

**Rules for assessment of the portfolio and determination of the net asset value
of
Mutual Fund "UBB Global Child Fund"**

The net asset value of the "UBB Global Child Fund", hereinafter referred to as the Fund is determined each business day of the week in terms and conditions of the existing legislation and the Rules of the Fund subject to the following

I. GENERAL PRINCIPLES

- The net asset value of the Fund is determined each business day of the week, including the value of all held by the Fund assets and liabilities in balance on the date of the valuation.
- In calculating the net asset value using a uniform and consistent assessment system, taking account of the costs associated with the activity of sale and redemption of units, including the remuneration of the Management Company and the Custodian as well as other costs if these are provided.
- The net asset value of the Fund is calculated by accounting policies and procedures in accordance with the International Accounting Standards Board in accordance with § 1, p. 6 of AP of the Accounting Act.
- The assessment of the fund's assets are carried at initial acquisition (recognition) - at cost. Ex-post assessment of the fund's assets are carried at fair value.
- In securities transactions the Fund accepted method of reporting on the trade date (date of transaction). In this method securities are recorded (written off) the balance of the Fund on the date of the transaction rather than the date of transfer of ownership. The delisting of securities from the balance becomes their carrying value at the date of the transaction of sale.
- The determination of the net asset value is carried out in the presence of reliable technology and software, allowing to minimize the possibility of errors.
- Credibility and representativity of the information used for assessment purposes.
- Documentary grounds - a reliable system for collecting and using the information necessary for the determination of net asset value; properly documenting decisions related to the determination of net asset value, including the use of relevant documents to the protocols of the decisions taken.
- Related to the determination of the net asset value information is stored in protection system documentation, including durable medium.
- Compliance with the the Rules to avoid conflicts of interest and to ensure protection against disclosure of inside information.
- Perform regular control of the legality and methodological control assessment activities.

II. VALUATION OF ASSETS

The value of the Fund's assets include the value of each one held by the collective investment scheme asset on the balance sheet by the day of the valuation. Their value is calculated as follows:

Debt securities

Government securities

1. Subsequent valuation of **securities and money market instruments issued by the Republic of Bulgaria** traded on venues in an active market **in the country**, is based on:

1.1 The arithmetic prices "buy" at market close on the last business day announced by no less than two primary dealers of government securities.

If the price is calculated on the basis of gross prices of primary dealers, it is used directly. Provided that it is clear, on the basis of interest characteristics and frequency of coupon payments it is converted to gross and then used for reassessment.

1.2. Failing to implement paragraph 1.1. per day for the valuation, an ex post assessment applies most closely identified under paragraph 1.1. Fair price within the 30-day period preceding the day to which the assessment takes place . On the basis of interest characteristics and frequency of coupon payments of the security is calculated gross value to the corresponding day of the reassessment.

2. Failing to apply so. 1 using the method of discounted cash flows. As a basis for calculations using the prices of past emissions issued by a corresponding maturity that primary dealers are obliged to quote. These latest emissions by a corresponding maturities were further referred to as "basic issues". The issue whose price must be determined is called "demand issue."

For the purpose of calculation the prices of major emissions are calculated in accordance with Section II, Item. 1.

2.1. The calculation of prices of the relevant issues by the method of linear interpolation passes through the following stages:

- a) Based on the average prices of the basic issues form the yield curve;
- b) Depending on the remaining period to maturity of the issue is determined location in relation to the nearest preceding and nearest following on term basic issues;
- c) The difference (in days) between the maturity of the two basic issues, and the difference in their returns until maturity;
- d) Calculate the multiplier, the difference in yield to maturity is divided into the difference in days to maturity;
- e) The difference in the days to maturity of the issue and the preceding main issue;
- f) the difference is multiplied by the factor from the previous step to calculate the difference in yield to maturity of the main issue;
- g) the yield to maturity of the issue is obtained by calculated in the previous step difference in income is added to the profitability of the core issue preceding;
- h) Based on income received until maturity of the issue is the gross calculated its price, using the following formula:

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

where:

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

$$W = \frac{\text{days until the next interest payment}}{\text{total number of days between two interest payments}}$$

2.2. The calculated using the formula price is gross and is used directly for subsequent reassessment of the debt security.

Government securities traded abroad

3. Subsequent assessment issued by the Republic of Bulgaria securities and money market instruments as well as issued by another Member State securities and money market instruments traded on trading venues in active markets abroad is carried out:

- a) As "buy" at market close by the day of the valuation, announced in an electronic system for price information (Reuters, Bloomberg or other systems for pricing information);
- b) if the foreign market is not working on the day to which the assessment takes place - on the "bid" price at market close on the last business day announced in an electronic system for price information.
- c) if the price calculated according to letters "a" and "b" is gross, it is used directly. Provided that it is clear, on the basis of interest characteristics and frequency of coupon payments, it is converted to gross and then used for reassessment.
- d) failing to apply the methods under letters "a" and "b" for assessment using the method in Section II, Item. 2.

Corporate bonds and other forms of debt securities

4. Subsequent valuation of Bulgarian and foreign bonds and other forms of debt securities, admitted to or traded on an active regulated market in **Republic of Bulgaria** is carried out:

- a) The weighted average price of transactions concluded on the business day to which assessment takes place, announced through the trading system or exchange if the volume of transactions concluded on this day is not less than 0.01 of cent of the volume of the issue.
- b) If you can not determine the price under the letter "a", the price of bonds is the weighted average price of transactions concluded on the next day in the last 30-day period preceding the day on which assessment takes place, which there transactions.
- c) In cases where is carried out a post assessment of bonds on which payment of interest and published through the trading system or in the Exchange Bulletin cost of transactions concluded with them or "bid" price is net, posledvashtata assessment form, as a published price add interest coupon due on the date of valuation:

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

$$AccInt = F * \frac{C}{n} * \frac{A}{E} ,$$

Where:

- AccInt – is the accumulated interest coupon;
- F – the principal (face value) of the bond;

C – the annual interest coupon;
n – the number of interest payments per year.

A – Interest-past days of interest period until the date of calculation. The days are calculated on the basis of 30 days in a month or actual number of days depending on the regulations in the prospectus for the issue.

