivative financial instruments in compliance with the restrictions under paras. 8, 10, 11 and provided that the exposure of the underlying assets does not cumulatively exceed the restrictions under paras. 1–11.

5.5. Procedure for raising borrowed funds by the fund (amended by Decision of the BoD of 22.05.2018)

The mutual fund, as well as the management company and the depositary bank, when they act on account of the mutual fund, may not use loans. These rules permit the conclusion of a loan contract only after obtaining the prior authorisation from the FSC on a proposal by the deputy chairman and upon the simultaneous observance of the following conditions:

1. the loan is necessary to cover the obligations for the redemption of units of the mutual fund;
2. the loan does not exceed 10 per cent of the assets of the fund;
3. the term of the loan is not longer than 3 months;
4. the terms of the loan contract are not more unfavourable than those customary for the market.
5. the lender under the loan is a bank, with the exception of the depositary bank.

The use of a loan without the prior authorisation of the FSC on a proposal by the deputy chairman is invalid with regard to the unitholders. The loan is not taken into account in calculating the net asset value of the assets of the mutual fund.

6. RULES FOR THE VALUATION OF ASSETS

The Rules for the valuation of assets are annexed to the Prospectus and form an integral part of it. (Annex No. 1)

6.1. Determining the net asset value

The net asset value of the collective investment scheme is calculated by deducting the value of the liabilities from the value of all assets, calculated in accordance with the Rules for the valuation of the portfolio and determining the net asset value.

6.2. Frequency of calculation of unit prices

- 1) The net asset value, the issue value and the redemption price of one unit are calculated and announced twice weekly, on Wednesday and Friday, on the basis of the assets of the fund for the preceding Tuesday and Thursday.
- 2) If a respective day for determining and announcing the valuation is a non-business day, the determination and announcement of the values and prices specified above is carried out for the next business day.
- 3) In the cases where no trading takes place at trading venues on the day of valuation, a subsequent valuation of the assets is carried out for the day of the last trading session preceding the day of valuation.

6.3. Fees related to the issue and redemption of the units

(Amended by Decision of the BoD of 16.06.2021 and 23.09.2021) Upon the purchase of units from the fund through the management company, investors do not pay transaction costs.

(Amended by Decision of the BoD of 26.04.2016 and 20.09.2019) Upon the redemption of units from the fund through the management company, investors pay transaction costs, which are included in the redemption price, whereby the net asset value per unit is reduced by a markdown in the amount of 1.0% of the net asset value per unit. When, upon redemption of units from Strategy, the net amount of the redemption is invested in one or more of the other collective investment schemes managed by Compass Invest JSC, redemption costs are not charged. In these cases, the orders for the issue and redemption are executed at the net asset value per unit.

For the account of the unitholders are also the costs for the transfer of amounts by bank, as well as for additional services such as the issuance of a depository receipt, the sending of confirmations of the purchase/redemption of units, reports and other documents by post. These costs are not included in the issue value of the units purchased, respectively in the redemption price.

Upon a change in the amount of the costs for the issue and redemption of the units of the mutual fund by which the issue value is increased, respectively the redemption price is reduced, the management company notifies the unitholders through a publication on the website of the management company, including through an update of the Prospectus, immediately after the approval of the changes in the fund rules by the deputy chairman of the FSC.

6.4. The methods, places and frequency of publication of these prices

By the end of the business day on which the issue value and the redemption price are calculated, the management company discloses the information about the valuation carried out through:

- entering data on the websites of the management company/mutual fund, including, but not obligatorily, on the websites of BAUD/a financial medium/agency;
- an information board at the office of the management company.
- (Amended by Decision of the BoD of 25.10.2016 and 20.12.2022) In addition, the Management Company publishes on its website and presents to the Financial Supervision Commission summarised information about the announced issue values and redemption prices of the units of

the Mutual Fund once within a term of up to three business days from the end of the month, whereby the information contains the data specified in Art. 77 of Ordinance No. 44 of the FSC on the requirements for the activity of collective investment schemes, management companies, national investment funds, alternative investment funds and persons managing alternative investment funds ("Ordinance 44").

7. REMUNERATION PAYABLE BY THE MUTUAL FUND

7.1. Method of calculating the remuneration of the management company

The annual remuneration of the Management Company is determined by decision of the Board of Directors. By decision of the Board of Directors of "Compass Invest" JSC of 08.09.2008, the annual remuneration of the MC is equal to 2.40% of the average annual net asset value of the fund.

The management company accrues the agreed remuneration daily on the basis of the officially announced previous net asset value. At its discretion, on certain days the Management Company may accrue no remuneration at all or accrue less than the permissible remuneration. The daily remunerations accrued during the month are paid to the Management Company in aggregate for the whole month, on the first business day of the following month. The redemption costs by which the net asset value per unit of the fund is reduced and which are accordingly included in the redemption price per unit are costs incurred by the management company, for which reason the respective income is contributed in favour of the management company, in addition to the agreed remuneration.

When the mutual fund invests in units of other collective investment schemes or undertakings for collective investment managed directly or by delegation by the management company or by another company with which the management company is linked through common management or control, or through a substantial direct or indirect participation, the management company or the other company are not entitled to collect fees upon the sale and redemption of the units of that collective investment scheme.

(New by Decision of the BoD of 25.10.2016) Apart from the remuneration under item 7.1 above, no remunerations, incentives, bonuses and other benefits to employees of Compass Invest JSC are paid from the funds of the mutual fund in any form.

The Remuneration Policy of Compass Invest JSC is accessible on the website of the management company www.compass-invest.eu in the Documents section.

Management company Compass Invest JSC declares that it will provide, free of charge, on paper, the Remuneration Policy of Compass Invest JSC to any person upon request.

7.2. Method of calculating the remuneration of the depositary bank

The remuneration of the depositary bank is determined as fees and commissions for depositary services under the contract, as follows: fees for the safekeeping of financial instruments, fees for the transfer of financial instruments, a monthly fee for confirming the net asset value, without a commission for the maintenance and opening of accounts.

The management company, on account of the fund, pays for the performance of other banking operations fees and commissions in accordance with the Tariff in force for the terms, interest, fees and commissions of the depositary bank.

The remuneration is paid by the 5th day of the month following the month for which the remuneration is due.

7.3. Operating expenses

(amended by Decision of the BoD of 20.09.2019) The operating expenses may not exceed 1.5% of the annual average net asset value of the fund. These expenses are deducted from the assets of MF "Strategy"

and are thus indirectly borne by all unitholders. They are the second component of expenses which investors should take into account when investing in the Mutual Fund.

"Operating expenses" include basic predictable operating expenses such as: remuneration of consultants; remuneration of the Depositary Bank; remunerations and fees of the investment intermediaries, banks, the Exchange and the Central Depository, and other similar ones related to the investment of the assets of the Mutual Fund; the remuneration of the auditors for the certification of the annual financial statements of the Mutual Fund, the costs for advertising and marketing of the Fund, for contacts with investors, the current fees for supervision, membership and other similar ones of the Commission, the Exchange and the Central Depository and other state authorities and institutions related to the activity of the Fund; other expenses specified in the Fund Rules for its account, court and other expenses related to the protection of the interests of the unitholders in the Mutual Fund, as well as other extraordinary expenses related to the activity of the Fund.

7.4. Reimbursement of expenses

The operating expenses per year may not exceed 1.50% of the annual average net asset value of the fund. If, according to the monthly balance sheet, the amount of the operating expenses exceeds 1.5% of the annual average net asset value of the fund, the difference is reimbursed to the fund at the expense of the management company.

8. RISK PROFILE AND RISK FACTORS

(amended by Decision of the BoD of 20.09.2019) It is important to bear in mind that the investment in units of the Mutual Fund is not a bank deposit and therefore it is not guaranteed under the Bank Deposit Guarantee Act. Although the leading investment objective of MF "Strategy" is an increase in the value of the investment in units, there is no complete certainty that, by investing in units of the Fund, investors will not lose money.

8.1. Risk appetite and risk profile

In investment theory and practice it has been established that, over a long period of time, there exists a relationship between the level of risk and the return that can be expected. In principle, higher risk implies higher return. In this connection, it is necessary to determine the risk appetite of investors. As a consequence of this appetite, the risk profile of the investment portfolio should also be determined. The main target group of investors in the Fund are the small and medium-sized investors with above-average incomes for the country, with above-average investment culture and setting themselves saving, and not speculative, objectives before their investment decisions, as well as institutional investors. This defines the investors in the Fund as investors with a moderate risk appetite.

There are two factors that influence the risk tolerance of investors:

- the financial ability to assume the risk;
- the willingness to accept the variability in the return of the investment.

Taking into account these two factors of the risk tolerance of investors, the Fund also builds its risk profile. The risk profile of the Fund is determined in the range low to moderate. In this way, it is assumed that the investors in the Fund are aware that high return implies variability and show a willingness to tolerate a decline in the value of the portfolio of 15% and more within one year.

8.2. Risk factors

In the dynamic and chaotic environment of the financial markets, investors need a correct identification of the risk factors and their characteristics for the purpose of their accurate assessment and prudent management. Risk in Modern Portfolio Theory is defined as the possible deviations from the expected return. A main motive of the investors in the Fund is the professional management of risk. For this reason,

the Management Company monitors and analyses all groups of factors that influence the return of the investments of the Fund.

8.3. Types of risks and risk assessment

The main risks to which the investments of the Fund are exposed are:

1. Market risk

Market risk is the risk of losses of the value of on-balance-sheet and off-balance-sheet positions arising from changes in the market prices of the investment instruments.

The main components of market risk which the Management Company monitors are:

- equity risk;
- interest rate risk;
- currency risk.

A. Equity risk is the risk of losses from a change in the prices of shares that are traded on a regulated market. According to Modern Portfolio Theory and, in particular, the Capital Asset Pricing Model (CAPM), this risk is divided into two components:

Systematic risk, which relates to the sensitivity of a given investment instrument or the value of the portfolio to changes in the levels of the main market index.

Unsystematic (specific) risk relates to the share of the variability of a given instrument which is determined by the specific characteristics of the firm. Only unsystematic risk can be eliminated through diversification.

Owing to the specifics of the Bulgarian market, however, the monitoring of these two types of equity risk is not sufficiently effective. This is conditioned by the character of the market as an emerging one. In emerging markets it has been established that the sensitivity of the assets with respect to the market levels is not clearly pronounced; it is highly variable and uncertain as a magnitude. This circumstance conditions the need to apply other models for assessing equity risk which exceed the capabilities of the CAPM.

For this reason, the Management Company monitors, in addition to the systematic and unsystematic risk, also the total risk and the change of the risk of each individual asset included in the portfolio of the Fund. Of particular importance is the monitoring of the variability of the total risk (i.e. the risk of the risk).

B. Interest rate risk is the risk of losses due to changes in interest rates. A substantial part of the portfolio of the Fund is invested in bonds and therefore this part is exposed to interest rate risk.

Interest rate risk is composed of two components:

Price risk – the risk of deviations of the market prices of debt securities. Owing to the change of the main price-forming factor on the bond market – the interest rate – it is possible for the values of the assets in which the Fund has invested to change. In this way, owing to a change in interest rates on the day of the investment horizon, investors will have a changed value of their investment.

Reinvestment risk – the risk of a change in the interest rate at which the interim monetary income from their bonds is reinvested until the moment of their holding. The portfolio of debt securities of the Fund is exposed to reinvestment risk, since it is not known at what interest rate the coupons will be reinvested. If, after the purchase of the bonds, interest rates fall, then the coupons will be reinvested at a lower rate than expected, which will be reflected on the final value of the portfolio, which will be below the expected one.

The two components of interest rate risk have an opposite influence on the value of the portfolio. If interest rates increase, then the price of the bonds will fall below expectations, but the coupons will be reinvested at a higher interest rate. Hence, the income obtained from reinvestment will be higher than

expected. In the event that interest rates fall, then the price of the bonds will be higher than expected, but the income from reinvestment of the coupons will be lower.

V. Currency risk – represents the risk of losses related to the unfavourable changes in exchange rates. Owing to the possibility of the Fund investing in foreign shares, the monitoring of this risk is of significance to investors. The sources of currency risk are the "spot" rate of the currencies, and also the forward exchange rates. Depending on the character and the causes of the change of the exchange rates, currency risks may be classified as follows:

Current currency risk – the risk of a random change of the currencies with floating rates. Most countries have floating currencies whose fluctuations reflect both fundamental and technical factors.

