CLOSED-END REAL ESTATE
INVESTMENT FUND

LORDS LB OPPORTUNITY FUND I

ACTIVITY REPORT
2012 IV Quarter

LORDS LB
Asset Management

LORDS LB
Asset Management

I. GENERAL INFORMATION

1. The name of the Collective Investment Undertaking, legal form, the date of Commission's approval of the establishment documents of the Collective Investment Undertaking:

   Closed-end real estate investment fund LORDS LB OPPORTUNITY FUND I, Decision no. 2K-165 dated August 26, 2010.

2. Reporting period:

   January 01, 2012 – December 31, 2012

3. Data of the Management Company:

   3.1. The title and the code of the company:

   Name: **LORDS LB ASSET MANAGEMENT, UAB**
   Registry code: **301849625**

   3.2. Visiting address:

   Jogailos str. 4, 01116 Vilnius, Lithuania

   3.3. Telephone no., e-mail, website:

   Telephone no.: **+ 370 5 261 9470**
   E-mail: **info@lordslb.lt**
   Website: **www.lordslb.com**

   3.4. License No.:

   License no. VĮK-016, issued on the December 23, 2008

   3.5. Name, surname and position of the Manager of the Collective Investment Undertaking:

   Marius Žemaitis, Fund Manager

4. The title of Depository, registry code, address, telephone and fax numbers:

   Name: **AB "SEB Bankas"**
   Registry code: **112021238**
   Address: **Gedimino av. 12, 01103 Vilnius, Lithuania**
   Telephone no/Fax no.: **+ 370 5 268 2688 / + 370 5 268 2683**

II. NUMBER AND VALUE OF NET ASSETS AND INVESTMENT UNITS

5. Number and value of net assets and investment units:

	At the start of the period		At the end of the period		One year ago		Two years ago	
	EUR	Lt	EUR	Lt	EUR	Lt	EUR	Lt
Amount of investment units	7'608'169,3488	7'608'169,3488	6'206'718,9389	6'206'718,9389	7'608'169,3488	7'608'169,3488	3'237'387,7392	3'237'387,7392
Net asset value	3'285'785,82	11'345'161,29	3'556'273,34	12'279'100,59	3'285'785,82	11'345'161,29	1'512'699,64	5'223'049,31
Investment unit value	0,4319	1,4912	0,5730	1,9784	0,4319	1,4912	0,4673	1,6134

6. Number and value of the distributed and retired investment units during reporting period:

	Amount of investment units	Market value	
		EUR	LTL
Distributed	115'003,1108	51'499,60	177'817,81
Redeemed	1'516'453,5207	868'860,06	3'000'000,00
Difference	-1'401'450,4099	-817'360,46	-2'822'182,19

III. COSTS OF THE COLLECTIVE INVESTMENT UNDERTAKING

7. Types, amounts, percentages, the overall cost ratio of deductions from the assets of the Collective Investment Undertaking.

Expenses	Amount of expenses		Calculated this period		% of average NAV of this period
	Maximum	This period	EUR	LTL	
ADMINISTRATION COSTS:					
Management fee			31'761,42	109'665,82	0,97%
Fixed fee	0,99%	0,97%	31'761,42	109'665,82	0,97%
Success fee			0,00	0,00	0,00%
Depository services	0,20%	0,15%	5'026,37	17'355,05	0,15%
Transaction services			0,00	0,00	0,00%
Audit	1,00%	0,07%	2'453,08	8'470,00	0,07%
Accounting services			16'821,13	58'080,00	0,51%
Legal services			0,00	0,00	0,00%
Other administrative costs			795,43	2'746,45	0,02%
General cost and weight	10,00%	1,73%	56'857,43	196'317,32	1,73%
COSTS RELATED TO TRANSACTIONS:					
Legal services			0,00	0,00	0,00%
Property valuation			0,00	0,00	0,00%
State fees and charges			0,00	0,00	0,00%
Financial brokers	1,00%	0,00%	0,00	0,00	0,00%
Asset servicing and maintenance	30,00%	0,00%	0,00	0,00	0,00%
Loans	15,00%	0,00%	0,00	0,00	0,00%
Property development	10,00%	0,00%	0,00	0,00	0,00%
Other operating costs			0,00	0,00	0,00%
Total cost			0,00	0,00	