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

To the net add accumulated interest coupon on the date of valuation and estimated gross price is used for subsequent assessment of the bond.

5. Subsequent valuation of **Bulgarian and foreign negotiable debt securities and money market instruments**, admitted to or traded on a regularly functioning, recognized and publicly accessible active regulated markets **abroad** is carried out:

a) at the last price of a transaction concluded with them on the market on the day to which performed the assessment.

b) failing to apply the valuation method under letter "a" assessment is carried out "bid" price at market close on the day to which assessment takes place, announced in an electronic system for price information of securities.

c) failing to apply the valuation method under letter "b" of the assessment is done at the last price of a transaction concluded with them within the last 30-day period preceding the day to which performed the assessment.

6. Failing to be given the order under Section II, pt. 4, letters "a" - "c" and Item 5 letter "a" - "in" for determining the price for subsequent valuation of bonds traded on a regulated market active as well as the subsequent valuation of bonds that are not traded in active regulated markets is the method of discounted net cash flows in the formula below with discount rate:

a) current yield to maturity of securities with similar characteristics (type, payment terms and maturity) admitted to or traded on regulated markets, adjusted for risk premium reflecting the risk of the issuer. The choice of security whose yield to maturity will be used as the discount rate and risk premium reflecting the risk of the issuer, which will adjust the selected discount rate is justified by comparative analysis. Source of information for comparative features is the daily bulletin of the BSE official bulletins of foreign regulated markets, which have been released or traded securities or other electronic system for price information;

b) the current yield to maturity of government securities with similar conditions of payment and maturity, adjusted for risk premium reflecting the risk of the issuer and the security;

c) the method of discounted net cash flows using the following formula:

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

Where:

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

days until the next interest payment

$$W = \frac{\text{days until the next interest payment}}{\text{total number of days between two interest payments}}$$

Money Market Instruments

7. The subsequent measurement of money market instruments admitted to or traded on a regulated active market is determined in accordance with Section II, Item. 5i t. 6. Failing to implement Section II, Item. 5 and 6, as well as money market instruments that are not traded on a regulated market using the following formulas:

The value of the deposit certificate shall be determined by the following formula:

$$P_{CD} = \frac{MV}{\left[1 + \left(i \times \frac{d}{365} \right) \right]}$$

Where:

$$MV = N \times \left[1 + \left(\frac{c}{100} \times \frac{d}{365} \right) \right]$$

P_{CD} is the value of the deposit certificate;

MV – the value of the certificate of deposit maturity;

N – the nominal value of the deposit certificate;

d – number of days between the valuation date to maturity;

i – discount rate;

c – interest paid on the deposited amount indicated on the certificate.

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

$$r_{Tb} = N \times \left[1 - \left(i \times \frac{d}{365} \right) \right]$$

P_{Tb} the price of a treasury bill;

N – the nominal value;

i – discount rate;

d – number of days between the valuation date to maturity.

The discount rate in the above formulas are determined in accordance with Section II, Item. 6 letter "a" or "b".

Equity securities

Shares traded in Bulgaria

8. Subsequent valuation of Bulgarian and foreign shares and rights listed for trading on an active regulated market in the Republic of Bulgaria is performed:

8.1. At the weighted average price of transactions concluded on the day to which assessment takes place, announced through the trading system or exchange if the volume of transactions concluded on this day is not less than 0.02 per cent of the volume of the issue.

8.2. If you can not put a price on the preceding paragraph, the price of the shares or the rights shall be determined as the average of the highest price "buy" from contracts valid at the time of closing of the regulated market on the day to which the assessment takes place and the weighted average price of the transactions with the securities transactions for that day. The price is determined in this way only if there are completed transactions and bid price "buy."

8.3. If you can not apply so. 8.2, the price of the shares, respectively rights is the weighted average price of transactions concluded on the next day in the last 30-day period preceding the day on which assessment takes place, which has concluded transactions. If in the previous 30-day period has been an increase in capital or split of the shares of the issuer or declared dividend payment, the weighted average price in the first sentence shall be adjusted by the ratio of capital increase, or the division of shares or the amount of the dividend if the closest day in the last 30-day period preceding the day on which assessment takes place, for which there are transactions is first day, after which the shareholders are not entitled to participate in the capital increase, respectively date of separation or day by which the shareholders are not entitled to dividend.

9. Failing to apply the methods of valuation of shares under p. 8, as well as the shares are not traded in active regulated markets, the assessment is done through consistent application of the following methods:

- Net book value of assets,
- Method of price - earnings ratios of comparable companies and
- Method of discounted net cash flows.

These methods are applied in the order in which they are described below. It is possible to use a combined assessment method, i.e. to use more than one of the methods described below. When choosing methods of assessment combined observe the same sequence in which they are described below and in equal weights for each method in the final score.

9.1. The method of net book value of assets consists in calculating the value of the shares of the company subject to valuation by the equity of the company (based on the last financial statement) divided by the total number of shares in circulation.

$$P = \frac{A - L - PS}{N}$$

Where: P – the value of the ordinary shares of the company subject to valuation;

A – assets;

L – liabilities;

PS – value of preferred shares

N – total number of ordinary shares outstanding.

9.2. The method of price - earnings of comparable companies consists of the following:

a) Calculation of the value of the shares of the company subject to valuation by multiplying its earnings per share by a market factor. The market factor is the ratio between the price of comparable companies and its earnings per share.

b) The company's profit analogue and the rated company is determined based on financial statements covering the most recent annual period from the latest published financial statements. Earnings per share is defined as net income of the company divided by the total number of shares.

c) The factor is calculated based on the weighted average price of transactions on the day to which assessment takes place, with the company's shares analogue if the volume of transactions concluded on this day is not less than 0.02 percent of the volume of the issue. If you can not determine the price of the previous sentence, the share price of the company's analogue is defined as the average of the highest price "buy" from contracts valid at the time of closing of the regulated market on the day to which assessment takes place, and the weighted average price of the transactions with the securities transactions for that day. The price of shares of the company analogue is defined in this way only if there are completed transactions and bid price "buy."