Risk of devaluation of the currencies – the risk of a sharp fall of the exchange rates with respect to other currencies. An example of devaluation of the currencies is the Asian crisis in 1998, when the exchange rates of dozens of countries fell catastrophically by 20% to 80% within two days. Although devaluation is associated with macroeconomic factors, the immediate reduction of the rate depends on the decisions of the national regulatory authorities. Such decisions may be an official reduction of the fixed rate, a refusal to maintain the exchange rate, a refusal to peg the exchange rate to the currencies of other countries.

Risk of a change in the currency regulation system – the risk of loss related to the change of the currency regime. In this connection, as an example of such a type of change may be the transition from a fixed exchange rate to a floating one and vice versa, or the transition to the use (or refusal to use) of market methods for regulating the exchange rate.

2. Credit risk

Credit risk is the risk that the issuer of debt securities, respectively the person that provided collateral, will be unable to fulfil its obligations, in particular to pay in time the principal and/or the interest due. In the case of repurchase agreements, if the counterparty of the Fund cannot fulfil its obligation to repurchase the securities, the Fund may incur a loss to the extent that the proceeds from the sale of the collateral are less than the redemption price when it is fixed. When the specific securities have a credit rating, credit risk includes the possibility of a downgrade of the credit rating of the securities in which the Mutual Fund has invested.

4. Operational risk

Operational risk is the risk of direct and indirect losses related to errors or imperfections in the organisation system, insufficiently qualified personnel, unfavourable external events of a non-financial character.

Operational risk is classified into several types.

Personnel risk is the risk of losses related to the possibility of errors, fraud, insufficient qualification, unfavourable changes in labour legislation.

Technological risk is the risk of losses conditioned by the imperfection of the technologies used – inadequacy of the operations carried out, lack of precision of the methods of data processing, low quality of the data used.

Environmental risk is related to the possible losses related to changes in the environment of a non-financial character in which the Fund operates – changes in legislation, political changes, changes in the tax system.

Risk of physical interference is associated with the losses as a result of direct physical interference in the activity of the Fund – robbery, terrorist act, unauthorised penetration into the information system of the Fund or the Management Company.

5. Liquidity risk

Liquidity risk is the possibility of the Fund not meeting its obligations owing to the impossibility of obtaining adequate financing or liquid assets.

6. Political risk

Political risks are related to the possibility of the occurrence of unfavourable domestic political upheavals and a change in the economic legislation.

This risk is related to the possibility of the government of a country suddenly changing its policy and, as a result of this, the environment in which the companies operate changing unfavourably, and the investors incurring losses. The governments of some countries may undertake measures, including an increase of taxation, restriction of the repatriation of profit, etc., which may have an unfavourable influence on the Fund.

(New by Decision of the BoD of 16.09.2014) Risk of investments in derivative financial instruments

The management company concludes transactions with derivative instruments for the purpose of hedging other financial instruments and/or with a view to achieving the investment objectives, in accordance with the investment policy of the company. The management company concludes, on behalf of the Fund (as buyer or seller), only derivative contracts that meet certain criteria described in the risk management rules. The derivative financial instruments in which the Management Company invests on account of the investment company are:

interest rate futures; futures on debt securities; forward rate agreements; forward commitments to purchase or sell debt instruments; options on interest rates; options on debt instruments; options on shares; options on financial futures; options on swaps; options on exchange rates; warrants on debt instruments; warrants on shares; swaps.

The main risks under the derivative instruments specified above are related to the risks characteristic of the underlying instruments on the basis of which they are constructed. The main risks characteristic of the specified derivative instruments are the price, interest rate and currency risks. In addition, in managing the assets of the MF, the management company complies with the restriction that the value of the underlying asset of each individual hedging position may not exceed the value of the asset at the moment of concluding the transaction which the Fund holds in its portfolio. For the calculation of the total risk exposure, the commitment method is used.

(New by Decision of the BoD of 18.11.2022) Risks related to the use of efficient portfolio management techniques.

The use of repo transactions is related to certain risks, such as, e.g., the risk of default by the counterparty. In this case, the Fund may proceed to realise the collateral received. If the collateral is in the form of securities, there is a risk that its sale will yield less than the cash provided, whether owing to inaccurate pricing of the collateral, unfavourable market movements, deterioration of the credit rating of the issuer of the collateral, or the illiquidity of the market on which the collateral is traded. Accordingly, if the collateral is in the form of cash, there is a risk that it will be insufficient for the purchase of the same number of securities that were provided under the transaction. On the other hand, the reinvestment of the cash collateral received under repo transactions involves risks related to the type of investments made, and the risk that the value of the cash collateral may fall below the amount due to the counterparty.

(amended by Decision of the BoD of 20.09.2019) In conclusion, you should bear in mind that the value of the units of the Mutual Fund and the income from them may fall, the profit is not guaranteed, and you, as an investor, assume the risk of not recovering your investment in full. The investments in units of "Strategy" are not guaranteed by a guarantee fund or in another way. The previous results of the activity of the Mutual Fund have no connection to the future results of its activity.

9. INFORMATION ABOUT THE DEPOSITARY BANK

9.1. (Amended by Decision of the BoD of 17.01.2017 and 03.05.2019) Data for the identification of the depositary bank and description of its duties and of the conflicts of interest that may arise

Name, registered office and management address

Commercial Bank "United Bulgarian Bank" JSC, referred to for brevity in this prospectus as the "depositary bank". Registered office and management address: Republic of Bulgaria, Sofia, "Stolichna" municipality, 89B "Vitosha" Blvd.

Main activity of the depositary bank

The depositary bank provides depositary servicing of the mutual fund by safekeeping and exercising supervision over the assets of the mutual fund, including:

a) ensures that the issue, sale, redemption and cancellation of the units of the mutual fund are carried out in accordance with the law and the rules of the mutual fund;

b) ensures that the value of the units of the fund is calculated in compliance with the law and the rules of the collective investment scheme;

v) carries out a regular check for correspondence between the accounts kept by the management company and the depositary for the assets of the collective investment scheme, and in the cases under Art. 37a of Ordinance No. 44 – also with the accounts kept by the third person;

g) ensures the transfer, within the customary time limits, of all cash in favour of the collective investment scheme arising from transactions with its assets;

d) ensures that the income of the fund is distributed in accordance with the law and with the rules of the fund;

e) reports at least once a month to the management company on the assets entrusted and the operations carried out with them, including by providing a full inventory of the assets of the mutual fund, by the 5th day of the following month;

z) carries out monitoring of the cash flows of the fund, including monitors whether all payments made by investors or on their behalf and for their account upon the subscription of units of the fund have been received and accounted for in accounts which:

(amended by Decision of the BoD of 20.09.2019) 1. are opened in the name of Strategy or in the name of the management company acting on behalf of and for the account of the fund, or in the name of the depositary bank acting on behalf of and for the account of the fund;

2. are opened at a central bank, a bank licensed under the procedure of the Credit Institutions Act, a bank licensed in a Member State, or a bank that has obtained authorisation in a third country, and

3. are managed in compliance with letter "i" below.

i) manages the cash of the fund by:

1. keeping records and maintaining the accounts in a manner that allows, at any moment, immediate distinction of the assets of the fund held from the assets held for another client, as well as from the own assets of the depositary bank;

2. keeping records and maintaining the accounts in a manner that ensures their accuracy;

3. carrying out a regular check for correspondence between the accounts kept by the management company and the depositary bank for the assets of the fund, and in the cases under Art. 37a of ACISOUIC – also with the accounts kept by a third person;

4. undertaking the necessary measures to ensure that all cash of the fund deposited with a third person can be clearly distinguished from the cash of the depositary bank and of that third person through individual accounts of the holders kept by the third person, or through equivalent measures that achieve the same level of protection;

5. undertaking the necessary measures to ensure that the cash of the fund in the accounts with a person under letter 3), item 2 above is held in an individual account or in accounts separately from all accounts for holding cash of the person in whose name the assets of the fund are safe-kept;

6. introducing an appropriate organisation and undertaking the necessary actions to minimise the risk of loss or of a reduction of the assets as a result of misuse, fraud, poor management, improper keeping and safekeeping.

Conflicts of interest

The depositary bank, as well as the members of its management and control bodies, may not be one and the same or a related person with the management company, with the members of its management or control bodies, or with another person who performs management functions.

The depositary bank exercises the care of a good merchant, performs its duties honestly, fairly, professionally, independently and solely in the interest of the fund and of the unitholders in the fund.

(amended by Decision of the BoD of 20.09.2019) The depositary bank may not carry out activity for the fund or for the management company acting on behalf of the fund which may give rise to a conflict of interest between the fund, the investors in it, the management company and the depositary itself, unless there is a functional and hierarchical separation between the functions performed by the depositary bank for the fund and its other functions, and the conflicts of interest that may arise are accordingly identified, managed, monitored and disclosed to the investors in Strategy.

9.2. (New by Decision of the BoD of 17.01.2017) Description of all safekeeping functions delegated by the depositary bank, list of the persons to whom functions have been delegated or sub-delegated, and the potential conflicts of interest that may arise from such delegation.

As at the date of updating this Prospectus, the Management Company has no information that the fund's depositary bank, United Bulgarian Bank JSC, has delegated safekeeping functions.

9.3. (New by Decision of the BoD of 17.01.2017) Declaration by the management company

The management company declares that, upon request by investors, current information regarding items 9.1 and 9.2 will be provided.

10. INFORMATION ABOUT THE CONSULTANCY FIRMS OR EXTERNAL CONSULTANTS WHO PROVIDE ADVICE UNDER A CONTRACT AND WHOSE REMUNERATION IS PAID FROM THE ASSETS OF THE FUND

As at the moment of updating the Prospectus, there are no contracts concluded with consultancy firms and external consultants.

11. RESULTS OF THE ACTIVITY OF THE MUTUAL FUND FOR PREVIOUS YEARS

a) Selected financial information

Selected financial information for 2011:

- net asset value per unit at the beginning of the year – BGN 0.7301;
- net asset value per unit at the end of the period – BGN 0.6643;
- total return per unit – -8.57%.

Selected financial information for 2012:

- net asset value per unit at the beginning of the year – BGN 0.6618;
- net asset value per unit at the end of the period – BGN 0.6837;
- total return per unit – 3.31%.

Selected financial information for 2013:

- net asset value per unit at the beginning of the year – BGN 0.6859;
- net asset value per unit at the end of the period – BGN 0.7032;
- total return per unit – 2.52%.

Selected financial information for 2014:

- net asset value per unit at the beginning of the year – BGN 0.7082;
- net asset value per unit at the end of the period – BGN 0.7001;
- total return per unit – -1.14%.

Selected financial information for 2015:

- net asset value per unit at the beginning of the year – BGN 0.6998;
- net asset value per unit at the end of the period – BGN 0.7004;
- total return per unit – 0.09%.

Selected financial information for 2016:

- net asset value per unit at the beginning of the year – BGN 0.7022;
- net asset value per unit at the end of the period – BGN 0.6875;
- total return per unit – -2.09%.

Selected financial information for 2017:

- net asset value per unit at the beginning of the year – BGN 0.6884;
- net asset value per unit at the end of the period – BGN 0.7204;
- total return per unit – 4.65%.

Selected financial information for 2018:

- net asset value per unit at the beginning of the year – BGN 0.7199;
- net asset value per unit at the end of the period – BGN 0.6931;
- total return per unit – -3.72%.

Selected financial information for 2019:

- net asset value per unit at the beginning of the year – BGN 0.6980;
- net asset value per unit at the end of the period – BGN 0.7098;
- total return per unit – 1.69%.

Selected financial information for 2020:

- net asset value per unit at the beginning of the year – BGN 0.7287;
- net asset value per unit at the end of the period – BGN 0.7180;
- total return per unit – -1.47%.

Selected financial information for 2021:

- net asset value per unit at the beginning of the year – BGN 0.7199;
- net asset value per unit at the end of the period – BGN 0.7112;
- total return per unit – -1.21%.

Selected financial information for 2022:

- net asset value per unit at the beginning of the year – BGN 0.7093;

- net asset value per unit at the end of the period – BGN 0.6998;
- total return per unit – -1.34%.

Selected financial information for 2023:

- net asset value per unit at the beginning of the year – BGN 0.7028;
- net asset value per unit at the end of the period – BGN 0.7479;
- total return per unit – 6.42%.

Selected financial information for 2024:

- net asset value per unit at the beginning of the year – BGN 0.7568;
- net asset value per unit at the end of the period – BGN 0.8184;
- total return per unit – 8.13%.

