

INVESTMENT VARIABLE CAPITAL COMPANY

“NSEL 30 INDEX FUND”

SHARE EMISSION PROSPECTUS

FOR PUBLIC DISTRIBUTION

The main investment risks related with buying the securities are:

Market risk;
Specific investment risk;
Fund’s activity (liquidity) risk;
Influence of foreign investors;
Inflation risk;
Transaction parties and settlement risk;
Risk of changing legal environment.

Vilnius

28 May 2008

I. GENERAL INFORMATION ABOUT COLLECTIVE INVESTMENT SUBJECT

1. Main data about collective investment subject

1.1. Name of investment variable capital company: Investment variable capital company “NSEL 30 Index Fund” (“the Fund”)

1.2. Legal organization form: investment variable capital company

1.3. Address: P. Luksio Str. 32, LT-08222 Vilnius, Lithuania

Telephone / Fax: +370-5-2747016

E-mail: office@ipv.lt

Websites: www.indexfund.lt

1.4. During the Fund’s registration in the Register of Enterprises (29 September 2000) net assets of the Fund were 1,000,000 (one million) Lithuanian litas (LTL). During registration 1,000 shares were issued, net assets per one share were 1,000 LTL.

As of 01 March 2001 daily calculation of net assets of the Fund has been initiated.

As of 09 April 2001 public distribution of the Fund shares was initiated and public announcing of the value of net assets per share commenced in the Fund's websites and in places of distribution of the Fund shares.

1.6. Date and place of registration: 29 September 2000, Ministry of Economics of the Republic of Lithuania, Vilnius. Code in the Register of Enterprises: 1171335

Licence for activities No. IKB-02. Licence issued by Securities Commission of the Republic of Lithuania (“the Securities Commission”) on 29 January 2004.

1.7. Name of the Management Company: Stock company Investment fund management company “Investicijų portfelių valdymas” (“Management Company”)

Licence for activities No. VIK-004. Licence issued by the Securities Commission on 15 January 2004.

Address: P. Luksio Str. 32, LT-08222 Vilnius, Lithuania

Telephone / Fax: +370-5-2747016, +370-5-2747017, +370-5-2747018

1.8. Name of the Custodian: Stock company SEB bankas (“Custodian”)

Address: Gedimino Ave. 12, LT-01103 Vilnius

Telephone: +370-5-268 26 88

Fax: +370-5-268 26 83

2. Main data about securities offered by the subject

The securities (shares) issued are intangible, redeemable, without par value, ordinary registered shares.

The Fund can issue unlimited number of shares for public distribution.

3. Investment strategy

Objective:

The Fund’s investment objective is to replicate the total return of 30 stocks of companies that have the highest free-float based market capitalization and are listed on the Lithuanian National Stock Exchange, by meeting liquidity and security requirements.

The Fund seeks to achieve its objective by indexing, i.e. by investing all of its assets in market index in proportion of their weighting in the index.

The Fund's investment portfolio is composed following NSEL 30 Index, i.e. the Fund invests in all securities in the NSEL 30 Index in proportion of their weighting in the NSEL 30 Index. The NSEL 30

Index is composed of 30 common stocks of companies that have the highest free-float based market capitalization that are listed on the Lithuanian National Stock Exchange. The NSEL 30 Index is cap-weighted, i.e. the highest free-float based market capitalization companies have the biggest weight in the NSEL 30 Index.

Investing in the Fund is the most appropriate for long term investors, i.e. those who invest for 3-5 years. Investment period of 3-5 years is recommended because investment return from investing in shares for longer time substantially exceeds the interest from government securities and bank deposits. Investment return from investing in stocks for shorter period of time may be higher or lower than interest from government securities and bank deposits.

4. Risks related with buying the Fund shares and investing

All investments have risks to some degree. When selling shares, investors should be aware that they may get more or less for their shares than they originally paid for them. There is no assurance that the value of the Fund shares will increase. The Fund's investments are subject to changes in their value from a number of factors described below.

Market risk

Stocks fluctuate in price and their short term volatility at times may be great. Since the Fund invests in common stocks, the value of the Fund's investment portfolio will be affected by changes in the stock market. The Fund's net assets will fluctuate as the value of the Fund's investment portfolio change. The Fund attempts to reduce its exposure to market risk by diversifying its investments, that is, by spreading its assets across a wide selection of securities, industries and sectors (banking, electricity, transport, clothing apparel, food industries, etc). It's important to remember that diversification won't protect you against overall market fluctuation; index funds that track the market will go up and down with the market they represent. However, an investment in a fund that holds 30 stocks will likely be less volatile than equity portfolio composed of a smaller number of securities.

Investing for longer term greatly reduces market risk. Short term investment return may be inconsistent as prices of shares of individual companies fluctuate. Nevertheless, continued recovery of Lithuanian economy should mean higher stock prices and long term investors who chose an index fund in Lithuania can reasonably expect to match a growing economy.

To minimize the market risk, the Fund invests only in stocks of companies that are listed on the Lithuanian National Stock Exchange, that disclose information publicly and have a listing history on the Stock Exchange.

Specific investment risk

Some securities which are traded on the Lithuanian securities market have low liquidity. These securities may be included into the Fund's investment portfolio. To reduce this risk most of the Fund's net assets are invested in the most liquid stocks of Official list. The Fund tries to avoid negative short term market decline by encouraging to invest for longer term.

Specific company risk

Any security from the Fund's investment portfolio may lose its value because of temporary financial difficulties, market slump, bankruptcy or rehabilitation. The Fund tries to minimize this risk by diversifying its investments.

Currency risk

The Fund's capital is denominated in Lithuanian currency and the Fund invests only in stocks of Lithuanian companies; therefore, Lithuanian investors will not be affected by currency risk.

Since the Lithuanian Litas is linked to the Euro (1 EUR = 3.4528 LTL), the Euro investors are likely to not be affected by currency risk. However, foreign investors who invest in any currency other than Litas and Euros may be affected by currency risk because the value of investment portfolio may change relative to other currencies.

Fund's activity (liquidity) risk

There is a risk due to low liquidity of the market which would render impossible to sell shares in the investment portfolio at desirable time for desirable price and to settle with shareholders redeeming the Fund's shares in a timely manner. This risk is minimal since a portion of funds in cash is always kept in the Fund's account for redemption of the Fund shares. Besides, most of the Fund's assets is invested in highly liquid shares of the companies from the Official and Current lists of the National Stock Exchange.

The liquidity of the Fund shares is especially high. . Sale of shares of companies that are included in the Fund's investment portfolio could be suspended due to restructuring of those companies, capital changes, etc.; Moreover, some shares can become illiquid because of lack of demand. However, it does not impede the Fund's settlement with an investor redeeming the Fund's shares.

The Fund's shareholders can request the Fund to redeem their shares from them at any time. The redeemed shares will be paid at the latest in 7 business days after shares redemption transaction is completed.

Influence of foreign investors

International financial capital functioning in Lithuania operates financial resources that are rather great for Lithuanian market. This capital is mobile and vulnerable to market changes. That is why coming in or withdrawal from the market of one or several international financial investors may have a substantial influence on the situation in the shares market. Massive withdrawal of all foreign investors from Lithuanian securities market is unlikely. At the moment there is a tendency of foreign investors coming into the Lithuanian market. This tendency should continue as it is stimulated by successful and rapid integration of the Republic of Lithuania into the European Union and Euro-Atlantic structures. In addition the influence of foreign investors in the market is amortized by gradual appearance of local institutional investors, e.g. pension funds.

Inflation risk

Significant inflation of the national currency in Lithuania has not been a real threat for quite a long time. As the Republic of Lithuania becomes a member of the European Union, an additional security against inflation risk would be regulations of the European Union for currencies and fiscal policies of member states.

Transaction parties and settlement risk

Any party functioning in the finance market faces the transaction parties and settlement risk. Transactions of securities purchased by the Fund will be made through the National Stock Exchange of Lithuania (hereinafter referred to as NSEL) using a system, which ensures timely delivery of securities and money and the guarantee fund of NSEL. Transfer of securities will be performed through the Central Securities Depository of Lithuania, i.e. a national system functioning for several years already, which is used by all participants of the Lithuanian securities market.

The custodian of the Fund's money and securities, the broker and the distributor of the Fund shares is the stock company SEB Bankas – the largest commercial bank in Lithuania and one of the most reliable financial institutions in Lithuania.

Selection of stock company SEB Bankas for all operations of the Fund was conditioned by the following factors:

- At the moment of establishing the Fund there was no other financial institution in Lithuania with such big experience in securities accounting and depositing.
- At the moment of establishing the Fund there was no other financial institution in Lithuania which possessed a network of branches with employees experienced in securities. Such network is necessary for distributing the Fund shares.
- Flows of the Fund's money among the custodian, distributor, broker and Management Company will be circulating in one banking institution. Efficiency of circulation of money flows in certain conditions can be of vital importance to the Fund.

