P R O S P E C T U S ***31 March 2026***

EXCHANGE TRADED FUND EF PRINCIPAL ETF

(o p e n – t y p e c o l l e c t i v e s c h e m e)

organised and managed by

Management Company EF Asset Management AD

(New, adopted through a decision of the BD dated 24 February 2022) Exchange-traded fund EF PRINCIPAL ETF (hereinafter also referred to as "EF PRINCIPAL ETF" or only "the Fund"), organized and managed by the Management Company EF Asset Management AD (hereinafter also referred to as the "MC", "the Management Company" or "EF Asset Management AD"), issues / sells shares, granting equal rights to their holders. EF Principal ETF is an actively managed exchange traded fund, the management of which does not monitor a specific indicator.

(Amend., decision of the BD dated 24 February 2022) The Prospectus contains the whole information required for taking an investment decision, including the main risks associated with the EF PRINCIPAL ETF fund and its activity and the shares issued by the Fund.

It is in the investors' best interests to become acquainted with this Prospectus prior to making a decision regarding an investment.

The Financial Supervision Commission has confirmed this Prospectus, however, it does not mean that the Commission approves or disapproves the investing in the securities offered, neither does it mean that the Commission under-

takes responsibility for the truthfulness of the information presented in the Prospectus.

The governing body of the Management Company EF Asset Management AD bears joint liability for any damages resulting from untruthful, misleading or incomplete data contained in the Prospectus. The Accountant in Chief bears joint liability with the governing body for any damages caused as a result of untruthful, misleading or incomplete data contained in the financial statements of the Fund, while the registered auditor is liable for any damages caused as a result of the financial statements they have audited.

(New, adopted through a decision of the BD dated 24 February 2022) In order to become acquainted with its contents, the investors can receive this Prospectus at the office of Management Company EF Asset Management AD at the following address: Sofia, 43 Christopher Columbus Blvd., from 09:00 h to 17:00 h, as well as on the company's website www.efam.bg, section EF PRINCIPAL ETF. Contact telephone for the Management Company EF Asset Management AD 02/9021 944, contact person: Ivan Konstantinov Ovcharov.

Investing in shares of Exchange Traded Fund EF PRINCIPAL EFT is related to risks specific to the offered shares, which risks are presented in detail on page 21 et seq. of this prospectus.

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1. (AMEND., DECISION OF THE BD DATED 24 FEBRUARY 2022) INFORMATION ABOUT THE FUND

1.1. *(Amend., decision of the BD dated 24 February 2022)* Name: Exchange Traded Fund EF Principal EFT

1.2. *(Amend., decision of the BD dated 24 February 2022)* Establishment date of the Fund, term of existence and main features:

Mutual fund EF Principal exists since 2005. Said Fund is entered in the Register under Art. 30, para. 1, subpara. 5 of the Law on the Financial Supervision Commission on 17 August 2005 under its previous name "Sentinel - Principal", and is thus regarded as being established on the said date. The authorisation for organising and managing the mutual fund is issued by the FSC on 19 September 2005 through Decision No. 526-DF/17 August 2005.

After acquiring the status of an exchange-traded fund, the Fund was entered as such under the name Exchange-traded fund EF PRINCIPAL ETF in the register under Art. 30, para. 1, subpara. 4 of the Law on the Financial Supervision Commission.

EF PRINCIPAL ETF is an open-ended collective investment scheme for investing in securities and other liquid financial assets, established and operating in accordance with the following basic regulations: The Law on the Activity of Collective Investment Schemes and Other Undertakings for Collective Investments (LACISOUCI) and the regulations thereto, the Law on Public Offering of Securities (LPOS) and the regulations thereto, the Law on Financial Instruments Markets (LFIM) and the regulations thereto, the Law on Obligations and Contracts (LOC).

EF Principal ETF is an actively managed exchange traded fund, managed in accordance with the objectives and policies of the collective investment scheme, the management of which does not monitor a specific indicator.