Selected financial information for 2025:

- net asset value per unit at the beginning of the year – BGN 0.8161;
- net asset value per unit at the end of the period – BGN 0.8475;
- total return per unit – 3.85%.

b) minimum, maximum and weighted-average issue value and redemption price

For 2011

- minimum issue value – BGN 0.6525;
- maximum issue value – BGN 0.7904;
- weighted-average issue value – BGN 0.7361;
- minimum redemption price – BGN 0.6444;
- maximum redemption price – BGN 0.7805;
- weighted-average redemption price – BGN 0.7269;

For 2012

- minimum issue value – BGN 0.6391;
- maximum issue value – BGN 0.6837;
- weighted-average issue value – BGN 0.6578;
- minimum redemption price – BGN 0.6327;
- maximum redemption price – BGN 0.6769;
- weighted-average redemption price – BGN 0.6526;

For 2013

- minimum issue value – BGN 0.6646;
- maximum issue value – BGN 0.7032;
- weighted-average issue value – BGN 0.6621;
- minimum redemption price – BGN 0.6580;
- maximum redemption price – BGN 0.6962;
- weighted-average redemption price – BGN 0.6710;

For 2014

- minimum issue value – BGN 0.6890;
- maximum issue value – BGN 0.7317;
- weighted-average issue value – BGN 0.7027;
- minimum redemption price – BGN 0.6821;
- maximum redemption price – BGN 0.7244;

- weighted-average redemption price – BGN 0.7122;

For 2015

- minimum issue value – BGN 0.6925;
- maximum issue value – BGN 0.7153;
- weighted-average issue value – BGN 0.7065;
- minimum redemption price – BGN 0.6856;
- maximum redemption price – BGN 0.7081;
- weighted-average redemption price – BGN 0.7028;

For 2016

- minimum issue value – BGN 0.6825;
- maximum issue value – BGN 0.7194;
- weighted-average issue value – BGN 0.6934;
- minimum redemption price – BGN 0.6757;
- maximum redemption price – BGN 0.7122;
- weighted-average redemption price – BGN 0.6909;

For 2017

- minimum issue value – BGN 0.6770;
- maximum issue value – BGN 0.7330;
- weighted-average issue value – BGN 0.7086;
- minimum redemption price – BGN 0.6702;
- maximum redemption price – BGN 0.7257;

For 2018

- minimum issue value – BGN 0.6931;
- maximum issue value – BGN 0.7425;
- weighted-average issue value – BGN 0.7116;
- minimum redemption price – BGN 0.6862;
- maximum redemption price – BGN 0.7351;
- weighted-average redemption price – BGN 0.7199;

For 2019

- minimum issue value – BGN 0.6918;
- maximum issue value – BGN 0.7242;
- weighted-average issue value – BGN 0.7133;
- minimum redemption price – BGN 0.6849;
- maximum redemption price – BGN 0.7170;
- weighted-average redemption price – BGN 0.7062;

For 2020

- minimum issue value – BGN 0.6766;
- maximum issue value – BGN 0.7382;
- weighted-average issue value – BGN 0.7108;
- minimum redemption price – BGN 0.6698;
- maximum redemption price – BGN 0.7308;
- weighted-average redemption price – BGN 0.7073;

For 2021

- minimum issue value – BGN 0.6923;
- maximum issue value – BGN 0.7539;
- weighted-average issue value – BGN 0.7275;
- minimum redemption price – BGN 0.6854;
- maximum redemption price – BGN 0.7464;
- weighted-average redemption price – BGN 0.7175;

For 2022

- minimum issue value – BGN 0.6798;
- maximum issue value – BGN 0.7322;
- weighted-average issue value – BGN 0.7032;
- minimum redemption price – BGN 0.6730;
- maximum redemption price – BGN 0.7249;
- weighted-average redemption price – BGN 0.6962;

For 2023

- minimum issue value – BGN 0.6887;
- maximum issue value – BGN 0.7555;
- weighted-average issue value – BGN 0.7206;
- minimum redemption price – BGN 0.6818;
- maximum redemption price – BGN 0.7479;
- weighted-average redemption price – BGN 0.7134;

For 2024

- minimum issue value – BGN 0.7221;
- maximum issue value – BGN 0.8183;
- weighted-average issue value – BGN 0.7763;
- minimum redemption price – BGN 0.7129;
- maximum redemption price – BGN 0.8101;
- weighted-average redemption price – BGN 0.7686;

For 2025

- minimum issue value – BGN 0.7849;
- maximum issue value – BGN 0.8757;
- weighted-average issue value – BGN 0.8315;
- minimum redemption price – BGN 0.7747;
- maximum redemption price – BGN 0.8684;
- weighted-average redemption price – BGN 0.8202;

c) number of units in circulation at the beginning and at the end of the year

For 2011

- number of units in circulation at the beginning of the period – 397,832.17;
- number of units in circulation as at the end of the period – 397,832.17.

For 2012

- number of units in circulation at the beginning of the period – 286,179.6629;
- number of units in circulation as at the end of the period – 2,007,631.4424.

For 2013

- number of units in circulation at the beginning of the period – 2,007,631.4424;
- number of units in circulation as at the end of the period – 3,026,235.5059.

For 2014

- number of units in circulation at the beginning of the period – 3,026,235.5059;
- number of units in circulation as at the end of the period – 5,215,305.9404.

For 2015

- number of units in circulation at the beginning of the period – 5,215,305.9404;
- number of units in circulation as at the end of the period – 7,391,797.3017.

For 2016

- number of units in circulation at the beginning of the period – 7,391,797.3017;
- number of units in circulation as at the end of the period – 15,607,206.7246.

For 2017

- number of units in circulation at the beginning of the period – 15,607,206.7246;
- number of units in circulation as at the end of the period – 22,778,344.4064.

For 2018

- number of units in circulation at the beginning of the period – 22,778,344.4064;
- number of units in circulation as at the end of the period – 24,941,400.8979.

For 2019

- number of units in circulation at the beginning of the period – 24,941,400.8979;
- number of units in circulation as at the end of the period – 26,387,489.4600.

For 2020

- number of units in circulation at the beginning of the period – 26,387,489.4600;
- number of units in circulation as at the end of the period – 30,015,876.4852.

For 2021

- number of units in circulation at the beginning of the period – 30,015,876.4852;
- number of units in circulation as at the end of the period – 33,963,509.0028.

For 2022

- number of units in circulation at the beginning of the period – 33,963,509.0028;
- number of units in circulation as at the end of the period – 33,953,174.8658.

For 2023

- number of units in circulation at the beginning of the period – 33,953,174.8658;
- number of units in circulation as at the end of the period – 35,490,423.7683.

For 2024

- number of units in circulation at the beginning of the period – 35,490,423.7683;
- number of units in circulation as at the end of the period – 35,726,613.2447.

For 2025

- number of units in circulation at the beginning of the period – 35,726,613.2447;
- number of units in circulation as at the end of the period – 35,730,409.5284.

Warning: The value of the units and the income from them may fall, the profit is not guaranteed and investors assume the risk of not recovering their investments in full, and the investments in the fund are not guaranteed by a guarantee fund, and the previous results of the activity have no connection to the future results of the fund.

12. PROFILE OF THE TYPE OF INVESTOR

The investment in units of the Fund is intended for individual investors who seek growth in real terms of the investments made through combining a stable income secured by the investments in fixed-income securities, and the realisation of capital gains, and are prepared to assume a moderate level of risk.

The typical investor is a person who seeks a significant increase of their investment over the long term, while at the same time, in case of a need for funds, being able to take advantage of the liquidity of their investment in units of the FUND by presenting them for redemption.

The investment in units of the Fund is also suitable for institutional investors who follow a moderate policy in managing their funds and have a long-term investment horizon. An investment of a percentage of the assets of the institutional investor in units of the Fund would allow diversification of the investment portfolio, while at the same time giving the possibility of realising a higher return over its entire portfolio. The placement of funds in the Fund is also suitable for corporate investors who, temporarily or in the medium term, have free cash and do not have an investment alternative that would provide them with a comparably high return and, at the same time, liquidity of the investment.

13. ECONOMIC INFORMATION

13.1. Transaction costs

The fees upon the purchase and redemption of units are the costs that are paid directly by the investors/unitholders and are described in detail in item 6.3.

13.2. Annual operating expenses

The annual operating expenses are the expenses that are deducted from the assets of the fund and are thus indirectly borne by all unitholders. They are the second component of expenses which investors should take into account when investing in the fund. The annual operating expenses of the fund include the remuneration of the management company, of the depositary bank and other operating expenses, described in detail in item 7, whose amount is not more than 3.90% of the annual average net asset value of the fund.

13.3. (new by Decision of the BoD of 18.11.2022) Description of the policy regarding the direct and indirect operating expenses and fees resulting from the use of efficient portfolio management techniques.

The net income (gross income minus the direct and indirect operating expenses) received as a result of the use of efficient portfolio management techniques remains in the Fund. Information about direct and indirect operating expenses and fees that may arise in this respect will be available in the annual financial statements of the Fund.

14. COLLATERAL POLICY. (NEW BY DECISION OF THE BOD OF 17.01.2017 AND AMENDED BY DECISION OF THE BOD OF 22.02.2017 AND 17.12.2025)

All assets received by the Fund as a result of efficient portfolio management techniques used are regarded as collateral and meet the criteria below. In calculating the thresholds under Art. 45 and 46 of ACISOUIC, the risk exposure of the Fund to a counterparty as a result of transactions with over-the-counter traded derivative instruments and efficient portfolio management techniques is included. The management company monitors compliance with the restrictions in the portfolio of the Fund. In the event that the Fund receives collateral for not less than 30 per cent of its assets, the management company is obliged to develop and apply a policy that guarantees the carrying out of stress tests under normal and under exceptional liquidity conditions, so as to make it possible to assess the liquidity risk of the Fund related to the collateral.

In the cases where transactions with over-the-counter financial derivatives are carried out on behalf of and for the account of the Fund and efficient portfolio management techniques are used, any collateral used to reduce the risk exposure to the counterparty meets, at all times, the following criteria: liquidity; valuation; quality of the issuer; correlation; diversification of the collateral; risks related to the management of the collateral; upon a transfer of a unit, the collateral received is held by the depositary of the collective investment scheme; the collective investment scheme may proceed to enforce the collateral received at any time without reference to a counterparty or approval by it; the non-cash collateral may not be sold, reinvested or pledged; the cash collateral may only be:

- a) placed on deposit with a person under Art. 38(1)(6) of ACISOU CI;
- b) invested in high-quality government securities;
- v) used for the purposes of reverse repo transactions, provided that the transactions are with credit institutions that are subject to prudential supervision and that the Fund may, at any time, receive back the full cash amount together with the interest due;
- g) invested in short-term money market funds.

The cash collateral is invested by observing the diversification principles applicable to the non-cash collateral. The cash collateral is invested only in banks for which there is no information that, during the last 3 calendar years, liquidity support has been required from their local governments.

The Fund may exceed the diversification restrictions if the collateral is in different transferable securities and money market instruments issued by any of the persons under Art. 38(1)(9)(a) of ACISOU CI, in compliance with the requirements under Art. 47(4) of ACISOU CI.

The Fund may accept as collateral financial assets exceeding 20 per cent of the net asset value of its assets when they are issued by any of the Member States of the EU, as well as by all regional or local authorities in the Member States issuing or guaranteeing securities. The Fund may accept as collateral financial assets exceeding 20 per cent of the net asset value of its assets – instruments issued by public international organisations with an investment credit rating from at least one of the big three rating agencies – Standard & Poor's, Fitch or Moody's. In the event that the Fund acquires cash collateral, it disposes of it in accordance with its investment strategy in accordance with its Prospectus and its Rules.

The assessment of eventual losses on deposits in euro is carried out by reducing the nominal value of the collateral by the eventual costs of disposing of it. The assessment of eventual losses on deposits in euro is carried out by converting the amount of the collateral at the buying rate of the bank in which the collateral is kept and reducing it by the eventual costs of disposing of it.

The assessment of eventual losses on deposits in a foreign currency other than euro is carried out by:

- a) taking the current buying rate of the bank in which the collateral is kept;
- b) taking the standard deviation of the exchange rate against the euro on a monthly basis for the last 12 months;
- v) in assessing the eventual loss from the collateral, an exchange rate calculated by the following formula is taken: CURRENT BUYING EXCHANGE RATE – STANDARD DEVIATION ON AN ANNUAL BASIS;
- g) the assessment of the collateral under letter "b" is reduced by the eventual costs of disposing of it.

The assessment of eventual losses from collateral invested in high-quality government securities is carried out by taking the price at which there is demand for the same securities. The assessment of eventual losses from collateral invested in short-term money market funds is carried out on the basis of the current redemption prices of the said funds. The assessment is adjusted by reducing it by the standard deviation of the price of the fund. The assessment of eventual losses from the non-cash collateral is carried out in accordance with the characteristics of the assets received as collateral.