Other banks and financial brokerage companies who will sign share distribution agreements with SEB Bankas may be the Fund share distribution agents.

Risk of changing legal environment

Recently legal rules regulating the securities market in the Republic of Lithuania have underwent dramatic changes. It caused certain inconveniences and additional expenses for participants of the securities market. The fact that recently there were adopted legal rules, which completed formation of legal grounds for the securities market in this country, allows expectations of radical improvement of the situation. At the moment it can be claimed that legal rules regulating the securities market of Lithuania are coordinated with regulations of the European Union. Thus, it is quite plausible that there would be no radical changes in the legal rules regulating activities of the investment funds in the nearest future.

5. Date and place of announcing the Prospectus

This Prospectus was prepared on 29 April 2008 by the Fund's Management Company "Investicijų portfelį valdymas" at P. Lukšio Str. 32, Vilnius, Lithuania.

6. Information about where (place, e-mail and websites) and when the Prospectus, formation documents, the Fund's annual and semi-annual reports and information about the collective investment subject can be obtained

Information about the Fund as well as this Prospectus, its annexes, formation documents, the Fund's annual and semi-annual reports can be obtained from the Fund at P. Lukšio Str. 32, Vilnius (working hours from 11 a.m. till 5 p.m. Lithuanian time) and the Fund's Management Company at P. Lukšio Str. 32, Vilnius. E-mail: office@ipv.lt

The Fund's full and short Prospectuses, annual and semi-annual reports can be obtained from the Fund's websites at www.indexfund.lt

7. The Fund's share distributor

The Fund's share distributor: Investment fund management company "Investicijų portfelių valdymas"

Code in the Register of Enterprises: 111707985

Address: P. Lukšio g. 32, LT – 08222, Vilnius, Lietuva

Telephone: (8-5) 274 70 16

Fax: (8-5) 274 70 17

E-mail: office@ipv.lt

The Fund's share distributor: UAB "SEB investicijų valdymas"

Code in the Register of Enterprises: 125277981

Address: Gedimino pr. 12, LT-01103 Vilnius

Telephone: (8-5) 268 1594

Fax: (8-5) 2681575

The Fund's share distributor: AB SEB bankas all branches

Code in the Register of Enterprises: 112021238

Address: Gedimino pr. 12, LT-01103 Vilnius

Telephone: (8-5) 268 26 88

Fax: (8-5) 268 23 74

8. Persons responsible for the information presented in Prospectus

8.1. Persons responsible for Prospectus:

- Director General of the Fund's Management Company, Mr. Vaidotas Petrauskas, Telephone / Fax: +370-5-2747016;
- Accountant in Chief of the Fund's Management Company, Mr. Dainius Minelga, Telephone / Fax: +370-5-2747017.

8.2. Consultant who assisted the preparation of the Prospectus:

Lawyer Mr. Kęstutis Kvainauskas

Law Firm "Miškinis, Kvainauskas and partners"

Address: Pylimo Str 6, LT-01117 Vilnius, Lithuania

Telephone: +370 5 212 40 84

Fax: +370 5 212 27 41

E-mail: kestutis.kvainauskas@ecovis.lt

Internet address: www.ecovis.lt

All sections of this Prospectus have been prepared with assistance of this consultant.

The consultant is liable for the information provided by him under the laws of the Republic of Lithuania.

9. Audit firm

Audit firm: UAB "Auditorių biuras"

Code in the Register of Enterprises: 123249741

Address: Gedimino pr. 26, Vilnius

Telephone: (8-5) 261 1187

Legal organisation form: stock company.

Date and No. of permit for activities: Nr. 001340, 2007m. lapkričio 20 d.

Previous Audit firm: K. Dabravolskio private company "Kestonas"
Code in the Register of Enterprises: 2443469
Address: G. Vilties 5a-66, Vilnius
Telephone: +370 5 216 17 22
Legal organisation form: private company.
Date and No. of permit for activities: 27 February 2003, No 129

10. State tax policy with respect to the collective investment subject and to participants of the subject

Tax policy with respect to the Fund

- Profit tax

Investment income of the Fund, except dividends and other distributed profit, is not taxable. All the other income received not from the investment activities is taxable by the general 15 percent tax rate. (i.e. dividends received by the Fund from underlying securities will have already been taxed 15% and withheld by the paying corporations).

- Value added tax (VAT)

Transactions in securities, derivatives, currency, cash accept and payouts, service of handling money are not taxable by the VAT. Possession of the bank deposit is not considered an economic activity and, that is why the income from the deposit interest is not taxable by VAT. Income of the Fund from the main, i.e. investment, activities is not taxable by VAT.

- Road tax

The Fund has to pay road tax (0.48% from 25 January 2002) on any realised gain.

- Real estate tax

If the Fund possessed any real estate, it would have to pay an annual tax of 1% from that property.

- Social insurance tax and Personal income tax

Since there are no personnel employed by the Fund, the Social insurance tax and Personal income tax are not applicable to the Fund.

State tax policy with respect to participants of the Fund (investors):

Tax policy with respect to INDIVIDUALS (RESIDENTS):

Income tax

1. 15% from dividends (any periodical payment, which will be paid in cash for the Fund's shares). Here dividends refer to dividends from the Fund. The Fund does not plan to pay dividends so there will be no dividend tax.
2. Individuals do not pay capital gain taxes for the shares of the Fund acquired after 1 January 1999, provided the shares of the Fund are held for 366 days or more. In case the shares of the Fund are sold or otherwise transferred earlier than 366 days after the date of acquisition, capital gains tax of 15% needs to be paid.

Tax policy with respect to INDIVIDUALS (NON-RESIDENTS):

Income tax

1. 15% from dividends (any periodical payment, which will be paid in cash for the Fund's shares). Here dividends refer to dividends from the Fund. The Fund does not plan to pay dividends so there will be no dividend tax.
2. Taxes are not applied to the capital increment.
3. In case the investor is a resident of the country, with which the Republic of Lithuania has a valid treaty on avoidance of double taxation, tax rules and rates provided for in the treaty are applied.

Tax policy with respect to LEGAL PERSONS (RESIDENTS):

Profit tax

1. Dividends are taxable by 15% tax rate. No taxes are applied to dividends, provided the investor receiving dividends for the period not shorter than 12 months, including the moment of payment of the dividends, was holding 10 or more percent shares of the Fund.
2. Taxes of 15% tax rate are applied to the capital increment like profit of the company.

Value added tax (VAT).

Securities transactions are not taxable by VAT.

Tax policy with respect to the LEGAL PERSONS (NON-RESIDENTS):

Profit tax

1. Dividends are taxable by 15% tax rate. No taxes are applied to dividends, provided the foreign investor receiving dividends for the period not shorter than 12 months, including the moment of payment of the dividends, was holding 10 or more percent shares of the Fund, except the cases when a foreign subject receiving dividends is registered or otherwise organised in target territories.
2. Taxes are not applied to the capital increment.
3. In case the investor is a resident of the country, with which the Republic of Lithuania has a valid treaty on avoidance of double taxation, tax rules and rates provided for in the treaty are applied.

11. Financial year and dates issuing the subjects' financial statement and distribution of profit

The financial statement of the year must be drafted and issued and the profit must be distributed no later than within 4 months as of the end of the reporting year. The semi-annual statement must be drafted and issued no later than within 2 months as of the end of the half of reporting year.

Shareholders receive the Fund's profit only upon selling the Fund shares.

The financial year of the Fund is the calendar year.

12. Participant's rights

The Fund may issue only ordinary registered shares entitling the share holders to equal rights. The Fund's shareholders can request the Fund to redeem their shares from them at any time. The shares issued by the Fund are intangible. Confirmation of the ownership of the Fund shares is an entry in the personal securities account.

The Fund shareholders have the following property rights:

- to redeem their shares in procedure determined in the Fund's Articles of Association and effective laws and to get a proportional part of the Fund's net assets;
- to leave under will all or several of their shares to one or several persons;

- to sell or otherwise transfer several or all of their shares to other persons;
- to receive an appropriate part of the Fund's assets during the Fund's liquidation.

The Fund shareholders have the following non-property rights:

- to participate in the General Meeting of Shareholders and to have a right to vote. Every Fund share carries a right to one vote at all shareholders' meetings;
- to receive information on business activities of the Fund in order determined in effective laws;
- to appeal to the court against the resolutions of the General Meeting of Shareholders, the Management Company and the Supervisory Board.

General Meeting of Shareholders may be attended by persons who were the Fund shareholders of at the close of the shareholders' registration day of the General Meeting of Shareholders. The shareholders' registration day of the General Meeting is 30 days prior to the General Meeting.

The Fund shareholders have no priority right in subscribing for the shares of the new issue.

Voting right of a shareholder cannot be subject to restrictions if she/he has not filed an application to redeem the Fund shares following the established rules.

There are no restrictions to transfer of paid-up shares.

The Fund can issue unlimited number of shares for public distribution.

The shares of the Fund may be paid up only in cash.