If you can not apply the methods under item. 9.2, the price of the company's shares analogue, respectively rights is a weighted average price of transactions concluded on the nearest day preceding the day on which assessment takes place, in the last 30 days period for which there are transactions. If in the previous 30-day period has been an increase in capital or split of the shares of the issuer or declared dividend payment, the weighted average price in the first sentence shall be adjusted by the ratio of capital increase, or the division of shares or the amount of the dividend if the closest day in the last 30-day period preceding the day on which assessment takes place, for which there are transactions is first day, after which the shareholders are not entitled to participate in the capital increase, respectively date of separation or day by which the shareholders are not entitled to dividend.

d) The source of primary information to perform these calculations are the financial statements of public companies registered with the FSC and BSE posted on the websites of media firms or a reliable source of information for the foreign regulated market.

e) methods and criteria for determining comparable companies:

- The Company analogue is a company that provides a good enough basis for comparison to the investment characteristics of the rated entity;
- selection of comparable companies must be justified by comparative analysis and assessment of their performance and the degree of similarity with the characteristics of the rated entity;
- The Company analogue is selected according to these criteria, the companies admitted to or traded on a regulated market in the home country of the issuer;
- The criteria which must meet the company analog are:
 - Sector of the economy in which the company operates;
 - A similar product range;
 - Must have published financial statements that enable to cover the nearest year;

- To have transactions with the company's shares on the day to which performed the assessment.

- Other criteria used in justification of the selection of comparable companies are comparable equity and comparable financial indicators.

9.3. The method of discounted net cash flows used to determine the value of one common share of the company, the value of the equity holders of ordinary shares divided by the number of ordinary shares outstanding.

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

9.3.1. Method of discounted net cash flows to ordinary shareholders (Free Cash Flows to Equity) - by discounting the net cash flows remain shareholders after meeting all expenses, liabilities, necessary investments and changes in working capital:

a) Under this method the net cash flow remaining after meeting all expenses cover financial liabilities (including principal and interest on the debts of the company), necessary investments and changes in working capital.

b) The net cash flows are calculated as the estimated net profit after interest and income taxes:

- Increased by the estimated depreciation costs,
- Reduce the value of the estimated change in net working capital
- Increased by the estimated value of the new debt and the proceeds from issues of preferred shares
- Reduce the projected investment in fixed assets
- Reduced by the estimated principal repayments on debt
- Reduce projected dividends for preferred shares.

The following formula is used:

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

Where: *FCFE* – net cash flows to ordinary shareholders;

NI – net profit;

Dep – depreciations;

FCInv – Investment in fixed assets;

\Delta WCIInv – changes in the net working capital;

PP – principal repayments;

PD – dividends on preferred shares;

ND – new debt and proceeds from issues of preferred shares.

c) In this method the net cash flows are discounted at the cost of equity financing.

d) The cost of financing with equity is the rate of return on ordinary shareholders and is defined in the following ways:

- Through risk-free rate plus a risk premium:

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

Where k_e - the cost of equity financing;

k_{RF} – risk-free interest rate;

RP – risk premium.

- by the method of assessment of capital assets (Capital Asset Pricing Model - CAPM):

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

Where k_e - the cost of equity financing;
 k_{RF} - risk-free interest rate;
 $(k_m - k_{RF})$ - market risk premium;
 k_m - the expected return on the market;
 β - beta coefficient.

- Using the discounted cash flows method:

$$k_e = \frac{D}{P_0} + g,$$

Where k_e - the cost of equity financing;
 D_1 - expected next dividend for one ordinary share;
 P_0 - price per ordinary share;
 g - expected growth rate.

9.3.2. Method of discounted cash flows to the firm (Free Cash Flows to the Firm) - by discounting the net cash flows for all shareholders and other investors reduced by all the company's debts and other claims of investors other than shareholders. The net cash flows for all investors in the company - owners of shares, debt and preferred shares. The net cash flows are calculated in two ways:

a) In the first method the net cash flows are calculated as the estimated net profit after interest and income taxes:

- Increased by the estimated depreciation costs,
- Reduced by the estimated change in net working capital
- Reduce projected investments in fixed assets.

The following formula is used:

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

Where: $FCFF$ - net cash flows to the firm;
 $EBIT$ - earnings before interest and taxes;
 TR - tax rate for company;
 Dep - depreciations;
 $FCInv$ - Investment in fixed assets;
 $\Delta WCInv$ - changes in the net working capital;

b) In the second approach using the following formula:

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

Where $FCFF$ - net cash flows to the firm;
 $FCFE$ - net cash flows to ordinary shareholders;
 Int - interest expenses;
 TR - tax rate for company;
 PP - principal repayments;

PD – dividends on preferred shares;
 ND – new debt and proceeds from issues of preferred shares

c) net cash flows are discounted at the weighted average cost of capital. In determining the relative shares of different sources of capital used their market values.

d) The weighted average cost of capital is determined by the following formula:

$$WACC = k_e \times \left(\frac{E}{E + D + PS} \right) + k_d \times (1-t) \times \left(\frac{D}{E + D + PS} \right) + k_{ps} \times \left(\frac{PS}{E + D + PS} \right),$$

Where: $WACC$ – weighted average cost of capital;
 k_e - the cost of equity financing;
 k_d the cost of debt financing before taking into account the tax effect of interest expense;
 t - tax rate for company;
 k_{ps} - the cost of financing preference shares;
 E – the market value of the company's shares;
 D – the market value of the debt of the company;
 PS – the market value of the preferred shares of the company.

When the market value of the debt can not be determined, using its carrying value.

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

a) Steady growth rate, where it is assumed that the growth of the company is constant and stable.

The formula which is used is:

$$P_0 = \frac{FCF}{r-g},$$

Where: P_0 – the present value of free cash flow;
 FCF is or FCFE or FCFF;
 r - appropriate discount rate;
 g - the constant growth of the company.

b) Two-stage growth rate, where it is assumed that there are two periods. For the first time, the forecast of net cash flows for each year separately. For the second period assumes that net cash flows will grow at a stable rate or will remain constant.