The assessment of eventual losses from debt instruments provided as collateral is carried out by assessing the risk of changes in the interest levels of the same. In the event that the instruments possess a credit rating, the management company assesses the probability that changes in the credit rating will lead to changes in the prices of the collateral. The assessment of eventual losses from shares provided as collateral is carried out by taking into account the variability of their prices. The valuation of shares is carried out by reducing the last price at which transactions on a regulated market with the said shares have been concluded by the amount of the standard deviation of the price of the same shares on a monthly basis, calculated for the last 12-month period. In the event that the instruments possess a credit rating, the management company assesses the probability that changes in the credit rating will lead to changes in the prices of the collateral.

15. (NEW BY DECISION OF THE BOD OF 22.02.2017, AMENDED BY DECISION OF THE BOD OF 18.11.2022) INFORMATION ABOUT THE MUTUAL FUND'S INTENTION TO USE THE INCREASED DIVERSIFICATION LIMITS SPECIFIED IN ART. 46(1) ACISOUČI

The mutual fund has no intention to use the increased diversification limits specified in Art. 46(1) of ACISOUČI.

16. (NEW BY DECISION OF THE BOD OF 27.05.2020, AMENDED BY DECISION OF THE BOD OF 08.02.2022 AND 31.01.2023) DETAILS ON THE CURRENT REMUNERATION POLICY OF THE MANAGEMENT COMPANY

The management company adopts and applies a remuneration policy for the purpose of determining the principles for the formation of remunerations in MC "Compass Invest" JSC, which covers all forms of remuneration, such as salaries and other financial and/or material incentives, including benefits related to voluntary pension and/or health insurance.

In drawing up the policy, the nature, scale and complexity of the activity of the management company, the structure of its internal organisation and the scope of the investment services and activities carried out by it have been taken into account. MC "Compass Invest" JSC applies the policy by observing the following main principles:

- a) promotion of the prudent and effective management of risk and non-encouragement of the assumption of risks exceeding the acceptable level;
- b) alignment with the business strategy of the company (activity programmes, rules and policies), the objectives, values and long-term interests of MC "Compass Invest" JSC;
- v) application of measures to avoid a conflict of interest;
- g) alignment with the principles and good practices for the protection of the interests of the clients of MC "Compass Invest" JSC and of the investors in the managed mutual funds;
- d) gender neutrality;
- e) prevention of any form of discrimination (with respect to gender, age, race, religion, etc.) and unequal treatment of the employees;

The management company applies the remuneration policy in the preparation, conclusion, amendment and supplementation of the individual employment or civil contracts, as well as in determining the remunerations under the management contracts of the Board of Directors by the General Meeting of Shareholders of the management company. The remunerations in the Management Company are formed, in principle, depending on the following main elements: the level of the position, the level of competencies, results achieved. At the present moment, the remunerations in the management company have only a fixed, but not a variable, element that would depend on the results achieved.

The Executive Director and the Chair of the BoD of the Management Company form the specific amount of the remunerations of all employees from all levels of the internal organisational structure of the company.

In the formation and payment of the labour remunerations of the persons who work under a contract for the management company, the Labour Code and the subordinate normative acts on its application are applied. Upon termination of the employment relationship of the employees, compensations are paid in the cases, under the procedure and in the amounts specified in the Labour Code.

Regarding the structure of the remunerations in the management company, it should be noted that, at the present moment, only fixed remuneration is formed, which is determined in the concluded contracts. Compass Invest JSC does not pay variable remunerations and, for this reason, does not take into account the integration of the sustainability risks in the payment of the remunerations. The integration of the sustainability risks is acceptable when they are of significance to the positive results with respect to the investments of the clients, since this would have a positive effect not only on them but also on the employees of the Company. The management company pays mandatory social and health insurance contributions. The management company does not determine variable remuneration. The management company does not envisage benefits related to retirement. The current remuneration policy is changed immediately in the event that a possibility of forming variable remuneration or providing benefits related to retirement arises. The change should contain criteria for assessing the financial condition of the management company, criteria for assessing the results of the activity of the respective structural unit and the contribution of the specific persons, as well as the useful effect of the qualification and experience of the various categories of personnel, as well as criteria for assessing the amount and structure of the variable remuneration, in compliance with the requirements of Ordinance No. 48.

The management company may pay additional remunerations of a non-permanent character in the exceptional cases provided for in the Labour Code, such as, e.g., for overtime work. The management company may also pay additional remunerations of a non-permanent character in the form of one-off remunerations for annual results obtained, target bonuses for the performance of additionally assigned or successfully performed additional tasks. The remunerations in MC "Compass Invest" JSC may include a non-cash compensation package – funds for health prophylaxis, funds for improving the working conditions, the technical/computer provision, funds for raising the professional qualification and food vouchers, up to the amounts specified in Art. 209 CITA, provided in a manner and under a procedure determined by an order of the executive director. The non-cash compensation package does not include free clothing and insurances. The management company does not take advantage of extraordinary state aid.

The management company does not create a Remuneration Committee in view of its current internal organisation. Upon an increase of the scope and complexity of its activity, the management company will create such a committee in compliance with the requirements of Ordinance No. 48 and other normative acts.

The executive director of the management company Ivaylo Angarski and the Chair of the BoD Milena Aleksandrova are jointly responsible for the preparation of the principle decisions and for the determination of the specific remunerations, taking into account their influence on the risk and risk management, the capital and the liquidity of the management company. In taking decisions, they take into account not only the interests of the personnel but also the long-term interests of the shareholders in the company, as well as of the unitholders in the managed mutual funds.

The remuneration policy is developed and adopted by the Board of Directors of the management company in cooperation with the "Regulatory Compliance" department and, where appropriate, with experts in the field of human resources who possess the necessary qualification and functional independence, for the purpose of guaranteeing an objective assessment of the appropriateness of the remuneration policy, including the consequences of risk management.

The members of the Board of Directors of the management company who are not entrusted with the management and who have experience in the management of risk and remunerations carry out a periodic review of compliance with the requirements of this policy and the normative requirements, at least once a year, but no later than 30 days from the end of the calendar year for which the review is carried out.

The implementation of the remuneration policy is subjected to a central and independent internal review by the Head of the "Regulatory Compliance" department at least once a year, whereby, upon an established need for a change, he draws up a corresponding report to the Board of Directors. The policy is updated in accordance with the changes of the market and of the financial condition of the company.

The management company discloses in its prospectus to the interested persons information regarding the remuneration policy and any subsequent change in it in a clear and accessible manner, without disclosing the information that constitutes a secret protected by law. The management company provides in its annual financial statements summarised quantitative information regarding the remunerations paid. The annual financial statements of the mutual fund contain information regarding the remuneration policy, which includes:

- a) the total amount of the remunerations for the financial year, broken down by fixed and variable remunerations, paid by the management company to its employees, the number of recipients and, where applicable, all amounts paid directly by the collective investment scheme itself, including a fee for results achieved;
- b) the total amount of the remunerations broken down by the categories of employees or other members of the personnel under Art. 108(1) ACISOUIC;
- v) a description of the methods of calculating the remunerations and the benefits;
- g) (Amended by Decision of the BoD of 02.05.2023) the result of the reviews under Art. 108(7) and (8) ACISOUIC, including any established irregularities;
- d) the substantial changes in the adopted remuneration policy.

Apart from the remuneration under item 7.1 of the management company, no remunerations, incentives, bonuses and other benefits to the persons who work under a contract for MC "Compass Invest" JSC are paid from the funds of the mutual fund in any form.

The management company declares that a copy of the remuneration policy will be provided on paper, free of charge, to every investor, upon request.

17. (NEW BY DECISION OF THE BOD OF 18.11.2022) INFORMATION ON THE METHOD USED TO CALCULATE THE TOTAL RISK EXPOSURE, IN THE EVENT THAT THE POSSIBILITY OF INVESTING IN DERIVATIVE FINANCIAL INSTRUMENTS IS EXPRESSLY PROVIDED FOR IN THE FUND'S INVESTMENT POLICY.

The management company applies the commitment method consistently to all positions in derivative financial instruments, including embedded derivative instruments, regardless of whether they are used as part of the general investment policy of the Fund for the purposes of risk reduction or for the purposes of efficient portfolio management. In applying the commitment method, the value of each position in a derivative financial instrument is equated to the market value of an equivalent position in the underlying asset of that derivative instrument.

for MC "Compass Invest" JSC,
acting for the account of MF "STRATEGY":

Milena Aleksandrova,
Chair of the BoD

Ivaylo Angarski,
Executive Director

18. ANNEX NO. 1

RULES

FOR THE VALUATION OF THE PORTFOLIO AND FOR DETERMINING THE NET ASSET VALUE OF THE ASSETS OF MUTUAL FUND "STRATEGY"

(Amended by Decision of the BoD of 13.08.2019) These Rules govern the principles and methods for the valuation of the assets and liabilities and the calculation of the net asset value of the assets of Mutual Fund "STRATEGY" (the "Mutual Fund" or the "Fund"), organised and managed by Management Company "Compass Invest" JSC (the "Management Company"). They also govern the principles and methods for avoiding conflicts of interest and for ensuring protection against the disclosure of inside information.

These Rules govern the procedure and the organisation of the calculation of the net asset value for the purposes of:

- determining the net asset value per unit, determining the issue value and the redemption price of units of the Fund;
- compliance with the investment policy, the investment restrictions and the distribution of the assets in the portfolio, as well as the requirements for minimum liquid funds and the structure of the assets and liabilities of the Fund;
- compliance with the provisions of ACISOUCI, the subordinate acts on its application and all other normative requirements.

The Rules for the valuation of the assets of the mutual fund, containing the principles and methods for the valuation of the assets, as well as the system of organisation of this activity, are based on:

- 1) the use of a uniform and consistent system for valuing the assets in the portfolio, for taking decisions and control;
- 2) a system for collecting information related to the determination of the net asset value – sources of information, and types;
- 3) rules for avoiding conflicts of interest and for ensuring protection against the disclosure of inside information;
- 4) recording in minutes the discussions related to the determination of the net asset value, and attaching the relevant documents to the minutes;
- 5) technological and software provision in determining the net asset value;
- 6) (Amended by Decision of the BoD of 21.01.2026) a system for the keeping and protection of the documentation related to the determination of the net asset value, on paper or on a magnetic medium.

I. Principles and methods for the valuation of the assets and liabilities. Net asset value

The methodology is based on the Rules of the Mutual Fund and the normative acts related to its activity. The methodology includes the principles and methods for the valuation of the assets and liabilities of the Fund.

A. Valuation of the assets

(Amended by Decision of the BoD of 13.08.2019) Basic principles in the valuation of the assets of Mutual Fund "Strategy"

(Amended by Decision of the BoD of 25.04.2012 and 30.11.2012) The valuation of the assets and liabilities of the Mutual Fund is carried out in accordance with the International Accounting Standards – upon initial recognition, and upon subsequent valuation – at fair value. The transactions with financial instruments concluded for the account of the Fund are accounted for on the trade date.

(Amended by Decision of the BoD of 13.08.2019) Methods for the valuation of the assets of Mutual Fund "Strategy"

The value of the assets includes the value of each of the assets held by the collective investment scheme on the balance sheet as at the date of drawing up the valuation. Their value is calculated as follows:

1. (Repealed by Decision of the BoD of 23.11.2022)

2. (Amended by Decision of the BoD of 12.09.2016 – former item 3, amended by Decision of the BoD of 23.11.2022) The fair value of the securities and money market instruments issued by the Republic of Bulgaria, as well as of the securities and money market instruments issued by another Member State and a third country, traded at trading venues at an active market, is determined:

a) at the "bid" price at the close of the market for the day as at which the valuation is carried out, announced in an electronic system for price information.

b) at the "bid" price at the close of the market for the last business day, announced in an electronic system for price information, in the event that the trading venue does not operate for the day as at which the valuation is carried out.

v) in the event that, on the day of the valuation, there are no "bid" offers, then the valuation is carried out at the "bid" price or another analogous indicator for the nearest day of the 30-day period preceding the day of the valuation.

g) in the cases where no trading takes place at trading venues on business days for the country, the valuation is carried out on the basis of the "bid" price for the day of the last trading session preceding the day of the valuation. In the event that there are no announced "bid" prices on the day of the last trading session preceding the day of the valuation, the fair value of these instruments is determined at the "bid" price or another analogous indicator disclosed publicly by trading venues for the nearest day of the 30-day period preceding the day of the valuation.

d) in the event that the price under letters "a"–"g" is gross, it is used directly for the revaluation. Provided that the price is clean, on the basis of the interest characteristics as to the periodicity and level of the interest coupons, it is transformed into gross and is then used for the revaluation.