New shares cannot be distributed to the current Fund's shareholders free of charge or as dividends.

13. Confirmation of the head of administration, chief accountant and consultants who prepared or assisted the preparation of this prospectus and who are responsible for the correctness of information contained herein that all information provided in this prospectus is correct and there are no missed facts that could have a major impact on the investors' decisions.

We, undersigned, hereby confirm that the information contained herein is correct and there are no hidden facts that could have a major impact on the investors' decisions.

Vaidotas Petrauskas Director General
of the Management Company _____

Dainius Minelga Chief Accountant
of the Management Company _____

Kęstutis Kvainauskas Consultant

II. THE FUND'S CAPITAL, INCOME, AND EXPENSES

14. The Fund's capital

The Fund does not have authorised capital. The Fund's capital is equal to its net asset value and fluctuates depending on the issue (sale) and redemption of shares and on the changes of investment portfolio's value. The initial net asset value of the Fund is equal to one million litas. The Fund can issue unlimited number of shares for public distribution. The Fund shares do not have nominal value.

At the moment of establishment the Fund there were issued 1000 (one thousand) ordinary registered shares. The price of one share was 1000 LTL (one thousand litas). The only founder of the Fund, Mr. Max Edward Zavanelli, acquired all 1000 (one thousand) ordinary registered shares of the Fund at the moment of establishing the Fund

15. Determining Net Asset Value:

15.1. Rules and periodicity of determining net asset value and net asset value per share

The Fund's net assets are evaluated in accordance with the net asset valuation methods confirmed by the Securities Commission. The Fund's net asset valuation methods are described in the Fund's Articles of Association.

The Fund's net assets are equal to the Fund's assets minus liabilities. The Fund's share value is equal to the previous business day's Fund's net asset value per share. The Fund's share value amounts to the part of the Fund's net assets per share. The Fund values its stock portfolio based on its current market price. Current market price is the last traded price on the central market of the Lithuanian Stock Exchange. The Fund uses prices taken from official results of the Lithuanian Stock Exchange trading session after those results are announced.

Dividends paid by the companies owned in the Fund's investment portfolio are considered the Fund's income and are included in the Fund's net assets.

15.2. Means, place and periodicity of announcing of the Fund's share sale (distribution) price and the value of one share

The Fund's share value is equal to the previous business day's Fund net asset value per share. The Fund's share value amounts to the part of the Fund's net assets per share.

The Fund's share sale (distribution) price is equal to the Fund's share value increased by sales charge (2% of the Fund's share value).

The Fund's share value and share sale (distribution) price are determined and announced each business day an hour after official results of the Lithuanian Stock Exchange trading session are announced. The Fund's share value and share sale (distribution) price are announced in every place where the Fund shares are distributed are redeemed as well as on the Fund's website at www.indexfund.lt.

15.3. The Fund shares are not traded on the stock exchange.

The Stock Exchange where shares of companies included in the NSEL 30 Index are traded is the National Stock Exchange of Lithuania. It is located at Konstitucijos Ave. 7, LT-08501 Vilnius, Lithuania.

Fax: +370-5-2724894

E-mail: vilnius@omxgroup.com

Secretariat telephone: +370-5-272 38 71

Website: www.omxgroup.com/vilnius

15.4. The Fund's capital is calculated in the Lithuanian national currency – Lithuanian litas (LTL).

16. The Fund's income distribution rules

The Fund receives income from its asset investments. Assets are invested in order prescribed by the Fund's Articles of Association and effective legal rules. The Fund does not pay out its income on a regular basis. The Fund does not pay dividends nor allocate new securities to its existing shareholders. All interest and dividends paid out by companies owned in the Fund's investment portfolio are considered the Fund's income and are included in the Fund's net assets.

The main objective of Fund's income distribution is to reinvest the most income and increase the value of the Fund shares.

Shareholders receive the whole value of their shares only upon selling their shares.

The Fund's Management Company distributes the Fund's income in the order prescribed by the Fund's Articles of Association and effective legal rules.

Priorities of income distribution are as follows:

- to cover expenses related to the Fund's activities;
- are allocated to the Fund's shareholders by redeeming the Fund's shares held by them in the order prescribed in effective legal rules;
- are invested (reinvested) in order prescribed by the Fund's Articles of Association and effective legal rules.

Income distribution to cover expenses related to the Fund's activities (in percent) is specified in the following section of this Prospectus.

17. The Fund's expenses

Management fee to the Management Company for the Fund's administration is 1%.

The following Fund's expenses are covered by the fund:

1. fee to the Management Company for administration of the Fund (consultation on investments, finance accounting, preparation of annual and semi-annual reports, NAV calculation, etc.). This fee is fixed and is equal to 1% of the Fund's average annual net asset value;
2. audit fee to the auditor for audit services and consulting;
3. expenses to lawyers for legal consultations, services and representation;
4. shareholder service expenses and expenses related with providing information to the Fund's shareholders;
5. expenses to financial intermediaries, banks, stock exchanges and others for transactions of assets, different kind of intermediation, financial transactions, fees for opening and managing accounts, commissions and other expenses for managing of Fund's assets;
6. expenses for publicly presenting information about the Fund, the Fund's marketing expenses and expenses for attracting new investors to the Fund.
7. custodian fees to custodian for services.

The sum of all expenses that are mentioned in points 2-6 is up to 0.5% of the Fund's average annual net asset value.

Custodian fee to the Custodian for custodian services should not exceed 0.3% of the Fund's average annual net asset value. From the Fund's assets, an additional fixed fee of 30 Litas is paid to custodian for every money and securities transaction within the Fund's money and securities accounts.

The Fund's share sale (distribution) fee paid to shares Distributor and distribution agents cannot be higher than 2% of share value. This 2% fee is paid by investor when buying the Fund's shares by increasing the price of bought (issued) share in accordance with existing legal laws and regulations.

Brokerage fee to brokerage companies for financial brokerage services is determined in agreements with brokerage companies.

Audit fee to the auditor should not exceed 20,000 Litas, excluding payment for additional consulting.

Expenses are only permitted to be charged to the Fund's net assets when those expenses are associated with the Fund's activities. A complete list of such expenses is provided in the Fund's Articles of Association. These expenses must not exceed the limits determined in the Fund's Articles of Association.

Management fee to the Management Company is calculated at the end of each month and paid in 10 business days. After the end of the year the amount of management fee is specified. The amounts of management fee overpaid within a year are returned to the Fund within 10 business days and the outstanding amounts of management fee are charged off the Fund's accounts to the Management Company within 10 days.

Custodian fee to the Custodian for custodian services is calculated at the end of each month and paid at the end of each quarter. After the end of the year the amount of custodian fee is specified. The amounts of custodian fee overpaid within a year are returned to the Fund within 10 business days and the outstanding amounts of custodian fee are charged off the Fund's accounts to the Custodian within 10 days.

Other expenses related with the Fund's activities which are not paid periodically or by fixed rules are accumulated in the Fund's account.

The sum of all above-mentioned expenses for the year cannot exceed 3% of the Fund's average annual net asset value. Expenses that exceed 3% or those expenses not mentioned in funds balance are paid by the management company.

Since there are no personnel employed by the Fund, the Fund does not pay any salaries. The Management Company performs functions of the Fund administration.

The Fund does not intend to invest any of its assets to other collective investment subjects or any subjects that are not regulated by the Law on Collective Investment Undertakings.

Currently effective agreements among the Fund and Custodian and the Management Company do not provide for other compensation of other expenses incurred to the benefit of the Fund.

The General Meeting of Shareholders may remunerate (pay bonuses to) members of the Supervisory Board for their work on the Supervisory Board.

To cover the Fund's share redemption expenses the investors may pay a differentiated redemption charge which depends on period for which the investor has held the shares. The Fund's share redemption price is equal to the Fund's share value decreased by any redemption charge.

According to currently calculated redemption expenses there are calculated the following redemption charges:

- for shares held for up to 1 year - 2% of the share value;
- for shares held from 1 to 2 years - 1% of the share value;
- for shares held for longer than 2 years – 0%.

III. THE FUND'S Securities Commission

18. Securities

18.1. The Fund may issue only ordinary registered redeemable shares entitling their holders to equal rights. The Fund's shareholders can request the Fund to redeem their shares from them at any time. The shares issued by the Fund are intangible. Ownership of shares appears after the shareholder fully pays for the shares.

18.2. Confirmation of the ownership of the shares is an entry in the personal securities account.

18.3. The Fund shares Distributor SEB Bankas serves as a personal share accountant for the Fund shares.

18.4. The Fund shareholders have the following property rights:

- to redeem their shares at the redemption price announced for the day when shares are redeemed;
- to leave under will all or several of their shares to one or several persons;
- to sell or otherwise transfer several or all of their shares to other persons;
- to receive an appropriate part of the Fund's assets during the Fund's liquidation.
- other rights provided in the existing laws and the Fund's Articles of Association.

