

SPECIAL CLOSED-END PRIVATE EQUITY  
INVESTMENT FUND  
**LORDS LB PRIVATE EQUITY FUND I**

---

ANNUAL ACTIVITY REPORT  
2016



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:

**Special closed-end private equity investment fund LORDS LB PRIVATE EQUITY FUND I, Decision no. 241-67 dated August 29, 2012.**

2. Reporting period:

**January 1, 2016 – December 31, 2016**

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, LT-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.:

**Management Company working under Undertakings in Collective Investment Law License No. VĮK-016, issued on the 23rd of December 2008**  
**Management Company working under Management Companies of Undertakings in Collective Investment for Professional Investors Law License No. 1, issued on the 23rd of June 2015**

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

**Artūras Šilinis, Fund Manager**

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

Name: **Swedbank, AB**  
Registry code: **112029651**  
Address: **Konstitucijos av. 20A, LT-03502 Vilnius, Lithuania**  
Telephone no/Fax no.: **1884**

## 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
Amount of investment units	20.701.528,9500	20.701.528,9500	20.701.528,9500	6.998.955,1600
Net asset value	21.680.156	22.797.962	21.680.156	7.585.210
Investment unit value	1,0473	1,1013	1,0473	1,0838



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

	Amount of investment units	Market value
Distributed	-	-
Redeemed	-	-
Difference	-	-

**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		
<b>ADMINISTRATION COSTS:</b>				
Management fee			278.657	1,3%
Fixed fee	1,3%	1,3%	278.657	1,3%
Success fee			-	0,0%
Depository services	0,2%	0,1%	22.293	0,1%
Transaction costs			-	0,0%
Audit	1,0%	0,0%	7.714	0,0%
Accounting services			16.821	0,1%
Legal services			25.523	0,1%
Loan interest			-	0,0%
Valuation			-	0,0%
Other administrative costs			331	0,0%
<b>General cost and weight</b>	<b>7,0%</b>	<b>1,6%</b>	<b>351.338</b>	<b>1,6%</b>

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 EUR) 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 EUR 10 000, and the annual rates of return – 5 percent:

	After 1 year	After 3 years	After 5 years	After 10 years
Expenses incurred	41,00	129,25	226,55	515,69
Accrued amount excluding expenses	10.500,00	11.576,25	12.762,82	16.288,95
Accrued amount including expenses	10.459,00	11.447,00	12.536,26	15.773,25



#### 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	Market value	Share of NAV, %
<b>CASH:</b>								
Swedbank, AB	LT	EUR					73.296	0,3%
<b>Total:</b>							<b>73.296</b>	<b>0,3%</b>
<b>DEPOSITS:</b>								
<b>BONDS:</b>								
UAB "Ordeta"	LT	EUR	LT3028241807	2019.07.01	7,25%	19.965.000	21.712.711	95,2%
<b>Total:</b>						<b>19.965.000</b>	<b>21.712.711</b>	<b>95,2%</b>
<b>EQUITIES:</b>								
UAB "Ordeta"	LT	EUR	LT302824183U			1.448	1	0,0%
<b>Total:</b>						<b>1.448</b>	<b>1</b>	<b>0,0%</b>
<b>Receivables:</b>	LT	EUR					<b>1.306.911</b>	<b>5,7%</b>
<b>TOTAL :</b>							<b>23.092.919</b>	<b>101,3%</b>

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

**The Fund has invested into the securities of "Ordeta" UAB.**

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, %
<b>BY ASSET CLASS:</b>	21.812.531	100,6%	23.092.919	101,3%
Cash	246.345	1,1%	73.296	0,3%
Deposits	-	0,0%	-	0,0%
Money market instruments	-	0,0%	-	0,0%
<b>Non-equity securities</b>	20.273.567	93,5%	21.712.711	95,2%
Equity securities	1	0,0%	1	0,0%
<b>Other instruments and receivables</b>	1.292.619	6,0%	1.306.911	5,7%
<b>Real estate by type:</b>	-	0,0%	-	0,0%
High-quality assets	-	0,0%	-	0,0%
Development projects	-	0,0%	-	0,0%
Distressed assets	-	0,0%	-	0,0%
<b>Real estate by sector:</b>	-	0,0%	-	0,0%
Office centers	-	0,0%	-	0,0%
Shopping centers	-	0,0%	-	0,0%
Logistics centers	-	0,0%	-	0,0%



Real estate by geography:	-	0,0%	-	0,0%
Lithuania	-	0,0%	-	0,0%
Latvia	-	0,0%	-	0,0%
Estonia	-	0,0%	-	0,0%
<b>BY CURRENCY:</b>	<b>21.812.531</b>	<b>100,6%</b>	<b>23.092.919</b>	<b>101,3%</b>
EUR	21.812.531	100,6%	23.092.919	101,3%

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 during the reporting period.**