EF PRINCIPAL ETF is a separate property for the purpose of collective investment of funds raised through public offering of shares, on the principle of risk allocation in transferable securities and other liquid financial assets under Art. 38 of the LACISOUCI, with a view to achieving the set investment objectives of the fund. Section XV Company of the LOC applies to it, with the exception of Art. 359, para. 2 and 3, Art. 360, Art. 362, art. 363, letters 'c' and 'd' and Art. 364, insofar as the law or the Rules of the Fund do not provide otherwise.

The existence of EF PRINCIPAL ETF is not limited in time.

1.3. *(Amend., decision of the BD dated 24 February 2022)* Data on the Management Company which organises and manages the Fund, including:

a) *(Amend., decision of the BD dated 24 February 2022)* name, registered seat and headquarters address, telephone (fax), e-mail address and Internet site (web-site):

EF PRINCIPAL ETF is organised and managed by EF Asset Management AD. EF PRINCIPAL ETF has no independent governing bodies. The seat of the Management Company EF Asset Management AD is: Republic of Bulgaria, city of Sofia The headquarters address of the company is as follows: Sofia 1592, Iskar District, 43 Christopher Columbus Blvd. Contact telephone number: 02/9021 944, fax: 02/981 14 96. Email address: office@efam.bg. Web-sitewww.efam.bg.

According to Art. 87, para. 1 of the LACISOUCI, in carrying out the activity under Art. 4, para. 1 of the LACISOUCI, related to the public offering on the secondary market (stock exchange trading) of the Fund's shares, as well as their issuance and redemption on the primary market, the Management Company acts on behalf and at the expense of the managed collective investment scheme - Exchange-traded fund EF PRINCIPAL ETF.

b) *(Amended through a decision of the BD dated 02 December 2020 and 03 January 2023)* **date of establishment of the company; number and date of the authorisation issued by the Commission for carrying out activity as a Management Company and as a person managing alternative investment funds:**

The Management Company EF Asset Management AD was established at its constituent assembly held in Sofia on 28 January 2005 under the name Sentinel Asset Management AD. It is by decision of the General Meeting of the shareholders held on 5 April 2013 that the name of the company is changed into EF Asset Management AD, this name being entered in the Commercial Register on 17 April 2013. In order to carry out activities as a Management Company, "EF Asset Management" AD has authorisations issued by the Financial Supervision Commission under No. 303 - УД/4 May 2005 and No. 172 –УД YD/8 March 2006 for management of collective investment schemes, management of investments, administration of units and marketing services. With Decision No. 861 - UD / 19.11.2020, the Financial Supervision Commission extended the license issued to the Management Company EF Asset Management AD with with the following ancillary services: management of the activities of sovereign wealth funds, management in accordance with a concluded contract of a portfolio, including a portfolio of a collective investment undertaking, including financial instruments, at its own discretion, without special instructions by the client, investment advice on financial instruments, safe-keeping and administration of units in collective investment undertakings.

Management Company EF Asset Management AD has authorisations issued by the Financial Supervision Commission under № 998-ЛУАИФ от 20.12.2022 for carrying out activity of alternative investment fund management which includes the following services and activities: management of alternative investment fund, including portfolio management, risk management, administrative functions, legal and accounting services in relation to the funds management, responses to investors' requests for information, portfolio measurement and determining the value of units or shares of managed funds, control over compliance with regulatory requirements, keeping of the register of holders of units or shares in the cases of management of alternative investment funds originating from another country, dividend distribution and other payments, issue and redemption of units or shares, performance on contracts, keeping of accounting; marketing services in relation to units or shares of the managed alternative investment funds.

c) *(Amend., decision of the BD dated 14 June 2019, 02 December 2020, 24 February 2022 and 18 February 2026)* **brief information about the professional experience of the company:**

MC EF Asset Management AD, having the name of 'Sentinel Asset Management' AD as at the time of obtaining the authorisation and the licence, received by the Financial Supervision

Commission its authorisation for carrying out activity as a Management Company on 4 May 2005,on 8 March 2006 and on 19 November 2020.