The shareholders have the following non-property rights:

- to participate in the General Meeting of Shareholders and to have a right to vote. Every Fund share carries a right to one vote at all shareholders' meetings;
- to receive information on business activities of the Fund in order determined in effective laws;
- to appeal to the court against the resolutions of the General Meeting of Shareholders, the Management Company and the Supervisory Board.
- other rights provided in the effective laws and the Fund's Articles of Association.

General Meeting of Shareholders may be attended by persons who were the Fund shareholders of at the close of the shareholders' registration day of the General Meeting of Shareholders. The shareholders' registration day of the General Meeting is 30 days prior to the General Meeting.

The Fund shareholders have no priority right in subscribing for the shares of the new issue.

Voting right of a shareholder cannot be subject to restrictions if she/he has not filed an application to redeem the Fund shares following the established rules.

There are no restrictions to transfer of paid-up shares.

18.5. The Fund can issue unlimited number of shares for public distribution.

The shares of the Fund may be paid up only in cash.

New shares cannot be distributed to the current Fund's shareholders free of charge or as dividends.

19. Dividends

The Fund does not pay dividends to its shareholders. The Fund does not distribute new shares to the current shareholders free of charge. All dividends and interest received by the Fund are the Fund's income and as such are included into its net assets.

20. Liquidation

The Fund may be liquidated on the following grounds:

- the court or the creditors' meeting has passed a resolution to liquidate a bankrupt Fund.
- the court has made an order to liquidate the Fund for the violations of laws of the Republic of Lithuania;
- the General Meeting of Shareholders has adopted a resolution to liquidate the Fund;

- nullification of the permit for activities issued by the Securities Commission;
- other cases listed in the legislation.

Sale and redemption of shares of the Fund undergoing liquidation is cancelled upon adoption of the resolution of the shareholders' meeting to liquidate the Fund. Persons through which the Fund's shares are sold and distributed must be notified about such decision in one day.

The institution that made a decision to liquidate the Fund appoints a liquidator, which has the rights and duties as prescribed in the legislation. After the liquidator is appointed all the Fund's management bodies except the General Meeting of Shareholders lose their authority to manage the Fund.

The liquidator according to procedures stipulated in the legislation notifies the administrator of the register about the change of the Fund's status and provides data about the liquidator. After the Fund is re-registered and gets a status of enterprise undergoing liquidation the word "under liquidation" must always be used with the Fund's name.

The Fund undergoing liquidation can only perform transactions associated with its liquidation. Information about the progress of the Fund's liquidation and terms is provided to any shareholder of the Fund that demands it, to a third person with a direct interest and to the Securities Commission. Property of the Fund undergoing liquidation must be sold following the rules established by the Securities Commission. The Fund must settle with its shareholders in cash. The liquidator provides the Securities Commission with information about the Fund's liquidation following the rules established by the Securities Commission. The Fund's bankruptcy procedure is executed only by the resolution of the court in order established by legislation. The Securities Commission has the right to make submission to the court to enter a bankruptcy suit against the Fund.

21. Conditions for issuing securities and procedures of making decisions to issue securities

Legal grounds of shares issue is the decision of the sole shareholder of the Fund, which is equal to the resolution of the General Meeting of Shareholders, to issue new shares.
The date of making the decision: 5 October 2000.
The decision was made by the Fund's shareholder Max Edward Zavanelli, holding 1000 (one thousand) of votes, i.e. 100 percent of all votes.

Upon registration of the Fund in the order prescribed by the Law on Companies Register the share emission prospectus was prepared for potential investors. Public distribution of the Fund's shares started when the Fund received a permit from the Securities Commission for its activities.

The Fund can issue unlimited number of shares for public distribution. In order to issue new shares, a separate shareholders' resolution is not necessary. Shares of the Fund are distributed according to this Prospectus and its later editions registered with the Securities Commission.

22. Conditions and procedures of securities distribution (sale)

The Fund shares Distributor is a stock company SEB Bankas. Investors may buy the Fund shares through all Distributor's branch offices or through distribution agents. All banks and financial brokerage companies who have signed share distribution agreements with SEB Bankas may be the Fund's shares distribution agents.

Delegation of distribution to SEB Bankas does not release Management Company from its responsibilities.

Determining and announcing of the Fund shares sale (distribution) price are described in Clause 24 of this Prospectus.

The minimum number of shares that can be initially acquired is one.

To acquire the Fund shares investor should submit an Order to buy confirmed by the Management Company to the distributor or distribution agent. In this order investor should enter the amount of cash designated for buying shares. The number of shares to be acquired is not entered in the Order to buy.

Authorised employee at Distributor's or distribution agent's returns one copy of an Order to buy to the investor with a confirmation about receiving such an order. Authorised employee must indicate his or her name, surname, name and address of a company where the Order was received, as well as the date and exact time (hour, minutes) and sign it.

Investors purchase the Fund shares by completing a Share Subscription Agreement with the Fund and a Brokerage Service Agreement with the shares Distributor or distribution agent. The draft of the Share Subscription Agreement may be reviewed at the Distributor's or in the Fund's Management Company, as well as in the Fund's website at www.indexfund.lt. Share Subscription Agreement contains the procedure of shares subscription and redemption as well as other information related to the Fund shares.

Investor must pay for the signed shares before signing the Share Subscription Agreement. Investor should transfer money to the Distributor to the account indicated in the Share Subscription Agreement. If investor fails to pay for the signed shares in time, the shares subscription is considered invalid. Investor should pay for the purchased shares to the Fund shares Distributor's account. The Distributor transfers the financial means received for the distributed shares of the Fund into the Fund's account in the Custodian not later than within 1 business day.

Payments for the shares can be made in all subsidiaries and branches of the Distributor or through distribution agents. The account at SEB Bankas to transfer money for the shares is:
Acc. No. LT44 7044 0200 7000 0231, AB SEB Bankas, bank code 70440.

The Fund's share price is denominated in Lithuanian currency - Lithuanian litas (LTL). Investor can pay for the Fund shares only in Litas. Investor may transfer any major currency to the account named in Share Subscription Agreement in order to convert this currency to Lithuanian litas and pay for the Fund shares. In this case the investor incurs the currency conversion expenses.

The Distributor undertakes to timely provide notices and reports stipulated in legal rules and parties agreements to the Fund, Management Company, Securities Commission, Central Depository of Securities of Lithuania, broker, shareholders of the Fund and other persons entitled to receive such information.

The Distributor is responsible for the distribution agents' actions.

According to the agreement between the Fund and Distributor, the Distributor is liable for the compensation of losses (damages) inflicted through its fault to the Fund or its shareholders. The Distributor may not be relieved from the fulfilment of its obligations on grounds that the whole or part of its obligations has been transferred to a third party. Termination of Distribution Agreement prior to its expiry does not relieve it from the indemnification of the damages inflicted on the Fund or its shareholders.

The parties are liable for non-performance or defective performance of other obligations under Distribution Agreement as prescribed by the laws of the Republic of Lithuania.

Following the agreement with the Client the Distributor undertakes:

1. to execute orders submitted by the Client to transfer securities, to purchase or sell securities;

2. to make corresponding records in the Client's securities and money account opened with the Distributor ("the Client's Account");
3. to inform the Client about the requirements established in legal acts for the purchase/selling of securities;
4. after execution of orders submit statements of account to the Client or the Client's authorised person upon receipt of corresponding statements and the Client's requests;
5. to act as an intermediary in redeeming the shares held by the Client. Redeemed shares are paid in cash by the Fund;
6. to provide the Client with a confirmation that an application to redeem shares was received;
7. to open a Client's account for securities and manage it;
8. to keep information about the Client's account and the Client's orders confidential and to disclose it to the third parties only in cases provided for in relevant legislation of the Republic of Lithuania.

Since the Fund can issue unlimited number of shares it is impossible to subscribe for the shares exceeding the maximum amount established by the Securities Commission. The right of the share ownership is given upon payment for the shares as determined by this Prospectus.

23. Conditions and procedure of redemption of securities; conditions and procedure of suspension of redemption

Shares are redeemed in all places where they are distributed, i.e. through all SEB Bankas branch offices or through distribution agents.

Investor is acquainted with the procedure of shares redemption when he or she signs a Share Subscription Agreement. Shares redemption is considered to be concluded when the Fund's shareholder provides an Order to redeem shares to the Distributor or distribution agent and the shareholder gets a confirmation about receiving such an order. The Order to redeem shares is filed to an authorised employee at any place of Fund shares distribution. There, a receipt of the application is marked on the application. Authorised employee must indicate his or her name, surname, name and address of a company where the Order was received, as well as the date and exact time (hour, minutes) and sign it.

In the Order to redeem shares investor should enter the number of shares to be redeemed.

Determining and announcing of the Fund shares redemption price are described in Clause 24 of this Prospectus.

Redeemed shares will be paid at the latest in 7 business days after concluding the shares redemption transaction. Shares are redeemed with the monetary means of the Fund or monetary funds received upon sale of the Fund's property. The Fund in the agreement with the Distributor executing redemption of shares undertakes to transfer monetary means necessary for redemption of its shares into the Distributor's account.