3. (New by Decision of the BoD of 12.09.2016 and 23.11.2022) Where it is impossible to apply the valuation methods under item 2, the fair value is determined by applying the respective methods:

3.1. the method of comparable prices for financial instruments with similar terms of payment, maturity, liquidity and risk, or

3.2. (Amended by Decision of the BoD of 03.10.2016) the method of discounted cash flows, as follows:

As a basis for the calculations, the prices of the latest issued issues with the respective maturity, which the primary dealers are obliged to quote, are used. These newest issues with the respective maturity are hereinafter referred to for brevity as "benchmark issues". The issue whose price is to be determined is called the "target issue".

For the purpose of the calculations, the prices of the benchmark issues are calculated under the procedure of item 2.

The calculation of the prices of the respective issues by the method of linear interpolation goes through the following stages:

- a) On the basis of averaged prices of the benchmark issues, a yield curve is formed;
- b) Depending on the residual term to maturity of the target issue, its position is determined with respect to the nearest preceding and the nearest following benchmark issues by term;
- v) The difference (in days) between the term to maturity of the two benchmark issues is determined, as well as the difference in their yield to maturity;
- g) A multiplier is calculated by dividing the difference in the yield to maturity by the difference in the days to maturity;
- d) The difference in the days to maturity of the target issue and the benchmark issue preceding it is determined;
- e) The difference obtained is multiplied by the multiplier from the preceding step, in order to calculate the difference in the yield to maturity of the target and the benchmark issue;
- zh) The yield to maturity of the target issue is obtained by adding the difference in the yields calculated in the preceding step to the yield of the benchmark issue preceding the target one;
- z) On the basis of the yield to maturity of the target issue obtained, its gross price is calculated, by using the following formula:

$$P = \sum_{i=1}^N C/n / (1 + r/n)^{(i-1+w)} + F / (1 + r/n)^{(N-1+w)}$$

where:

- P – the price of the security
- F – the principal of the security
- C – the annual coupon of the bond
- n – number of interest payments per year
- N – total number of interest payments
- r – discount rate (equal to the yield to maturity)
- i – sequential number of the interest payment

$$w = (\text{days to the next interest payment}) / (\text{total number of days between two interest payments})$$

4. The fair value of Bulgarian and foreign shares and rights admitted to or traded on a regulated market or another trading venue at an active market in the Republic of Bulgaria is determined:

4.1. (Amended by Decision of the BoD of 23.11.2022 and 21.01.2026) at the closing price or another analogous indicator disclosed publicly as at the day of the valuation by trading venues.

4.2. (Amended by Decision of the BoD of 23.11.2022 and 21.01.2026) at the closing price or another analogous indicator disclosed publicly as at the day of the valuation by the trading venue on which, for the respective day, the largest volume of transferable securities and money market instruments has been traded, in the cases where they are admitted to trading on more than one trading venue. In taking into account the volume, the management company will take prices from the markets on which it is entitled to trade according to the regulatory framework, namely: the markets under Art. 152(1) and (2) MFIA in the European Union, the markets of third countries included in a list approved by the Financial Supervision Commission on a proposal by the deputy chairman in charge of the "Investment Activity Supervision" Division, and the markets specified in the Rules of the mutual fund.

4.3. (Amended by Decision of the BoD of 21.01.2026) at the closing price or another analogous indicator disclosed publicly by trading venues for the last business day, if the trading venue does not operate on the day as at which the valuation is carried out.

4.4. (New by Decision of the BoD of 21.01.2026) if items 4.1 to 4.3 cannot be applied, the price of the shares, respectively of the rights, is the closing price or another analogous indicator for the nearest day during the last 30-day period preceding the day of the valuation for which there are concluded transactions.

4.5. (New by Decision of the BoD of 21.01.2026) In the event that, during the preceding 30-day period, a capital increase or a split of the shares of the issuer has been carried out or the payment of a dividend has been announced, the closing price or the other analogous indicator under the preceding item is adjusted by the ratio of the capital increase, respectively of the split of the shares, or by the amount of the dividend, if the nearest day during the last 30-day period before the date of the valuation for which there are concluded transactions is before the day after which the shareholders are not entitled to participate in the capital increase, respectively the day of the split or the day from which the shareholders are not entitled to a dividend.

5. (Amended by Decision of the BoD of 12.09.2016) Where it is impossible to apply the methods for the valuation of shares under item 4, as well as for the shares that are not traded on regulated markets or other trading venues, the fair value is determined by the consecutive application of the following methods:

- net book value of the assets method
- price-to-earnings ratio of analog companies method, and
- discounted net cash flows method.

These methods are applied in the sequence in which they are described below, provided that the method mentioned first cannot be used.

5.1. (Amended by Decision of the BoD of 12.09.2016; former item 5.2) The net book value of the assets method consists in calculating the value of the shares of the company being valued by dividing the equity of the company (on the basis of the last financial statement) by the total number of shares in circulation.

$$P = (A - L - PS) / N$$

where:

- P – the value of the ordinary shares of the company being valued
- A – assets
- L – liabilities
- PS – value of the preferred shares
- N – total number of ordinary shares in circulation

5.2. (Amended by Decision of the BoD of 12.09.2016; former item 5.1) The price-to-earnings ratio of an analog company method consists in:

a) Calculating the value of the shares of the company being valued by multiplying its earnings per share by a market multiplier. The market multiplier expresses the ratio between the price of an analog company and its earnings per share.

b) The earnings of the analog company and of the company being valued are determined on the basis of financial statements covering the nearest one-year period, counted from the last published financial statement. Earnings per share are determined by dividing the net earnings of the company by the total number of shares.

v) The multiplier is calculated on the basis of the weighted-average price of the transactions concluded for the last business day with the shares of the analog company, if the volume of the transactions concluded with them for the day is not less than 0.02 per cent of the volume of the respective issue. If a price cannot be determined under the preceding sentence, the price of the shares of the analog company is determined as

the arithmetic mean of the highest "bid" price of the orders valid as at the moment of the close of the regulated market on the last business day and the weighted-average price of the transactions concluded with the respective securities for the same day. The price of the shares of the analog company is determined under this procedure only in the event that there are concluded transactions and submitted orders with a "bid" price.

g) The source of the primary information for carrying out the said calculations are the financial statements of the public companies from the register of the FSC and the BSE, or a reliable source of information for the respective foreign regulated market or another trading venue at an active market.

d) Manner and criteria for determining an analog company:

An analog company is such a company that provides a sufficiently good basis for comparison with respect to the investment characteristics of the company being valued.

The choice of analog companies must be substantiated through a comparative analysis and an assessment of their characteristics and the degree of similarity with the characteristics of the company being valued.

The analog company is selected according to the specified criteria from among the companies traded on a regulated market of securities or a trading venue at an active market in the state of the registered office of the issuer.

The criteria which the analog company must obligatorily meet are:

- Sector of the economy in which the company operates;
- Similar product range;
- To have published financial statements enabling coverage of the nearest one-year period;
- To have concluded transactions with the shares of the company during the current business day.

Other criteria that are used in the argumentation of the choice of an analog company are comparable share capital and similar financial indicators.

5.3. The discounted net cash flows method is used to determine the value of one ordinary share of the company, by dividing the value of the capital of the holders of ordinary shares by the number of ordinary shares in circulation.

The value of the capital of the holders of ordinary shares is calculated in two ways:

5.3.1. Discounted net cash flows to equity method (Free Cash Flows to Equity) – by discounting the net cash flows that remain for the shareholders after meeting all expenses, financial obligations, necessary investments and changes in working capital:

a) This method uses the net cash flows that remain after meeting all expenses, covering the financial obligations (including principals and interest on the company's debts), the necessary investments and the changes in working capital.

b) The net cash flows are calculated by taking the forecast net profit after interest and taxes on profit and:

- increasing it by the forecast depreciation expenses,
- decreasing/increasing it by the absolute value of the forecast change in the net working capital,
- increasing it by the forecast value of new debt, as well as proceeds from the issue of preferred shares,
- decreasing it by the forecast investments in fixed assets,
- decreasing it by the forecast repayments of the debt principals,
- decreasing it by the forecast dividends for preferred shares.

The following formula is used:

$$FCFE = NI + Dep - FCInv - \Delta WCIInv - PP - PD + ND$$

where:

FCFE – net cash flows to ordinary shareholders

NI – net profit

Dep – depreciation

FCInv – investments in fixed assets

ΔWCIInv – change in the net working capital

PP – repayments of principals

PD – dividends for preferred shares

ND – new debt, as well as proceeds from the issue of preferred shares

v) Under this method the net cash flows are discounted by the cost of equity financing.

g) The cost of equity financing is the required rate of return of the ordinary shareholders and is defined in the following ways:

– through the risk-free interest rate plus a risk premium:

$$k_e = k_{RF} + RP$$

where:

ke – the cost of equity financing

kRF – the risk-free interest rate

RP – risk premium

– through the Capital Asset Pricing Model (CAPM):

$$k_e = k_{RF} + (k_m - k_{RF}) \times \beta$$

where:

ke – the cost of equity financing

kRF – the risk-free interest rate

(km - kRF) – the market risk premium

km – the expected return of the market

β – beta coefficient

– through the discounted cash flows method:

$$k_e = D_1 / P_0 + g$$

where:

ke – the cost of equity financing

D1 – the expected next dividend for one ordinary share

P0 – price of one ordinary share

g – expected growth rate

5.3.2. Discounted cash flows to the firm method (Free Cash Flows to the Firm) – by discounting the net cash flows for all shareholders and other investors, reduced by all debts of the company and other claims of the investors other than the shareholders. The net cash flows for all investors in the firm are used – holders of shares, debt and preferred shares. The net cash flows are calculated in two ways:

a) Under the first way, the net cash flows are calculated by taking the forecast profit before interest and after taxes on profit and:

- increasing it by the forecast depreciation expenses,
- decreasing it by the forecast change in the net working capital,
- decreasing it by the forecast investments in fixed assets.

The following formula is used:

$$FCFF = EBIT \times (1 - TR) + Dep - FCInv - \Delta WCIInv$$

where:

FCFF – net cash flows to the firm
EBIT – profit before interest and taxes
TR – tax rate for the firm
Dep – depreciation
FCInv – investments in fixed assets
ΔWCIInv – change in the net working capital

b) Under the second approach, the following formula is used:

$$FCFF = FCFE + Int \times (1 - TR) + PP - ND + PD$$

where:

FCFF – net cash flows to the firm
FCFE – net cash flows to ordinary shareholders
Int – interest expenses
TR – tax rate for the firm
PP – repayments of principals
PD – dividends for preferred shares
ND – new debt, as well as proceeds from the issue of preferred shares

v) The net cash flows are discounted by the weighted-average cost of capital of the company. In determining the relative shares of the various sources of capital, their market values are used.

g) The weighted-average cost of capital of the company is determined by the following formula:

$$WACC = k_e \cdot E / (E + D + PS) + k_d \cdot (1 - t) \cdot D / (E + D + PS) + k_{ps} \cdot PS / (E + D + PS)$$

where:

WACC – the weighted-average cost of capital
k_e – the cost of equity financing
k_d – the cost of debt financing, before the tax effect of the interest expenses has been taken into account
t – the tax rate for the firm
k_{ps} – the cost of financing with preferred shares
E – the market value of the shares of the company
D – the market value of the debt of the company
PS – the market value of the preferred shares of the company

When the market value of the debt cannot be determined, its book value is used.

5.3.3. Each of the methods for determining the value of the share capital may use one of the two discounting models:

a) Constant growth rate, under which it is assumed that the growth of the firm is constant and stable. The formula that is used is:

$$P_0 = FCF_1 / (r - g)$$

where:

P₀ – the present value of the free cash flows
FCF – either *FCFE* or *FCFF*
r – the respective discount rate
g – the constant growth rate of the company

b) Two-stage growth rate, under which it is assumed that two periods exist. For the first period, a forecast is made for the net cash flows for each year separately. For the second period, it is assumed that the net cash flows will grow at a sustainable rate or will remain constant. The formula that is used is:

$$P_0 = \sum_{(t=1...n)} FCF_t / (1+r)^t + P_n / (1+r)^n$$

where:

P_0 – the present value of the free cash flows

FCF_t – either FCFE or FCFF in year t

r – the respective discount rate in the first period

P_n – the value of the free cash flows at the beginning of the second period of sustainable growth; P_n is calculated as follows:

$$P_n = FCF_{n+1} / (r_n - g_n)$$

where:

r_n – the respective discount rate during the period of constant growth

g_n – the constant growth rate of the company. When it is assumed that during the second period the net cash flows will remain constant, then $g_n = 0$.

