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PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”

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**Translation from Bulgarian**

**ETF “Expat Serbia BELEX15 UCITS ETF”**

**PROSPECTUS**

FOR PUBLIC OFFERING AND ADMISSION TO TRADING ON REGULATED MARKET  
OF UNITS

(dematerialized, freely transferable)

(collective investment scheme for investment in units and other liquid financial assets at  
high risk)

Exchange Traded Fund “Expat Serbia BELEX15 UCITS ETF” (hereinafter referred to as “Expat Serbia BELEX15 UCITS ETF ” or simply “the Fund”), organised and managed by Management Company “Expat Asset Management” EAD (“the Management Company”), issues/sells units conferring equal rights of their holders. The number of units of the Fund changes depending on the volume of sales and redemption of units.

**“Expat Serbia BELEX15 UCITS ETF” is a passively managed fund and adheres to the method of full physical replication of the BELEX15 index.**

The Prospectus for public offering and admission to trading on a regulated market of units “Expat Serbia BELEX15 UCITS ETF ” (“Prospectus”) contains all the information needed to make an investment decision, including the main risks associated with “Expat Serbia BELEX15 UCITS ETF ” and activity thereof.

**It is in the interest of investors to read the Prospectus before deciding to invest.**

The members of the Board of Directors of the Management Company are jointly and severally liable for damages caused by untrue, misleading or incomplete data in the Prospectus. Those who prepared the Annual financial statements of the Fund are jointly and severally liable for damages caused by untrue, misleading or incomplete data in the financial statements of the Fund and the registered auditor – for damages caused by the audited financial statements.

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**The Financial Supervision Commission (“the Commission”; FSC) has confirmed this Prospectus by Decision No 9 - DF of 4.01.2018 but this does not mean that the Commission approves or does not approve investment in the proposed units nor that the Commission assumes responsibility for the accuracy and completeness of the information provided in the Prospectus.**

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11<sup>th</sup> February 2026

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Investors may obtain for free the Prospectus and Key investor information document together with all annexes from “Expat Asset Management” EAD from 9:00 to 18:00 (CET+1:00) every business day as well as from the website [www.expat.bg](http://www.expat.bg).

Registered address and Office of **“Expat Asset Management” EAD:**

Sofia, 96A, Georgi S. Rakovski str.

Tel.: +359 2 980 1881

Fax: +359 2 980 7472

Contact person: Veselin Dimitrov

Investment in units of “ Expat Serbia BELEX15 UCITS ETF ” is related to risks specific to the units offered, described in detail on page 28 and following pages of the Prospectus.

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**I. DATA ABOUT “EXPAT SERBIA BELEX15 UCITS ETF”**

(Amended by Resolution No. 223/17.01.2018 of the BD) (Amended by Resolution No. 245/28.02.2018 of the BD) (Amended by Resolution No. 249/16.03.2018 of the BD) (Amended by Resolution No. 310/23.01.2020 of the BD) (Amended by Resolution No. 337/01.10.2020 of the BD) (Amended by Resolution No. 346/08.02.2021 of the BD)

|                                                           |                                                                                                                   |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <i>Name:</i>                                              | “Expat Serbia BELEX15 UCITS ETF ”                                                                                 |
| <i>Investment objective:</i>                              | Replication of the performance of the BELEX15 stock unit index (hereinafter referred to as the "Reference Index") |
| <i>Risk profile:</i>                                      | High risk                                                                                                         |
| <i>Type:</i>                                              | UCITS ETF for full replication                                                                                    |
| <i>Exchange for trading of units:</i>                     | “Bulgarian Stock Exchange – Sofia” or another regulated market where the units of the fund are traded             |
| <i>Currency:</i>                                          | EUR                                                                                                               |
| <i>Nominal value per unit:</i>                            | 1.00 (one) EUR                                                                                                    |
| <i>Date of incorporation:</i>                             | 04.01.2018                                                                                                        |
| <i>Term of duration:</i>                                  | Indefinite                                                                                                        |
| <i>Number and date of Fund entry in the FSC Register:</i> | Licence No. 169-DF/11.01.2018                                                                                     |
| <i>Address:</i>                                           | Sofia, 96A, Georgi S. Rakovski str.                                                                               |
| <i>Telephone (fax):</i>                                   | +359 2 980 1881, fax: +359 2 980 7472                                                                             |
| <i>E-mail address:</i>                                    | <a href="mailto:office@expat.bg">office@expat.bg</a>                                                              |
| <i>Website:</i>                                           | <a href="http://www.expats.bg">www.expats.bg</a>                                                                  |
| <i>Management Company:</i>                                | Expat Asset Management EAD                                                                                        |
| <i>Market Makers:</i>                                     | BenchMark Finance AD                                                                                              |
|                                                           | Lang & Schwarz Broker GmbH                                                                                        |
|                                                           | InterCapital Securities Ltd.                                                                                      |
| <i>Investment advisers:</i>                               | Nikolay Vassilev Vassilev<br>Daniel Penov Donchev<br>Dzhuliya Sasheva Katsarova                                   |
| <i>Custodian:</i>                                         | Eurobank Bulgaria AD                                                                                              |

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(Amended by Resolution No.213/27.10.2017 of the BD) (Amended by Resolution No. 299/16.08.2019 of the BD)

"Expat Serbia BELEX15 UCITS ETF" is an open-ended collective investment scheme for investment in securities and other liquid financial assets set up and operating in accordance with the Collective Investment Schemes and Other Undertakings for Collective Investments Act (CISOUCIA), the Public Offering of Securities Act (POSA) and its implementing regulations, the Markets in Financial Instruments Act, the Obligations and Contracts Act (OCA) and the other applicable legislation of the Republic of Bulgaria.

The Fund is a designated asset pool for collective investment in transferable securities and other liquid financial assets under Art. 38 of CISOUCIA of funds raised through public offering of units aimed at achievement of the investment goals under Art. 7 of the Fund Rules, which shall be implemented by the Management Company on the principle of risk distribution.

Section XV "Company" of the OCA, with the exception of Art. 359, para. 2 and 3, Art. 360, 362, Art. 363 (c) and (d) and art. 364 apply thereto, insofar as otherwise provided by law or the Fund Rules. The fund is organized and managed by "Expat Asset Management" EAD and has no management bodies. According to Art. 87, para. 1 of CISOUCIA in carrying out the activity under Art. 4, para. 1 of the Fund Rules related to the public offering on a secondary market (stock exchange trading) of the units of the Fund, as well as to the issue and redemption on a primary market, the Management Company shall act in the name and on behalf of the managed collective investment scheme – in this case " Expat Serbia BELEX15 UCITS ETF ".

(Amended by Resolution No. 213/27.10.2017 of the BD, Amended by Resolution No. 436/18.12.2025 of the BD) The fund's capital is equal to the Net Asset Value (NAV), which may not be less than EUR 255,645.94. This minimum amount must be reached within two years of receiving the FSC's authorization for the organization and management of the Fund. The Fund shall be subject to entry in the public registers under Art. 30, para. 1, subpara. 4 of the Financial Supervision Commission Act (FSCA).

"Expat Serbia BELEX15 UCITS ETF" shall also comply with the following additional requirements applicable to exchange traded funds at the time of the creation of this Prospectus:

- (Amended by Resolution No. 213/27.10.2017 of the BD, Amended by Resolution No. 436/18.12.2025 of the BD) The minimum net asset value may not be less than EUR 51,129.19 and should be reached within 30 days of the confirmation of this Prospectus;
- Upon expiration of this 30-day period, the exchange traded fund shall disclose the value of net asset raised on its website and shall notify the Commission;
- (Amended by Resolution No. 436/18.12.2025 of the BD) Within 30 days of reaching the minimum amount of assets of EUR 51,129.19, the Management Company shall submit an application for admission of the Fund's units to trading on a regulated market.

PROSPECTUS OF "Expat Serbia BELEX15 UCITS ETF"

### I.1. Management Company

|                                                                                            |                                                        |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <i>Name:</i>                                                                               | "Expat Asset Management" EAD                           |
| <i>Seat and registered address:</i>                                                        | Sofia, 96A, Georgi S. Rakovski str.                    |
| <i>Telephone (fax):</i>                                                                    | +359 2 980 1881, fax: +359 2 980 7472                  |
| <i>E-mail address:</i>                                                                     | <a href="mailto:office@expat.bg">office@expat.bg</a>   |
| <i>Website:</i>                                                                            | <a href="http://www.expatsbg.com">www.expatsbg.com</a> |
| <i>Date of incorporation:</i>                                                              | 30/07/2007                                             |
| <i>Term of duration:</i>                                                                   | indefinite                                             |
| <i>Resolution of the FSC on granting a licence for operations as a management company:</i> | No. 1574-MC of 30.11.2007                              |

(Amended by Resolution No. 223/06.12.2017 of the BD) (Amended by Resolution No. 223/06.12.2017 of the BD) (Amended by Resolution No. 310/23.01.2020 of the BD)

#### Information about the Company's professional experience

"Expat Asset Management" EAD has been actively managing clients' assets since 16.06.2008. The main advantage and strong feature of the Management Company is its team of professionals with extensive expertise in asset management and investment analysis and young experts with good qualifications and knowledge in the field of finance.

#### Management and operation of "Expat Serbia BELEX15 UCITS ETF"

(Amended by Resolution No. 213/27.10.2017 of the BD) According to Art. 29, para. 3 of the Rules of Expat Serbia BELEX15 UCITS ETF, the Management Company, the members of its Board of Directors and its investment advisor shall act in the best interests of all shareholders in the Fund, guided solely by this interest in managing the Fund.

The Management Company is obliged to manage the Fund's activities in the following areas: investment management, administration services, distribution and marketing of the Fund's units. The Management Company shall invest the raised funds in the Fund with respect to the investment objectives and investment policy of the Fund described in this Prospectus.

In the case of the sale and redemption of units, the Management Company shall calculate the issue price and the redemption price of the Fund's units under the control of the Custodian, shall maintain the accounts, maintain and keep the records and shall perform all other similar obligations in accordance with the terms and conditions for issuing and selling units, terms and conditions for redemption of units and the circumstances in which the redemption may be suspended, terms and conditions for calculating the issue price and the price for redemption of units as described in this Prospectus. The Management Company shall manage the Fund's overall marketing activity and shall perform all other activities that are necessary with respect to the lawful functioning and termination of the Fund.

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In carrying out the above-mentioned functions, the Management Company shall take Decisions on all matters related to the organization, activity and termination of the Fund, including:

- Amendment and supplement of the Fund Rules, Portfolio Valuation and Determination of the Net Asset Value and Indicative Net Asset Value Rules, Risk Assessment and Risk Management Rules and other Internal Instruments and regards the update of this Prospectus;
- Signing, control over the execution, termination and cancellation of contracts with the Custodian, market makers and investment brokers executing the investment orders regarding the management of the Fund's portfolio;
- Appointment and dismissal of the registered auditors of the Fund;
- Preparation of the annual financial statements and its acceptance after certification by the selected registered auditors;
- Daily determination of the net asset value of the Fund, NAV per share, issue price and redemption price of its units;
- Determination and publication of the NAV and NAV per share, in accordance with the Prospectus and Fund Rules;
- Taking decisions for suspension/resuming the redemption and extension of the temporary suspension of redemption;
- Taking decision for signing a loan agreement;
- Taking decisions on the transformation and termination of the Fund;
- Appointment of liquidator(s) upon termination of the Fund.

Other collective investment schemes managed by “Expat Asset Management” EAD (Amended by Resolution No. 331/17.09.2020 of the BD, Amended by Resolution No. 346/08.02.2021 of the BD, Amended by Resolution No. 382/11.10.2022 of the BD)

As at the date of publication of this Prospectus, the Management Company manages four other mutual funds: Mutual Fund (MF) “Expat Emerging Markets Stocks”, MF “Expat Global Bonds”, MF “Expat Developed Markets Stocks” and MF “Expat Natural Resources”, and twelve exchange traded funds: “Expat Bulgaria SOFIX UCITS ETF”, “Expat Czech PX UCITS ETF”, “Expat Poland WIG20 UCITS ETF”, “Expat Slovenia SBI TOP UCITS ETF”, “Expat Slovakia SAX UCITS ETF”, “Expat Hungary BUX UCITS ETF”, “Expat Croatia CROBEX UCITS ETF”, “Expat Serbia BELEX15 UCITS ETF”, “Expat Macedonia MBI10 UCITS ETF”, “Expat Romania BET-BK UCITS ETF” and “Expat Greece ASE UCITS ETF” and “Borg AI Ultra UCITS ETF”; , as well as two national exchange traded funds: “Expat Bulgaria Short SOFIX” and “Expat Gold”.

Data for the members of the management and supervisory bodies of “Expat Asset Management EAD” (Amended by Resolution No. 299/16.08.2019 of the BD) (Amended by Resolution No. 223/06.12.2017 of the BD) (Amended by Resolution No. 310/23.01.2020 of

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the BD) (Amended by Resolution No. 313/01.04.2020 of the BD) (Amended by Resolution No. 331/17.09.2020 of the BD) (Amended by Resolution No. 381/16.09.2022 of the BD) (Amended by Resolution No. 388/24.01.2023 of the BD)

“Expat Asset Management” EAD was registered in the Commercial Register in November 2007. The Company has a one-tier management system – Board of Directors consisting of five natural persons:

Nikolay Vassilev Vassilev – Executive Director

Daniel Penov Donchev – Executive Director

Nicola Simeonov Yankov – Chairman of the Board of Directors

Konstantina Dimitrova Pergelova-Okoliyska – Member of the Board of Directors

Gloriya Martinova Nikolova - Member of the Board of Directors

As of the date of this Prospectus the Members of the Board of Directors do not perform any other activity outside of Expat Asset Management EAD.