The formula used is as follows:

$$P_0 = \sum_{t=1}^{i=n} \frac{FCF_t}{(1+r)^t} + \frac{P_n}{(1+r)^n},$$

Where: P_0 – the present value of free cash flow;
 FCF_t is or FCFE or FCFF durin year t ;

r - corresponding discount rate during the first period;
 P_n - the value of free cash flows at the start of the second period of steady growth;
 P_n is calculated as follows:

$$P_n = \frac{FCF_{n+1}}{r_n - g_n},$$

Where:

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

9.4. Subsequent assessment of the shares acquired as a result of the capital increase by means of the issuing company or the division of existing shares shall be made as follows:

a) In case of acquiring (new) shares of a company as a result of a capital increase by means of the company's receivables are recognized from the date on which the holders of shares of the Company are not entitled to shares from the capital increase - the date after which transactions with the shares do not affect the right to acquire new shares until the date of registration of the capital increase and its entry in the depository institution.

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

$$R = N_n \times P_n,$$

Where R – receivable;
 N_n – number of new shares;
 P_n – price per new share.

The price of one new share is obtained by the latest assessed price of one "old" share by the amount of new shares acquired in exchange for one "old" share and a one "old" share.

$$P_n = \frac{P_0}{(N_r + 1)},$$

Where P_n – price per new share;
 P_0 – latest assessed price of one "old" share;
 N_r – number of new shares for one "old" share.

From the date of registration of the new shares in the depository institution until the date of their introduction to trading on a regulated market the new shares are recognized at a price calculated by the following formula:

$$P_n = \frac{P_0}{(N_r + 1)},$$

Where P_n – price per new share;
 P_0 – latest assessed price of one "old" share;
 N_r – number of new shares for one "old" share.

After entering trading on a regulated market of new shares subsequent assessment is performed according to methods of valuation of securities admitted to or traded on a regulated market.

b) Cases of acquiring (new) shares of a company resulting from the split of the existing shares (a split), receivables from the date from which the new shares are already split of the existing shares - the date after which the transactions with the shares not affect the right to acquire new shares until the date of registration of the new issue shares in the depository institution:

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

The price of one new share is obtained by the latest assessed price of one "old" share of new shares acquired in exchange for one "old" share.

$$R = N_n \times P_0 \times \frac{1}{N_r},$$

Where R – receivable;
 N_n – number of new shares;
 P_0 – latest assessed price of one "old" share;
 N_r – split ratio.

From the date of registration of the new shares in the depository institution until the date of their introduction to trading on a regulated market the new shares are recognized at a price calculated by the following formula:

$$P = P_0 \times 1 / N_r,$$

Where P – price per new share;
 P_0 – latest assessed price of one "old" share;
 N_r – split ratio.

After entering trading on a regulated market of new shares subsequent assessment is performed according to methods of valuation of securities admitted to or traded on a regulated market.

9.5. The methods under Section II, paragraph 9.1., 9.2, 9.3 and 9.4 for determining the fair value of securities can be adjusted odds justified based on the evidence and circumstances constituting inside information disclosed pursuant to art. 28, para. 2 of Decree № 2 of 2003 on prospectuses for public offering and admission to trading on a regulated market of securities and disclosure of information by public companies and other issuers of securities.

Shares traded outside Bulgaria

10. Subsequent valuation of Bulgarian and foreign **transferable equity securities** listed or traded on a regularly functioning, recognized and publicly accessible active regulated markets abroad is carried out:

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

a) at the last price of a transaction concluded with them on the market on the day to which assessment takes place, announced in an electronic system for price information of Securities (Reuters, Bloomberg, etc.).

b) failing to apply the valuation method under letter "a" assessment is carried out "bid" price at market close on the day to which assessment takes place, announced in an electronic system for price information of securities.

c) failing to apply the valuation method under letter "b" of the assessment is done at the last price of a transaction concluded with them within the last 30-day period preceding the day to which performed the assessment.

10.2. If you can not determine the price under paragraph 10.1, the assessment of the specific type of securities is done by applying Section II, Item. 11 or so. 9.

Securities that give the right to acquire financial instruments

11. In case of acquisition of rights by a company with a capital increase by issuing shares, receivables (rights) of the date on which holders of shares in the company have the right to receive subscription rights to shares from the capital increase (the date after which the transactions with the shares do not affect the right to acquire rights) until the date of registration of rights in the depository institution.

The value of receivables is calculated using the following formula:

$$R_r = N \times P_r ,$$

Where:

R_r – the receivable;

N – the number of the rights;

P_r – the price of the right.

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

$$P = P - \frac{P + P \times N}{N_r + 1}$$

Where:

P_r – the price of the right;

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

P_i - issue price of new shares;

N_r – the number of shares in one right.

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

11.1. Failing to apply the methods of assessment under Section II, pt. 8 assessment of rights is carried at cost, representing the difference between the price of the existing shares of the company, as determined by the requirements of Section II, Item. 8, and the issue price of the new shares from the capital increase, multiplied by the ratio of the number of shares in one right.

11.2. From the date of subscription of shares resulting from the exercise of rights by the date of registration of the capital increase and its entry in the depository institution subscriptions are reflected as a receivable, which is formed by the number of subscribed shares multiplied by the sum of the value of a law last assessment before the subscription of shares divided by the number of shares in one right and the issue price per share.

$$R = N_n \times \left(P_i + \frac{P_r}{N_r} \right),$$

Where:

- R – the receivable;
- N_n – the number of shares subscribed;
- P_i – issue price per share;
- P_r – the value of one right;
- N_r – the number of shares in one right.

If the subscription of shares is carried out after the last day of trading of the rights on a regulated market, costing them up to the date of subscription of shares is done at the last price of assessment.

From the date of subscription of shares resulting from the exercise of rights until the date of payment of their issue value of a liability to the company - issuer.

11.3. From the date of registration of the new shares in the depository institution until the date of introduction for trading on the regulated market, the new shares are recognized at a price calculated by the following formula:

$$P = P_i + \frac{P_r}{N_r},$$

Where:

- P – share price;
- P_i – issue price per share;
- P_r – the value of one right;
- N_r – the number of shares in one right.