It is on 17 August 2005 that the Management Company received its authorisation from the Financial Supervision Commission for organising and managing the Mutual fund 'Sentinel - Principal' under its new name of 'EF Principal'. The activity of this first mutual fund, managed by MC EF Asset Management AD, commenced on 12 September 2005. With the admission to trading of the shares of Mutual Fund EF Principal, it acquired the status of an exchange traded fund.

The second mutual fund - Sentinel - Rapid, with a new name "EF Rapid", managed by MC EF Asset Management AD commenced its activity on 15.11.2005.

Management Company EF Asset Management AD also manages the National Mutual Fund EF POTENTIAL. It was established on 20.05.2021. The National Mutual Fund EF Potential is an open-ended fund that invests in transferable securities or other liquid financial assets raised through public offering of funds, on the principle of risk allocation.

It is on 12.02.2026 that the management company received its authorisation from the Financial Supervision Com-mission for organising and managing the Mutual Fund "EF Target" based on Decision No. 83 - ДФ - 12.02.2026. Mutual Fund "EF Target" is a mutual fund within the meaning of Art. 5, para. 2 of Law on the Activity of Collective Investment Schemes and Other Undertakings for Collective Investments (LACISOUCI).

d) *(Amend., decision of the BD dated 03 July 2020, 19 August 2020,24 February 2022 and 20 July 2023)* **Data on the members of the Board of Directors and the Procurator of MC EF Asset Management AD:**

Management Company EF Asset Management AD has a one-tier management system - Board of Directors, consisting of three individuals:

IVAN KONSTANTINOV OVCHAROV – Executive Director

Ivan Ovcharov is a higher education graduate. He has acquired the educational and qualification degree of Bachelor majoring in Finance from the University of National and World Economy, Sofia. Since the year 2003 Ivan Ovcharov has been working for leading Bulgarian and foreign intermediaries, holding the positions of Head of Commerce, portfolio manager and Executive Director. Ivan Ovcharov has a licence as securities broker and investment consultant, which are issued by the FSC.

TEODORA GEORGIEVA SHOPOVA - Member of the Board of Directors

Teodora Shopova is a higher education graduate. She has acquired the educational and qualification degree of Master majoring in Marketing from the University of National and World Economy. From 2015 to 2022, Teodora Shopova held a consulting position in a leading banking institution in Bulgaria. From 2022 Mrs. Shopova holds an accounting position in an investment intermediary.

EVELINA PETROVA VASILEVA- Member of the Board of Directors

Evelina Vasileva is a higher education graduate. She has acquired the educational and qualification degree of Master majoring in Financial management from D. A. Tsenov Academy of Economics, Svishtov. Since 2001 she has been working in a leading Bulgarian insurer. Since the year 2019 she has been working in the MC EF Asset Management..

Management Company EF Asset Management AD is represented jointly by its Executive Director Ivan Ovcharov and the Procurator Ivelina Ivanova.

IVELINA IVAYLOVA IVANOVA – Procurator

Ivelina Ivanova is a higher education graduate. She has acquired the educational and qualification degree of Master majoring in Financial Control from the University of National and World Economy, Sofia. In the period 2007 – 2012 she worked in the field of accounting. Since the year 2012 she has been working in a Management Company. Since 2015 she has been the holder of a licence for investment consultant issued by the FSC.

e) *(Old subpara. 1.4, amend., decision of the BD dated 24 February 2022 and 29 December 2025, effective 1 January 2026)* **Subscribed and paid-in capital:**

The Management Company's subscribed and paid-in capital is in the amount of EUR 204 000 (two hundred and four thousand euros).

1.4. *(Amend., decision of the BD dated 14 June 2019, old subpara. 1.5, amend., decision of the BD dated 24 February 2022 and decision of the BD dated 10 April 2023)* **Data for the investment adviser:**

The investment decisions on the management of the assets of the Exchange-Traded Fund EF PRINCIPAL ETF will be made by Ivelina Ivaylova Ivanova, holder of a certificate no. 420-IC / 27.01.2015, issued by the FSC for the right to act as an investment consultant. As at the date of this prospectus, Ivelina Ivanova is the chairman of the Board of Directors of Inovo Status AD, Skopje.