Subscribed and paid-up capital

(Amended by Resolution No. 292/17.05.2019 of the BD, Amended by Resolution No. 436/18.12.2025 of the BD) The core capital of “Expat Asset Management” EAD amounts to EUR 327,226.80, divided into 640 dematerialized units with a nominal value of EUR 511.29 each. The entire capital is subscribed and paid by the sole owner “Expat Capital” AD.

**I.2. Units of “Expat Serbia BELEX15 UCITS ETF”**

|                                        |                                                        |
|----------------------------------------|--------------------------------------------------------|
| <i>Exchange for trading the units:</i> | Bulgarian Stock Exchange – Sofia AD                    |
| <i>Website:</i>                        | <a href="http://www.bse-sofia.bg">www.bse-sofia.bg</a> |

Registration for trading on a stock exchange

(Amended by Resolution No. 436/18.12.2025 of the BD) Within 30 days after reaching the minimum asset amount of EUR 51,129.19. The Management Company will apply for admission of the Fund's units to trading on the Bulgarian Stock Exchange – Sofia ("BSE – Sofia" AD, BSE) and the Fund will comply with the requirements of the Bulgarian Stock Exchange – Sofia, related to the trading of its units. The Fund intends to initiate a process of admission of units to trading on the London Stock Exchange's main segment, and may

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be traded on other exchanges in the near future if the Management Company decides on such registrations.

Dividend policy

The Fund will not distribute dividends. The dividends paid out of the shares in which the Fund has invested, as well as the capital gains realized on trading of the shares in the Fund, will be reinvested.

**I.3. Investment adviser**

(Amended by Resolution No. 223/17.01.2018 of the BD) (Amended by Resolution No. 245/28.02.2018 of the BD) (Amended by Resolution No. 249/16.03.2018 of the BD) (Amended by Resolution No. 299/16.08.2019 of the BD) (Amended by Resolution No. 310/23.01.2020 of the BD) (Amended by Resolution No. 325/18.06.2020 of the BD) (Amended by Resolution No. 346/08.02.2021 of the BD)

Information about the investment adviser

The investment decisions regarding the management of the assets of " Expat Serbia BELEX15 UCITS ETF " shall be taken by:

1. Nikolay Vassilev Vassilev, licensed investment adviser, holder of certificate No. 412-IC/02.06.2014, issued by FSC for acquired right to carry out activity as an investment adviser.

*Education:*

|             |                                                                                                       |
|-------------|-------------------------------------------------------------------------------------------------------|
| 1996 – 1997 | KEIO UNIVERSITY, Tokyo, Japan, Specialization in Tax Policy and Finance                               |
| 1995 – 1997 | BRANDEIS UNIVERSITY, Waltham, USA, Master of International Economics and Finance                      |
| 1994 – 1995 | STATE UNIVERSITY OF NEW YORK, Oswego, USA, Bachelor of Business Administration, Finance and Economics |
| 1990 – 1994 | BUDAPEST UNIVERSITY OF ECONOMIC SCIENCES, Budapest, Hungary, Bachelor of Economics and Management     |

*Additional qualification*

|      |                                   |
|------|-----------------------------------|
| 1999 | Chartered Financial Analyst (CFA) |
|------|-----------------------------------|

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**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**


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***Professional experience***

|                |                                                                                                                        |
|----------------|------------------------------------------------------------------------------------------------------------------------|
| 2010 – ongoing | “Expat Alpha” AD Member of the Board of Directors                                                                      |
| 2009 – ongoing | “Expat Capital” AD, representative and Executive Director                                                              |
| 2009 – ongoing | “Expat Group” EOOD, sole owner of the capital                                                                          |
| 2005 – 2009    | Minister of State Administration and Administrative Reform                                                             |
| 2003 – 2005    | Deputy Prime Minister and Minister of Transport and Communications                                                     |
| 2001 – 2003    | Deputy Prime Minister and Minister of Economy                                                                          |
| 2001 – 2005    | Member of Parliament, 39 <sup>th</sup> and 40 <sup>th</sup> National Assembly                                          |
| 2000 – 2001    | LAZARD CAPITAL MARKETS, London, United Kingdom, Senior Vice President; Director of Central and Eastern Europe Research |
| 1997 – 2000    | UBS WARBURG (former Warburg Dillon Read), London, United Kingdom, Associate Director                                   |
| 1997           | SBC WARBURG DILLON READ, New York, USA, Analyst "Emerging European Capital Markets"                                    |
| 1996 – 1997    | SBC WARBURG, Tokyo, Japan, Japan Financial Markets Strategy Analyst                                                    |
| 1993 – 1994    | COOPERS & LYBRAND, Budapest, Hungary, Tax Consultant                                                                   |
| 1988 – 1990    | Military School for Reserve Officers " Hristo Botev" – Pleven                                                          |

***Activities outside the Company that are relevant to the Company's activities***

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In addition to the above-mentioned positions at the date of this Prospectus, Nikolay Vassilev does not perform any other activity outside of Expat Asset Management EAD.

2. Daniel Penov Donchev, licensed investment adviser, holder of certificate No. 266-IC/28.01.2008, issued by FSC for acquired right to carry out activity as an investment adviser.

*Education:*

|             |                                                                       |
|-------------|-----------------------------------------------------------------------|
| 1999 – 2003 | University of National and World Economy, Bachelor's degree: Finances |
|-------------|-----------------------------------------------------------------------|

*Additional qualification*

|      |                                   |
|------|-----------------------------------|
| 2013 | Chartered Financial Analyst (CFA) |
|------|-----------------------------------|

*Professional experience*

|                      |                                                                           |
|----------------------|---------------------------------------------------------------------------|
| July 2019 – ongoing  | “Expat Asset Management” EAD, Member of the Board of Directors            |
| June 2019 – ongoing  | “Expat Asset Management” EAD, Chief Investment Director                   |
| Feb 2018 – June 2019 | “Karoll Capital Management” EAD, Head of Investment Strategies Department |
| Feb 2012 – Feb 2018  | “NN Bulgaria” EAD, Chief Portfolio Manager                                |
| July 2007 – Feb 2008 | “NN Bulgaria” EAD, Portfolio Manager                                      |
| May 2006 – June 2007 | “Unicredit leasing” AD, Chief Financial Analyst                           |

*Activities outside the Company that are relevant to the Company's activities*

In addition to the above-mentioned positions at the date of this Prospectus, Daniel Donchev does not perform any other activity outside of Expat Asset Management EAD.

3. Dzhuliya Sasheva Katsarova, licensed investment adviser, holder of certificate No. 491-IC/03.10.2019, issued by FSC for acquired right to carry out activity as an investment adviser.

*Education:*

|             |                                                      |
|-------------|------------------------------------------------------|
| 2016 – 2018 | Durham University, United Kingdom, Master of Finance |
|-------------|------------------------------------------------------|

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2012 – 2016                      Sheffield University, United Kingdom, Bachelor’s degree:  
Accounting and Finance

*Additional qualification*

2019                                  Certificate of Acquired Right to Operate as Investment  
Consultant No. 491-IC/03.10.2019

2019                                  Chartered Financial Analyst (CFA) Level III

*Professional experience*

2019 – ongoing                  “Expat Asset Management” EAD, Financial Analyst

In addition to the above-mentioned positions at the date of this Prospectus, Dzhuliya Katsarova does not perform any other activity outside of Expat Asset Management EAD.

#### **I.4. Custodian**

Data about the Custodian

|                                                                      |                                                                                                                                          |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Name:</i>                                                         | “Eurobank Bulgaria” AD                                                                                                                   |
| <i>Seat and registered address:</i>                                  | Sofia, 260, Ring Road str.                                                                                                               |
| <i>Telephone (fax):</i>                                              | +359 2 816 6215; fax: +359 2 988 8191                                                                                                    |
| <i>E-mail address:</i>                                               | <a href="mailto:custody@postbank.bg">custody@postbank.bg</a>                                                                             |
| <i>Website:</i>                                                      | <a href="http://www.postbank.bg">www.postbank.bg</a>                                                                                     |
| <i>Date of registration:</i>                                         | “Eurobank Bulgaria” AD was registered in Sofia City Court under company file No. 10646/1991 on 15.05.1991.                               |
| <i>Number and date of authorization to conduct banking business:</i> | License No B-05/1991, updated by Order No. RD 22-2252/16.11.2009 of the Governor of the BNB, amended by Order No. RD 22-2201/12.10.2012. |

(Amended by Resolution No. 223/06.12.2017 of the BD)

Key Terms of the contract with the Custodian

Under the contract between the Management Company acting on behalf of the Fund and the Custodian, the Custodian shall provide the following main services to “Expat Serbia BELEX15 UCITS ETF”: (a) safekeeping funds of the Fund; (b) making all payments in the name and on behalf of the Fund; (c) safekeeping dematerialized securities held by the Fund in a sub-account/register of the Custodian in Central Depository AD, the Bulgarian National Bank or another institution; (d) safekeeping of paper-based securities of the Fund; (e) safekeeping of financial instruments of the Fund traded abroad (foreign securities); (f) safekeeping of certifying documents of dematerialized securities and other documents of the Fund; (g) rendering other services specified in the contract or which the Custodian is

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required by law to render or are agreed upon between the parties in the contract for custodial services.

The Custodian shall keep the assets of the Fund – both financial instruments and cash – subject to the requirements of paragraph 3 of the Additional Provisions and the requirements of Art. 34 para. 1 of the MFIA, according to which the Custodian is not liable to its creditors with the financial instruments and funds it holds in the name and on behalf of the Fund. Under no circumstances may the Custodian block the assets of the Fund against claims directed against the Management Company, whether these claims are from a third party, including bailiffs, the National Revenue Agency or any other governmental authority. The Custodian shall store, record and report the assets of the Fund, both financial instruments and cash, off-balance-sheet, without including them in the balance sheet.

The Custodian shall store and report the assets of the Fund, both financial instruments and cash, separately from its assets, the assets of the Management Company and the assets of its other clients under contract for custodial services.

The Custodian shall exercise joint control over the issue (sale), redemption and cancellation of the Fund's units, as well as the collection and use of the Fund's earnings in accordance with the law and its Rules, and shall monitor whether the remuneration of the Management Company is calculated and paid in accordance with the law and the Fund Rules. The Custodian shall ensure that the value of the units of the collective investment scheme is calculated by the Management Company in accordance with the law and the Portfolio Valuation and Determination of the Net Asset Value and the Indicative Net Asset Value Rules of the managed collective investment scheme.

According to Art. 25, para 3 of CISOUCIA, the Custodian may not carry out activities for the Fund or the MC, that may cause conflict of interest between the collective investment scheme, its investors, the MC, and the Custodian itself, with the exception that there is functional and hierarchical separation between the carried out by the Custodian activities for the Funds and its other functions, and with the exception that the conflicts of interest that may arise are established, managed, monitored and exposed to the Fund's investors, respectively.

As of the date of actualizing this Prospectus, no conflicts of interest with respect to the Custodian are known nor identified.

Upon request, the investors will be provided with the up to date information for:

1. The Custodian's identification, its obligations by Law and Custody Contract, and the conflicts of interest that may arise;
2. All depository functions delegated by the Custodian, list of persons to whom the functions have been delegated or subdelegated, and the potential conflicts of interest that may arise from this delegation.

“Expat Serbia BELEX15 UCITS ETF” shall pay to the Custodian for its activity under the contract a remuneration in the amount specified in an annex to the contract as well as fees and commissions for transfers of shares and bonds and other types of services according to a tariff forming part of the contract.

The contract with the Custodian is concluded for a period of one year and it enters into force and takes effect only after obtaining the due approval of the FSC under the procedure of Art. 18 of the CISOUCIA. If, within 90 (ninety) calendar days prior to the expiry of the contract,

neither party expresses a written wish to terminate or change it, it shall automatically be deemed to have continued for the same period and under the same conditions.

The contract for custodial services may be terminated under the following conditions:

1. By mutual consent of the parties expressed in writing;
2. Unilaterally from each of the parties, with three-month written notice;
3. Upon termination of the Fund;
4. Upon termination, revocation of the license or insolvency of the Management Company – under the conditions of Art. 26, para. 3 of CISOUCA (i.e. after the Custody has exceptionally carried out, for a period not exceeding three months, management actions concerning the Fund under the provisions of Section I of Chapter Five of Ordinance No. 44, as the Agreement may be terminated upon signing a contract with another Management Company pursuant to Section I of Chapter Five of Ordinance No. 44 or following the transformation of the Fund by merger or acquisition);
5. Upon revoke of the license or bankruptcy of the Custodian;
6. Upon revoke by the FSC of the issued authorization for the organization and management of the Fund;
7. Upon amendment of the Custodian's license, excluding or restricting certain activities necessary for the performance of the custodial services;
8. If a party fails to fulfil a material obligation under the contract for a reason for which it is responsible, the complying party may terminate the contract in writing by giving the other party written notice of an appropriate period of time to fulfil the relevant obligation, with a warning that, failing to do so within the deadline, shall deem the contract terminated in the future.

The agreement with the Custodian shall be concluded in compliance with the requirements and restrictions established by the law and the Fund Rules. The agreement with the Custodian may not be in contradiction with the Rules and Regulations. In the event of a discrepancy between the legal framework and the agreement with the Custodian, the provisions of the regulations shall apply.

(Amended by Resolution No. 230/08.01.2018 of the BD) The terms of the agreement with the Custodian may not be changed unilaterally by the Custodian or the Management Company and the agreement may not refer to internal documents of the Custodian or the Management Company, such as regulations, tariffs, general terms and conditions which may be unilaterally changed by the Custodian or the Management Company. Any amendment to the agreement shall be made in writing and signed by both parties. In case of termination of the agreement, the Custodian shall transfer the assets it holds to the Fund, as well as all necessary documents, to a new Custodian appointed by the Management Company and approved by the Deputy Chairperson of the Financial Supervision Commission.

PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”

### I.5. Market makers

(Amended by Resolution No. 223/06.12.2017 of the BD, Amended by Resolution No. 339/12.10.2020 of the BD)

#### Information about the market makers

market makers of the Fund are:

|                                                                                                        |                                                              |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <i>Name:</i>                                                                                           | “BenchMark Finance” AD                                       |
| <i>Seat and registered address:</i>                                                                    | Sofia, 19, Viskyar Planina str., floor 2                     |
| <i>Telephone, fax:</i>                                                                                 | +359 2 962 5795; +359 2 962 5388                             |
| <i>E-mail address:</i>                                                                                 | <a href="mailto:office@benchmark.bg">office@benchmark.bg</a> |
| <i>Website:</i>                                                                                        | <a href="http://www.benchmark.bg">www.benchmark.bg</a>       |
| <i>Date of incorporation:</i>                                                                          | 18/12/2003                                                   |
| <i>Number and date of authorization to perform business as an Investment broker issued by the FSC:</i> | Decision No 179-IP/09.03.2004 of FSC                         |
| <i>FSC Registration Number:</i>                                                                        | No. RG-03-0212                                               |

|                                             |                                              |
|---------------------------------------------|----------------------------------------------|
| <i>Name:</i>                                | Lang & Schwarz Aktiengesellschaft            |
| <i>Headquarters and registered address:</i> | Breite Strasse 34<br>40213 Duesseldorf       |
| <i>Website:</i>                             | <a href="http://www.ls-d.de">www.ls-d.de</a> |

|                                             |                                                                |
|---------------------------------------------|----------------------------------------------------------------|
| <i>Name:</i>                                | InterCapital Securities Ltd.                                   |
| <i>Headquarters and registered address:</i> | I Masarykova 1, 10000 Zagreb, Croatia                          |
| <i>Telephone, fax:</i>                      | T: +385 1 4825 894 I M: +385 91 2825 894<br>F: +385 1 4825 869 |
| <i>Website:</i>                             | <a href="https://inter.capital/">https://inter.capital/</a>    |

#### Key terms of the contract with the market makers

According to the contract between the Management Company acting on behalf of the Fund and the market maker, on the other hand, the market maker shall provide the following services to “ Expat Serbia BELEX15 UCITS ETF ”:

- (Amended by Resolution No. 436/18.12.2025 of the BD) To provide standing buy and sell quotes for the exchange traded fund thus ensuring that the stock exchange value of the Fund’s units does not differ significantly from their value determined on

PROSPECTUS OF "Expat Serbia BELEX15 UCITS ETF"

the basis of a net asset value; each of the quotations "buy" and "sell" has a minimum amount of EUR 1,278.23;

- To enter a new quotation "buy" or "sell" within 2 minutes of the withdrawal, respectively from the performance of the previously entered quotation;
- To maintain "buy" and "sell" quotes at a maximum spread of 5% of the last announced net asset value at the opening auction, by the indicative net asset value during a continuous trade phase, and the last announced indicative net asset value so the quotes to comply with the following criteria cumulatively:

$$\frac{(Ask-Bid)}{NAV} \leq 5\%, \frac{|Ask-NAV|}{NAV} \leq 5\%, \frac{|Bid-NAV|}{NAV} \leq 5\%;$$

where: Ask = "sell" quotation, Bid = "buy" quotation and NAV = last reported net asset value, including indicative net asset value;

- To subscribe new units of the Fund in the primary market, observing the legal requirements for subscription of units in the primary market of a direct replication exchange traded fund, and observing the additional requirements and conditions for subscription of units of the Fund in the primary market described in this Prospectus in Chapter "**Terms and conditions for the creation and redemption of units in the primary market**", unless otherwise agreed in the contract with the market maker and the annexes thereto;
- To sell units of the Fund in the primary market, observing the legal requirements for sale and redemption of units in the primary market of a direct replication exchange traded fund, and observing the additional requirements and conditions for sale and redemption of units of the Fund on the primary market described in this Prospectus in Chapter "**Terms and conditions for the creation and redemption of units in the primary market**", unless otherwise agreed in the Agreement with the Market Maker and its accompanying annexes;
- In the event of a suspension of the redemption and/or suspension of the issue of units of the Fund, Market Maker's obligations to maintain "buy" and/or "sell" quotations on a regulated market shall be waived until such procedures are recovered.

## I.6. Accounting dates

The Management Company is obliged to submit to the Financial Supervision Commission and the public the following reports on the activities of the Fund:

1. Annual report within 90 days of the end of the financial year;
2. Six-month report covering the first six months of the financial year, within 30 days of the end of the reporting period.

By 31 March each year, the Board of Directors of the Management Company shall prepare for the past calendar year financial statements and a report on the activities of the Fund and shall present it for examination to the registered auditor selected by the Management Company. "Expat Serbia BELEX15 UCITS ETF" does not distribute the achieved profit as income between shareholders. The Management Company shall reinvest the Fund's profits, resulting in a net asset value increase in the interest of the shareholders.

The Management Company of the Fund is obliged to submit to the Commission by the 10<sup>th</sup> day of the month following the reporting month a monthly balance sheet and information about the volume and structure of the investments in the portfolio by issuers and types of securities and other financial instruments.

### **I.7. Auditors**

As an auditor responsible for carrying out the statutory audits and audit certification of the financial statements of the Fund for 2019, the Management Company selected Ernst & Young, UIC 130972874, represented by Nikolay Garnev registration № 612/2004.

### **I.8. External advisers**

In addition to investment firms, market makers, custodians, exchanges and banks, the Fund may also use external advisers occasionally with regard to their routine business activities, including marketing and advertising, legal services, registration consultancy services and licensing services to new markets and new exchanges, investor relations services, services for distribution of fund units, specialized information support services, subscription services for access to specialized information databases and systems, courier services and other one-off or periodic services directly related to its activities. The Management Company shall conclude the agreements with the external service providers in the name and on behalf of the Fund, informing the Custodian thereof. The Custodian may object to costs incurred by the Management Company on behalf of the Fund by refusing to confirm their inclusion in the calculation of the net asset value of the Fund.

### **I.9. Responsible persons for the preparation of the Prospectus**

Responsible persons for the preparation of the Prospectus are:

1. Veselin Dimitrov – for the financial part and
2. Dzhuliya Katsarova – for the economic part.

The aforementioned persons, with their signatures at the end of the Prospectus, declare that, after taking due care and to the best of their knowledge, the information provided in the Prospectus is not false, misleading or incomplete.

### **Information Agent in Slovenia**

(New – BD Resolution No.320/29.05.2020) (Amended by BD Resolution No.324/12.06.2020) (Revoked by Resolution of the BD № 439/ 11.02.2026)

### **I.10. Additional information for investors in the Federal Republic of Germany**

(New Resolution of the Board of Directors No. 229/08.01.2018)

1. Zeidler Legal Services Rechtsanwaltsgesellschaft mbH is chosen as Information Agent of the Fund in the Federal Republic of Germany and has agreed to provide certain services to the Fund with regard to Art. 309 of the German Investment Code

PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”

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(Kapitalanlagegesetzbuch) at the following address: Bettinastrasse 48, 60325 Frankfurt, Germany. The Information Agent may be contacted via e-mail at: [contact@zeidlerlegalservices.com](mailto:contact@zeidlerlegalservices.com).

The latest Prospectus, Fund's Rules, Rules for Portfolio Valuation and Determination of the Net Asset Value and Indicative Net Asset Value, and the Key Investor Information Document (KIID), as well as the latest semi-annual and annual reports may be inspected at and can be received free of charge at the address of the Information Agent during normal business hours on every business day in Frankfurt am Main.

Further investor information, if any, is available at the German Information Agent and will be published on the website [www.expat.bg](http://www.expat.bg).

2. No paying agent has been appointed as no individual share certificates in respect of the Fund are issued in printed format.
3. Investors from the Federal Republic of Germany should know that the process of subscription and redemption is unified as to all investors in the primary market regardless of their country of origin. Access to the primary market is however granted to institutional investors only. Issuance and redemption orders are made in a written manner via email to the Fund's Management Company with electronic signature at the following address: [asset.management@expat.bg](mailto:asset.management@expat.bg). Once accepted by the Fund's administration the order cannot be cancelled. The Management Company will then instruct the client through the relevant process. The order is executed using the NAV per unit calculated on the date of placing the order if the order is submitted until 3:00 pm Sofia time (CET+1:00). Settlement may be done via Clearstream. For both: issuance and redemption orders, the execution can be done via DVP settlement and/or with a basket of assets. Requests for subscription and redemption of units procedure is thoroughly described in the Prospectus section headed 'Terms and conditions for the creation and redemption of units in the primary market' starting from page 36 of this very document.
4. Information on the net asset value per unit, issue price and redemption price can be obtained free of charge at the Information Agent during normal business hours on every business day in Frankfurt am Main.
5. In addition to publications on the website [www.expat.bg](http://www.expat.bg) unitholders will be informed with a letter or email about the following changes:
  - suspension of redemption of the Fund's units;
  - the termination of the management of the Fund or the liquidation thereof;
  - amendments to the fund rules which are inconsistent with existing investment principles, affect material investor rights, or relate to remuneration or the reimbursement of expenses that may be taken out of the Fund's assets;
  - the merger of the Fund, and where applicable, the conversion of the Fund into a feeder fund.

PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”

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6. The Fund intends to fulfil the requirements to be qualified as a tax transparent fund to enable unitholders to make use of the benefits provided by the German Investment Tax Act but declines any liability in this respect. In general, the tax treatment of any unitholder will depend on the personal circumstances and may change in the future. Unitholders and prospective unitholders are therefore advised to seek independent tax advice prior to investing in the Fund.

## II. INVESTMENT INFORMATION

### II.1. Investment objectives and investment policy Limits.

(Amended by Resolution No. 223/06.12.2017 of the BD)

*FUTURE INVESTORS SHOULD MAKE THEMSELVES AWARE OF THIS SECTION IN ORDER TO ASSESS WHETHER INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES OF “EXPAT SERBIA BELEX15 UCITS ETF” COINCIDE WITH THEIR OWN INVESTMENT OBJECTIVES.*

(Amended by Resolution No. 346/08.02.2021 of the BD) Investment Objectives

The Fund's investment objective is to follow the performance of the BELEX15 Index ("Reference Index", "the Index"), adhering to the full physical replication method while minimizing the level of the tracking error. To this end, the Fund strives to maintain the weight of equities in its portfolio at a maximum and cash and cash equivalents at a minimum.

The Fund fully complies with the requirements of Directive 2009/65/EC of the European Parliament and of the Council (a UCITS-compliant Fund) and may be freely offered to retail investors on a secondary market on any stock exchange on which the Fund's shares are admitted to trading within the European Union and/or the European Economic Community. The investment rationale of the Fund is to provide investors with exposure to the Reference Index that the Fund tracks, both for long-term investment and for short-term investment objectives.

*The value of the Fund's units is linked to the Reference Index, which may increase or decrease. Therefore, investors need to know that the value of their investment may both increase and decrease and must assume that there is no guarantee that they will be able to recover their initial investment.*

#### Reference index

The reference index is BELEX15, composed of shares denominated and traded in Serbian dinar (RSD). The reference index is market-value-weighted and free float-adjusted. The reference index monitors the performance of the 15 biggest and most liquid shares of the Belgrade Stock Exchange. The Reference Index is a benchmark index for the Belgrade stock market and its presentation is strongly related to the performance of the market in general. A full description of the reference index, its composition, the methodology for

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**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**


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selecting the composition and weight of the selected companies in the index is available on the Belgrade Stock Exchange website <https://www.belex.rs..>

The Fund aims to replicate the performance of the Reference Index at closing prices.

The Fund does not use hedging operations aimed at hedging the currency risk generated by movements in the reference currency against the EUR.

At the date of this Prospectus, the Index has the following characteristics:

*Profile:*

|                                         |                  |
|-----------------------------------------|------------------|
| Name                                    | BELEX15          |
| Reuters Code                            | .BELEX15         |
| Bloomberg Code                          | BELEX15          |
| Starting date                           | 05.10.2005       |
| Basic value                             | 1000             |
| Currency                                | Serbian dinar    |
| Number of emissions                     | 15               |
| Change in the basis                     | Twice per year   |
| Change in the free-float                | 4 times per year |
| Maximum weight of a single issue        | 20%              |
| Corrections in case of corporate events | No               |

*Basic requirements of the Index in selection of emissions*

1. Emissions must be ordinary shares traded on regulated market.
2. Emissions must have been traded during at least 80% of the trading sessions in two consecutive trimesters

*Additional criteria in selection of emissions*

Emissions that meet basic requirements are ranked according to their market capitalization corrected for the free-float. The 15 highest ranking emissions are included in the index with a weight corresponding to their market capitalization corrected with the free-float. In the event the market capitalization of a single emission exceeds 20% of the total market capitalization, the respective emission is given a weight factor of less than 1 so that the overall weight of the emission is reduced to the maximum of 20%.

BELEX15 is calculated on a daily basis at the official share closing price at which the index companies are traded. BELEX15 is also calculated in real time every working day in which BELEX15 is published. The closing value of the index is available at [www.belex.rs](http://www.belex.rs). The methodology for calculation of BELEX15 is changed by the Index Commission and information about it is available at the Belgrade Stock Exchange or at [www.belex.rs](http://www.belex.rs).