After entering trading on the regulated market of the new shares subsequent assessment is performed according to methods of valuation of securities admitted to or traded on a regulated market.

11.4. In the case of unused rights to participate in the capital increase of the issuer and selling them at an open auction pursuant to Art. 112b of the POSA, the same concern as a receivable whose value is equal to the number of rights multiplied by the average price achieved for the sale of rights auction. This collection exists in the Fund's assets until the date of actual receipt of cash from the sale of rights auction on current account of the Fund.

Since the last day of trading of the rights on a regulated market to date of the open auction, they are valued at the last price of assessment.

11.5. Where shares are acquired by non-public stock company as a result of the IPO, the shares are recognized on the date of their registration in a depository institution (the date of subscription of the shares until the date of their registration with the depository institution subscribed shares shall be recorded as a receivable an amount equal to the issue price paid). The subsequent measurement of the shares on the date of their registration with the depository institution until the date of admission of shares to trading on the regulated market takes place at a price equal to the issue price per share. After entering trading on the regulated market of shares subsequent assessment is performed according to methods of valuation of securities admitted to or traded on a regulated market.

The preceding rules shall apply respectively to the subscription of shares of non-public joint-stock company, which does not provide for subsequent registration for trading on a regulated market as of the date of subscription of the shares until the registration of the capital increase in the commercial register the shares subscribed shall be reflected as a receivable an amount equal to the issue price paid and the date of registration of the capital increase in the commercial register, the subsequent valuation of shares is carried out in accordance with section II, p. 9.

11.6. Where shares are acquired in formation of a new joint stock company, the shares are valued at their issue price and the date of admission of shares to trading on the regulated market. After entering trading on the regulated market of shares subsequent assessment is performed according to methods of valuation of securities admitted to or traded on a regulated market.

If the shares are recorded at the formation of a new joint stock company, which does not provide for subsequent registration for trading on a regulated market, they are valued at their issue price at the date of entry of the company into the commercial register. After registration, subsequent valuation of shares is carried out in accordance with Section II, p. 9.

11.7. In the case of acquisition of rights by a company on issue of warrants with underlying future issue of shares of the company, receivables (rights) of the date on which holders of shares in the company have the right to receive subscription rights of warrants (date after which the transactions completed with the shares do not affect the right to acquire rights) until the date of registration of rights in the depository institution.

The value of receivables is calculated using the following formula:

$$R_r = N \times P_r ,$$

Where:

Rr – the receivable;

N – the number of rights;

Pr – the price of the right.

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

$$P_r = P_l - \frac{P_i + (P_i + P_w) \times N_r}{N_r + 1}$$

Where:

Pr – the price of the right;

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

Pi - issue price of shares of the underlying asset (the exercise price of the warrants);

Pw - issue price of warrants;

Nr – The number of warrants in one right.

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

11.7.1. Failing to apply the methods of assessment under Section II, Item. 8 assessment of rights on issue of warrants is carried at cost, representing the difference between the price of the existing shares of the company, as determined by the requirements of Section II, Item. 8 and the sum of the issue price of shares of the underlying asset value and issue price of the warrants, multiplied by the ratio of the number of warrants in one right.

11.7.2. From the date of registration of the warrants as a result of exercising the rights to the date of registration of the warrants and their entry in the depository institution subscribed warrants are recorded as a receivable, which is formed by the number of subscribed warrants multiplied by the sum of the value of a law last assessment before the subscription of warrants divided by the number of warrants in one right and the issue price of one warrant.

$$R = N_n \times \left(P_w + \frac{P_r}{N_r} \right)$$

Where:
 R – the receivable;
 N_n – the number of reserved warrants;
 P_w – issue price of each warrant;
 P_r – the value of one right;
 N_r – The number of warrants in one right.

In case that the subscription of the warrants shall be made after the last day of trading of the rights on a regulated market valuation to their date of enrollment of the warrants is done at the last price of assessment.

From the date of registration of the warrants as a result of exercising the rights until the date of payment of their issue value of a liability to the company - issuer.

11.7.3. From the date of registration of the warrants with the depository institution until the date of introduction for trading on the regulated market warrants are recognized at a price calculated by the following formula:

$$P = P_w + \frac{P_r}{N_r}$$

Where:
 P – the price of the warrant;
 P_w – issue price of each warrant;
 P_r – the value of one right;
 N_r – the number of warrants in one right.

After entering trading on the regulated market of warrants subsequent assessment is performed according to methods of valuation of securities admitted to or traded on a regulated market.

Collective investment schemes

12. Subsequent measurement of units of collective investment schemes Art. 38, para. 1, p. 5 CISOU CI ACT including cases of suspension of redemption shall be made at the latest published redemption price. If the suspension of redemption for a period longer than 30 days, their reassessment at fair value per share by applying the method of net book value of assets under 9.1.

12.1. Subsequent assessment of the shares issued by ETFs and other exchange-traded products (ETFs, ETNs and ETCs), including units of collective investment schemes Art. 38, para. 1, p. 5 CISOU CI ACT where there are restrictions on the purchase and redemption for a certain class of investors and / or a certain amount of the contract and as a result of these restrictions Fund may not purchase shares held directly by the publisher and thus bring about repurchase holdings of shares, the financial instruments are measured:

a) At the closing price of the transactions concluded on the regulated market of securities which are traded shares and shares of ETFs, ETNs and ETCs, announced through the trading system or exchange bulletin on the business day to which is done assessment.

b) In nevazmozhnost be applied so. a) shares and shares of ETFs, ETNs and ETCs are valued at the last calculated and announced by the regulated market the indicative net asset value per share (iNAV-indicative net asset value).

c) Failing to apply the method of assessment in the preceding paragraph, as in the case of suspension of redemption of units / shares of ETFs, ETNs and ETCs for a period longer than 30 days, they are valued at the latest determined and announced of the issuer net asset value per unit / share.

Derivative financial instruments

13. Subsequent measurement of **derivative financial instruments in the country** is carried out in accordance with Section II, p. 8.1 - 8.3.