8. The example, illustrating impact of deductions to the investor‘s final return on investments. The example presents the calculation of how much could be deducted (in Litas) from the contributions of the participant of the Collective Investment Undertaking at the current level of deductions and what the amount it could recover after 1, 3, 5, 10 years if invested LTL 10 000, and the annual rates of return - 5 percents:

	After 1 year	After 3 years	After 5 years	After 10 years
Expenses incurred	631,49	1'894,47	3'157,45	6'314,90
Accrued amount excluding expenses	10'500,00	11'500,00	12'500,00	15'000,00
Accrued amount including expenses	9'868,51	9'605,53	9'342,55	8'685,10

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IV. INFORMATION ABOUT THE PORTFOLIO OF THE COLLECTIVE INVESTMENT UNDERTAKING

9. The portfolio of the Collective Investment Undertaking at the end of the reporting period:

The name of credit institution / issuer	State	CNCY	ISIN code	Term / Maturity	Yield, %	Purchase value, EUR	Market value, EUR	Market value, LTL	Share of NAV , %
CASH:									
AB SEB Bankas	LT	LTL					79'650,66	275'017,80	2,2%
Total							79'650,66	275'017,80	2,2%
DEPOSITS:									
-									
BONDS:									
UAB "LLBOF-1" bonds	LT	LTL	LT30255806O2	2012-12-31	15,00%	275'000,00	79'982,67	276'164,16	2,2%
UAB "LLBOF-1" bonds	LT	LTL	LT30255806O3	2012-12-13	11,00%	800'000,00	232'435,79	802'554,31	6,5%
UAB "LLBOF-1" bonds	LT	LTL	LT30255806O4	2012-12-31	15,00%	1'500'000,00	443'490,62	1'531'284,42	12,5%
UAB "LLBOF-1" bonds	LT	LTL	LT30255806O5	2012-12-31	15,00%	1'000'000,00	344'631,70	1'189'944,35	9,7%
UAB "LLBOF-1" bonds	LT	LTL	LT30255806O6	2012-12-31	15,00%	500'000,00	169'895,91	586'616,60	4,8%
Total						4'075'000,00	1'270'436,69	4'386'563,84	35,7%
EQUITIES:									
UAB "Klaipėdos 7" shares	LT	LTL	LT300629448U			1'139'000,00	984'151,77	3'398'079,22	27,7%
UAB "LLBOF-1" shares	LT	LTL	LT302558067U			4'097'000,00	1'489'536,37	5'143'071,18	41,9%
Total							2'473'688,14	8'541'150,40	69,6%
TOTAL							3'823'775,49	13'202'732,04	107,5%

10. Description of investment instruments in which funds of the Collective Investment Undertaking were invested:

The funds of the Collective Investment Undertaking are invested in the securities of the SPV (Special purpose vehicle), which is an owner of the acquired real estate objects.

11. Distribution of investments according to investment strategy criteria:

Investment Distribution	At the start of the period			At the end of the period		
	Market value		Share of NAV, %	Market value		Share of NAV, %
	EUR	LTL		EUR	LTL	
BY ASSET CLASS:	3'291'448,07	11'364'711,91	100,17%	3'823'775,50	13'202'732,04	107,52%
Cash	1'995,23	6'889,14	0,06%	79'650,66	275'017,80	2,24%
Deposits	0,00	0,00	0,00%	0,00	0,00	0,00%
Money market instruments	0,00	0,00	0,00%	0,00	0,00	0,00%
Non-equity securities	1'987'002,20	6'860'721,19	60,47%	1'270'436,70	4'386'563,84	35,72%
Equity securities	1'302'450,64	4'497'101,58	39,64%	2'473'688,14	8'541'150,40	69,56%
Other instruments	0,00	0,00	0,00%	0,00	0,00	0,00%
Real estate by type:	0,00	0,00	0,00%	0,00	0,00	0,00%
High-quality assets	0,00	0,00	0,00%	0,00	0,00	0,00%
Development projects	0,00	0,00	0,00%	0,00	0,00	0,00%
Distressed assets	0,00	0,00	0,00%	0,00	0,00	0,00%
Real estate by sector:	0,00	0,00	0,00%	0,00	0,00	0,00%
Office centers	0,00	0,00	0,00%	0,00	0,00	0,00%
Shopping centers	0,00	0,00	0,00%	0,00	0,00	0,00%