### Change of the Reference Index

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017, amended by the Resolution of the Board of Directors No. 230 / 08.01.2018) The Board of Directors of the Management Company may decide, if it deems fit that is in compliance with the Act and in the interest of the shareholders of the Fund to substitute the Reference Index with another reference index. According to Art. 18 of the CISOUCA, the substitution is allowed after the approval of the Financial Security Commission on a proposal by the Deputy Chairperson. Shareholders in the Fund shall be notified of the decision of the Board of Directors to change the index on the website [www.expat.bg](http://www.expat.bg) or in official publications as regulated by existing laws and regulations. The Prospectus and the Fund Rules will be updated in case of a change in the existing reference index.

Any change in the existing Reference Index, such as changing companies in the index or their weight, may force the full replication Fund to make appropriate changes and rebalancing the investment portfolio in order to pursue a full reference index. Such changes may result in additional/extraordinary transaction costs. The Management Company and investment advisors will monitor for such changes and make the necessary changes within a few days, if necessary.

### Investment strategy and policy

In order to achieve the highest possible correlation with the performance of the Reference Index, the Fund will follow the model of full physical replication, meaning that it will primarily invest basket of balance-sheet assets consisting of the shares of the companies in the Reference Index. As a direct replication fund, “Expat Serbia BELEX15 UCITS ETF” may not invest with the exact weight of the respective company in the Reference Index. In order to ensure the transparency of the method of replicating the Reference Index, investors may find up-to-date information on the composition of the portfolio of “Expat Serbia BELEX15 UCITS ETF” on the Fund’s website at [www.expat.bg](http://www.expat.bg). The frequency of update and/or the date on which the above information is updated are specified on the same website.

The extent to which a direct replication fund may achieve its objectives depends on the investment limits the Fund must observe as described in this Prospectus. In addition to the investment restrictions, it should be noted that:

- Exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets that significantly divert the performance of the Fund from that of the Reference Index;
- Due to various factors, including fees and charges, concentration limits, other legal or regulatory constraints and, in some cases, the illiquidity of certain securities, it may not be possible or practicable to invest in all companies in the Reference Index and/or in the same proportions as in the Reference Index.

### Composition and structure of the Fund's portfolio, asset categories in which the Fund invests, investment restrictions

**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**

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(Amended by Resolution No. 213 / 27.10.2017) As a fund for full physical replication of an index, “Expat Serbia BELEX15 UCITS ETF” will invest in a manner and according to Art. 7, Art. 8 and Art. 9 of the Fund Rules. Its assets may be invested in the following groups of financial instruments:

1. (Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) Up to 100% of the Fund’s assets in shares and rights of companies that compose the Reference Index. In order to comply with legal limits and maintaining liquidity in order to meet redemption requirements, the Fund will maintain a minimum level of cash and cash equivalents that limits the weight of shares that replicate the Reference Index.

The Fund invests only in shares that are part of the Reference Index. In circumstances beyond the Management Company (change of an issuer from the Reference Index), the Fund has the obligation for up to 6 months to rebalance its portfolio and sell/buy the shares subject to a change in the Reference Index. During the fund raising period of the Fund, there may be disproportionately large cash flows outside the control of the Management Company.

2. Bank deposits repayable on demand or with the right to be withdrawn at any time and up to maturity of no more than 60 days, provided that the bank has its registered office in the Republic of Bulgaria or in another Member State; and if with a seat in a third country, provided that it is subject to regulations which the Deputy Chairperson considers equivalent to those under European Union law – up to 20% of the Fund’s assets.
3. Without restriction total of up to 100% of the Fund's assets in securities and money market instruments issued by an EU Member State or a third country included in a list approved by the Deputy Chairperson only in the following or similar exceptional cases:
  - Disproportionately large subscription of new units of the Fund against money in the primary market;
  - (Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) In case of low market liquidity – in case it is impossible to rebalance the Fund against all positions of the Reference Index and this would lead to a price movement of individual positions of over 10%, which is not conditioned by a change in the foundation of the particular companies;
  - High market, political or systemic risk that may impede the management of the Fund in normal market conditions;
  - The Fund may temporarily invest the free cash in securities under this subparagraph if the Management Company considers that any of the above risks is present but is obliged to rebalance the Fund's portfolio for up to 6 months in order to maximize the proximity to replication of the Reference index.

*Investment restrictions*

Below are the restrictions applicable to the Fund's investments under the Law and the Fund's Rules.

**PROSPECTUS OF "Expat Serbia BELEX15 UCITS ETF"**

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1. (Amended by Resolution of the Board of Directors No. 213/27.10.2017) "Expat Serbia BELEX15 UCITS ETF" aims to reproduce the composition of the BELEX15 index, for which the following conditions apply:

- The composition of the index is sufficiently diversified;
- The index is an adequate benchmark for the market to which it refers, and
- Is published in an appropriate way.

As a fund for passive index tracking complying with the above conditions, "Expat Serbia BELEX15 UCITS ETF" has no other restrictions, except for investing up to 20% in shares of one issuer, part of the Reference Index, according to Art. 46, para. 1 of CISOUCIA .

The Fund is committed to follow the Reference Index, making it possible for the Fund's portfolio structure to deviate from the Reference Index at times of exceptional market conditions, a change in the structure of the Reference Index, subscription or redemption order in the Fund, low market liquidity and low exchange trade volume, and more. The Management Company shall perform any rebalancing of the Fund's portfolio, driven primarily by the interest of investors and by the Fund's mandate to follow the Reference Index. In order to comply with legal limits and maintaining liquidity in order to meet redemption requirements, the Fund will maintain a minimum level of cash and cash equivalents that limits the weight of shares that are to replicate the Reference Index.

2. The Management Company may not invest more than 20% of the Fund's assets in deposits in a single bank;
3. The Fund's risk exposure to the counterparty in a transaction arising from effective portfolio management techniques may not exceed 10% of the assets when the counterparty is a bank under Art. 38, para. 1, item 6 of CISOUCIA, and in other cases 5% of the assets.
4. The total value of the investments referred to in Items 2 and 3 in securities or money market instruments issued by one person and the deposits with that person and the exposure arising from techniques for effective portfolio management shall not exceed 20% of the value of the Fund's assets;
5. The Management Company may invest up to 30% of the Fund' assets in securities and money market instruments issued by one issuer if they are issued or guaranteed by a Member State, their local authorities, third country, or a publican international organization in which at least one Member State is a member;
6. Individuals belonging to a group for the purpose of preparation of consolidated financial statements in accordance with recognized accounting standards shall be treated as one entity subject to the application of the restrictions under subparagraphs 2 to 4.
7. (Amended by Resolution of the Board of Directors No. 230 / 08.01.2018) Furthermore, the Fund may not acquire more than:
  - 7.1. ten percent of the non-voting shares issued by one person;
  - 7.2. ten percent of the bonds or other debt securities issued by one person;
  - 7.3. ten percent of the money market instruments issued by one person.

PROSPECTUS OF "Expat Serbia BELEX15 UCITS ETF"

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Restrictions under 7.2 and 7.3 do not apply if at the moment of acquisition of the respective instruments the MC, acting on behalf of the Fund is unable to calculate the brutto sum of the securities, of the instruments in the money market or the net worth of the issued securities.

8. The above limitations shall not apply when subscription rights deriving from securities and money market instruments that are part of the Fund's assets are exercised.

In case of violation of the investment restrictions for reasons outside the control of the Management Company, it shall within 7 days from the establishment of the infringement notify the Commission by proposing a program of measures for bringing the assets in compliance with the requirements of the law within 6 months from the commitment of the infringement.

***Requirements for securities, money market instruments and other assets under Art. 38 of CISOUCA and to the structure of assets and liabilities and liquidity of the Fund***

Other investment strategies and techniques

It is possible that the Fund, in accordance with the Law, to buy or sell securities with the intention to sell them or buy them back to the seller/buyer respectively, subject to the requirements of Art. 27 and 28 of the CISOUCA and the Financial Collateral Arrangements Act (these transactions are generally known as redemption agreements or "repo" transactions). These agreements may be executed under different terms and conditions, the definition of the redemption price and the collateral, depending on the conjuncture and the arrangement reached with the particular counterparty. The conclusion of such agreements could optimize the Fund's profitability and liquidity and its counterparties would have to comply with creditworthiness requirements previously set by the Management Company.

(Amended by Resolution No. 213/27.10.2017) The Management Company will follow the guidelines in Section X of the ETF and undertakings for collective investment in transferable securities (UCITS) (ESMA/2014/937) Guidelines. The Management Company shall not use derivative instruments in the management and structure of the Fund, and in this sense all guidance related to these instruments is irrelevant. "Expat Serbia BELEX15 UCITS ETF" may use techniques and instruments related to securities and money market instruments under the conditions and limits set forth in this Prospectus and the Policy for collateral and reinvestment of the Fund's cash collateral, but in no case these techniques shall not detract the Fund from its investment objectives or add additional risks relative to the original risk policy as described in this Prospectus and the Fund's Rules. Where and when such action is taken, "Expat Serbia BELEX15 UCITS ETF" will ensure that it is in a position at any time to seize all the securities lent or to terminate any securities lending agreement it has entered into. Term repo agreements and repurchase repo agreements with a term of no more than seven days will be considered as transactions the conditions of which allow the Fund to seize assets at any time. The annual report of "Expat Serbia BELEX15 UCITS ETF" should also include details on:

- A. Risk exposure achieved through efficient portfolio management techniques;

**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**

- B. The identity of the counterparty/counterparties of these efficient portfolio management techniques;
- C. The type and amount of collateral received by the UCITS for reducing the exposure of the counterparty; and
- D. Revenue resulting from efficient portfolio management techniques throughout the reporting period, together with direct and indirect operating costs and fees paid.

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) The Fund must always have minimum liquidity funds as follows:

- Cash (including deposits in credit institutions under Article 38, paragraph 1, item 6 of CISOUCIA), securities, money market instruments under Art. 38, para 1, item 1-3 of CISOUCIA, money market instruments under Art. 38, para. 1, item 9 of CISOUCIA and short-term receivables – not less than 100% of the weighted current liabilities;
- Cash (including deposits in credit institutions under Article 38, paragraph 1, item 6 of CISOUCIA), securities and money market instruments issued by a Member State and money market instruments under Art. 38, para. 1, item 9 (a) of CISOUCIA – not less than 70% of the weighted current liabilities, except for the obligations related to participation in the capital increase of public companies.

The Management Company shall conduct regular stress tests once a year – by the 15<sup>th</sup> day of each first month of the year or at the discretion of the Management Company, if market circumstances require so. These stress tests allow the Fund's liquidity risk to be assessed under exceptional market circumstances. The Management Company shall notify the Deputy Chairperson of the FSC within 30 days after the completion of the stress tests and the actions taken to amend the current Rules if necessary.

The Fund may use different types of money market operations (repo transactions, securities lending) to provide liquidity if necessary if the redemption obligation exceeds the Fund's current cash availability and the provision of additional cash through urgent sales of assets would have the effect of damaging the interest of other investors in the Fund. Such operations are allowed under extreme market conditions – periods of low market liquidity, market fluctuations of more than 5% per day in the Fund' Reference Index or other circumstances that would lead to potential losses to current investors in the Fund after providing the necessary liquidity.

The Fund may not use repo transactions for leverage purposes and may not enter into similar transactions with a maturity of more than 30 days.

In the event of breach of the requirements under the preceding paragraphs, the Fund shall be obliged to notify the Commission within 7 days of the establishment of the violation, indicating the reasons for the violation and proposing measures for bringing the liquidity in compliance with the regulatory requirements. The Fund shall bring its liquidity in line with the regulatory requirements within 30 days of the establishment of the violation. When, before the 7-day deadline expires, the Fund brings its liquidity in line with regulatory requirements, it shall notify the Commission thereof on the next business day at the latest. In this case, the requirement to propose measures under the first sentence shall not apply.

### Other restrictions

When managing the Fund, the Management Company will comply with all statutory requirements and restrictions, including those determined by decisions of FSC. The Management Company may not change the scope of the Fund's activity or decide on its transformation in any other way than by merger or acquisition, following an authorization by the FSC.

The Management Company, as well as the Custodian, when acting on behalf of the Fund, may not grant loans or secure or guarantee liabilities of third parties with assets of the Fund.

In carrying out its investment activities, the Fund may not sell securities, money market instruments and other financial instruments under Art. 38, para. 1, items 1, 2, 3 and 9 of the CISOUCA, which the Fund does not own.

The Fund may not borrow except in the cases specified by the applicable law. Borrowing shall be subject to the prior authorization of the Deputy Chairperson and subject to the following conditions:

- The loan is required to cover the unit redemption obligations;
- The loan, respectively the total amount of loans in the same period, shall not exceed 10% of the Fund's assets;
- The term of the loan is no longer than 3 months;
- The terms of the loan agreement are not less favourable than usual for the market;
- The creditor of the loan is only a bank, except the Custodian.

The Management Company may not invest the assets of the Fund (and any of its managed funds) in voting shares of one issuer so that the acquired interest in such shares will allow the Management Company or the members of its management or control bodies, together or separately, exert significant influence on the issuer.

### Changes in investment strategy, policy and restrictions

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017, amended by the Resolution of the Board of Directors № 230 / 08.01.2018) The abovementioned junctures regarding the investment strategy, policy and restrictions are defined in Art. 7 – 12 incl. and Art. 17 of the Fund Rules and to comply with the legal requirements as of the date of the Prospectus. Some of these situations may be amended by decision of the Management Company after approval by the FSC's Deputy Chair, provided that this is in the best interests of the investors or follows from the law or FSC's decision. Notwithstanding the above, if a discrepancy arises between the investment strategy, policy and constraints of the Fund as set out in the Prospectus and subsequent amendments to the CISOUCA and its implementing regulations regarding the requirements and restrictions on the composition and structure of the investments and the activity of the Exchange Traded Fund, the new regulations should apply from their entry into force. In these cases, the Management Company will bring the Fund Rules and Prospectus into compliance with the regulatory changes as soon as reasonably practicable.