13.1. Subsequent measurement of **derivative financial instruments with underlying securities admitted to or traded on a regularly functioning, recognized publicly available and active regulated markets abroad**, is carried out:

a) at the last price of a transaction concluded with them on the market on the day to which performed the assessment.

b) failing to apply the valuation method under letter "a" assessment is carried out "bid" price at market close on the day to which assessment takes place, announced in an electronic system for price information of securities.

c) failing to apply the valuation method under letter "b" of the assessment is done at the last price of a transaction concluded with them within the last 30-day period preceding the day to which performed the assessment.

14. Failing to implement Section II, Item. 13 and so on. 13.1. for determining the price for subsequent assessment of options admitted to or traded activists regulated markets, the reassessment is carried out using the approach the Black-Scholes down the price of the option. Black-Scholes model treats the assessment of purchase options (call options) because the formation of the value of the put option will be a function of the price of a call option for the asset under the same conditions.

The formula for determining the price of the put option is as follows:

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

Where:

C – The price of the call option, calculated using the Black-Scholes;

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

e – 2.71828, base of the natural logarithm function;

r – Risk-free interest rate;

T – The maturity of the option in years;

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

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

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

$$C_0 = S_0 N(d_1) - X e^{-rT} N(d_2),$$

Where:

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

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

and Where:

C_0 – The current value of the call option;

S_0 – The current price of the underlying asset.

$N(d)$ – The probability of a random experiment on the standard normal distribution has a value less than d . The corresponding values can be found in tables with the values of the normal distribution.

X – The exercise price of the option;

e – 2.71828, the base of the natural logarithm function;

r – Risk-free interest rate;

T – The maturity of the option in years;

$X e^{-rT}$ = PV (X) – The present value of the exercise price of the option;

\ln – Natural logarithm function;

σ - The standard deviation of the rate of return on an annual basis (continually capitalized) of the underlying asset (volatility).

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

$$\sigma = \sqrt{\frac{n}{n-1} \sum_{t=1}^n \frac{(r_t - \bar{r})^2}{n}},$$

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

14.1. Failing to implement Section II, Item. 13 and so on. 13.1 for determining the price for subsequent valuation of warrants admitted to or traded on active regulated markets, the reassessment is carried out using the formula under Section II, p.14 to calculating the price of purchase options (call options).

15. Failing to implement Section II, Item. 13 and so on. 13.1 in determining the price of futures admitted to or traded on active regulated markets, the valuation shall be carried out as follows:

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

Where:

F – the price of the futures contract;

S – the spot price of the underlying asset;
 PV(D,0,T) – the present value of expected dividend;
 Rf – risk-free rate;
 T – number of days of the contract divided by 365.

15.1. The subsequent measurement of **derivative financial instruments traded OTC** is done by price "buy" market maker at market close on the business day to which performed the assessment. If this can not be applied to that rule:

15.1.1. ex-post assessment of options traded on OTC markets is carried out using the formula under Section II, p.14;

15.1.2. subsequent valuation of foreign exchange forward contracts is done using the formula below. Where the term to maturity of currency forward contracts is less than one month in the event that there are minor differences in the values of interest rates due to the short term and the marginal impact of discount factors, it is assumed that the forward exchange rate the date of subsequent valuation (t) is equal to the current spot exchange rate.

$$V_t = \frac{N(C - P)}{A + B}$$

Where:

Vt - value of the forward contract;

N – size of the forward contract;

C - current spot rate between the two currencies;

P – forward exchange rate contract at the conclusion of the forward contract;

Both exchange rate expressed as units of currency per unit in currency

A. iA – risk-free interest rate for currency A;

iB – risk-free interest rate for the currency in;

T – maturity date of the forward contract;

t - current date.

15.1.3. subsequent assessment of forwards, other than those mentioned t.15.1.2., is performed using the formula under Section II, point 15;

Others

16. Subsequent measurement of financial instruments admitted to trading on more than one active regulated market is done at prices made public by the regulated market on which the management company has provided access and the financial instrument is initially purchased. If the financial instrument has bought more than one active regulated market, the valuation shall be carried out at prices made public by the regulated market on which the same day is traded the highest volume (number of shares traded) of the respective financial instrument.

17. In cases where no trade takes place on a regulated market operating days for the country or when certain securities are suspended from trading for subsequent valuation of securities admitted to or traded on an active regulated market is the value valid for the day the last trading session at a date to which the valuation. In subsequent valuation of bonds under the first sentence into account and the interest accrued on the respective days.

The rule also applies in cases where a regulated market is not conducted trading session due to a public holiday in the country day is working in Bulgaria.

The rule does not apply where the regulated market is not trading sessions held for more than 5 working days. In this case the reassessment is done by applying Section II, p. 6, 9, 11, 14,15.

18. Deposits in banks, cash in hand and short-term receivables are valued on the date of the valuation as follows:

- a) term deposits at their nominal value;
- b) cash - at nominal value;
- c) demand deposits at face value;
- d) short-term receivables with no stated interest rate or income - at cost;
- e) short-term receivables with a fixed interest rate or income - at cost.

19. Financial assets denominated in foreign currencies are translated to BGN equivalent using the exchange rate of the Bulgarian National Bank valid for the day of the valuation.

20. In decided to distribute dividends from a company whose shares are included as an asset in the portfolio, from the first date of trading of the shares on the regulated market on which the transferee of the shares not entitled to dividend until the date of payment of the dividend (real receipt of cash dividend from the current account of the Fund), the amount of gross dividend applies as a receivable.

III. MAIN SOURCES OF INFORMATION

The following main sources of information used to determine the fair value of assets:

- Register of public companies and other issuers of securities kept by the Financial Supervision Commission (FSC);
- prospectus for public offering of securities;
- Financial statements of issuers;
- Official Gazette of the "BSE-Sofia" JSC, as well as the corresponding bulletin or similar document issued issued by another regulated securities market (Bulgarian or foreign) approved by the FSC, Where are admitted to trading securities held by SF "UBB Global Child Fund";
- Quotes by Reuters and Bloomberg for assets listed for trading on Bulgarian and foreign regulated markets. Failing direct access to electronic systems, they can be provided by banks, investment firms and other financial companies;
- Official statistics and background information;
- Analyses, publications and reviews of certified Bulgarian and foreign consultants and analysts.