5.4. Subsequent valuation of shares acquired as a result of a capital increase with funds of the issuing company or of a split of the existing shares is carried out as follows:

a) In the cases of acquisition of (new) shares from a given company as a result of a capital increase with funds of the company, a receivable is recognised from the date from which the shareholders of the company are not entitled to shares from the capital increase – the date after which concluded transactions with the shares do not affect the right to acquire new shares – until the date of registration of the capital increase and its entry in the depositary institution.

The value of the receivable is equal to the product of the number of new shares and the price of one new share.

$$R = N_n \times P_n$$

where:

R – receivable

N_n – number of new shares

P_n – price of one new share

The price of one new share is obtained by dividing the last valuation price of one "old" share by the sum of the number of new shares acquired for one "old" share and one "old" share.

$$P_n = P_0 / (N_r + 1)$$

where:

P_n – price of one new share

P_0 – last valuation price of one "old" share

N_r – number of new shares for one "old" share

After the introduction of the new shares for trading on a regulated market or trading venue, their subsequent valuation is carried out in accordance with the methods for the valuation of securities traded on a regulated market or another trading venue.

b) In the cases of acquisition of (new) shares from a given company as a result of the split of the already existing shares (split), a receivable is recognised from the date from which the new shares are already separated from the existing shares – the date after which concluded transactions with the shares do not affect the right to acquire the new shares – until the date of registration of the new number of shares in the depositary institution.

$$R = N_n \times P_0 \times (1 / N_r)$$

where:

R – receivable

Nn – number of new shares

$P0$ – last valuation price of one "old" share

Nr – split ratio

From the date of entry of the new shares in the depository institution until the date of introduction for trading on a regulated market or another trading venue, the new shares are recognised at a price calculated by the following formula:

$$P = P_0 \times (1 / N_r)$$

where:

P – price of a new share

$P0$ – last valuation price of one "old" share

Nr – split ratio

After the introduction of the new shares for trading on a regulated market, their subsequent valuation is carried out in accordance with the methods for the valuation of securities traded on a regulated market or another trading venue.

5.5. (Amended by Decision of the BoD of 12.09.2016) The methods listed above under items 5.1, 5.2, 5.3, 5.4 for determining the fair value of the securities may be adjusted by coefficients substantiated on the basis of data and circumstances constituting, respectively, disclosed inside information.

6. (Amended by Decision of the BoD of 21.01.2026) In the cases of acquisition of rights from a given company upon a capital increase through an issue of shares or the issue of convertible bonds, a receivable (of rights) is recognised from the date from which the shareholders in the company are not entitled to receive rights to subscribe shares from the capital increase (the date after which concluded transactions with the shares do not affect the right to acquire rights), until the date of registration of the rights in the depository institution.

The value of the receivable is calculated on the basis of the following formula:

$$R_r = N \times P_r$$

where:

Rr – receivable

N – number of rights

Pr – price of a right

The price of the right is calculated by the following formula:

$$P_r = P_1 - (P_1 - P_i) \times N_r / (N_r + 1)$$

where:

Pr – price of a right

$P1$ – price of the last valuation of the share (before the separation of the rights)

Pi – issue value of the new shares

Nr – number of shares in one right

From the date of registration of the rights in the depository institution, they are recognised as an asset in the portfolio at a price determined by the formula above.

(New by Decision of the BoD of 20.09.2018, amended by Decision of the BoD of 05.02.2026) In the event that the receivable calculated by the formula above has had a negative value, then, until admission for trading, the rights are valued at the indicative reference price for the first trading session published by the regulated market.

6.1. (amended by Decision of the BoD of 20.09.2018) Where it is impossible to apply the valuation methods under item 4, the subsequent valuation of rights is carried out by the consecutive application of the following methods:

6.1.1. (New by Decision of the BoD of 20.09.2018) in the case of rights issued in connection with a capital increase through an issue of shares:

a) the indicative reference price for the first trading session published by the regulated market;

b) if a) cannot be applied, the rights are valued at a price representing the difference between the price of the existing shares of the company, determined according to the requirements of item 4, respectively item 5, and the issue value of the new shares from the capital increase, multiplied by the ratio of the number of shares in one right.

6.1.2. (New by Decision of the BoD of 20.09.2018, amended by Decision of the BoD of 08.10.2018) in the case of rights issued in connection with an issue of convertible bonds – at a price representing the difference between the price (determined in accordance with the valuation methods specified in items 4–5) of the existing shares of the company and the issue value of the convertible bonds, multiplied by the ratio of the number of convertible bonds in one right and adjusted by the conversion factor, by using the following formula:

$$P_r = P_1 - (P_1 - P_i) \times N_r / (N_r + C + 1)$$

where:

P_r – the price of the right

P_1 – the price of the last valuation of the share (before the separation of the rights)

P_i – the issue value of the new bonds

N_r – the number of bonds in one right

C – conversion factor

6.2. (Amended by Decision of the BoD of 30.11.2012) From the date of subscription of the shares as a result of the exercise of the rights until the date of registration of the capital increase and its entry in the depositary institution, the subscribed shares are reflected as a receivable, which is formed by multiplying the number of subscribed shares by the sum of the value of one right at the last valuation before the subscription of the shares, divided by the number of shares in one right, and the issue value of one share.

$$R = N_n \times (P_i + P_r / N_r)$$

where:

R – receivable

N_n – number of subscribed shares

P_i – issue value of a share

P_r – value of one right

N_r – number of shares in one right

6.2.a (New by Decision of the BoD of 20.09.2018) From the date of subscription of the convertible bonds as a result of the exercise of the rights until the date of registration of the issue of convertible bonds and its entry in the depositary institution, the subscribed convertible bonds are reflected as a receivable, which is formed by multiplying the number of subscribed convertible bonds by the sum of the value of one right at the last valuation before the subscription of the convertible bonds, divided by the number of convertible bonds in one right, and the issue value of one convertible bond. From the date of subscription of the convertible bonds as a result of the exercise of the rights until the date of payment of their issue value, an obligation of the Mutual Fund to the issuing company arises.

6.3. From the date of entry of the new shares in the depositary institution until the date of introduction for trading on the regulated market or trading venue, the new shares are recognised at a price calculated by the following formula:

$$P = P_i + P_r / N_r$$

where:

P – price of the share

P_i – issue value of a share

P_r – value of one right

N_r – number of shares in one right

After the introduction for trading on the regulated market or trading venue of the new shares, their subsequent valuation is carried out in accordance with the methods for the valuation of securities traded on a regulated market.

6.3.a (New by Decision of the BoD of 20.09.2018) From the date of entry of the new convertible bonds in the depositary institution until the date of introduction for trading on the respective trading venue, the convertible bonds are recognised at a price calculated by the formula contained in the Valuation Rules, whereby, for the convertible bonds, interest is also accrued for each day in accordance with the prospectus of the issue; and after the introduction for trading on the respective trading venue of the convertible bonds, their subsequent valuation is carried out in accordance with the methods for the valuation of securities admitted to or traded on a regulated market or another trading venue.

6.4. In the cases where shares of a non-public joint-stock company are acquired as a result of an initial public offering, the shares are recognised from the date of their registration in the depositary institution (from the date of subscription of the shares until the date of their registration in the depositary institution, the subscribed shares are reflected as a receivable in an amount equal to the issue value paid). The subsequent valuation of the shares from the date of their registration in the depositary institution until the date of admission of the shares for trading on the respective trading venue is carried out at a price equal to the issue value of one share. After the introduction of the shares for trading on the respective trading venue, their subsequent valuation is carried out in accordance with the methods for the valuation of securities admitted to or traded on a regulated market or another trading venue. The preceding rules also apply, accordingly, to the subscription of shares of a non-public joint-stock company for which no subsequent registration for trading on a regulated market or another trading venue is envisaged, whereby, from the date of subscription of the shares until the entry of the capital increase in the commercial register, the subscribed shares are reflected as a receivable in an amount equal to the issue value paid, and after the date of entry of the capital increase in the commercial register, the subsequent valuation of the shares is carried out under the procedure of item 5 above.

6.5. In the cases where shares are acquired upon the incorporation of a new joint-stock company, the shares are valued at their issue value until the date of admission of the shares for trading on the respective trading venue. After the introduction of the shares for trading on the respective trading venue, their subsequent valuation is carried out in accordance with the methods for the valuation of securities admitted to or traded on a regulated market or another trading venue at an active market. In the event that shares are subscribed upon the incorporation of a new joint-stock company for which no subsequent registration for trading on a regulated market or another trading venue is envisaged, they are valued at their issue value until the date of entry of the company in the commercial register. After the entry, the subsequent valuation of the shares is carried out under the procedure of item 5 above.

In the cases of acquisition of rights from a given company upon an issue of warrants with an underlying asset being a future issue of shares of the company, a receivable (of rights) is recognised from the date from which the shareholders in the company are not entitled to receive rights to subscribe warrants (the date after which concluded transactions with the shares do not affect the right to acquire rights), until the date of registration of the rights in the depositary institution.

The value of the receivable is calculated on the basis of the following formula:

$$R_r = N \times P_r$$

where:

R_r – the receivable

N – the number of rights

P_r – the price of the right

The price of the right is calculated by the following formula:

$$P_r = P_1 - (P_1 - (P_i + P_w)) \times N_r / (N_r + 1)$$

where:

P_r – the price of the right

P_1 – the price of the last valuation of the share (before the separation of the rights)

P_i – the issue value of the shares from the underlying asset (the exercise price of the warrants)

P_w – the issue value of the warrants

N_r – the number of warrants in one right

From the date of registration of the rights in the depository institution, they are recognised as an asset in the portfolio of the Fund at a price determined by the formula specified above.

6.6.1. Where it is impossible to apply the valuation methods under item 4, the fair value of rights upon an issue of warrants is determined at a price representing the difference between the price of the existing shares of the company, determined according to the requirements of item 4, respectively item 5, and the sum of the issue value of the shares from the underlying asset and the issue value of the warrants, multiplied by the ratio of the number of warrants in one right.

6.6.2. From the date of subscription of the warrants as a result of the exercise of the rights until the date of registration of the warrants and their entry in the depository institution, the subscribed warrants are reflected as a receivable, which is formed by multiplying the number of subscribed warrants by the sum of the value of one right at the last valuation before the subscription of the warrants, divided by the number of warrants in one right, and the issue value of one warrant.

$$R = N_n \times (P_w + P_r / N_r)$$

where:

R – the receivable

N_n – the number of subscribed warrants

P_w – the issue value of one warrant

P_r – the value of one right

N_r – the number of warrants in one right

From the date of subscription of the warrants as a result of the exercise of the rights until the date of payment of their issue value, an obligation to the issuing company arises.

6.6.3. From the date of entry of the warrants in the depository institution until the date of introduction for trading on the respective trading venue, the warrants are recognised at a price calculated by the following formula:

$$P = P_w + P_r / N_r$$

where:

P – the price of the warrant

P_w – the issue value of one warrant

P_r – the value of one right

N_r – the number of warrants in one right

After the introduction of the warrants for trading on the respective trading venue, their fair value is determined in accordance with the methods for the valuation of securities admitted to or traded on a regulated market or another trading venue.

6.6.4. (New by Decision of the BoD of 21.01.2026) Upon a decision to exercise the warrants, a receivable of new shares is formed, which represents the sum of the value of the warrants at the last valuation and the issue value of the new shares.

7. (1) (Amended by Decision of the BoD of 12.09.2016 and 21.01.2026) The fair value of units of collective investment schemes that have obtained authorisation to carry out activity in accordance with Directive 2009/65/EC of the European Parliament and of the Council and/or of other undertakings for collective investment under Art. 38(1)(5) ACISOUIC which are of the open-end type is determined at the last redemption price announced by the end of the business day preceding the day of calculating the net asset value per unit. In the cases of a temporary suspension of the redemption of the units of a collective investment scheme, their subsequent valuation is carried out either at the last determined and announced redemption price, or at the fair value per unit. In the event that the temporary suspension of the redemption of the units is for a period longer than 30 days, their subsequent valuation is carried out at the fair value per unit by applying the net book value of the assets method.

7.1. (Repealed by Decision of the BoD of 23.11.2022)

7.2. (Amended by Decision of the BoD of 12.09.2016; former item 7.1) Subsequent valuation of shares and units issued by exchange-traded funds and other exchange-traded products (ETFs, ETNs and ETCs), including units of collective investment schemes under Art. 38(1)(5) of ACISOUIC, for which there are restrictions on the purchase and redemption for a certain class of investors and/or a certain size of the order, and as a result of these restrictions the Mutual Fund/the Investment Company cannot purchase the shares and units directly from the issuer and, accordingly, present the units held by it for redemption, then the financial instruments are valued:

a) At the closing price of the transactions concluded with them on the regulated market of securities on which the units and shares of the ETFs, ETNs and ETCs are traded, announced through the trading system or in the exchange bulletin, for the last business day.

b) Where it is impossible to apply item a), the units and shares of the ETFs, ETNs and ETCs are valued at the last indicative net asset value per unit calculated and announced by the respective regulated market (iNAV – indicative net asset value).

v) Where it is impossible to apply the valuation method under the preceding item, as well as in the case of a suspension of the redemption of the units/shares of the ETFs, ETNs and ETCs for a period longer than 30 days, they are valued at the last net asset value per unit/share determined and announced by the respective issuer.