## **II.2. Index Tracking error**

The Fund is exposed to tracking error risks, which may result in the Fund’s value and performance not following exactly the value and performance of the Reference Index. For more information on why these risks may arise, please refer to the “Tracking error” section in the Risk Profile Chapter of “Expat Serbia BELEX15 UCITS ETF” below.

The tracking error is the volatility (measured by the annualised standard deviation) of the Fund’s yield differential to that of the Reference Index over a certain time period. This is not the same as tracking difference, which is simply the difference between the profitability of the Fund and that of the Reference Index over a certain time period. The tracking difference shows how much the Fund has performed better or worse than the Index, whereas the tracking error shows the persistence of the difference in the performance of the Fund and the Reference Index.

The expected level of annual tracking error under normal market conditions is 10%. The expected level is based on historical tests (“backtests”) including the historical performance of BELEX15 and the simulated performance of “Expat Serbia BELEX15 UCITS ETF” compared thereto, given the Fund’s inability to replicate BELEX15 at 100% due to legal restrictions related to the concentration; estimated annual management costs and others; average expected variations in the “buy-sell” quotations of the BELEX15 shares. The expected level is only an estimate of the tracking error and should not be interpreted as a strict limitation. The expected tracking error is considered based on the performance of the NAV of the Fund against the profitability of the Reference Index, assuming that the dividends received from the components of the Index (after withholding taxes) are also reinvested. The Fund’s policy to reinvest dividends received (after deducting taxes) may lead to a tracking error. For the Fund’s shareholders, the Fund’s overall performance is important as it represents the profitability of their investment.

## **II.3. Risk profile of ETF “Expat Serbia BELEX15 UCITS ETF”**

(Amended by Resolution of the Board of Directors № 223 / 06.12.2017) (Amended by Resolution of the Board of Directors № 351 / 24.03.2021) (Amended by Resolution of the Board of Directors № 253 / 08.04.2021)

Potential shareholders of “Expat Serbia BELEX15 UCITS ETF” should be aware of the risks associated with its business and take an adequate decision to invest in the Fund’s securities on the basis of their individual investment objectives, risk tolerance and investment horizon to take adequate decision for investment in Fund’s securities.

**It is important to know that the investment in units of the Fund is not a bank deposit and therefore it is not guaranteed under the Bank Deposit Guarantee Act or any other kind of guarantee. The unit value may be subject to fluctuations due to the composition or techniques of managing the Fund’s investment portfolio. The Fund’s previous results (return level) are not related to its future results and are not sufficient to make a decision to invest in the Fund.**

Risk Profile of “Expat Serbia BELEX15 UCITS ETF”

**PROSPECTUS OF "Expat Serbia BELEX15 UCITS ETF"**

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The Fund's risk profile represents the amount and type of risk the Management Company undertakes by investing the Fund's assets with the aim of replicating the Reference Index, which at the date of this Prospectus is an index of shares traded on the Belgrade Stock Exchange. In that context, investing in units of "Expat Serbia BELEX15 UCITS ETF" is associated with taking high risk, given that the Reference Index is composed of shares.

Description of the main risks associated with the business and investment portfolio of "Expat Serbia BELEX15 UCITS ETF" that are directly or indirectly borne by the investors through the acquisition of units of the Fund

As regards its operations, "Expat Serbia BELEX15 UCITS ETF" is exposed to various types of risks affecting its performance. The main risks that investors will incur when investing in units of "Expat Serbia BELEX15 UCITS ETF" are:

**Market risk**

Possibility of losses due to unfavourable changes in securities prices, market interest rates, exchange rates, etc. This market risk affects the net asset value of the Fund, which will also fluctuate as a result of changes in the market prices of the shares and other securities in which the Fund has invested. Various factors affecting the market price of certain shares (e.g., financial statements showing a reduction in the profits of the company that issued the shares, loss of main client, high value lawsuit brought against the company, change of the regulations in a certain industry). Not all such factors may be predicted.

**Extreme market movements**

The market price of the financial instruments in which the Fund has invested may vary due to changes in the economic and market environment, central bank monetary policy, business activity of issuers, the sector in which the issuer operates and the demand and supply of the securities market. At certain times, stock market prices (stock market) may vary considerably. In case of large movements of the Index, including large daily movements, the Fund's performance may deviate from its investment objectives. The revaluation of the Fund will vary as a result of a change in the value of the Fund's assets and the Reference Index.

**Inability of the Management Company to adapt to the market changes**

The Fund follows a passive strategy, i.e. is not actively managed. Accordingly, the Management Company shall not change the composition of the portfolio except to follow closely the overall profitability of the Reference Index. The fund does not try to "beat" the market and does not take defensive positions when the market falls or is considered overvalued. Therefore, a decline in the Reference Index may result in a fall in the value of the Fund's assets.

**Interest rate risk**

Interest rate risk is the possibility of reduction of the value of a security as a result of a rise in interest rates. In general, the rise in interest rates adversely affects stock prices.

### **Currency risk**

(Amended by Resolution of the Board of Directors № 436/18.12.2025) The risk of a decrease in the value of an investment in a security or deposit denominated in a currency other than EUR due to a change in the exchange rate between that currency and the EUR.

### **Price risk**

Risk related to investments in equities or other equity securities – the risk of lowering the value of an investment in a security in the event of unfavourable changes in market price levels.

### **Liquidity risk**

Risk related to the possibility of losses or lost profits from urgent or forced sales of assets under unfavourable market conditions (such as low demand in the presence of oversupply).

### **Purchase and redemptions**

(Amended by Resolution No. 213/27.10.2017) If orders for the purchase and redemption of units are received late or do not comply with the requirements of the Prospectus and Art. 20, para. 5 of the Fund Rules, there will be a delay between the time of the order submission and the actual date of purchase or redemption. Such postponements or delays may result in a reduction in the number of units or the amount of redemptions.

### **Trading on a regulated market**

There is no certainty that the Fund will receive approval for trading on a regulated market and/or that the Fund's units will be traded or that the conditions for admission to trading will not change. Furthermore, trading units on a stock exchange may be suspended according to the rules of the relevant stock market due to market conditions and investors may not be able to sell their units until the trade is restored.

### **Regulatory risk**

The prospectus is prepared in accordance with applicable laws and regulations. The Management Company and/or the Fund and its investment objectives and policies may be affected by future changes in laws and regulations. New or modified laws, rules and regulations in Bulgaria or the European Union may prevent or significantly limit the ability of the Fund to invest in certain instruments. They may also impede the conclusion of Agreements with certain third parties. This may impair the ability of the Fund to comply with the relevant investment objectives and policies. The implementation of such new or amended laws, rules and regulations may result in an increase in all or some of the Fund's costs and may require a restructuring of the Fund in order to comply with the new rules. Such possible restructuring may involve restructuring costs. Where restructuring is not possible, the Fund may be terminated. Fund assets and the Reference Index are subject to

change in laws or regulations and/or such a change may affect their value and/or their liquidity.

### **Credit risk**

Valuations of rating agencies such as Standard & Poor's, Moody's and Fitch are an internationally recognized barometer on credit risk for securities. But these ratings are also not perfect: they are based on past events and do not reflect all possible future circumstances. Credit risk also exists in the dealings with the counterparty on stock and over-the-counter transactions when it occurs in two varieties – counterparty and settlement risk. In the first, there is a probability of non-fulfilment of over-the-counter transactions counterparty obligations. This risk is minimized in the performance of the Fund in view of the fact that it invests primarily in financial instruments traded on regulated markets. Settlement risk is the probability that on the settlement date the Fund does not receive counterparty cash or financial instruments after it has fulfilled its obligations under the transaction to that counterparty.

### **Risk of concentration**

The risk of concentration is the possibility of loss due to the diversification of exposures to issuers, groups of related issuers, issuers of the same economic sector or geographical area, or arising from the same activity that may cause significant losses, as well as the risk associated with large indirect credit exposures.

### **Operational risk**

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) It is related to the possibility of incurring losses due to errors or inadequacies in the system of organization, insufficiently qualified personnel, unfavourable external events of a non-financial nature, including legal risk. The Management Company shall determine a short-term and long-term strategy in managing the operational risks that arise in the management of the Fund's activity and portfolio described in Art. 19 of the Risk Assessment and Management Rules of the Fund.

### **Risk of tracking the Reference Index error**

Tracking the Reference Index by investing in all index positions may be costly and difficult to implement. The Portfolio Manager may use optimization techniques such as selecting individual items in the Index in proportions that are different from those in the Index. The use of such optimization techniques may increase the tracking error and lead to a different performance of the Fund compared to that of the Index. Also, existing restrictions or future amendments to the law and Fund's regulations regarding but not limited, the composition, concentration, and way of asset valuation may lead to the Fund's inability to replicate the index entirely. Also, exchange-traded funds in markets with low liquidity are at greater risk of tracking error.

## **Reference index**

In the event of an event that affects the Index, the Fund may have to discontinue the purchase and redemption of units. The revaluation of the Fund may also be affected. In case of ongoing problems with the Index, the Fund will take appropriate actions that may reduce the net asset value of the Fund. Such events may be, but are not limited to, the following:

- The index is considered inaccurate and does not reflect actual market developments;
- The index is stopped by the body that organizes it;
- This body may not determine the value of the Index;
- This body makes changes to the formula for calculating the Index, which does not allow the Fund to follow it at a reasonable cost;
- Component of the Index is illiquid because it is no longer traded on a regulated market;
- Components of the Index are exposed to higher transaction costs or higher settlement fees, or specific tax restrictions not reflected in the performance of the Index.

## **Systemic risks**

Systemic risks depend on general fluctuations in the economy and the markets as a whole. The fund may not influence systemic risks, but takes them into account and comply therewith. The risks posed by the political and economic conjuncture are the possible instability or military action in the region. Disasters and accidents are factors that complicate any risk management system. Consequences are difficult to predict, but access to information and the implementation of a forecasting and action system in extreme situations are possible ways to minimize the negative effect.

## **Political risk**

(New with Resolution of the Board of Directors No. 213 / 27.10.2017)

Emerging markets may be subject to higher than normal risks associated with political change, state regulation, and social instability and diplomatic developments (including conflicts) that may negatively affect the economies of these countries and the value of investment therein.

## **Sustainability risks**

Sustainability risks are events or conditions of an environmental, social, or governance nature that, if they occur, could have a material negative impact on the value of investments. In compliance with Article 3 of Regulation (EU) 2019/2088, the company has adopted and applies a policy for integrating sustainability risks into the investment decision-making processes for all collective investment undertakings managed by the company, including the Fund. The main principle of the policy for integrating sustainability risks into investment decision-making processes is to achieve maximum financial return on investments. However, as the Fund is passively managed and tracks the index in the manner provided

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for in its Rules, the integration of sustainability risks into the investment decision-making processes of the Management Company is not applicable to this fund.

Information in relation to Article 4 of Regulation (EU) 2019/2088

Although it applies the policy described above, the Company does not take into account the adverse impacts of investment decisions on sustainability factors within the meaning of Article 4(1)(b) of Regulation (EU) 2019/2088. The reasons for this are as follows:

- At this stage, taking into account the adverse effects of investment decisions on sustainability factors will limit the possibility of achieving better returns and diversification for discretionary management clients and investors in actively managed UCITS.
- The company offers its discretionary management clients the opportunity to set investment restrictions on the management of their portfolios, including those related to prioritizing sustainability risks. It is important to note, however, that to date, no client has taken advantage of this opportunity or expressed such a desire.
- Taking into account the adverse impacts of investment decisions on sustainability factors within the meaning of Article 4 of Regulation (EU) 2019/2088 will result in significant resource costs (human, managerial, and financial) for the company without leading to any expected and measurable increase in revenue in the medium or even long term. The priority of the Company's management is to ensure its financial stability, capital adequacy, and profitable operation. In this sense, reporting the adverse impacts of investment decisions on sustainability factors is not compatible with these objectives at this stage.
- At this stage, the company has not identified any significant demand from investors for whom accounting for the adverse impacts of investment decisions on sustainability factors is a priority and takes precedence over good risk diversification and investment returns.

**Other risks**

Investments in the Fund are at risk of a closure of the stock exchange, political risk, volatility, lack of liquidity on the stock exchange.

**Finally, investors should keep in mind that the value of the Fund's units and their income may decline, profit is not guaranteed, and investors take the risk of not recovering their investment in full.**

**II.4. Rules for asset valuation**

The current Portfolio Valuation and Determination of Net Asset Value and Indicative Net Asset Value Rules for the assets of “Expat Serbia BELEX15 UCITS ETF” are applicable to this Prospectus and form an integral part thereof.

**II.5. Investment activity for the last three years preceding the year of issue or updating of the Prospectus, and if three years have not passed – for the relevant**

## **period**

The fund is incorporated in 2018 and has no history of the past three years.

## **II.6. Characteristic of the typical investor to whom the activity of “Expat Serbia BELEX15 UCITS ETF” is targeted**

Units of “Expat Serbia BELEX15 UCITS ETF” are available to all investors. Investors in the Fund seek exposure to the market(s) in which the Reference Index invests. At the date of this Prospectus, this is the Serbian market. The amount of the investment in the Fund depends on the individual circumstances of each individual investor. In order to determine this value, investors should take into account the size of their personal wealth and/or property, their cash resources at the moment and for the next few years, and their willingness to take a risk or a more cautious approach. We also advise investors to diversify their investments sufficiently to avoid being exposed solely to the risks of this Fund. In this sense, we draw our attention to all investors considering their specific situation with the assistance of their investment advisor.

## **III. ECONOMIC INFORMATION**

### **III.1. Tax regime**

This section addresses the general tax regime of the Fund and investors regarding their income from transactions with the Fund's units in accordance with the tax legislation in force at the date of the drafting of the Prospectus. It is in the interest of shareholders and all investors to consult on these and other tax matters with tax experts, including on the tax effect depending on the particular situation.