In determining the fair value of assets can be used the following sources of information:

- Declared in a prospectus for public offering of securities of the issuer issue price;
- A decision to increase or decrease the capital of the issuer of financial instruments;

- Decision for transformation of the issuing company;
- Any changes in the business of the issuer, which would affect the price of the issued financial instruments;
- Changes in statutes (office) of the issuer;
- initiated lawsuits to which the issuer of financial instruments defendant;
- Analysis of the overall economic situation of the country / ies, Where the issuer operates;
- Analysis of the industry in which the issuer operates;
- Analysis of the general state of the market in financial instruments which are traded shares of the issuer;
- available information about deals or offers for particular financial instruments on regulated markets;
- Availability of option contracts for specific financial instruments.

IV. ASSESSMENT OF LIABILITIES

The value of liabilities is equal to the sum of the carrying amounts of short-term and long-term liabilities on the balance sheet. Liabilities denominated in foreign currency are calculated at the official rate of exchange on the day to which performed the assessment. Assessment of liabilities is performed in accordance with International Accounting Standards and the accounting policies of the Fund.

V. NET ASSET VALUE (NAV)

NAV of the Fund is equal to total assets less the sum of liabilities.

NAV per share is equal to the NAV divided by the number of Fund units outstanding.

The issue price (IP) per share is equal to the NAV per unit plus the determined in the rules of the Fund fee for issuance, while the redemption price (RP) per share is equal to the NAV per unit.

VI. SYSTEM OF ORGANIZATION OF THE ACTIVITY IN DETERMINING THE NET ASSET VALUE

NAV per unit of the Fund is determined each day (called day T + 1 "day that assessment is carried out") to the previous (called day T "day to which performed the assessment" or "day, which concerns assessment"), pursuant to the Rules, the Prospectus for public offering of units of the Fund and the present Rules and with the current regulations.

Portfolio valuation performed by "UBB Asset Management", which determines the Fund's NAV and NAV per unit and calculates the EU and RP under the control of the Custodian.

Procedure for determining the subsequent price and fair value

1. Until 10 o'clock of the day, on which the assessment is carried out (day T + 1) the management company receives from "Central Depository" JSC information for the transactions of sale and redemption, which settlement is completed and the number of units of the FUND in circulation at the end of the day T;
2. Between 10:00 and 12:00 on the day at which the assessment (day T + 1):
 - assess the fair value on the day of the valuation (day T) under these Rules; Data and / or analysis used in determining the fair value applied to the calculation of the price and kept for at least five years.
 - revalued assets at fair value, draw balance of the Fund and determined NAV per share on the date of the valuation (day T).

3. By 12 o'clock the day, at which the assessment (day T + 1) Management Company provides depository bank all the information about the determined NAV per share (including the number of sold and repurchased shares with completed settlement) as well as the estimated EP and RP.
4. By 13 o'clock the day, at which the assessment (day T + 1) Management Company receives confirmation from the Custodian of the estimated NAV, the EP and RP.
5. The management company by the end of each working day, at which the assessment (day T + 1), declared the EU and RP of shares of the Fund determined the day of the valuation (day T):
 - Appropriately referred to in the Prospectus for Public Offering of shares and the document with key information on the Fund.
 - The Commission for Financial Supervision.
 - To the person / s, which the Management Company has signed a contract to use a network of offices that / s declared them / t at check sale / redemption.
6. Calculated according to current EU rules and RP are published on the website of the Management Company.
7. In calculating the NAV, the EP and RP, the Management Company uses appropriate software that allows him to keep the books of the Fund separately from its own.
8. All documents and information used for determining the NAV, the EP and RP kept by the Management Company on paper and magnetic media at least 5 years in a way that ensures access to only authorized by him. For additional security, the information is stored and a second electronic device.

VII. ESTABLISHMENT AND AVOIDANCE OF CONFLICTS OF INTEREST AND PROTECTION AGAINST DISCLOSURE OF INTERNAL INFORMATION

1. Conflict of interest is a situation that arises in connection with the services provided by the management company services and can damage the interests of investors in shares of the Fund. Such a situation would exist when the interests of the persons / collective investment schemes whose portfolios or activity Management Company manages the Fund may enter or come into conflict with each other.

2. In establishing the types of conflicts of interest that arise from services provided by the management company services and presence, which can damage the interest of investors in shares of the Fund Management Company account, applying minimum standards, whether the company, person working under contract for it or a person directly or indirectly linked to it by control falls into one of these cases as a result of the services provided by the Management company services or otherwise:

2.1. able to make a financial gain or avoid financial loss at the expense of the Fund;

2.2. It has an interest in the outcome of the service or transaction carried out on behalf of the Fund, other than interest on the face of this result;

2.3. has a financial or other incentive to favor the interest of another person / collective investment scheme or group of persons / collective investment schemes whose portfolios or activity Management Company manages the interest of the fund;

2.4. receives or will receive from a person other than FUND benefits in connection with the service provided to the customer in the form of cash, goods or services, other than the standard commission or fee for this service.

3. In order to avoid conflicts of interest, employees of the Management Company shall observe the following principles and rules:

3.1. priority to the interests of the FUND to the self-interest of the Management Company, the interests of the members of the Board of persons entrusted with the operational management of the Management Company and all other persons working under contract for MC;

3.2. make every effort to conduct business under the best conditions for the Fund;

3.3. conflict-free - Management Company, respectively, an employee should not be placed in a position where his interests will collide with the interests of the Fund and if that happens, should always be given priority to the interest of the Fund;

3.3. Confidentiality - The management company should not be used to their benefit or for the benefit of another person, including another client confidential information received, acting on behalf of its client;

3.4. strict compliance with the legal requirements of all persons involved in the organization and management of the Fund and control over this activity, in accordance with their competencies prescribed by law;

3.5. compliance with internal rules of the Management Company, which determine the manner of storage available information and ensure protection against disclosure;

3.6. strict compliance with the provisions included in the rules for personal transactions adopted by the Management Company;

3.7. separation of functions between employees and departments;