8. (Amended by Decision of the BoD of 23.11.2022) The fair value of Bulgarian and foreign bonds admitted to or traded on a regulated market or another trading venue in the Republic of Bulgaria is determined:

a) (Amended by Decision of the BoD of 21.01.2026) at the closing price or another analogous indicator disclosed publicly as at the day of the valuation by trading venues;

aa) (New by Decision of the BoD of 21.01.2026) at the closing price or another analogous indicator disclosed publicly as at the day of the valuation by the trading venue on which, for the respective day, the largest volume of transferable securities and money market instruments has been traded, in the cases where they are admitted to trading on more than one trading venue. In taking into account the volume, the management company will take prices from the markets on which it is entitled to trade according to the regulatory framework, namely: the markets under Art. 152(1) and (2) MFIA in the European Union, the markets of third countries included in a list approved by the Financial Supervision Commission on a proposal by the deputy chairman in charge of the "Investment Activity Supervision" Division, and the markets specified in the Rules of the mutual fund.

ab) (New by Decision of the BoD of 21.01.2026) at the closing price or another analogous indicator disclosed publicly by trading venues for the last business day, if the trading venue does not operate on the day as at which the valuation is carried out;

b) (Amended by Decision of the BoD of 21.01.2026) If a price cannot be determined under the procedure of subitem a), the price of the bonds is the closing price or another analogous indicator for the nearest day during the last 30-day period preceding the day of the valuation for which there are concluded transactions.

v) In the cases where the fair value of bonds is determined on which an interest payment is forthcoming and the price of the transactions concluded with them or the "bid" price published in the exchange bulletin is clean, the subsequent valuation is formed by adding to the price announced in the bulletin the interest coupon due as at the date of carrying out the valuation:

The value of the accrued interest is determined by using the following formula:

$$AccInt = F \times (C / n) \times (A / E)$$

where:

AccInt – the accrued interest coupon

F – the principal (nominal value) of the bond

C – the annual interest coupon

n – the number of interest payments in the year

A – the elapsed interest-days from the beginning of the interest period until the date of the calculations. The days are calculated on the basis of 30 days in a month or the actual number of days, depending on the regulation in the prospectus for the respective issue.

E – the number of days in the current interest period. The days are calculated on the basis of 360, 364, 365, 366 days in the year or the actual number of days, depending on the regulation in the prospectus for the respective issue.

The accrued interest coupon as at the day of carrying out the valuation is added to the net price, and the gross price calculated is used for the subsequent valuation of the bond.

9. (Amended by Decision of the BoD of 12.09.2016 and 11.11.2019) Where it is impossible to apply the procedure under item 8, letters "a"–"b", in forming the fair value of bonds admitted to or traded on a regulated market or another trading venue at an active market, as well as for determining the fair value of bonds that are not traded and are not admitted to trading on regulated markets or other trading venues, the discounted net cash flows method is applied by the formula below, with a discount rate of:

a) the current yield to maturity of government securities with similar terms of payment and maturity, adjusted by a risk premium reflecting the risk of the issuer and the given security.

b) under the discounted cash flows method, the following formula is used:

$$P = \sum_{i=1}^N C/n / (1 + r/n)^{(i-1+w)} + F / (1 + r/n)^{(N-1+w)}$$

where:

P – the price of the security

F – the principal of the security

C – the annual coupon of the bond

n – number of interest payments per year

N – total number of interest payments

r – discount rate (equal to the yield to maturity)

i – sequential number of the interest payment

w = (days to the next interest payment) / (total number of days between two interest payments)

10. The fair value of Bulgarian and foreign securities admitted to or traded at trading venues at an active market abroad is carried out:

10.1. For securities traded on regulated markets and official markets of stock exchanges:

a) (Amended by Decision of the BoD of 12.09.2016 and 23.11.2022) at the closing price disclosed publicly as at the day of the valuation by trading venues;

b) (repealed by Decision of the BoD of 17.01.2022, New by Decision of the BoD of 21.01.2026) at the closing price or another analogous indicator disclosed publicly as at the day of the valuation by the trading venue on which, for the respective day, the largest volume of transferable securities and money market instruments has been traded, in the cases where they are admitted to trading on more than one trading venue. In taking into account the volume, the management company will take prices from the markets on which it is entitled to trade according to the regulatory framework, namely: the markets under Art. 152(1) and (2) MFIA in the European Union, the markets of third countries included in a list approved by the Financial Supervision Commission on a proposal by the deputy chairman in charge of the "Investment Activity Supervision" Division, and the markets specified in the Rules of the mutual fund.

v) (repealed by Decision of the BoD of 17.01.2022)

g) (New by Decision of the BoD) at the closing price disclosed publicly by trading venues for the last business day, if the trading venue does not operate on the day as at which the valuation is carried out;

d) (New by Decision of the BoD of 21.01.2026) if subitems a, b and g cannot be applied, the price of the securities is the closing price or another analogous indicator for the nearest day during the last 30-day period preceding the day of the valuation for which there are concluded transactions.

10.2. (Amended by Decision of the BoD of 23.11.2022 and 21.01.2026) If a price cannot be determined under the procedure of item 10.1, the valuation of the specific type of securities is carried out by the corresponding application of items 5, 6, 9.

11. The fair value of derivative financial instruments with an underlying asset being securities admitted to or traded on regularly operating, recognised and publicly accessible regulated markets in the Republic of Bulgaria is determined in accordance with items 4.1–4.3.

11a. The fair value of derivative financial instruments with an underlying asset being securities admitted to or traded on regularly operating, recognised and publicly accessible regulated markets abroad is determined in accordance with item 10.1.

12. Where it is impossible to apply items 11 and 11a in forming the fair value for options traded on regulated markets of securities or other trading venues, the subsequent valuation is carried out by using the Black-Scholes approach for determining the price of an option. The Black-Scholes model treats the valuation of call options (call options), for which reason the formation of the value of the put option will be a function of the price of a call option for the respective asset under the same conditions.

Formula for determining the price of a put option:

$$P = C + Xe^{-rT} - S_0$$

where:

C – The price of the call option, calculated by the Black-Scholes model.

X – The exercise price of the option (Strike price).

e – 2.71828, the base of the natural logarithmic function.

r – Risk-free interest rate.

T – Term to maturity of the option in years.

$Xe^{-rT} = PV(X)$ – the present value of the exercise price of the option.

S_0 – Current price of the underlying asset (the one for which the option is constructed)

Calculation of "C" – the price of the call option for the respective asset with the same parameters (Black-Scholes formula):

$$C_0 = S_0 N(d_1) - Xe^{-rT} N(d_2)$$

where:

$$d_1 = [\ln(S_0 / X) + (r + \sigma^2/2)T] / (\sigma\sqrt{T})$$

$$d_2 = d_1 - \sigma\sqrt{T}$$

and where:

C_0 – Current value of the call option

S_0 – Current price of the underlying asset

$N(d)$ – The probability that a random draw from the standard normal distribution has a value less than d . The respective values can be found in tables of the values of the normal distribution.

X – The exercise price of the option

e – 2.71828, the base of the natural logarithmic function

r – Risk-free interest rate.

T – Term to maturity of the option in years.

$Xe^{-rT} = PV(X)$ – the present value of the exercise price of the option.

$\ln$ – The natural logarithm function

σ – The standard deviation of the rate of return on an annual basis (continuously compounded) of the underlying asset (volatility).

The standard deviation of the rate of return for n observations is calculated by the formula:

$$\sigma = \sqrt{[(n / (n-1)) \times \sum (t = 1..n) (r_t - \bar{r})^2]}$$

where $\bar{r}$ is the average return for the sample period. The rate of return on day t is determined in accordance with continuous compounding as $r_t = \ln(S_t / S_{t-1})$.

12a. Where it is impossible to apply items 11 and 11a in forming the fair value of warrants admitted to or traded on regulated markets or other trading venues at an active market, or traded on over-the-counter markets, the fair value is determined by using the formula under item 12 for calculating the price of call options (call options).

13. Where it is impossible to apply item 11 in forming the fair value of futures traded on regulated markets of securities or other trading venues, the subsequent valuation is carried out in the following way:

$$F = \{S - PV(D,0,T)\} \times (1 + R_f)^T$$

where:

F – price of a futures contract

S – spot price of the underlying asset

$PV(D,0,T)$ – present value of the expected dividend

R_f – risk-free interest rate

T – number of days of the contract, divided by 365

13a. The fair value of derivative financial instruments traded on over-the-counter markets is determined at the "bid" price of a market-maker at the close of the market on the business day preceding the date of the valuation. Where it is impossible to apply the said rule:

13a.1. The fair value of options traded on over-the-counter markets is determined by using the formula under item 12;

13a.2. The fair value of currency forward contracts is determined by using the formula below. When the term to maturity of the currency forward contracts is less than 1 month and in the event that there are insignificant differences with respect to the values of the interest rates, owing to the short term and the

negligibly small influence of the discount factors, it is assumed that the forward exchange rate as at the date of determining the fair value (t) is equal to the current spot exchange rate.

$$V_t = N \times [C / (1 + i_A)^{(T-t)} - P / (1 + i_B)^{(T-t)}]$$

where:

V_t – value of the forward contract

N – size of the forward contract

C – the current spot rate between the two currencies

P – forward exchange rate agreed upon the conclusion of the forward contract

Both exchange rates are expressed as units of currency B for one unit of currency A.

i_A – risk-free interest rate for currency A

i_B – risk-free interest rate for currency B

T – maturity date of the forward contract

t – current date

13a.3. The fair value of forwards other than those specified in item 13a.2 is determined by using the formula under item 13;

13b. (Repealed by Decision of the BoD of 21.01.2026)

14. (Amended by Decision of the BoD of 12.09.2016, 20.09.2018, 23.11.2022 and 21.01.2026). The fair value of the transferable securities and money market instruments admitted to or traded at trading venues, in the cases where no trading takes place at trading venues on business days for the country, is the closing price for the day of the last trading session preceding the day as at which the valuation is carried out. In the event that there are no concluded transactions on the day of the last trading session preceding the day as at which the valuation is carried out, the fair value of these instruments is determined at the closing price or another analogous indicator disclosed publicly by trading venues for the nearest day of the 30-day period preceding the day as at which the valuation is carried out. In the valuation of bonds and other forms of securitised debt (debt securities), the accrued interest for the respective days is also taken into account. The rule also applies in taking into account the volumes under items 10.1.bb), 8.aa) and 4.2.

14a. (new by Decision of the BoD of 23.11.2022) For the fair value of financial instruments of companies that have been declared insolvent, a coefficient of zero is used, respectively it is assumed that their fair value is zero.

15. (Amended by Decision of the BoD of 25.04.2012) The fair value of the deposits in banks, the cash on hand and the short-term receivables is valued as at the day of the valuation as follows:

1. the term and demand deposits, the cash on hand – at nominal value;
2. the short-term receivables without a fixed interest rate or income – at cost;
3. the short-term receivables with a fixed interest rate or income – at cost.

16. (Amended by Decision of the BoD of 17.12.2025) The financial assets denominated in a foreign currency are recalculated into their euro equivalent, determined at the central rate of the Bulgarian National Bank valid for the day to which the valuation relates.

17. The subsequent valuation of the money market instruments admitted to or traded on a regulated market or another trading venue is determined in accordance with item 10.1. Where it is impossible to apply item 10.1, as well as for the money market instruments that are not traded on a regulated market or another trading venue, the following formulas are used:

The value of the certificate of deposit is determined by the following formula:

$$P_{CD} = MV / (1 + i \times d/365)$$

where:

$$MV = N \times (1 + (c/100) \times d/365)$$

PCD – the value of the certificate of deposit

MV – the value of the certificate of deposit at maturity

N – nominal value of the certificate of deposit

d – number of days from the date of revaluation to maturity

i – discount rate

c – interest payable on the deposited amount, specified on the certificate.

Short-term government securities (treasury bills) are valued by the formula:

$$P_{Tb} = N \times (1 - i \times d/365)$$

PTb – the price of the treasury bill

N – nominal value

i – discount rate

d – number of days from the date of revaluation to maturity.