The Distributor and the Fund is liable for the compensation of losses (damages inflicted through the Distributor's or the Fund's fault to investors). The Distributor may not be relieved from the fulfillment of its obligations on grounds that the whole or part of its obligations has been transferred to a third party.

Termination of the Distribution Agreement prior to its expiration does not relieve the terminating party from indemnification of damages inflicted upon the other party or its shareholders by unlawful actions.

The parties are liable for non-performance or defective performance of other obligations under Distribution Agreement as prescribed by the laws of the Republic of Lithuania.

As of the moment of concluding the shares redemption transaction a shareholder forfeits all its rights entitled by the Fund's shares (i.e. the shareholder is no longer considered a participant of the Fund)

except the rights arising from concluding the redemption. The main right arising from concluding the redemption is the right to demand that the Fund would pay for the redeemed shares. Shares redemption transaction is considered to be concluded when the Fund's shareholder gets a confirmation from the authorised employee at Distributor's or distribution agent's that he or she received an Order to redeem shares.

The Fund's Management Company and the Securities Commission have the right to make the decision to suspend the redemption of the Fund's shares for no longer than 3 months in a business year.

The redemption of the Fund shares may be suspended if:

1. the suspension is performed in order to protect the shareholder's interests from possible insolvency of the Fund as well as from the fall in the share redemption price due to the unfavorable securities market condition and the related reduction of value of the investment portfolio held by the Fund;
2. there is not enough money for payments for the redeemed shares and sale of securities in possession would be loss-making;
3. this is requested by the Securities Commission in order established by legislation.

As of the moment of making a decision to suspend the redemption of the Fund's shares it is forbidden:

1. to accept Orders to redeem shares;
2. to settle for the shares, the redemption of which was demanded prior to making the decision to suspend redemption of shares.

In case of suspension of shares redemption the Fund's Management Company must immediately notify the persons, through which shares of the Fund are redeemed, about such a decision and notify the Securities Commission. In case shares are distributed abroad, the Fund's Management Company must notify foreign supervisory institutions. The Fund's Management Company must publicly announce about suspension of shares redemption in a daily Lithuanian newspaper "Verslo žinios".

Only the Securities Commission or court the right to resume redemption of the Fund's shares in case a decision to suspend Fund's shares redemption was taken by the Securities Commission. In all other cases the Fund's Management Company has the right to resume redemption of the Fund's shares.

The procedure of notification about the decision to resume redemption of the Fund's shares is the same as for notification about suspension of redemption.

24. Regulations for determining the securities sale an redemption price

24.1. The Fund's net asset valuation methods are described in the Fund's Articles of Association. A financial broker holding a qualification certificate issued by the Securities Commission assesses the Fund's portfolio of securities.

If an Order to buy the Fund shares was presented **before** 13:00 a.m. Lithuanian time on day X, the investor acquires shares for the distribution price which will be set on the **same** business day (day X) before 5:00 p.m. Lithuanian time.

If an Order to buy the Fund shares was presented **after** 13:00 a.m. Lithuanian time on day X, the investor acquires shares for the distribution price which will be set on the **next** business day (day X+1) before 5:00 p.m. Lithuanian time.

If an Order to redeem the Fund shares was presented **before** 13:00 a.m. Lithuanian time on day X, the investor redeems shares for the redemption price which will be set on the **same** business day (day X) before 5:00 p.m. Lithuanian time.

If an Order to redeem the Fund shares was presented **after** 13:00 a.m. Lithuanian time on day X, the investor redeems shares for the redemption price which will be set on the **next** business day (day X+1) before 5:00 p.m. Lithuanian time.

24.2. The Fund's share sale (distribution) price is equal to the Fund's share value increased by the Fund's share sale (distribution) expenses which are not reckoned in the Fund's net assets. To cover the Fund's share sale (distribution) expenses the investors pay a fee of 2% of the Fund's share price.

The Fund's share redemption price is equal to the Fund's share value decreased by the Fund's share redemption expenses which are not reckoned in the Fund's net assets. At the current time the Fund's share redemption expenses are calculated as follows:

- for shares held for up to 1 year - 2% of the share value;
- for shares held from 1 to 2 years - 1% of the share value;
- for shares held for longer than 2 years share redemption expenses become approximately equal to zero so investor does not incur any redemption expenses charge.

The Fund's Management Company calculates the charges to cover the share sales and redemption expenses.

24.3. The Fund's share value, share sale (distribution) price, and share redemption price are determined and announced each business day an hour after official results of the Lithuanian Stock Exchange trading session are announced. The Fund's share value, share sale (distribution) price, and share redemption price are announced in every place where the Fund shares are distributed and redeemed as well as on the Fund's website at www.indexfund.lt.

25. Factors that could influence distribution

Procedures related to the distribution of shares may be influenced by adoption of new legal rules regulating activities of collective investment subjects and their interpretation in the Securities Commission.

IV. INVESTMENT POLICIES

26. History of subject's activities

26.1. The Fund was registered in the Ministry of Economics of the Republic of Lithuania on 29 September 2000 (registration No UĮ 2000-271).

Securities Commission of the Republic of Lithuania issued a licence for activities of investment variable capital company on 26 January 2001 (licence No IKKB01). This licence was replaced by the Securities Commission on 29 January 2004 (licence No IKB-02).

Public distribution of the Fund's shares started on 9 April 2001.

The Fund is the first and the only investment variable capital company in Lithuania.

	<i>2001 m.</i>	<i>2002 m.</i>	<i>2003 m.</i>	<i>2004 m.</i>	<i>2005 m.</i>	<i>2006 m.</i>	<i>2007 m.</i>
Annual return	-12,2%	+0,7%	+109,3%	+49,3%	+33,9%	+4,60%	+8,41%

26.2. During the Fund's registration 1000 shares were issued. The founder of the Fund acquired all 1000 shares.

During the Fund's registration the Fund's share value (net assets per one share) was 1000 Lithuanian Litas (LTL). At the time when the public distribution of the Fund shares was initiated the Fund's share value was 955.68 LTL. The table and graphs below provide information on how the Fund's share value, number of investors, and the NSEL 30 Index fluctuated over time. (The Fund's investment portfolio is composed following the NSEL 30 Index as close as possible).

The data about the Fund Net Asset value and Net Asset value per share are listed in the following table:

	<i>Net Asset Value, Lt.</i>	<i>Net Asset value per share, Lt</i>
2000.09.29	1 000 000	1 000,00
2000.12.31.	1 002 903	1 002,90
2001.12.31.	1 266 316	891,14
2002.12.31.	1 316 997	895,92
2003.12.31.	11 171 022	1 646,91
2004.12.31.	37 542 949	2 457,00
2005.12.31.	56 443 778	3 297,91
2006.12.31.	35 710 607	3 462,01
2007.12.31.	20 560 317	3 762,87

27. Composition of the Fund's investment portfolio

The Fund invests in securities that are included in the NSEL 30 Index in proportion of their weighting in the Index. NSEL 30 Index is composed of 30 common stocks of companies that have the highest free-float based market capitalization* and are listed on the Lithuanian National Stock Exchange.

The Fund's investment portfolio is composed by following the NSEL 30 Index, i.e. all assets are invested in common stocks issued by companies in the NSEL 30 Index in proportion of their weighting in the Index. The NSEL 30 Index is composed of 30 common stocks of companies that have the highest free-float based market capitalization that are listed on the Lithuanian National Stock Exchange. The NSEL 30 Index is cap-weighted, i.e. the highest free-float based market capitalization companies have the biggest weight in the Index.

NSEL 30 Index is rebalanced quarterly to reflect changes in the Lithuanian stock market.

In a situation where it is necessary to protect interests of shareholders, upon a separate decision of the Management Company the investments could be made in other instruments and property specified in the Fund's Property Management Agreement.

The NSEL 30 index is composed in the following order:

1. Market capitalization of each company listed in the Lithuanian National Stock Exchange is recalculated according to the formula:

capitalisation of free-float shares = the number of the free-float ordinary registered shares issued by the company x share price according to the last transaction in the central market.

Free-float shares are the shares actually traded in the Lithuanian National Stock Exchange, i.e. the following items are not included in calculation of the capitalization of free shares:

- Preferred shares, employee shares, other special shares and GDR (Global Depository Receipts);
 - A portion of ordinary registered shares (“ORS”) owned by state institutions;
 - More than 5% of ORS of the company held by the company founders, council, board, administration members, and employees;
 - More than 25% of ORS of the company held by one shareholder;
 - ORS owned by legal persons, provided the type of their activities coincides or is related to activities of the company;
 - ORS owned by the European Reconstruction and Development Bank.
2. 30 largest companies are selected according to the market capitalization calculated by this method.
 3. The sum of free-float shares market capitalizations of all 30 companies is equated to 100%.
 4. Purchase/sale of shares of each 30 companies is exercised in proportion to their weight in the 30 companies list.
 5. The procedure is repeated in each quarter of the year.