3.8. ensuring the independence and objectivity in the performance of official duties of employees in the areas of their competence;

3.9. It prohibited employees to accept gifts, compensation or any other tangible benefits to customers, contractors and others. persons that can lead to a conflict of interest;

3.10. Employees are required to inform the Unit Compliance for all possible and potential conflicts of interest.

4. Inside information e specific information not been made public, relating directly or indirectly to the Fund's units, if made public, could have a material effect on the price or the price of related derivative financial instruments. Inside information includes:

4.1. any information that indicates facts or circumstances that have occurred or may reasonably be expected to occur in the future, and it is specific enough to draw a conclusion about their effect on the price of shares of the Fund or related derivative financial instruments;

4.2. information that is commonly used by investors when deciding to invest in a financial instrument;

4.3. to persons who execute orders on shares of the fund insider information is also specific information conveyed by a client relating to the submitted but still unfulfilled orders of the client that relates directly or indirectly to the Fund's units and which, if made public, could materially affect the price of shares or the price of related derivative financial instruments.

4.4. Inside information within the meaning of the Act against market abuse with financial instruments is either "internal" to its public announcement in the bulletin of the "BSE-Sofia" JSC the submission of appropriate notification to the Financial Supervision Commission and dissemination her in the newsletter of the FSC or through the media.

5. It is forbidden to a person who possesses inside information to:

5.1. disclosing inside information to any other person unless such disclosure is made in the normal exercise of his employment, profession or duties;

5.2. recommending or inducing another person on the basis of inside information to acquire or dispose of shares of the Fund;

5.3. manipulate the market in financial instruments.

The foregoing prohibitions also apply to any other person beyond those already mentioned, who possesses inside information if it knows or ought to have known that it is inside information.

6. 6. Members of the Board of Directors of the Management Company, employees and all other persons working for the management company can not disclose, unless authorized to do so, and to use for the benefit of themselves or others facts and circumstances affecting the balances and transactions in the accounts of the unitholders of the Fund and all other facts and circumstances constituting trade secrets which they have learned in the performance of their professional duties. For this purpose, inauguration or commencement of activity for the asset management company, the persons under the preceding sentence shall sign a declaration to respect confidentiality.

7. In addition to the Financial Supervision Commission (FSC) Vice - Chairperson in charge of "Investment Supervision" and authorized officials of the administration of the FSC, or "BSE-Sofia" JSC for the purposes of their control activities and within the inspection order, the Management company can give information under paragraph 6 of this section only:

- with the consent of the relevant shareholder;
- by a court decision issued under the terms and conditions of Art. 35, para. 6 and 7 of the Markets in Financial Instruments;
- upon written request to the Director of the National Investigation Service, the Chairman of the State Agency "National Security" or the Secretary General of the Ministry of Interior, according to Art. 107 CISOUCL ACT, in conjunction with Art. 35, para. 8 FIMA;
- at the request of the Prosecutor or his authorized deputy, when evidence of organized crime or money laundering, according to Art. 107 CISOUCL ACT, in conjunction with Art. 35, para. 9 of FIMA.

VIII. DUTIES AND RESPONSIBILITIES IN ASSESSMENT OF ASSETS AND LIABILITIES AND DETERMINATION OF NET ASSET VALUE OF FUND

1. Departments in the asset management company operating base developed detailed internal rules governing the allocation of functions and powers of both departments as a whole and of each employee in the department.

2. Decisions on operational activities are taken at the level of competence and delegated powers in the system of relations.

3. The Board of Directors of the Management Company:

3.1. responsible for the adoption, amendment of these Rules;

3.2. supervise the observance and application of these rules by all persons involved in the calculation / verification of NAV;

3.3. authorizes the person holding the necessary qualifications, which supervises the calculation of NAV, the EU and CEI of units of the Fund and bookkeeping. Upon finding discrepancies with the law, fund rules, these Rules and the Prospectus, that person shall immediately notify the Board of Directors;

3.4. control the execution of the contract with the Custodian as receive and review monthly reports, as well as all documents and information relating to the performance of their duties, including may ask them additional documents, information and explanations;

3.5. approve the monthly costs associated with the activity of the Fund in order to comply with the limits for expenditure charged to the fund;

3.6. in establishing a systematic and / or serious breach of the method or procedure for determining the NAV described in these Rules, or control over, take appropriate action against the Custodian, including termination of the contract for depository services;

3.7. In establishing breach of the duty of the Custodian to oversee the calculation of the net asset value of the Fund take action to seek accountability against her, except in cases where the Custodian is not responsible.

4. The Bank - Depository

4.1. oversee the calculation of the NAV, the EP and RP of units of the Fund by the Management Company to be carried out in accordance with CISOUCL ACT, acts for its implementation, fund rules and these Rules.

4.2. check the assessment and determined by the Management Company NSA, the EP and the RP of one share of the fund in the event that no comments inform the Management Company of the outcome of the check electronically no later than 13.00 hours on the day that is done assessment and determined the appropriate values (day T + 1).

4.3. in violation in the calculation of the NAV per share Custodian shall immediately notify the Management Company and make adjustments to the EU and RP. The Bank fulfills this obligation before announcing the EU and RP of units of the Fund.

5. The auditors of the Fund give an opinion on the presence of substantial inaccuracies, errors and inconsistencies in the reports made by the Management Company financial statements, according to the independent financial audit and professional requirements of the International Standards on Auditing.

For all matters not regulated in these Rules are applicable provisions of the regulations governing the relevant legal material. When individual provisions of these Rules reference is made to specific regulations or identified specific state authorities and subsequently as a result of changes in legislation changing the titles of these regulations or they are repealed will be considered that new titles respectively latest acts governing the legal field, right replace their corresponding references in the texts of these Rules without having subsequent amendment of the Rules. The same applies for cases specifically mentioned state bodies.

These Rules were adopted by Decision of the Board of Directors of "UBB Asset Management", reflected in Protocol № 318 of 27.11.2015, as amended by Decision Minutes № 323 of 10.02.2016.

These Rules shall enter into force after receiving approval from the Financial Supervision Commission.

Katina Peycheva
Executive Director

Ivan Koutlov
Procurator