#### Corporate taxation of the Fund

The profit of the Fund is not subject to corporate tax.

#### Taxation of the income of shareholders of the Fund

The net income realized by the Fund increases the Net Asset Value of the Fund and, therefore, the value of its units. Since the Fund does not distribute income between investors, the latter may realize capital gains by selling their units back to the Fund (under certain conditions) or on the stock exchange. The amount of capital gains is determined as a positive difference between the sale price and the cost of acquisition of the units. Where units are acquired at different prices and subsequently part of them is sold, and it cannot be shown which of them are sold, the unit acquisition price is the weighted average price determined on the basis of the cost of ownership of the units held at the time of sale.

#### *General*

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Income from Fund transactions (realized capital gains), both in the cases of redemption of the units of the Fund and in the sale of the units to BSE – Sofia, shall not be subject to taxation when the recipient of the income is a resident natural person, or a natural person established for tax purposes in a Member State of the European Union or in another country belonging to the European Economic Area.

Accordingly, this income reduces the accounting financial result in determining the tax financial result of legal entities subject to taxation under the Corporate Income Tax Act (CITA). It should be borne in mind that in case of loss of unit transactions, the persons subject to taxation under the CITA will have to increase their accounting financial result with the negative difference between the sale and the acquisition price of the units. Where units are acquired at different prices and subsequently part of them is sold, and it cannot be shown which of them are sold, the unit acquisition price is the weighted average price determined on the basis of the cost of ownership of the units held at the time of sale. This income is also not subject to withholding tax.

*Exception for some categories of persons*

Income from transactions in Fund units (realized capital profit), as well as financial assets in general, received from natural persons from third countries other than the above, are subject to a final tax of 10% on the taxable income.

Taxable income is the amount of profits made during the year determined for each particular transaction less the amount of losses realized during the year determined for each particular transaction. The realized profit/loss for each transaction is determined by deducting the sale price by the cost of the units. Where units are acquired at different prices and subsequently part of them is sold, and it cannot be shown which of them are sold, the unit acquisition price is the weighted average price determined on the basis of the cost of ownership of the units held at the time of sale.

The Management Company is obliged to provide the Executive Director of the National Revenue Agency with the information under Art. 143, (n), para. 1, items 1-4 of the Tax and Social Insurance Procedure Code (TSPC), including the amount of savings income paid – by 30 April of the year following the year of the payment of the income. The information shall cover all saving income paid in the calendar year concerned.

**III.2. Charges (commissions) when purchasing/selling units of “Expat Serbia BELEX15 UCITS ETF” – shall be accrued only on primary market transactions**

Purchase and sale fees are intended to cover the costs of the sale/issue and redemption of units and are included in the issue price and the redemption price paid by the investor.

The Fund applies the following structure of fees for subscription and redemption of units in a primary market for the following groups of investors:

| Type of investor       | Amount of the charge for the purchase order of ETF units | Amount of the charge for the redemption order of ETF units |
|------------------------|----------------------------------------------------------|------------------------------------------------------------|
| Institutional Investor | 2.00%                                                    | 2.00%                                                      |

**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**

|                                                                                                         |                                                                                                 |                                                                                                 |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Another investor (including a market maker) who has entered into a contract with the Management Company | On charges, conditions and restrictions specified in the agreement with the Management Company. | On charges, conditions and restrictions specified in the agreement with the Management Company. |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|

Notwithstanding the amount invested, Fund investors should pay a 2.00% charge on the purchase of units due to the Management Company, which is accrued to the Fund's net asset value per share, and is included in the issue price of the units, unless has been negotiated differently in an Agreement with the Management Company. The Issue Price of the Fund is defined as NAV per unit plus the charge payable to the Management Company.

“Institutional Investor” means all insurance companies, banks, investment firms, managing companies, pension funds, and all collective investment schemes and investment companies licensed in EU or an OECD member state. Fund investors are required to pay a 2.00% redemption fee due to the Management Company, which is accrued to the Fund's net asset value per unit and is deducted from the redemption price, unless otherwise agreed in an Agreement with the Management Company. The redemption price of the Fund is defined as NAV per unit less the fee payable to the Management Company.

Investors shall pay at their cost all settlement and transfer costs of the Fund for all primary market operations, including fees to depositaries, bank charges, commissions, taxes, etc.

It should be borne in mind that the terms of issue and redemption with other investors (including Market Makers) are governed by separate agreements.

### **III.3. Costs or fees borne by the Fund**

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017, Amended by Resolution of the Board of Directors No. 223 / 06.12.2017)

#### **Costs on behalf of the Fund (indirect costs to the investor)**

These costs are deducted from the assets of “Expat Serbia BELEX15 UCITS ETF” “Expat Serbia BELEX15 UCITS ETF” and are thus indirectly borne by all shareholders. A full description of these costs investors will find in Art. 33, Art. 34, Art. 35 and Art. 36 of the Fund Rules.

The table below shows the estimated annual operating costs of “Expat Serbia BELEX15 UCITS ETF” as a percentage of the annual average net asset value of its assets:

#### **Annual Fund's projected operating costs as % of annual average NAV**

| Cost type                                     | % of annual average NAV of the Fund |
|-----------------------------------------------|-------------------------------------|
| Fixed remuneration for the Management Company | 1.00 %                              |
| Other operating costs                         | 0.38 % (a)                          |
| Total estimated operating costs               | 1.38%                               |

(a) “Other operating costs” includes the main predictable operating expenses, such as: remuneration of the Custodian; the remuneration of the auditors for the certification of the annual financial statements of the Exchange Traded Fund, the Fund's advertising and

**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**

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marketing costs, investor relations, licensing fees and current supervisory fees, membership fees, etc., the exchanges and the Central Depository and other government bodies and institutions related to the activities of the Fund; other expenses specified in the Fund Rules at its expense.

The remuneration of the Management Company shall be determined as follows: fixed remuneration at the amount of an annual management fee of 1.00% (one percent) of the NAV, accrued each business day. At its discretion on certain days for the purposes of calculating the NAV, the Management Company may charge no remuneration or charge less than the eligible remuneration.

**III.4. Data about costs of “Expat Serbia BELEX15 UCITS ETF” for the last 3 years preceding the year of issue or update of the Prospectus**

(Amended by Resoution No. 223/06.12.2017 of the BD)

The fund is incorporated in 2018 and has no history of the past three years.

**III.4.1. Data about the policy for determining and paying remuneration in “Expat Asset Management” EAD**

(Amended by Resolution No. 213/27.10.2017 of the BD)

The policy for determining and paying remuneration of “Expat Asset Management” EAD does not refer in any way to the collective investment schemes and exchange traded funds managed by the Company. The Fund owes no fees and no additional costs to the Company, its staff or management as a result of this Policy. According to the Policy for Determining and Paying Remuneration in “Expat Asset Management” EAD, the remunerations in the Company may be permanent and variable. The fixed and variable remunerations of the different categories of employees are determined as follows: for the members of the Board of Directors – by decision of the sole owner of the capital; for all other employees – by the Executive Director. The Remuneration Policy is published on the website of “Expat Asset Management” EAD [www.expatsbg.com](http://www.expatsbg.com) and a copy of it shall be provided on paper free of charge upon request.

**IV.COMMERCIAL INFORMATION**

**IV.1. Terms and conditions for the creation and redemption of units in the primary market**

(Amended by Resolution No. 223/06.12.2017) (Amended by Resolution No. 213/27.10.2017 of the BD)

The units of the Fund may be purchased and sold on a primary or secondary market in accordance with the laws and regulations as well as pursuant to Art. 20 of the Fund Rules.

The Fund may not issue units which issue price is not fully paid.

**Primary Market**

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**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**


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The primary market is the market where units of the Fund are issued or redeemed directly by the Fund itself. The following groups of investors may participate in the primary market under the following terms and conditions set out in this Prospectus, unless they are in conflict with a law or a statutory provision:

**Table "Conditions" (Amended by Resolution No. 346/08.02.2021)**

| <b>Type of investor</b>                                                                                 | <b>Min. amount of the purchase order for Fund units</b>                                         | <b>Min. amount of the redemption order for Fund units</b>                                       |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Institutional Investor                                                                                  | 100 000 units                                                                                   | 100 000 units                                                                                   |
| Another investor (including a market maker) who has entered into a contract with the Management Company | On charges, conditions and restrictions specified in the agreement with the Management Company. | On charges, conditions and restrictions specified in the agreement with the Management Company. |

Each order must comply with the minimum size requirement and be in increments of 100,000 units (unit amount is a multiple of 100,000) for purchase or redemption orders over those with the minimum amount, unless otherwise agreed in an Agreement with the Management Company.

All orders and their timely submission to the Fund are the responsibility of institutional investors, market makers and any other investor who has entered into a contract for participation in the primary market with the Management Company. Once accepted by the Fund, orders become irrevocable.

- i) Those who have the opportunity to enter into a primary market agreement are investors who are classified as a “professional client within the meaning of § 1, item 9 of the Markets in Financial Instruments Act;
- ii) The conditions for a minimum investment amount, the step for orders above the minimum size and the fees will be negotiated with each investor according to the investment amount, terms, frequency and other conditions of the investor.

Once accepted by the Fund, orders become irrevocable. The issue (sale) of units of the Fund may be effected only if the issue price of the units is fully paid up.

Except in cases of temporary suspension of redemption, the Management Company shall calculate daily the issue price at which investors may purchase Fund units. The price is determined based on the NAV per share, calculated according to the method described below in the Prospectus.

Fund units may be purchased by the investors in the office of MC “Expat Asset Management” EAD located in Sofia, 96 A Georgi S. Rakovski Str., 9:00 - 17:00, tel.: +359 2 980 1881, fax: +359 2 980 7472, contact person: Veselin Dimitrov

(New by Resolution of the Board of Directors No. 213 / 27.10.2017) Purchasing of units from the Fund

- **Placing purchase order for units.** Investors shall submit an order for purchase of units containing the requisites pursuant to Ordinance No. 44 of 20 October 2011 on the requirements for the activity of collective investment schemes, management companies, national investment funds and persons managing alternate investment fund (a sample of the order may be obtained in the office of the Management Company), personally, through an attorney/representative or through an authorized/licensed/EU licensed investment firm/bank/management company, when that investor is a client of the investment firm, bank or management company. Orders for purchase of units are accepted every business day between 9:00 and 17:00 (CET+1:00) at the office of the Management Company, electronically with electronic signature by e-mail: [asset.management@expat.bg](mailto:asset.management@expat.bg), or in case of technical opportunity through internationally established electronic fund-serving platforms such as VESTIMA of Clearstream. In the order, the investor shall indicate whether the units will be issued against payment or against a basket of financial assets. In the event the order is placed through an attorney, the latter must also present an explicit original of a power of attorney certified by a notary authorizing the execution of management and disposal actions with securities and a declaration that he/she does not perform transactions in securities professionally. These requirements do not apply when the application is filed through an investment firm, a bank or a Management Company.
- **Payment of subscribed units.** The funds for the purchase of units and/or the basket of assets are received in a special account with the Depository kept in the name of the Fund upon delivery of the units against payment (DVP) to the client. The DVP settlement of transactions in a primary market, against cash and/or a basket of assets, shall be effected in Central Depository AD in accordance with the Rules of Procedure of the Central Depository AD.
- **Fulfilling the order.** If the investor (including the market maker) has submitted a purchase or redemption order by 15:00 (CET+1:00), then the order will be executed on the NAV on the day it is filed. If the order is submitted after 15:00 (CET+1:00), it will be executed on the NAV for the day following the day of the order submission. According to Art. 66, para. 1 of Ordinance No. 44, orders shall be executed within 7 calendar days as from the date of filing the order. If the order is not signed or is not properly filled, then the order is considered invalid and must be re-submitted. In the order, the client expressly shall state whether he/she wishes that the unit will be delivered against payment (DVP) and/or a basket of assets in the relevant depository institution. The delivery date is two days after the order was submitted (T+2).
  - Execution of the order against payment in cash. On the next business day following the day on which NAV per unit the order shall be executed, the units are issued and directed to the customer with the value date specified in the order. The order is executed for the amount of the requested number of units multiplied by the assigned issue price per unit and the issue price per unit is rounded to the fourth digit after the decimal point. The Management Company shall provide confirmation of the execution of the valid order containing DVP instructions as soon as possible but no later than the end of the business day following the execution of the order for the day on which NAV the order is executed.
  - Execution of the order against delivery of a basket of assets. Each business day

the Management Company publishes on [www.expat.bg](http://www.expat.bg) the contents of a basket of assets, representing 10,000 Fund units (the "Creation Unit"). In the order for subscription of units in the primary market, the investor shall indicate the number of units of each issuer that will deposit in the Fund. The number of units of each issuer must correspond to the number allowed in the creation unit (or to be multiple thereon for subscriptions of more than 10,000 units). The order is executed for the amount of the requested number of units multiplied by the assigned issue price per share. The resulting amount is called "Order Amount". On the next business day following the day on which NAV per unit the order shall be executed, the units are issued and directed to the customer. By 12:00 PM on this day, the client receives a confirmation of the submitted order in which the Management Company specifies the cash component to be deposited in the account kept in the name of the Fund with the Central Depository together with the units requested. For determining the cash component of the order amount, the sum of the deposited shares, multiplied by their price for the day on which NAV the order is executed, shall be deducted. The value of the basket of assets to be contributed to the Fund shall be calculated in accordance with the Portfolio Valuation and the Net Asset Value and Indicative Net Asset Value Rules. All the costs associated with the transfer of the basket of assets and the cash component that the Fund has to pay, if any, shall be added to the cash component thus obtained. Thus, they are borne by the client subscribing units of the Fund and not by the existing shareholders of the Fund. Delivering a basket of assets shall be done through the depositories of both parties on T+2 date. The Parties shall instruct their T+1 depositories to transfer a basket of assets against units of the Fund or vice versa, in accordance with the rules and procedures of the relevant Depository. The communication between the depositories shall be done in the manner established in the relevant market (In Bulgaria the communication with the Central Depository AD is done via FTP or SWIFT channel, abroad the main channel for communication between depositories is SWIFT). Additional settlement information is published on the Management Company's website.