#### 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 this 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, EUR	0,0540	-0,0365	0,0453	-
Annual gross return on investments, %	6,1%	5,9%	6,5%	-
Annual net return on investments, %	4,4%	3,9%	4,0%	-
Standard deviation of change in value of investment unit, EUR	0,0004	0,0151	0,0002	-

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	
Average change in value of investment unit, %	2,0%	2,0%	-	2,0%
Average gross return on investments, %	6,2%	5,4%	-	6,1%
Average net return on investments, %	4,1%	3,1%	-	4,4%
Standard deviation of change in value of investment unit, EUR	0,0109	0,0079	-	0,0078

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

	Over the current period		Over the last period	
	Date	Value	Date	Value
		EUR		EUR
Minimum fixed value of investment unit	2016.01.01	1,0473	2015.10.31	1,0414
Maximum fixed value of investment unit	2016.12.31	1,1013	2015.06.30	1,1079

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



## 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 set out in a comparative table:

	At the end of the period	At the start of the period
<b>ASSETS:</b>	23.092.919	21.812.531
Cash and cash equivalents	73.296	246.345
Deposits	-	-
<b>Investments:</b>	21.712.712	20.273.567
Government and Central Bank securities	-	-
Bonds	21.712.711	20.273.567
Equities	1	1
Funds	-	-
Real estate	-	-
Other investments	-	-
<b>Receivables:</b>	1.306.911	1.292.619
Receivable amounts from investment sales	-	-
Other receivables	1.306.911	1.292.619
<b>LIABILITIES AND NET ASSETS:</b>	23.092.919	21.812.531
<b>Liabilities:</b>	294.958	132.376
Liabilities for investments	-	-
Amounts to Management Company and Depository	284.368	58.088
Other amounts and liabilities	10.590	74.288
<b>Net assets:</b>	22.797.962	21.680.156



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

	Current	1 year ago	2 years ago
<b>NET ASSETS AT THE START OF THE PERIOD</b>	21.680.156	7.585.210	7.268.520
<b>INCREASE:</b>	1.469.144	15.277.784	533.589
Distributed fund units	-	14.640.074	-
Interest received	1.469.144	635.036	533.589
Operating income	-	-	-
Realized profit from investments	-	-	-
Increase of investment value	-	-	-
Increase of asset value due to FX	-	-	-
Other income	-	2.674	-
<b>DECREASE:</b>	351.338	1.182.838	216.898
Redeemed fund units	-	937.500	-
Dividends	-	-	-
Interest	-	33.504	-
Management expenses	278.657	176.988	186.378
Realized loss from investments	-	-	-
Decrease in value of investments	-	579	-
Decrease of asset value due to FX	-	-	-
Other expenditure	72.681	34.267	30.520
<b>NET ASSETS AT THE END OF THE PERIOD</b>	22.797.962	21.680.156	7.585.210
<b>ACCOUNTING OF UNIT VALUE</b>	1,1013	1,0473	1,0838
<b>ACCOUNTING AMOUNT OF UNITS</b>	20.701.528,9500	20.701.528,9500	6.998.955,1600



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

<b>INCOME</b>	<b>1.469.144</b>
Interest income	1.469.144
<b>Realized profit (loss) from investments into:</b>	<b>-</b>
Equities	-
Bonds	-
Money market instruments	-
Derivative financial instruments	-
Funds	-
Real estate	-
Other investment instruments	-
<b>Unrealized profit (loss) from:</b>	<b>-</b>
Equities	-
Bonds	-
Money market instruments	-
Derivative financial instruments	-
Funds	-
Real estate	-
Other investment instruments	-
<b>Other income:</b>	<b>-</b>
Rental income	-
Profit from foreign currency exchange	-
Other	-
<b>EXPENSES</b>	<b>351.338</b>
<b>Operating expenses:</b>	<b>351.338</b>
Management expenses	278.657
Depository expenses	22.293
Payments to brokers	-
Audit expenses	7.714
Other payments and expenditure	42.675
<b>Other expenses:</b>	<b>-</b>
Interest expense	-
Expenses related to managed real estate	-
Loss from foreign currency exchange	-
Other	-
<b>Net income</b>	<b>1.117.806</b>
<b>Payments (dividends) to the owners of fund units</b>	<b>-</b>
<b>Reinvested income</b>	<b>1.117.806</b>

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

-

21. Auditor's report and financial statements:





#### VII. OTHER INFORMATION

22. 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.

-

23. 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.

-

#### VIII. INFORMATION ABOUT DIVIDENDS

24. 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:

-

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

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

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

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

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



### IX. PERSONS IN CHARGE

27. 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:

**Consultant services were not used when preparing this report.**

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

**Artūras Šilinis, Fund Manager**

29. 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.

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

- 30.1. 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: **Artūras Šilinis**  
Telephone no.: **+370 5 261 9470**  
E-mail: **info@lordslb.com**

- 30.2. 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**