1.5. *(Amend., decision of the BD dated 14 June 2019, old subpara. 1.6, amend., decision of the BD dated 24 February 2022)* **Data on the investment intermediaries that implement the investment decisions and orders of the Management Company, including:**

a) name, registered seat and headquarters address, telephone (fax), e-mail address and Internet site (web-site):

Name: **EURO-FINANCE AD**. Registered seat: Republic of Bulgaria, city of Sofia Headquarters address: Sofia 1592, Iskar District, 43 Christopher Columbus Blvd. Contact telephone number: 0700 156 56, fax: (02) 02/981 14 96. Email address: office@eurofinance.bg; www.eurofinance.bg.

Name: **INTERCAPITAL MARKETS AD.** Registered seat: Republic of Bulgaria, city of Sofia Headquarters address: Sofia, 6 Dobrudzha Street, floor 3. Contact telephone number: + 359 2 921 0510, fax: + 359 2 921 0521. Email address: office@intercapital.bg; www.intercapital.bg.

Name: **DILINGOVA FINANSOVA KOMPANIA AD**. Registered seat: Republic of Bulgaria, Sofia, address of management Sofia 1000, 7 Tsar Asen Str., 2nd floor and address of business: Sofia 1202, 42 G. S. Rakovski Str., 4th floor. Contact telephone: +359 2 87 02 35, E-mail: dfco@dfcoad.com; www.dfcoad.com

b) *(Amend., decision of the BD dated 24 February 2022)* **date of establishment of the company, number and date of the authorisation issued by the Commission for carrying out activity as an investment intermediary::**

Date of establishment of **EURO-FINANCE AD**: 8 November 1993. Number and date of the authorisation issued by the Commission: No. 224-IP / 18.12.1996, No. 81-IP / 08.12.1999, No. 81-IP / 01.02.2006. Number and date of the license issued by the Financial Supervision Commission: RG-03-0004/7/11/2008

Date of establishment of **INTERCAPITAL MARKETS AD:** 25 November 2002. Number and date of the authorisation issued by the Commission: No. 39-IP / 19.02.2003. Number and date of the license issued by the Financial Supervision Commission: RG-03-0204/24.02.2006

Date of establishment of **DILINGOVA FINANSOVA KOMPANIA AD:** 28.12.1992г. Number and date of the authorisation issued by the Commission: No. 108-IP / 11.06.1997 of the State Securities Commission, Number and date of the license issued by the FSC No. RG-03-0091 / 07.07.2008

1.6. *(Old subpara 1.7, amend., decision of the BD dated 24 February 2022)* **Data on the Depositoryincluding:**

a) name, registered seat and headquarters address, telephone (fax), e-mail address and Internet site (web-site):

Name: UNICREDIT BULBANK AD. Registered seat: Republic of Bulgaria, city of Sofia Headquarters address: Sofia 1000, Vazrazhdane Municipality, 7 Sveta Nedelya Square. Contact telephone number: (02) 923 21 21; fax: (02) 981 923 2573. Email address: E-mail address: custody@unicreditgroup.bg; www.unicreditbulbank.bg.

b) date of establishment of the company; number and date of the authorisation for carrying out banking activity:

Unicredit Bulbank JSC was established as a result of the merger of Bulbank JSC, HVB Bank Biochim JSC and Hebros Bank JSC, the said merger being entered in Sofia City Court on 27 April 2007. 'Bulbank' JSC was established at its constituent assembly, which took place in Sofia on 16 May 1990. As for carrying out its banking activity, the company has received authorisation from the Bulgarian National Bank (BNB) under No. 100-00485/17 November 1999, the latter being amended by virtue of the Ordinance of the Governor of the BNB No. 22-514/19 October 2000.

c) *(Amend. decision of the BD dated 24 February 2022 and 19 January 2023)* **Essential terms of the contract for depository services:**

The depositary has entered into an agreement with the Management Company that meets the requirements of Art. 2 of Delegated Regulation (EU) 2016/438 of the Commission of 17 De-cember 2015 supplementing Directive 2009/65/EO of the European Parliament and of the Council regarding the obligations of depositaries (OB, L 78/11 of 24 March 2016 d.).