NSEL 30 Index reflects changes in the Fund’s investment portfolio’s value and is officially announced on the Fund’s website at www.indexfund.lt.

There is no possibility to enumerate an exact list of the thirty companies in which the investments are made, because the capitalization, composition of shareholders of listed companies changes, the new companies are listed or old companies are no longer listed on the Exchange, so composition of the NSEL 30 index changes. Then the Fund’s investment portfolio is adjusted respectively. It is done each quarter.

The Fund's investment portfolio must meet all requirements stipulated in the Law on Securities Market of the Republic of Lithuania, the Law on Collective Investment Undertakings of the Republic of Lithuania, resolutions of the Securities Commission and other effective rules.

28. Investment and financial objectives

28.1. The Fund’s investment objective is to seek the average return of the Lithuanian stock market, meeting liquidity and security requirements. To achieve this objective the Fund uses the indexing strategy, i.e. investing all of its assets in securities that are included in the NSEL 30 Index. The NSEL 30 Index is composed of 30 common stocks of companies that have the highest free-float based market capitalization that are listed on the Lithuanian National Stock Exchange.

28.2. The Fund invests its assets in common stocks issued by companies that are included in the NSEL 30 Index in proportion of their weighting in the Index. Companies included into NSEL 30 Index belong to different sectors, namely banking, energetic, transport, light industry, food industry, etc.

The Fund does not intend to invest in shares of companies that are not included in the NSEL 30 Index.

28.3. The Fund does not invest and does not intend to invest in anything other than securities or money market instruments.

28.4. The Fund invests its assets following the NSEL 30 Index. Currently an application is filed to the Securities Commission requesting to recognize the NSEL 30 Index. Composition of the Fund’s investment portfolio and its correspondence to the NSEL 30 Index, procedures for calculation and announcing of the Index are described in Clause 28 hereof. Investment objects are shares of Lithuanian companies that are listed in the Lithuanian National Stock Exchange. Investment objectives are specified in paragraph 29.1. hereof. The intended part of securities included in the NSEL 30 Index is close to 100 percent of the Fund’s net assets. NSEL 30 Index is linked to the Lithuanian stock market.

28.5. There is no possibility that the structure of portfolio or investment strategy will cause substantial changes in net asset value.

28.6. Other securities and investment instruments that are not included into the NSEL 30 Index may be included in the Fund's investment portfolio only in exceptional cases as auxiliary instruments or may be used for risk management when investment in the NSEL 30 Index may be loss-making.

28.7. The Fund is allowed to conduct transactions in derivatives only to manage risk. The decision to include securities or other investment instruments that do not belong to NSEL 30 Index into the Fund's investment portfolio is made by the Management Company. In making such decision the Management Company must follow all procedures and regulations stipulated in legal rules, the Fund's Articles of Association and Property Management Agreement.

28.8. The major restriction of the Fund's investment policy is investment in shares of the thirty companies that are included in the NSEL 30 Index in proportion of their weighting in the Index. Other instruments and means which may be employed to implement investment objectives are specified in this Prospectus and are used only in exceptional cases and only in order to decrease the investment risk.

28.9. Borrowing is not provided for in the Fund's investment policy. The Fund may borrow only in the order prescribed by the legal rules for redemption of its shares or other purposes established by the legal rules.

29. Description of the Fund's typical investor

The Fund is chosen by investors who want to invest in the Lithuanian stock market for 2-5 years and wish to receive average return of the Lithuanian stock market. In this case the average return of the Lithuanian stock market is understood as return of shares of thirty companies that have the highest free-float based market capitalization and are listed on the Lithuanian National Stock Exchange.

Investment period of 2-5 years is recommended because investment return from investing in shares for longer time substantially exceeds the interest from government securities and bank deposits. Investment return from investing in stocks for shorter period of time may be higher or lower than interest from government securities and bank deposits.

A typical investor of the Fund:

1. wishes to invest relatively safely in the Lithuanian stock market and to receive average return of the Lithuanian stock market for a low fee;
2. wishes to spend little time (or no time) on following and analysing the stock market and making decisions on buying and selling securities;
3. may lack funds to make his/her own diversified investment portfolio. In case his/her individual investment portfolio is not sufficiently diversified the investment risk increases.

Typical investor tolerates from average to relatively low risk level. Investing for longer term decreases risk. The detailed description of risks of investment in the Fund shares is provided in Clause 4 hereof.

30. Investment risk and its management

30.1 Lithuanian stock market has insufficient liquidity for some of its stocks. Some securities which are traded on the Lithuanian securities market have low liquidity. These securities may be included into the Fund's investment portfolio. It might be impossible to avoid this because the Fund plans to invest in the portfolio of 30 stocks.

There also exists a specific company risk. Any stock from Fund's investment portfolio may lose its value because of temporary financial difficulties, market decline, bankruptcy, or rehabilitation.

The detailed description of other risks is provided in Clause 4 hereof.

30.2 The Fund attempts to reduce its exposure to market liquidity risk and specific company risk by investing most of the Fund's assets in highly liquid shares. This possibility is limited by the securities portfolio diversification requirements. Fund invests the remaining part of its investment portfolio to the less liquid stocks.

The Fund tries to minimize negative impact of short term market decline by encouraging to invest for longer term.

The Fund may use derivatives for risk management in cases indicated in legal regulations, the Fund's Articles of Association and in this Prospectus. Possible results of using derivatives are described in Clause 30.3 of this Prospectus.

Furthermore, the Fund minimizes risk by diversifying Fund's securities portfolio in accordance with the legal regulations.

The detailed description of other risk management methods is provided Clause 4 hereof.

30.3. Possible results of the use of derivatives may be as follows:

- temporary discrepancy between the composition of the Fund's investment portfolio and the NSEL 30 Index;
- temporary discrepancy between the dynamics of the Fund's shares value and dynamics of NSEL 30 Index;
- temporary discrepancy between the diversification of the Fund's securities portfolio and standard diversification requirements.

The Fund does not plan to invest to derivatives. Fund may invest in derivatives only in exceptional cases as auxiliary instruments and it may be used only for risk management with purpose to protect interests of shareholders under unfavourable market conditions.

30.4. Detailed information about risks is provided in this Prospectus. This Prospectus and information on risks is available at:

- The Fund's Management Company "Investicijų portfelių valdymas" at P. Lukšio Str. 32, LT-08222 Vilnius, Republic of Lithuania;
Telephone/Fax: +370-5- 274 70 16
E-mail: office@ipv.lt
- The Fund's websites at www.indexfund.lt.
- All places where the Fund shares are distributed.

31. Investment consultants

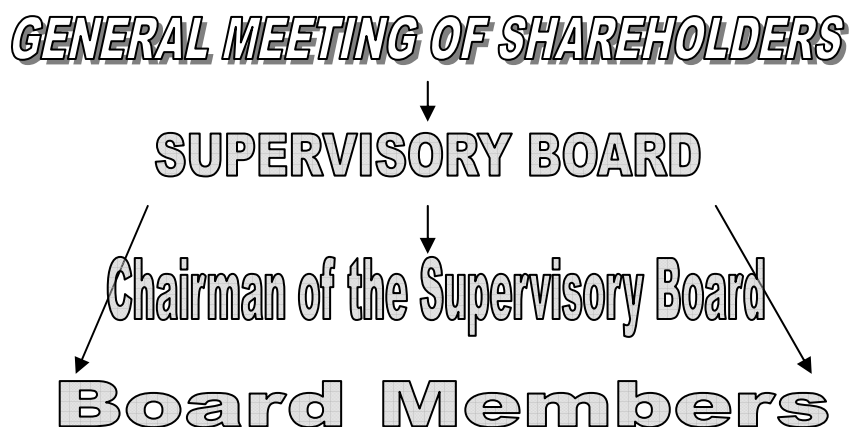
Neither the Fund nor the Fund's Management Company has signed any agreements with investment consultants.

Sufficiently strict prior regulations apply to the investment of the Fund's assets. The Fund is not actively managed. For this reason the Fund may do without consultants' services.

V. MANAGEMENT BODIES

32. Structural chart of management bodies

The management bodies of the Fund are the General Meeting of Shareholders and the Supervisory Board.



The Board and administration of the Fund are not formed. The rights and duties of the Board stipulated in the Companies Law of the Republic of Lithuania are assigned to the Management Company. Assignment and distribution of the rights and duties is described in the Fund's Articles of Association and the Property Management Agreement. The Management Company handles financial accounting of the Fund.

The Fund's Supervisory Board elected by the General Meeting of Shareholders controls obligations performed by the Management Company.