The discount rate in the above formulas is determined in accordance with item 9 a) or item 9 b) of these rules.

B. (amended by Decision of the BoD of 17.12.2025) Valuation of the liabilities of the Fund

The value of the liabilities of the Fund is equal to the sum of the balance-sheet values of the short-term and long-term liabilities on the balance sheet. The liabilities denominated in a foreign currency are calculated in euro at the central rate of the BNB as at the date of valuation. The liabilities are valued in accordance with the accounting practices in force at the moment of carrying out the valuation.

C. Determining the net asset value

The net asset value (NAV) is calculated as the difference between the value of all assets, calculated in accordance with these Rules, and the value of all liabilities on the balance sheet, calculated in accordance with these Rules.

G. The role of the auditors of the Fund in the valuation of the portfolios and the determination of the NAV

The role of the auditors in the valuation of the portfolios and the determination of the NAV is to give an audit opinion, in accordance with the Independent Financial Audit Act and the professional requirements of the International Standards on Auditing, that the financial statements of the Fund drawn up by the Management Company do not contain material inaccuracies, deviations and discrepancies. The audit includes verification, on the basis of tests, of the evidence regarding the amounts and disclosures presented in the financial statements of the Fund, and an assessment of the accounting principles applied and the material estimates made by the management, as well as the overall presentation in the financial statements.

II. (Amended by Decision of the BoD of 13.08.2019) Procedure for determining the net asset value, the net asset value per unit, the issue value and the redemption price of the units of Mutual Fund "Strategy"

This procedure is based on the requirements of the law and the Rules of the Fund. The Depositary Bank exercises the general control over compliance with the law, the Rules of the Fund and these Rules in determining the net asset value, the net asset value per unit, the issue value and the redemption price of the units of the Fund. The Management Company carries out the activity of collecting and analysing all documents and any information that will serve for the determination of the net asset value, the net asset value per unit, the issue value and the redemption price of the units of the Mutual Fund, as well as for carrying out all the necessary accounting operations in connection with this activity.

1. Persons determining and exercising control in the determination of the NAV, the NAV per unit, the issue value and the redemption price

The net asset value, the net asset value per unit, the issue value and the redemption price of the units of the Fund are calculated by the Management Company under the control of the Depositary Bank in compliance with these Rules. It is an obligation of the Management Company to publish the issue value and the redemption price.

2. Technology for determining the NAV, the NAV per unit, the issue value and the redemption price

2.1. (Amended by Decision of the BoD of 12.09.2016) The net asset value of the Mutual Fund and the net asset value per unit are determined every Wednesday and Friday no later than 14.30 hours, under the terms and procedure of these Rules, in accordance with the legislation in force, the Rules of the Fund and the Prospectus for the public offering of units. The valuation is carried out on the basis of the assets which the fund has on Tuesday and Thursday and with the respective prices of financial instruments from those days. The Management Company carries out the valuation of the portfolio of the Fund, determines the net asset value of the Fund, the net asset value per unit, and calculates the issue value and the redemption price under the control of the Depositary Bank.

2.2. (Amended by Decision of the BoD of 30.11.2012, 12.09.2016, 20.09.2018, 05.09.2019, 17.01.2022 and 21.01.2026) Procedure for determining the net asset value of the Fund, the net asset value per unit, the issue value and the redemption price:

Between 09.00 and 12.30 hours on Wednesday and Friday, the following is carried out:

- the assets and the price of the assets are determined, in accordance with these rules;
- the accounting of all operations of the Fund and the revaluation of the cash and the liabilities denominated in currency is carried out;
- the net asset value and the net asset value per unit are determined and a decision is taken regarding the issue value and the redemption price of the units of the Fund. The net asset value per unit is determined by dividing the net asset value of the Fund by the number of units in circulation at the moment of this determination.
- The issue value is equal to the net asset value per unit, increased by the issue costs, if such are provided for in the Rules and the Prospectus of the fund.
- The redemption price per unit is equal to the net asset value per unit, reduced by the redemption costs, if such are provided for in the Rules and the Prospectus of the fund.
- every Wednesday and Friday, no later than 12.30 hours, the calculated net asset value, net asset value per unit, issue value and redemption price of the units of the Fund are sent to the Depositary Bank, as well as all the information for their determination, including the number of units sold and redeemed with completed settlement;
- every Wednesday and Friday, no later than 14.30 hours, confirmation is awaited from the Depositary Bank of the correctness of the net asset value, net asset value per unit, issue value and redemption price of the units of the Fund thus calculated (in the event of established breaches, corrections of the discrepancies are carried out);
- by 14.30 hours on every Wednesday and Friday, the process of determining the net asset value is completed.

(Amended by Decision of the BoD of 20.12.2016) By the end of the business day on which the calculation of the issue value and the redemption price of the units of the Fund is carried out, the Management Company announces this data:

- (Amended by Decision of the BoD of 20.12.2016) at the office of the Management Company, where the orders for the sale and redemption of units are accepted and contacts with investors and unitholders in the Fund are made;
- on the website of the Management Company.

- (New by Decision of the BoD of 20.12.2016, amended by Decision of the BoD of 23.11.2022) The issue value and the redemption price of the units of the mutual fund may be disclosed upon each calculation, but without this being obligatory, also on the website of BAUD or through a financial medium or agency.

The Management Company keeps minutes of the discussions, decisions and sources of information related to the determination of the net asset value of the Fund. To the minutes are attached the information and documentation that have been used for taking the decisions. The minutes are kept for a minimum of five years. The entire documentation and information related to the determination of the NAV of the Fund and the net asset value per unit is kept on a magnetic medium.

The Head of the "Regulatory Compliance" department of the Management Company is responsible for the keeping of the documents related to the calculation of the NAV of the Fund and the determination of the net asset value per unit.

The control over the process of keeping the documents related to the calculation of the NAV of the Fund and the determination of the net asset value per unit is exercised by the Executive Member of the Board of Directors (the Executive Director) of the Management Company.

The sources of information, decisive for the calculation of the NAV, are the official bulletin of "Bulgarian Stock Exchange" JSC, the primary dealers of government securities, Reuters, Bloomberg, CEDEL, EUROCLEAR, etc. The Management Company systematises, classifies and specifies the sources of information used.

(Amended by Decision of the BoD of 18.09.2019) The Management Company uses a software product in calculating the net asset value, the issue value and the redemption price. The software product is linked to the accounting system of the Fund, which allows the setting of templates for the accounting of the various operations and the subsequent automatic generation of the accounting entries, which are accepted in the accounting system. This type of connectivity eliminates the double entry of information, as well as contributes to the avoidance of errors upon re-entry. The software reads the daily files of Bulgarian Stock Exchange JSC and the other trading venues and includes them in the information array of the system. On the basis of these data, every Wednesday and Friday the market price of the positions traded on the BSE and the other trading venues is calculated and, taking into account the volume held of the respective positions in the portfolio of the Mutual Fund and in compliance with the criteria for the existence of a market price laid down in these rules, it is included in the net asset value. The market prices of the other assets will be imported electronically. The software product has different levels of access, which guarantees the protection of the data in calculating the NAV. The program stores the data related to the calculation of the NAV, the issue value and the redemption price and allows their verification for previous periods.

The entire documentation and information used for determining the net asset value, the issue value and the redemption price is kept on a magnetic medium by the management company for a minimum of 5 years. Owing to the danger of loss for technical reasons, it is also kept on a second magnetic medium.

III. Organisation of the activity of valuation of the portfolio and determining the net asset value of the Fund

1. The Management Company is responsible for the adoption, amendment and supplementation of these Rules. The Management Company exercises control over the observance and application of the Rules by all persons who participate in the calculation of the net asset value, including the Depositary Bank.

The Management Company has the following powers and responsibilities in controlling the activity of valuing the assets from the portfolio of the Fund and determining the net asset value:

- The Management Company reviews at least once a month the reports of the Depositary Bank and all documents and information related to the performance of the contracts with the Depositary Bank, and may request from the Depositary Bank additional documents, information and clarifications.

Upon non-provision of the requested additional documents, information and clarifications, the management company immediately notifies the Financial Supervision Commission;

- The Management Company once a year revises the procedure for determining the value of the assets of the Fund, or upon the occurrence of circumstances related to the securities market that require this.

2. The Management Company takes the decisions related to the determination of the NAV, the NAV per unit, the issue value and the redemption price in accordance with the legislation in force, the Rules and the Prospectus of the Fund, and these Rules. The Management Company determines the value of the assets, and collects and analyses the data necessary for carrying out this activity. It is also responsible for obtaining the market quotations and the exchange rate for the purposes of calculating the net asset value. The Management Company also carries out all accounting operations in connection with the revaluation of the assets.

3. (Amended by Decision of the BoD of 12.09.2016) The Depositary Bank controls the calculation of the issue value and the redemption price of the units of the Fund in accordance with ACISOU CI, the acts on its application, the Rules and the Prospectus of the Fund and these Rules. The Depositary Bank verifies the valuation carried out and the net asset value determined and notifies the Management Company in writing of the result of the verification by 14.30 hours on the day of the valuation. In the event of an established breach, the Depositary Bank notifies the Management Company by 14.00 hours on the day of the valuation and requires the elimination of the discrepancies. Upon established breaches or errors in the calculation of the issue value and the redemption price of the units, the Depositary Bank notifies the Management Company and introduces corrections in the issue value and the redemption price.

IV. Basic rules for avoiding conflicts of interest and for ensuring protection against the disclosure of inside information

- The management company adopts and applies the Policy for avoiding a conflict of interest that may arise in the process of valuing the assets of the managed collective investment scheme. The policy includes rules and measures for ensuring protection against the disclosure or use of inside information related to the valuation of the assets, before its disclosure.
- (Amended by Decision of the BoD of 12.09.2016, 03.10.2016) Requirements for the persons who work under a contract for the management company:
 - may not invest the funds of the collective investment scheme in financial instruments issued by themselves or by persons related to them;
 - may not be a party to transactions with the collective investment scheme, except in their capacity as unitholders;
 - disclose information about personal transactions with financial instruments by the end of the business day following the day of receiving the confirmation of the concluded transaction;
 - may not divulge, unless authorised to do so, and use for the benefit of themselves or other persons, facts and circumstances affecting the balances and operations on the accounts of the collective investment scheme, as well as all other facts and circumstances constituting a trade secret, which they have learned in the performance of their official and professional duties.
- The orders for the subscription and redemption of units of the collective investment scheme are executed after the disclosure of the issue value and the redemption price per unit.
- The management company ensures the fair treatment of the unitholders by applying the principles for the protection of their interests, for the non-favouring of one person at the expense of another, for equal treatment under equal conditions, as well as for the full disclosure of the information necessary for taking an investment decision.

- The "Regulatory Compliance" department in the management company, within the framework of the powers granted to it by law and by internal rules, monitors the lawful and correct carrying out of the activity of the management company, whereby, in the event of a danger of jeopardising the interests of the unitholders, the officer of the department immediately notifies the senior management, which is obliged to convene a meeting of the Board of Directors within a reasonable time for the consideration of the issue and the undertaking of specific measures.

(Amended by Decision of the BoD of 08.10.2018 and 28.01.2022) These Rules may be amended, supplemented or replaced by decision of the Board of Directors of the Management Company, which enters into force after approval by the Deputy Chairman in charge of the "Investment Activity Supervision" Division of the Financial Supervision Commission.

These Rules were adopted by the Board of Directors of Management Company "Compass Invest" JSC by decision of 24.10.2008 and amended by Decision of the Board of Directors of 30.08.2011, 06.04.2012, 25.04.2012, 21.05.2012, 30.11.2012, 12.09.2016, 03.10.2016, 20.12.2016, 20.09.2018, 08.10.2018, 13.08.2019, 05.09.2019, 18.09.2019, 11.11.2019, 17.01.2022, 28.01.2022, 23.11.2022, 21.01.2026 and 05.02.2026, whereby the Management Company acts for the account of Mutual Fund "Strategy".

(Amended by Decision of the BoD of 08.10.2018) The changes adopted by decision of the Board of Directors of 30.11.2012 enter into force on 01.01.2013 and after approval by the Financial Supervision Commission on a proposal by the Deputy Chairman in charge of the "Investment Activity Supervision" Division of the Financial Supervision Commission.

These Rules were amended by decision of the Board of Directors of Compass Invest JSC of 17.12.2025, whereby the changes were made in connection with the requirements of the Act on the Introduction of the Euro in the Republic of Bulgaria and enter into force on 01.01.2026.

for MC "Compass Invest" JSC,
acting for the account of MF "Strategy":

Milena Aleksandrova,
Chair of the BoD

Ivaylo Angarski,
Executive Director