Logistics centers	0,00	0,00	0,00%	0,00	0,00	0,00%
Real estate by geography:	0,00	0,00	0,00%	0,00	0,00	0,00%
Lithuania	0,00	0,00	0,00%	0,00	0,00	0,00%
Latvia	0,00	0,00	0,00%	0,00	0,00	0,00%
Estonia	0,00	0,00	0,00%	0,00	0,00	0,00%
BY CURRENCY:	3'291'448,07	11'364'711,91	100,17%	3'823'775,50	13'202'732,04	107,52%
EUR	0,00	0,00	0,00%	0,00	0,00	0,00%
LTL	3'291'448,07	11'364'711,91	100,17%	3'823'775,50	13'202'732,04	107,52%
LVL	0,00	0,00	0,00%	0,00	0,00	0,00%
EEK	0,00	0,00	0,00%	0,00	0,00	0,00%

12. Transactions for derivative financial instruments and total value of obligations arising from derivative financial instrument transactions by the end of the reporting cycle.

No derivative transactions by the December 31, 2012.

V. RETURN ON INVESTMENTS AND RISK RATES OF THE COLLECTIVE INVESTMENT UNDERTAKING

13. Comparative index and its brief description:

Comparative index is not applied to the Collective Investment Undertaking

14. Change in value of the investment unit at the same period, rates of annual net investment return of portfolio investment instruments for the last ten years of the Collective Investment Undertaking's activity:

	Period			
	Current	1 year ago	2 years ago	10 years ago
Change in value of investment unit	0,4872	-0,1222	0,6284	-
Annual gross return on investments	26,05%	17,13%	512,26%	-
Annual net return on investments	24,87%	15,17%	491,45%	-
Standard deviation of change in value of investment unit	14,93%	8,64%	44,43%	-

15. Change in value of the average investment unit at the same period, deviation of average net return on investments during the last three, five, ten years:

	Over the last			Since the start
	3 years ago	5 years ago	10 years ago	
Change in value of investment unit	-	-	-	0,9784
Average gross return on investments	-	-	-	26,05%
Average net return on investments	-	-	-	24,87%
Standard deviation of change in value of investment unit	-	-	-	70,24%

16. The minimum and maximum fixed value of investment unit:

	Over the current period			Over the last period		
	Date	Value		Date	Value	
		EUR	LTL		EUR	LTL
Minimum fixed value of investment unit	2012-05-31	0,4085	1,4105	2011-10-31	0,4100	1,4158
Maximum fixed value of investment unit	2012-12-31	0,5730	1,9784	2011-01-31	0,4654	1,6068

17. Other rates revealing the risk of portfolio of the investment units, their explanations and method of calculation:

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VI. FINANCIAL STATEMENTS OF THE COLLECTIVE INVESTMENT UNDERTAKING

18. Financial statements of the Collective Investment Undertaking, were prepared according to the laws and the legal requirements of the Republic of Lithuania:

18.1. The balances of the last 3 years, set out in a comparative table:

	Current		1 year ago	
	EUR	LTL	EUR	LTL
ASSETS:	3'883'545,93	13'409'107,39	3'299'765,18	11'393'429,23
Cash and cash equivalents	79'650,66	275'017,80	1'995,23	6'889,14
Deposits	0,00	0,00	0,00	0,00
Investments:	3'744'124,84	12'927'714,24	3'289'452,84	11'357'822,77
Government and Central Bank securities	0,00	0,00	0,00	0,00
Bonds	1'270'436,70	4'386'563,84	1'987'002,20	6'860'721,19
Equities	2'473'688,14	8'541'150,40	1'302'450,64	4'497'101,58
Funds	0,00	0,00	0,00	0,00
Real estate	0,00	0,00	0,00	0,00
Other investments	0,00	0,00	0,00	0,00
Receivables:	59'770,43	206'375,35	8'317,11	28'717,32
Receivable amounts from investment sales	0,00	0,00	0,00	0,00
Other receivables	59'770,43	206'375,35	8'317,11	28'717,32
LIABILITIES AND NET ASSETS:	3'883'545,93	13'409'107,39	3'299'765,18	11'393'429,23
Liabilities:	327'272,59	1'130'006,80	13'979,36	48'267,94
Liabilities for investments	0,00	0,00	0,00	0,00
Amounts to Management Company and Depository	9'452,62	32'638,01	8'169,07	28'206,16
Other amounts and liabilities	317'819,97	1'097'368,79	5'810,29	20'061,78
Net assets:	3'556'273,34	12'279'100,59	3'285'785,82	11'345'161,29

18.2. Financial statements of the set asset changes of the last 3 years, set out in a comparative table:

	Period					
	Current		1 year ago		2 years ago	
	EUR	LTL	EUR	LTL	EUR	LTL
NET ASSETS AT THE START OF THE PERIOD	3'285'785,82	11'345'161,29	1'512'699,64	5'223'049,31	0,00	0,00
INCREASE:	1'196'205,00	4'130'256,81	2'034'475,32	7'024'636,38	1'533'463,15	5'294'741,55
Distributed fund units	51'499,60	177'818,00	1'853'341,11	6'399'216,19	1'108'916,82	3'828'868,00
Interest received	295'535,81	1'020'426,06	180'720,97	623'993,38	8'203,04	28'323,45
Operating income	0,00	0,00	0,00	0,00	0,00	0,00
Realized profit from investments	0,00	0,00	0,00	0,00	0,00	0,00
Increase of investment value	844'256,49	2'915'048,82	0,00	0,00	416'343,29	1'437'550,10
Increase of asset value due to FX	0,00	0,00	0,00	0,00	0,00	0,00
Other income	4'913,09	16'963,93	413,23	1'426,81	0,00	0,00
DECREASE:	925'717,48	3'196'317,32	261'389,13	902'524,40	20'763,51	71'692,24
Redeemed fund units	868'860,06	3'000'000,00	0,00	0,00	0,00	0,00
Dividends	0,00	0,00	0,00	0,00	0,00	0,00
Interest	0,00	0,00	0,00	0,00	0,00	0,00
Management expenses	31'761,42	109'665,82	32'267,85	111'414,42	9'258,70	31'968,45

Realized loss from investments	0,00	0,00	0,00	0,00	300,02	1'035,90
Decrease in value of investments	0,00	0,00	203'104,05	701'277,66	0,00	0,00
Decrease of asset value due to FX	0,00	0,00	0,00	0,00	0,00	0,00
Other expenditure	25'096,01	86'651,50	26'017,24	89'832,32	11'204,79	38'687,89
NET ASSETS AT THE END OF THE PERIOD	3'556'273,34	12'279'100,78	3'285'785,82	11'345'161,29	1'512'699,64	5'223'049,31
ACCOUNTING OF UNIT VALUE	0,5730	1,9784	0,4319	1,4912	0,4673	1,6134
ACCOUNTING AMOUNT OF UNITS	6'206'718,94	6'206'718,94	7'608'169,35	7'608'169,35	3'237'387,74	3'237'387,74

19. Information about the operating income and costs from investment activity of Collective Investment Undertaking during the reporting period:

	EUR	LTL
INCOME	1'144'705,40	3'952'438,81
Interest income	295'535,81	1'020'426,06
Realized profit (loss) from investments into:	0,00	0,00
Equities	0,00	0,00
Bonds	0,00	0,00
Money market instruments	0,00	0,00
Derivative financial instruments	0,00	0,00
Funds	0,00	0,00
Real estate	0,00	0,00
Other investment instruments	0,00	0,00
Unrealized profit (loss) from:	844'256,49	2'915'048,82
Equities	844'256,49	2'915'048,82
Bonds	0,00	0,00
Money market instruments	0,00	0,00
Derivative financial instruments	0,00	0,00
Funds	0,00	0,00
Real estate	0,00	0,00
Other investment instruments	0,00	0,00
Other income:	4'913,09	16'963,93
Rental income	0,00	0,00
Profit from foreign currency exchange	0,00	0,00
Other	4'913,09	16'963,93
EXPENSES	56'857,43	196'317,32
Operating expenses:	56'700,61	195'775,87
Management expenses	31'761,42	109'665,82
Depository expenses	5'026,37	17'355,05
Payments to brokers	0,00	0,00
Audit expenses	2'453,08	8'470,00
Other payments and expenditure	17'459,74	60'285,00
Other expenses:	156,81	541,45
Interest expense	156,81	541,45
Expenses related to managed real estate	0,00	0,00
Loss from foreign currency exchange	0,00	0,00
Other	0,00	0,00
Net income	1'087'847,98	3'756'121,49
Payments (dividends) to the owners of fund units	0,00	0,00
Reinvested income	0,00	0,00

20. Information about profit and (or) loss suffered during the financial year from the sale of each real estate object:

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21. Information about the real estate agencies, whose services are used by the Management Company while managing the assets of Collective Investment Undertaking:

RESOLUTION VALUATIONS, UAB

22. Values of real estate of every investment portfolio of the Collective Investment Undertaking that are assessed by the latest real estate agents.

Land plot with buildings, Klaipėdos 7A, Vilnius
Valuation of RESOLUTION VALUATIONS, UAB: **LTL 9'135'000***

Land plot with buildings, Klaipėdos 7B, Vilnius
Valuation of RESOLUTION VALUATIONS, UAB: **LTL 6'513'000***

** including VAT*

VII. OTHER INFORMATION

23. Other important information about the financial status of the Collective Investment Undertaking, factors and circumstances that have been affecting the Collective Investment Undertaking's assets or liabilities.

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24. Additional explanations, comments, pictorial, graphic material and other important information about the Collective Investment Undertaking's activity that had an influence on the Undertaking's changes of activity and results.

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VIII. INFORMATION ABOUT DIVIDENDS

25. Information on the charged and (or) paid dividends, the period that the dividends have been paid, the dates of payment of the dividends on a per unit of investment size and other important information:

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IX. INFORMATION ABOUT THE BORROWED OR LOAN FUNDS OF THE COLLECTIVE INVESTMENT UNDERTAKING

26. The Collective Investment Undertaking's borrowings at the end of the reporting period:

No	Amount	Currency	Loan date	Repayment term	Interest	Borrowing purpose	Creditor	% of NAV
	0,00							0,00%
	0,00							0,00%
Total:	0,00							0,00%

27. The Collective Investment Undertaking's loans at the end of the reporting period:

No	Amount	Currency	Lending date	Repayment term	Interest	Loan purpose	Debitor	% of NAV
	0,00							0,00%
	0,00							0,00%
Total:	0,00							0,00%

IX. PERSONS IN CHARGE

28. The Consultants, whose services were taken in preparing the Report, their names (the names of legal entities) and addresses, the titles and numbers of business licenses:

The Consultant services were not used.

29. The names, surnames, positions of the persons in charge of preparing the Report:

Marius Žemaitis, Fund Manager

30. The information presented in this Report is true and there are no suppressed facts which could exert a dominant influence on the values of the rates.

31. The persons in charge for the information presented in the Report:

31.1. The Managing company's persons, employees and the Managing Director responsible for the Report:

Managing Director: **Domas Kačinskas**
Telephone no.: **+370 5 261 9470**
E-mail **info@lordslb.com**

Fund Manager: **Marius Žemaitis**
Telephone no.: **+370 5 261 9470**
E-mail: **info@lordslb.com**

31.2. The Chief Accountant who has presented the information of financial status of the Collective Investment Undertaking:

Chief Accountant: **Eladijus Kirijanovas**
The name of the company: **M-FINANCE, UAB**
Telephone no.: **+370 5 265 3377**