33. Rights and duties of management bodies and Supervisory Board

General Meeting of Shareholders

Only the General Meeting of Shareholders has a right to:

- amend and supplement the Articles of Association of the Fund except cases provided in the legislation. The resolution to amend or supplement the Articles of Association comes into force only upon approval of the Securities Commission;
- approve and dismiss the firm of auditors and determine and approve terms and conditions of payment for audit services;
- approve and dismiss the members of the Supervisory Board;
- approve the Property Management Agreement with the Management Company or amendments to the Property Management Agreement, change the Management Company or approve nomination of the new Management Company. For such resolutions 2/3 of votes of participants of the General Meeting of Shareholders is necessary. Such resolutions come into force upon approval of the resolution is granted by the Securities Commission;
- approve Custodian Agreement with Fund's Custodian and changes of this agreement, change the Custodian and approve a new Custodian. For these resolutions 2/3 of votes of participants of the

General Meeting of Shareholders are necessary. Such resolutions come into force upon approval of the resolution is granted by the Securities Commission;

- approve the annual financial statements, the Management Company's report about the Fund's activities, and the audit report;
- liquidate the Fund;
- to adopt other resolutions which are referred to be of the competence of General Meeting of Shareholders by existing legislation and the Fund's Articles of Association.

Supervisory Board

The Fund's Supervisory Board is a collegial body supervising the Fund's activities. It is formed from 4 (four) persons for period of 4 (four) years.

The Fund's Supervisory Board has the following powers:

- choose the Management Company, authorise the Fund's representative to sign the Property Management Agreement and propose motions to the General Meeting of Shareholders to approve the signed Property Management Agreement with the Management Company;
- choose a Custodian of the Fund, authorise the Fund's representative to sign an Agreement with Custodian and propose motions to the General Meeting of Shareholders to approve the signed Agreement with Custodian;
- analyse activities of the Management Company, Custodian, Distributor, use of financial means, the Fund's asset management, accounting and share distribution, payment for the services, and perspective of financial status;
- submit to the General Meeting of Shareholders the proposals and reviews regarding the Fund's annual financial statements and the Management Company's report about the Fund activities;
- represent the Fund in handling the disputes of the Fund and its Management Company, Custodian, Distributor and others;
- represent the Fund and authorise other persons to represent the Fund in court, tertiary court, and arbitration;
- offers suggestions to the Management Company, Custodian, Distributor to recall their decisions which contradict to existing legislation, Articles of Association and resolutions of General Meeting of Shareholders;
- adopt other resolutions which are referred to be of the competence of the Supervisory Board by existing legislation and the Fund's Articles of Association.

The Supervisory Board meetings are convened by necessity but not less frequently than it is required by legislation. The ordinary meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board. If the Chairman is absent the Supervisory Board meetings are convened by the Vice-Chairman (Deputy Chairman).

Extraordinary meetings are organized when it is demanded by not less than 1/3 of Supervisory Board members, the Management Company or an auditor.

The procedure of convening Supervisory Board's meetings, voting and other operational questions are referred in Regulations of the Supervisory Board's Work.

The Fund may change the Custodian and the Management Company by decision of Fund's Supervisory Board. The Fund may change the Custodian or the Management Company only after approval of the resolution is granted by the Securities Commission.

If Custodian does not obey the rules provided in legislation or does not perform its responsibilities or does not implement the undertakings properly, the Securities Commission has the right to prescribe the Fund to cancel the Agreement with the Custodian and change the Custodian in order to secure the rights of Fund's shareholders.

34. General Meeting of Shareholders ("General Meeting")

General Meeting may be attended by persons who were shareholders of the Fund at the close of the shareholders' registration day of the General Meeting. The shareholders' registration day of the General Meeting is 30 days prior to the General Meeting.

Resolutions of the General Meeting are adopted by the simple majority of votes except cases when more votes are required by existing legislation and Fund's Articles of Association to adopt these resolutions.

Resolutions of the General Meeting are adopted by the simple majority of votes of the shareholders attending the meeting, except cases when more votes are required by the Law of Companies, other legislation and the Fund's Articles of Association.

The General Meeting of Shareholders is organized by the Management Company.

The right of initiative to convene the meeting lies with the Supervisory Board and shareholders, whose value of shares is no less than 10 percent of the equity capital. The Management Company must convene an ordinary Shareholders Meeting annually, within 4 months as of the end of the financial year.

The authorized representatives of the Management Company are entitled to participate in the General Meetings with the advisory vote right, even if the Management Company is not a shareholder of the Fund.

An extraordinary General Meeting must be convened if:

- the Fund is intended to be liquidated;
- the Fund is declared or it announces it is unable to settle its financial liabilities;
- the Supervisory Board of the Fund resigns or less than 3 (three) members of Supervisory Board remain in the Supervisory Board;
- it is demanded by the shareholders having the right of initiative or by the Supervisory Board.
- other cases indicated in legislation and Fund's Articles of Association.

Convening of the General Meeting is announced in a daily newspaper "Verslo žinios" or the information about the meeting is sent to each shareholder by a registered letter.

Announcement of the General Meeting must contain:

- Fund's name and registered address;
- date, place and time of the General Meeting;
- agenda of the General Meeting;
- management body or institution which decreed to convene the ordinary General Meeting and initiators of extraordinary shareholders meeting.

During period indicated in legislation the shareholders should be provided with possibilities to get acquainted with documents related to the agenda of the General Meeting.

General Meeting may decree resolutions regardless how many votes are carried by shareholders participating in the General Meeting.

The General Meeting does not have the right to annul the resolutions made by the Management Company regarding management of Fund's assets or decree resolutions about asset management which would be obligatory to the Management Company.

The resolutions of General Meeting may be declared invalid by court decision in accordance with legislation.

The General Meeting may authorize the Supervisory Board to sign an Asset Management Agreement with the Management Company and to sign an Agreement with Custodian but no longer than for period of 3 (three) years. To adopt these resolutions 2/3 majority vote of Supervisory Board members is necessary.

35. Members of management bodies and the Supervisory Board

The Fund's Supervisory Board is formed from 4 (four) persons for period of 4 (four) years.

The information about members of the Supervisory Board of the Fund is provided hereinafter:

Max Edward Zavanelli – Chairman of the Supervisory Board
Born 1946, elected 2000. (Re-elected 2002, 2006)

Information about participation in activities of other companies, institutions and organisations:

Since 1979 - President of Zavanelli Portfolio Research
Since 1994 - President of ZPR Investment Management, Inc.
Since 1994 - President of ZPR Investment Research, Inc.
Since 1994 - President of ZPR International, Inc.
Since 2003 - Chairman of the Board of “Investicijų portfelių valdymas”

Max Edward Zavanelli has worked as an investment adviser and an investment researcher for over 30 years. He was an investment strategist at American National Bank in Chicago and a senior financial analyst at Mellon bank. He is the Chair of Applied Investments and Research at Stetson University (Florida, USA), Chess International Arbiter and International Master, and United States chess ambassador and delegate to other countries.

Participation in the capital of other companies (share of the capital and votes):

ZPR Investment Management, Inc.	100 %.
ZPR Investment Research, Inc.	100 %.
ZPR International, Inc.	49 %.
Investicijų portfelių valdymas	100 %.
NSEL 30 Index Fund	9.21%.

Prof. Dr. Habil. Algirdas Vaclovas Valiulis – Deputy Chairman of the Supervisory Board
Born 1943, elected 2000. (Re-elected 2002, 2006)

Information about participation in activities of other companies, institutions and organisations:

Vice-Rector for Infrastructure and International Relations in Vilnius Gediminas Technical University (VGTU). Head of Materials Science and Welding Department in VGTU. Member of European Association of International Education (EAIE), European Higher Education Society (EAIR), Curricula Development Working Group of European Society for Engineering Education (SEFI), Steering Committee of Consortium of Technical Universities of Baltic region (BALTECH), Edit Board of science magazine “Materials science”, SOCRATES/ERASMUS Committee. Expert member of Lithuanian Academy of Sciences. TEMPUS Programs Coordinator in VGTU. Director of Lithuanian academical computer network LITNET.

Participation in the capital of other companies:

Holds 25 percent of shares of stock company “Suvirininkystė”.

Mindaugas Bakas – Member of the Supervisory Board
Born 1975 elected 2002. (Re-elected 2002, 2006)

Information about participation in activities of other companies, institutions and organisations:

Head of Market development department, Vilnius Stock Exchange, OMX.
Does not have capital of other companies.

Aurelija Mužaitė – Member of the Supervisory Board
Born 1978 elected 2000. (Re-elected 2002, 2006)

Information about participation in activities of other companies, institutions and organisations:

Marketing manager, UAB “Investicijų portfelių valdymas“

Does not have capital of other companies.

The General Meeting may remunerate (pay fees to) members of the Supervisory Board for their work on the Supervisory Board. Such fees are paid once a year. The exact amount, payment method and calculation methods of the fees are determined by the General Meeting separately in each case by its resolution.

The expenses to the benefit of the Fund incurred by the members of the Fund’s management bodies and employees are not compensated.