- **Withdrawal of an order.** Once submitted, purchase order for units from the Fund may not be cancelled.

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) Redemption of units from the Fund

- **Placing unit redemption order.** Investors shall submit an order for redemption of units in person, through attorney or through an EU licensed investment firm/bank/management company when that investor is a client of the respective investment firm, bank or management company. Sample order may be obtained at the above-mentioned office. Orders for redemption of units are accepted every business day between 9:00 and 17:00 (CET+1:00) at the office of the Management Company, electronically with electronic signature by e-mail: [asset.management@expat.bg](mailto:asset.management@expat.bg), or in case of technical feasibility through internationally established electronic fund-serving platforms such as VESTIMA of Clearstream. In the event the order is placed through an attorney, the latter must also present an explicit original of a power of attorney certified by a notary authorizing the execution of management and disposal actions with securities and a declaration that he/she does not perform transactions in securities professionally. These

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requirements do not apply when the application is filed through an investment firm, a bank or a management company.

- **Fulfilling the order.** The redemption order shall be executed at a unit price determined on the day of the order submission if the order is submitted not later than 15:00 (CET+1:00). For orders placed after this time, the redemption price shall be determined by the NAV from the next day. Valid fund redemption orders shall be executed on the next business day following the day of the value date specified in the order which NAV per unit must be executed but not later than 10 days as from the date of the order submission. Settlement date shall be two days after order submission (T+2).
- **Payment of the due amount.** The amount payable is paid to the customer's bank account by the DVP or against a basket of financial assets constituting the Fund's portfolio at the relevant depository institution of the value date specified in the order.
  - Execution of the order against payment in cash. The Management Company performs all redemption orders for execution under the NAV per day T against cash only if the amount due to investors on redemption orders for execution under the NAV per unit for day T is less than the cash availabilities of the Fund minus all liabilities of the Fund as calculated in the NAV for day T but also taking into account all transactions for the purchase of assets in the Fund with pending settlement and for redemption from the Fund with pending/forthcoming settlement which are not reflected in the NAV as of day T.
  - Execution of the order against delivery of a basket of assets. Upon submission of redemption order, the investor has the right to claim that he wishes the order to be executed against a basket of financial assets. The Management Company performs all redemption orders for execution under the NAV per day T against a basket of financial assets only if the amount due to investors on redemption orders for execution under the NAV per unit for day T is larger than the cash availabilities of the Fund minus all liabilities of the Fund as calculated in the NAV for day T but also taking into account all transactions for the purchase of assets in the Fund with pending settlement and for redemption from the Fund with pending/forthcoming settlement which are not reflected in the NAV as of day T. In cases that these conditions are not observed, the Management Company shall execute the redemption orders against payment in cash in the way described in subpara. i). Each redemption order against a basket of Fund assets shall be executed as follows:
    - The number of units quoted and accepted for redemption shall be multiplied by the redemption price of the unit and “**amount due for a redemption order**” shall be formed;
    - The percentage of the **amount due for a redemption order** shall be calculated compared to the total net asset value of the Fund under which the contract is executed – the “**redemption rate**”. This rate shall be rounded to the second digit after the decimal point (for example, 7.355% is rounded to 7.36%, etc.);
    - For each security in the Fund's portfolio, the number of units available in Fund's portfolio under NAV for the execution of the order is multiplied by the **redemption rate** and the resulting figure is rounded down to the first

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integer (for example, 5.89 becomes 5, etc.). All received as number of shares at their price used for the NAV under which the order is executed shall be multiplied. This amount shall be deducted from the **amount due for a redemption order**, and the balance, if any, shall be paid in cash.

- **Order confirmation.** The Management Company shall provide confirmation of the execution of the valid order containing DVP instructions or against basket of financial assets as soon as possible but no later than the end of the business day following the day on which NAV the order is executed.
- **Withdrawal of an order.** Once submitted, redemption order for units from the Fund may not be cancelled.

The net asset value of the Fund assets and the net asset value per unit shall be calculated pursuant to Art. 18 and Art. 19 of the Rules. When calculating the net asset value per share, the issue price and the redemption price shall be rounded to the fourth decimal place. The NAV, NAV per share, the issue price and the redemption price shall be calculated in EUR.

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) After the aforementioned condition is fulfilled, the Management Company shall announce on a daily basis the redemption price of the units on which the investors may sell the Fund's units held by them, subject to the terms of this Prospectus, except in the cases of temporary suspension of the redemption. The price shall be determined on the basis of the net asset value per share, calculated according to the method described in the Prospectus and Art. 18 and Art. 19 of the Fund Rules.

“Expat Asset Management” EAD shall redeem the units of the Fund at the expense of the Fund. investors may submit unit redemption orders in the office of “Expat Asset Management” EAD located in Sofia, 96 A Georgi S. Rakovski Str., 9:00 - 17:00, tel.: +359 2 980 1881, fax: +359 2 980 7472, contact person: Veselin Dimitrov

#### Rights and obligations of the market maker for units purchase in a primary market

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) The market maker, under an agreement concluded with the Management Company, shall acquire the right to purchase and sell on the primary market units of the Fund in accordance with the current Prospectus, Art. 47 of the Fund Rules and the terms of the agreement. This right may be withdrawn temporarily or terminated by a written notice from the Management Company if the market maker violates the terms and conditions of the agreement.

#### **IV.2. Purchase and sale of units in secondary market**

(Amended by Resolution of the Board of Directors No. 223 / 06.12.2017)

##### Main characteristics

Upon purchase and sale of the Fund's units on a stock exchange on which the Fund is admitted or will be admitted to continuous trading, there is no demand for a minimum amount other than what the Exchange itself may require.

The Management Company intends to register the units of “Expat Serbia BELEX15 UCITS ETF” for trading on the Bulgarian Stock Exchange – Sofia and on an official segment of the London Stock Exchange as well as on other regulated markets. As part of the registration there is an obligation to designate one or more members of the relevant market as market

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makers who provide prices at which the Fund's units may be purchased or sold on the stock exchange. Market makers must comply with the requirements of the relevant exchanges and regulations related to their activities, as well as the additional requirements and conditions agreed in the Agreement with the Management Company.

***Units purchased on the secondary market may not, as a general rule, be redeemed by the Fund if the investors do not qualify for participation in a primary market as described in the "Conditions" table in Section IV.1. Investors must buy and sell the units in a secondary market with the assistance by an investment firm and may charge fees thereof. Furthermore, investors may pay more than the current net asset value when buying units on secondary markets and get less than the current net asset value when they are sold.***

If the Management Company considers that there is a significant deviation from the stock price of the Fund's units, incl. in the event of market disruption, including in the absence of a market maker or when the units are removed from trading on the secondary market for more than 3 consecutive days, the minimum redemption limits described in the section "Terms and conditions for the issue and sale of units in the primary market" in this Prospectus may not be applied.

For a substantial deviation from the stock price of the Fund's units, the Management Company considers: when the last price of a Fund unit transaction concluded on BSE – Sofia is 20% lower or higher than the last published NAV per unit (indicative or for each day, whichever is the last), and for each transaction, as for each transaction the hour in which the last published NAV is concluded against that hour shall be taken into account. Only the following cases may be accepted as “market disruption”:

- Lack of market maker
- When the units are removed from trading on the secondary market for more than 3 consecutive days

Upon a decision of the Management Company, the redemption restrictions shall not apply, the Fund Management Company shall immediately notify the regulated market on which the units are traded, the Financial Supervision Commission, as well as shall publish on the website of the Management Company this circumstance and the possibility for each investor to request redemption. The redemption costs paid by investors in this case are the same as those described in the section “Charges (commissions) when purchasing/selling units of “Expat Serbia BELEX15 UCITS ETF” – shall be accrued inly on primary market transactions” of this Prospectus.

#### Specific features

We advise investors wishing to acquire units in the Fund or obtain more information regarding the market maker's rules in effect on the trading of the units of the relevant exchange, to know the stock exchange regulations and the compliance with the regulations in force, and, if necessary, seek the help and advice of their investment firm for trading on that exchange.

#### Starting price of trading in units and subsequently

The initial price per unit for which the Management Company will issue Fund units in the primary market will be EUR 1.00. The last NAV per unit will be considered for EUR 1.00 until the first NAV per unit is published for the day. Share trading will commence on the secondary market by quotations from the market maker and other primary market participants. Market maker is obliged to maintain “buy” and “sell” quotes at a maximum spread of 5% at the opening auction, by the indicative net asset value during a continuous trade phase, and the last announced indicative net asset value– in this case EUR 1.00, so the quotes to comply with the following criteria cumulatively:

$$\frac{(Ask-Bid)}{NAV} \leq 5\%, \frac{|Ask-NAV|}{NAV} \leq 5\%, \frac{|Bid-NAV|}{NAV} \leq 5\%;$$

where: Ask = “sell” quotation, Bid = “buy” quotation and NAV = last reported net asset value, including indicative;

The subsequent development of the unit price of “Expat Serbia BELEX15 UCITS ETF” will be determined by the market dynamics.

#### Indicative Net Asset Value

Indicative NAV and Indicative NAV per unit shall be calculated and published by BSE – Sofia or by another regulated market operator on which the units of the Fund are registered for trading for each day on which the units of the Fund are traded on a regulated market (the regulated market is open and data on the Reference Index is published) every hour as from 10:10 am to 4:10 pm Bulgarian time inclusive. To this end, the Management Company concludes, on behalf of and for the account of the Fund, an Agreement with BSE – Sofia AD or with the respective operator of a regulated market. In the absence of such agreement, an indicative NAV and NAV per unit shall be published by the Management Company on the Fund's website. All information about the calculated indicative NAVs for the trading session is provided to the Commission by the Exchange Operator after the end of the trading session electronically.

The indicative NAV gives an idea of the net asset value of the Fund based on the latest fund asset price data at the time at which the indicative NAV is calculated. **Indicative NAV is not the value at which investors buy and sell Fund units in the secondary market.** Indicative NAV is calculated on the basis of the information available during the stock exchange or part of the stock exchange session and will usually be based on the current value of the Fund's assets and/ or the Reference index. **The Indicative NAV per unit is not and should not be considered as the value of a unit at which units may be subscribed or redeemed or the price at which units may be purchased and/or sold to BSE – Sofia AD or any other regulated market.** In the event of inactive traded components in the Reference Index at the time of publication of the indicative NAV, the latter may not reflect the actual value of a unit or may be misleading. Investors should consider delays between the calculation and publication of the Indicative NAV. For example, there may be differences between the Indicative NAV and other calculations based on Instruments of the Reference Index, or an indicative NAV of another exchange traded fund following the same reference index. Investors wishing to buy or sell Fund units should not rely only on Indicative NAVs when making an investment decision, but must also take into account market,

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economic and other factors (including information on the Reference Index and the Reference Index Companies of the Fund).

Markets where the units of the Fund are admitted to trading

The units of “Expat Serbia BELEX15 UCITS ETF” will be registered for trading on “BSE – Sofia” AD after reaching the minimum net asset value pursuant to Art. 82a, para. 1 of Ordinance No. 44.

Order for transfer of the units of “Expat Serbia BELEX15 UCITS ETF”

The real significance of the secondary trading (transfer) of the Fund’s units to “BSE – Sofia” AD or another regulated market is similar to that of ordinary public companies. Ownership of the units issued by the Fund is freely transferable, without restrictions and conditions, in compliance with the provisions of the Markets in Financial Instruments Act, CISOUICIA, the Public Offering of Securities Act and the acts for their implementation, the “BSE – Sofia” AD Rules, the rules of Central Depository AD, the rules of the relevant regulated market operator and the rules of the respective licensed depository with which the Fund has executed an agreement.

The transfer of ownership of the units is considered to have taken place from the moment of registration of the transaction with the Central Depository or another licensed depository for dematerialized securities. The logbook of shareholders of the Fund is kept by the Central Depository AD or by another licensed depository with which the Fund has agreement executed to that end. The transfer of ownership of units of the Fund in the cases of donation and inheritance shall be done through a licensed investment firm, acting as a registration agent after registration of the transaction at “BSE – Sofia” AD or on another regulated market.

When conducting transactions with units outside the regulated market, the respective investment firm shall publicly disclose information about this transaction in the order and within the terms provided in the MFIA.

**IV.3. Circumstances that may cause the redemption to be temporarily suspended**

By decision of the Management Company, the Fund may temporarily suspend the redemption of its units only in exceptional cases, if the circumstances so request, and the suspension is justified in the interests of the shareholders, including in the following cases:

- (a) when on a regulated market in which more than 20% of the Fund’s assets are quoted or traded, the conclusion of transactions has been terminated, suspended or is subject to restrictions – for the duration of the suspension or restriction;
- (b) when the assets or liabilities of the Fund may not be properly valued or the Management Company may not dispose of the assets of the Fund without damaging the interests of the shareholders for a period of time as long as the impossibility exists;

- (c) when a decision is taken for termination or transformation through a merger or acquisition of the collective investment scheme under the conditions and procedure of chapter fourteen of CISOUCIA;
- (d) in case of termination of the contract with the Custodian due to his guilty conduct, revocation of the license for the Custodian activity or imposing other restrictions on its activity, which renders impossible the performance of its obligations under the depository service contract or may harm the interests of the holders of the Fund's units – for the minimum required period but not more than 2 months.