36. Information about the Management Company

36.1. Name of the Fund’s Management Company:

UAB “Investicijų portfelių valdymas” (“Management Company”)

Address: P. Lukšio Str. 32, LT-08222 Vilnius, Lithuania

Telephone / Fax: +370-5-274 70 16, +370-5-274 70 17, +370-5-274 70 18

Legal organization form: stock company

Licence No. VĮK-004; issued on 15 January 2004 by Securities Commission of the Republic of Lithuania

The Fund pays management fee to the Management Company for fund management. Management fee is 1% of the Fund’s average annual net asset value. Calculation of the management fee is described in Clause 17 points 2-4 of this Prospectus.

Management fee is paid by the Custodian upon assignment of the Fund. The Management Company undertakes together with the invoice to submit to the Custodian reports and documents proving that the management fee is calculated correctly.

Management fee to the Management Company is calculated at the end of each month and paid in 10 business days. After the end of the year the amount of management fee is specified. The amounts of management fee overpaid within a year are returned to the Fund within 10 business days and the outstanding amounts of management fee are charged off the Fund’s accounts to the Management Company within 10 days.

36.2. Information about Executives of the Management Company:

Mr. Vaidotas Petrauskas is Director General of UAB “Investicijų portfelių valdymas”.

Education: university, Stetson university – finance and investments.

Employment and positions during the last 10 years:

2000-2002 ZPR Investment research, Inc. – Project Manager

2002-2003 ZPR International, Inc. representative office in Lithuania – Project Manager

2003-2006 UAB “Investicijų portfelių valdymas“ – Project Manager

2006-up to now ZPR International, Inc. Representative office in Lithuania – Director General

2006-up to now UAB “Investicijų portfelių valdymas” – Director General

Mr. Petrauskas does not participate in capital of other companies.

Mr. Dainius Minelga is Chief Accountant of stock company Investment companies management company “Investicijų portfelių valdymas”

Education: University, Kaunas Polytechnic Institute – Technical Engineer of Systems.

Employment and positions for the past 10 years:

1998-2002 UAB “Nodus įranga”, UAB “Nodus šiluma”, UAB “Nodus servisas” - Chief accountant
1998-2007 UAB „Nodus tekstilė“ – Chief accountant
1999-up to now ZPR International Inc. representing office – Chief accountant.
2000-2001 UAB “Gigatelis” - Chief accountant
2003-2005 UAB “ZPR International” – Chief accountant
2000-up to now UAB “Investicijų portfelių valdymas” – Chief accountant

Mr. Minelga does not participate in capital of other companies.

36.3 Certain provisions of the Fund's Asset Management Agreement that may be of importance to the Fund's shareholders are set forth herein below

The Fund's Management Company manages assets of the Fund by trust in accordance with Asset Management Agreement. The Agreement regulates interaction between the Fund, Management Company, Custodian and other persons while managing the Fund's assets. The Fund in accordance with Asset Management Agreement transfers the right by trust to manage the assets and financial accounting to Management Company. The Management Company obligates to manage the Fund's means professionally, in accordance with existing legislation, Fund's Articles of Association, and provisions of Asset Management Agreement.

Management Company manages the Fund's means, prepares Fund's prospectuses, reports and other documents, manages the Fund's accountancy and book-keeping, represents the Fund in interaction with Fund's Custodian and other persons, convenes the Fund's shareholders meetings, gives orders to pay for the services provided to the Fund and on behalf of the Fund pays other Fund's expenses, decrees decisions regarding buying and/or selling of securities in the Fund's securities portfolio, gives orders to financial intermediaries to perform trade transactions, gives orders to the Fund's Custodian to deliver cash and/or securities for executing of Fund's transactions, gets documents proving the accomplishment of executed transactions on behalf of Fund and other documents, stores and files them, implements all the Fund's administration and management functions provided in legislation.

While managing the Fund the Management Company must act professionally and in the most useful way for the Fund, according to the existing legislation, Fund's Articles of Association, and agreements of sides.

The Management Company, looking for more effective management of assets, may, in accordance with legal acts, delegate a part of its functions to a company which has the right to provide adequate service. The Securities Commission should be immediately informed about this. The fact that some of functions assigned to the other persons does not release the Management Company from its responsibility.

The Management Company must fairly act for the interests of the Fund's shareholders, with proper regularity and caution, to have and use necessary means and procedures for its activities. The Management Company must properly provide the investor with the information about his investment, try to avoid conflict of interests and if it is impossible, to secure fair treatment of the Fund's shareholders. Besides, the Management Company must have a proper organisational structure to avoid conflicts between Fund's interests and investors, investors interests conflict between each other.

The Management Company must execute other duties, covered in existing laws, Fund's Articles of Association and agreements between sides.

The Fund pays management fee to the Management Company for its asset management. Management fee is from 1% of the Fund's average annual net asset value and 30,000 Litass to 1.5% of the Fund's average annual net asset value.

36.4. The Management Company has not signed other asset management agreements with other investment variable capital companies.

The Management Company also manages an investment fund "ZPR US Small Cap Value Mutual Fund".

The "ZPR US Small Cap Value Mutual Fund" specialises in separate geographical environment and invests its assets to stocks of companies which are traded in public markets which are regulated by authorised US Government institutions.

By investing its assets, the "ZPR US Small Cap Value Mutual Fund's" investments are made under the following restrictions:

- The Fund plans to invest in stocks of companies with market capitalization less than capitalization of 1000 biggest market capitalization US companies. The Fund does not plan to invest in largest market capitalization US companies.
- no less than 90% of the fund's net assets is invested in stocks of companies that are traded on the New York Stock Exchange (NYSE), NASDAQ, and American Stock Exchange.
- up to 10% of the fund's net assets may be invested in stocks of companies traded in other public markets which are regulated by authorised US Government institutions.

"ZPR US Small Cap Value Mutual Fund's" investments are not restricted to investment in any specific industry.

36.5. Authorised capital of the Fund's Management Company is 1 380 000 (one million three hundred eighty thousand) Litass (LTL). Capital is fully signed and paid up.

37. Custodian

Name of the Custodian: AB SEB bankas.
Code in the Register of Enterprises: 112021238
Address: Gedimino Ave. 12, LT-01103 Vilnius, Lithuania.
Type of enterprise: stock company.
Major activities: commercial banking.

38. Brokerage companies

1. Name of the Brokerage company: AB SEB bankas
Code in the Register of Enterprises: 1202123
Address: Gedimino Ave. 12, LT-01103 Vilnius, Lithuania.
Type of enterprise: stock company.
Major activities: commercial banking.

Functions of the financial broker will be performed by the Securities Brokerage Unit in the Treasury Department in SEB Bankas. Head of the Securities Brokerage Unit is Mr. Arvydas Jacikevičius

2. Name of the Brokerage company: AB "Hansabankas"
Code in the Register of Enterprises: 1202965
Address: Savanoriu Ave. 19, LT-2009 Vilnius, Lithuania
Type of enterprise: stock company.
Major activities: commercial banking.

Functions of the financial broker will be performed by the Securities Sales Unit in the Treasury Department of bank “Hansabankas”. Head of the Securities Sales Unit is Mr. Linas Grinevičius.

Note: The Management Company signed an agreement for financial broker service with bank “Hansabankas” for financial broker service for another investment fund managed by the Management Company. The bank “Hansabankas” does not perform financial broker functions to the NSEL 30 Index Fund.

Under the signed agreement the financial broker (hereinafter referred to as the Broker) shall execute operations with securities according to the laws of the Republic of Lithuania, resolutions of the Government of the Republic of Lithuania, regulations of the Lithuanian Bank, the Securities Commission, Stock Exchange, the Central Securities Depository of Lithuania and other legal rules.

The Broker fee is calculated as a percent share from the transaction amount.

39. Delegation of administration functions

The Management Company delegated the Fund shares distribution and management of personal Fund shares’ accounts to SEB Bankas, code in the Register of Enterprises 1202123, address: Gedimino Ave. 12, LT-01103 Vilnius, Lithuania. The Management Company delegated the Fund shares distribution and management of personal Fund shares’ accounts to SEB Bankas in order to have more effective distribution and accounting of shares. This delegation of functions was made according to Clause 11 of the Law on Collective Investment Undertakings. The record in this prospectus is an order to delegate Management Company’s functions to representative SEB Bankas.

The rights and duties of the Fund and SEB Bankas regarding distribution and accounting of Fund’s shares are determined the existing legislation and the Agreement between both sides.

Management Company’s delegation of some of its functions to SEB Bankas does not release the Management Company from its responsibility.

40. Other important information which in the opinion of executives may influence investors in making decisions.

Opposite to the actively managed funds the NSEL Index Fund restructures its investment portfolio only once in a quarter. For this reason the portfolio is less active and the commission paid to the financial broker is lower.

Investing in the NSEL Index Fund for longer term may be a convenient way to profit from a rapidly growing economy of Lithuania.

Signatures:

Vaidotas Petrauskas	Director General of the Management Company	_____
Dainius Minelga	Chief Accountant of the Management Company	_____
Kęstutis Kvainauskas	Consultant	_____