The Management Company shall immediately suspend the sale of units in the event of a suspension of the redemption of units of the Fund. In such cases, the termination of the public offering shall be for the duration of the temporary suspension of the redemption, respectively for the period by which the term of the suspension of the redemption of units was extended.

The Management Company shall notify the Commission and the relevant competent authorities, the Custodian and the regulated market on which the Fund's units are traded by the end of the business day, to suspend the redemption or to extend the suspension of the redemption respectively. The Management Company shall notify the shareholders of the suspension of the redemption, respectively of the extension of the suspension of the redemption, immediately after the decision has been taken by publishing it on the website of the Management Company. If the extension of the temporary suspension of the redemption of units is necessary, the Management Company shall notify the Commission, the Exchange and the Custodian not later than 7 days before the expiry of the initial period. If the suspension period is shorter than seven days, including in cases where the redemption has been suspended for technical reasons, the Management Company shall submit the notifications under the preceding sentence by the end of the business day preceding the date on which the redemption should be renewed. Orders submitted after the last announcement of the redemption price prior to the start date of the temporary suspension period shall not be executed. The Management Company shall reimburse the amounts of the investors who have submitted purchase orders, on their bank account by the end of the business day following the day on which the decision to suspend the issuing of units is taken.

The redemption shall be resumed by the Management Company upon expiration of the term specified in the decision for suspension of the redemption, respectively in the decision for extension of the period of suspension of the redemption. Notification for resumption shall be made pursuant to the order described in the previous paragraph until the end of the business day preceding the resumption.

#### **IV.4. Terms and conditions for calculating the creation and redemption price of the units**

##### Method and frequency of calculation of the issue price and the redemption price of units

The issue price and redemption price of units shall be determined each business day.

Procedure for determining the net asset value of the Fund, the net asset value per share, the issue price and the redemption price:

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- By 9:15 am (CET+1:00) on the day T+1, following the day T for which the valuation is made, the Management Company shall receive from the Central Depository AD information on the transactions for the sale and redemption of units with finalized settlement and the number of units of the Fund in circulation;
- Between 9:15 and 9:45 (CET+1:00) on the respective day, the following shall be done:
  - determining the assets and the cost of assets according to these Rules;
  - accounting for all operations of the Fund and the revaluation of assets and liabilities;
  - determining the net asset value, the net asset value per share, and a decision on the issue price and redemption price of units of the Fund. The net asset value per unit shall be determined by dividing the Net Asset Value of the Fund by the number of units in circulation at that time. The issue price is equal to the NAV per share, increased by the issue costs in the amount of 2.0% of the NAV per share. The redemption price is equal to the NAV per share, reduced by the redemption costs in the amount of 2.0% of the NAV per share.
- The calculated net asset value, the net asset value per share, the issue price and the redemption price of the units of the Fund shall be sent to the Custodian at 9.45 am on the day T+1, following the T for which the valuation is made, as well as all the information on their determination, including the number of sold and redeemed units with completed settlement;
- By 10:45 am (CET+1:00) on day T+1, following the day T for which the valuation is made, the Custodian shall confirm the correctness of the calculated net asset value, the net asset value per share, the issue price and the redemption price of the units of the Fund (in case of violations found, adjustments for the discrepancies shall be made);
- By 11:00 (CET+1:00) am on day T+1, following the day T, for which the valuation is being prepared, the process of determining the net asset value per day T shall end.
- The issue price is equal to the NAV per share, increased by the issue costs.
- The redemption price is equal to the NAV per share, less redemption costs.

Frequency, location and method of publication of the issue price and the redemption price of units

On the day T+1 following the business day T for which the valuation is calculated, the Management Company shall inform the Investment Activity Supervision Division of the Financial Supervision Commission on the issue price and redemption price of the Fund's units for day T.

Indicative NAV and Indicative NAV per unit shall be calculated and published by BSE – Sofia or by another regulated market operator on which the units of the Fund are registered for trading for each day on which the units of the Fund are traded on a regulated market (the regulated market is open and data on the Reference Index is published) every hour as from 10:10 am to 4:10 pm Bulgarian time inclusive. To this end, the Management Company concludes, on behalf of and for the account of the Fund, an Agreement with BSE – Sofia or

with the respective operator of a regulated market. In the absence of such agreement, an indicative NAV and NAV per unit shall be published by the Management Company on the Fund's website. All information about the calculated indicative NAVs for the trading session is provided to the Commission by the Exchange Operator after the end of the trading session electronically.

The Management Company shall provide to BSE – Sofia or to another regulated market operator on which the units of the Fund are registered for trading, data on the structure of the portfolio, the volume of instruments held by each position, the amount of cash in the Fund, the number of issued units confirmed by the Fund's Custodian for the previous business day. In calculating the indicative net asset value of the Fund, the operator of the relevant regulated market or the Management Company shall update the asset prices in the Fund's portfolio, leaving unchanged the level of all other elements of the Fund's balance sheet.

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) By the end of the business day T+1, when calculating the issue price and redemption price of the Fund's units, the Management Company shall announce this data on the Management Company's website. Upon change in the amount of the costs of issuing (selling) and redemption of units by amending Art. 20, para. 6 and para. 7 of the Fund Rules, the Management Company shall notify the investors by a notice in at least one central daily newspaper, by the end of the next day of the recognition of the approval of the amendments to the Fund Rules.

If an error occurred in the calculation of the net asset value per share, resulting in the issuance value being increased or the redemption price reduced by more than 0.5% of the net asset value per share, MC “Expat Asset Management” EAD or the Custodian shall be recover the difference of the investor who bought units at an increased issue price within 10 days of the finding of the error, unless the investor has acted in bad faith.

If an error occurred in the calculation of the net asset value per unit resulting in the issue price being reduced or the redemption price increased by more than 0.5% of the net asset value per share, MC “Expat Asset Management” EAD or the Custodian shall be obliged to recover the amount due to the Fund on its own account within 10 days of the occurrence of the error. The amount due is the difference between the actual and the lower issue price of the Fund's units purchased by the investors.

If the error does not exceed 0.5 (zero point five) percent of the net asset value per share, the Management Company or the Custodian shall take the necessary measures to avoid errors in calculating the net asset value per unit and to impose penalties on the defaulting officers.

#### **IV.5. Technology for determining the indicative NAV**

The Management Company shall provide to BSE – Sofia or to another regulated market operator on which the units of the Fund are registered for trading, data on the structure of the portfolio, the volume of instruments held by each position, the amount of cash in the Fund, the number of issued units confirmed by the Fund's Depository for the previous business day. When calculating the indicative net asset value of the Exchange Traded Fund, the operator of the relevant regulated market or the Management Company shall update the asset prices in the Fund's portfolio, leaving unchanged the level of all other elements of the Fund's balance sheet.

#### **IV.6. Description of the rules for determining income**

The financial statements of the Fund shall be prepared by the Management Company in accordance with the Accountancy Act and the International Financial Reporting Standards (IFRS), in compliance with the accounting principles, methods and techniques for valuation and accounting of assets/liabilities and revenues/expenses in the Accountancy Act and IFRS.

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017) According to Art. 24 of the Fund Rules, the realized income shall not be distributed among the unit holders, but reinvestment of the income/annual profit of the Fund shall be performed after preparation of the annual financial statement, certified by a registered auditor, and the activity report of the Fund. Reinvestment of income shall be made in accordance with the Fund's investment objectives, strategies, policies and restrictions, taking into account the specific market conditions and in compliance with the law, the Commission's instructions and the internal acts of the Fund.

#### **V. INFORMATION ABOUT ACCESS TO THE REPORTS**

(Amended by Resolution No. 292/17.05.2019 of the BD) The financial statements together with the activity reports and the audit reports are available to investors at the registered address of MC “Expat Asset Management” AD – Sofia, 96A Georgi S. Rakovski Str., Tel. +359 2 980 1881, from 9:00 am to 06:00 pm each business day, on the website [www.expat.bg](http://www.expat.bg), and on the webpages of FSC and “BSE – Sofia” AD.

#### **VI.ADDITIONAL INFORMATION**

##### **VI.1. Supervisory state institution; number and date of the authorization for organization and management of “Expat Serbia BELEX15 UCITS ETF”**

The supervisory state institution of the Management Company and the Fund is the Financial Supervision Commission.

The Management Company has been licensed to organize and manage “Expat Serbia BELEX15 UCITS ETF” with License No. 169-DF/11.01.2018 of the FSC.

The Fund is entered in the management companies register and the mutual funds managed by them, kept by the Financial Supervision Commission, by Decision № 9-DF of 4 January 2018 of the FSC.

##### **VI.2. Locations where the rules of the Fund are accessible to investors**

The Rules of the Fund and other internal acts are available at the address of the Management Company – Sofia, 96A Georgi S. Rakovski Str., as well as on the website of the Management Company at [www.expat.bg](http://www.expat.bg).

##### **VI.3. Information about units**

(Amended by Resolution of the Board of Directors No. 223 / 06.12.2017)

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Property. Net Asset Value

(Amended by Resolution of the Board of Directors No. 213 / 27.10.2017)

(Amended by Resolution No. 213/27.10.2017, Amended by Resolution No. 436/18.12.2025)  
 Since “Expat Serbia BELEX15 UCITS ETF” is not a legal entity, it has no capital within the meaning of the Commerce Act and is not entered in the Commercial Register. The Fund shall be deemed to be incorporated by the issuance of a license by the Financial Supervision Commission and its subsequent entry in the register pursuant to Art. 30, para. 1, subpara. 4 of the Financial Supervision Commission Act.

The law stipulates that the Net Asset Value (net assets) of the Fund shall be at least EUR 255,645.94. The net asset value is the value of the Fund’s assets, less the value of its debts (liabilities). Contributions to the Fund’s property shall be made in money or contributions from assets forming the Fund’s portfolio. All units grant equal rights.

The minimum amount of the Fund’s net asset value must be reached within two years of receiving the FSC’s authorization for organization and management of the Fund.

Ways for increase or decrease the Fund's capital (NAV)

The net asset value of the Fund shall increase or decrease in accordance with the change in the number of issued and redeemed units and as a result of the change in the market price of the Fund's investments and liabilities.

Number of units and nominal value

The Fund’s assets are divided into units. The nominal value of the units “Expat Serbia BELEX15 UCITS ETF” is 1 (one) EUR. The units of the Fund shall be acquired at issue price. The number of units of the Fund shall vary as a result of their sale or redemption. According to the “Expat Serbia BELEX15 UCITS ETF” Rules, it may not issue partial units against a fixed amount of fixed assets on the basis of its net asset value if an entire number of units may not be issued against the amount deposited. If a whole number of units may not be issued against the amount deposited, the number of units shall be rounded down to the largest integer.

Type of shares. Share rights

The units of the Fund are dematerialized securities, registered in accounts with the Central Depository. Each Fund unit shall grant the following rights to its holder:

1. *Right to redemption.* Right to redemption of the Fund’s unit in accordance with the order described in the Fund’s Rules under Art. 13 para. 2 CISOUCIA, such as:
  - The redemption request may be for part or all of the units held by the investor;
  - Redemption of units shall be made at a price equal to the net asset value per share, less redemption costs, in accordance with Art. 20, para. 7 of the Fund Rules;
  - Redemption orders shall be executed within 10 days of the first redemption price announced after the day of the order submission. The period shall start running

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as from the time of the order submission.

2. *Right to information.* Each investor has the right to information contained in the Fund's Prospectus and Periodic Reports as well as other public information about the Fund.
3. *Right to a liquidation share.* Upon liquidation of the Fund, each investor shall be entitled to a part of the Fund's assets corresponding to the units held by him;
4. *Right of filing a complaint.* Every investor shall be entitled to file a complaint without paying a fee. Information about the Complaints Policy of MC “Expat Asset Management” EAD is provided free of charge to the investors.

Documents evidencing the right of ownership

Central Depository AD maintains a logbook of shareholders and issues depository receipts as a certificate of ownership.

Termination of the Fund

The Fund shall be terminated by decision of the Management Company, including in the case of redemption of all units upon withdrawal by the FSC of the authorization of the Management Company for the organization and management of the Fund. The Exchange Traded Fund shall be terminated also in case of withdrawal of the license of the Management Company, in case of enforcement measure applied by the FSC (such as withdrawal of the license of the Management Company) only if the Management Company is not substituted, and the measure is incompatible with the management of the Fund, and in the event of winding up or opening of insolvency proceedings of the Management Company if the Management Company is not substituted as well as in other cases provided for by the law. Except for the withdrawal of the authorization for the organization and management of the Fund, the Fund shall be terminated with the permission of the FSC, under terms and conditions stipulated in the law. The persons appointed as liquidators of the Fund shall be approved by the FSC.

**VI.4. Sources of additional information**

Prospectus and Key investor information document as well as additional information about the Fund and the Management Company, including all Fund rules, may be obtained at the address of the MC of “Expat Asset Management” EAD – Sofia, 96A Georgi S. Rakovski Str., Veselin Dimitrov.

The Prospectus and the Fund Rules are available also on the website [www.expat.bg](http://www.expat.bg).

***Prospectus prepared by:***

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Veselin Dimitrov

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Dzhuliya Katsarova

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**PROSPECTUS OF “Expat Serbia BELEX15 UCITS ETF”**

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The undersigned, in their capacity as representing the Management Company, with their signatures, affixed on 11.02.2026, declare that the Prospectus complies with the requirements of the law.

**BOARD OF DIRECTORS**  
**of “Expat Asset Management” EAD,**  
**acting on behalf of “Expat Serbia BELEX15 UCITS ETF”:**

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(Nikolay Vassilev)

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(Nicola Yankov)

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(Daniel Donchev)

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(Gloriya Nikolova)