Main activity of the depository bank:

- it ensures that the issue, the sale, the redemption and the cancellation of the shares of the Fund shall be carried out in compliance with the law and the rules of the Fund
- it ensures that the value of the shares of the Fund shall be calculated in compliance with the law and the rules of the Fund;
- regular checks are implemented on the compliance between the accounts that are drawn up by the Management Company and the depository regarding the assets of the Fund. In the cases under Art. 37a of the LACISOUCI the compliance with the accounts drawn up by the third party must also be checked;

- it ensures the transfer within the usual terms of all the monetary resources in favour of the Fund, these being resources derived from transactions involving assets of the Fund;
- it ensures that the income of the Fund shall be distributed in compliance with the law and the rules of the Fund;
- it reports at least once a month to the Management Company on the assets entrusted and the operations carried out therewith, this including the submission of a full description of the assets of the Fund, not later than the 5th day of the following month;
- it holds under surveillance the cash flows of the Fund, including the monitoring of whether all the payments made by the investors or on behalf of the investors and at the expense thereof in the course of subscription for shares of the Fund have been received and entered in accounts which:
    - ✓ are open in the name of the Fund or in the name of the Management Company acting on behalf of and at the expense of the Fund, or in the name of the depository bank acting on behalf of and at the expense of the Fund;
    - ✓ are open with a central bank, or a bank licensed in accordance with the procedure set forth in the Law on Credit Institutions, or a bank licensed in a Member State, or a bank that has received authorisation in a third country, and
    - ✓ are managed as follows:
        - ❖ the accounting records are maintained and the accounts are drawn up in a way which makes it possible for the Fund's assets held to be immediately differentiated from the assets held for another customer, and from the depository bank's own assets;
        - ❖ the accounting records are maintained and the accounts are drawn up in a way which ensures their correctness;
        - ❖ regular checks are implemented on the compliance between the accounts that are drawn up by the Management Company and the depository bank regarding the assets of the Fund. In the cases under Art. 37a of the LACISOUCI the compliance with the accounts drawn up by the third party must also be checked;
        - ❖ the necessary measures are adopted for ensuring that all those monetary resources of the Fund which are deposited with a third party can be clearly distinguished from the pecuniary resources of the depository bank as well as from the monetary resources of the said third party, this being due to the individual accounts of the holders drawn up by the third party, or via equivalent measures resulting in the same level of protection;
        - ❖ measures are implemented for ensuring that the monetary resources of the Fund in the accounts with the central bank, or a bank licensed in accordance with the procedure set forth in the Law on Credit Institutions, or a bank licensed in a Member State, or a bank that has received authorisation in a third country are kept either in an individual account or in accounts separately from all the accounts for keeping

the monetary resources of the person in whose name the assets of the Fund are kept;

- ❖ appropriate organisation is introduced and the necessary actions are taken for minimizing the risk of loss or decrease in the amounts as a result of abuse, fraud, poor management, improper maintenance and keeping of accounting records, this including the cases of negligent conduct;
- ❖ control is exercised over whether the remuneration of the Management Company is calculated and paid in compliance with the LACISOUCI and these rules;
- ❖ assistance is rendered to the Fund in both receiving information and the participation in general meetings of the issuers in whose financial instruments the Fund has invested or has assumed other obligations connected with the assets entrusted, in accordance with the contract concluded and the provisions of the operative legislation.
- ❖ (New text adopted through a decision of the BD dated 19 January 2023) verifies whether the management company has adopted and introduced procedures for conducting stress tests for the Fund's liquidity

Conflicts of interests

The Management Company and the Depository should as well satisfy the following requirements:

- no one can be a member of the governing body of the Management Company and a member of the governing body of the Depository at the same time;
- no one can be a member of the governing body of the Management Company and an employee of the Depository at the same time;
- no one can be a member of the governing body of the Depository and an employee of the Management Company at the same time;
- where the governing body of the Management Company is not charged with supervisory functions within the company, no more than one third of those members of the body of the company who are charged with supervisory functions can be at the same time members of the governing body, or of the body charged with supervisory functions, or be employees of the Depository;
- in those cases where the governing body of the Depository is not charged with supervisory functions within the Depository, no more than one third of those members of the body of the Depository who are charged with supervisory functions can be at the same time members of the governing body of the Management Company, or of the body of the Management Company charged with supervisory functions, or be employees of the Management Company. The depository bank takes due care, performs its duties honestly, fairly, professionally, independently and solely in the interest of the Fund and the holders of shares in the Fund.

The depository bank may not carry out activity for either the Fund or the Management Company acting on behalf of the Fund, if such an activity may give rise to a conflict of interests among the Fund, the investors therein, the Management Company and the depository,

except where there exists a functional and hierarchical separation of the functions performed by the depository bank for the Fund and the other functions of the depository bank, as well as where the conflicts of interests that may arise are duly established, managed, observed and disclosed to the investors in the Fund.

(New text adopted through a decision of the BD dated 21 March 2017) Description of all those functions related to custody which are delegated by the depository bank, a list of persons to whom functions are delegated, and any possible conflicts of interests that may arise as a result of the said delegation: As at the date of updating this Prospectus, the Management Company has no information showing that the depository bank of the Fund – UniCredit Bulbank JSC – has delegated any functions related to custody.

(New text adopted through a decision of the BD dated 21 March 2017, amend., decision of the BD dated 24 February 2022) Declaration from the Management Company. The Management Company declares that, upon the request of the investors, there will be submitted updated information regarding subpara. 1.6.

(New text adopted through a decision of the BD dated 10 February 2017 and a*mend., decision of the BD dated 19 January 2023 and 16 March 2023*) Upon the request of the investors, the Management Company will submit updated information regarding subparas 4.1 and 4.2 of Supplement No. 1 to Art. 71, para. 1 of Ordinance № 44 governing the requirements for the activity of collective investment schemes, management companies, national investment funds, alternative investment funds and the persons managing alternative investment funds (Ordinance № 44).

1.7. *(Amend., decision of the BD dated 14 June 2019, decision of the SD dated 19 August 2020, old subpara. 1.8, amend., decision of the BD dated 24 February 2022, 19 January 2023, decision of the BD dated 02 April 2024, decision of the BD dated 10 April 2025 and decision of the BD dated 31 March 2026)* **Data on the auditors:**

In the years 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 the registered auditor of the Mutual fund 'EF Principal' was Stoyanka Yordanova Apostolova from BDO AKERO LTD, registration No. 016.

In the years 2014, 2015, 2016 and 2017 the registered auditor of the Mutual fund 'EF Principal' was Mariyana Petrova Mihaylova, Diploma No. 0203.

In the year 2018 the registered auditor of the Mutual fund 'EF Principal' was RSM BG Ltd.

In the years 2019 and 2020 the registered auditor of the Mutual fund 'EF Principal' is "Brain Storm Consult-OD" Ltd.

Audit company Brain Storm Consult OD Ltd. has been selected as a registered auditor of the Fund for 2021, 2022 and 2023.

Nikolay Polinchev, with a diploma from IDES No. 0684, has been selected as a registered auditor of the Fund for 2024 and 2025.

1.8. *(New, adopted through a decision of the BD dated 24 February 2022* and a*mend., decision of the BD dated 19 January 2023 and 29 December 2025, effective 1 January 2026)* **Shares of Exchange-Traded Fund EF Principal ETF**

Place for trading the shares:	**Bulgarian Stock Exchange AD**
Website:	**www.bse-sofia.bg**

Exchange Traded Fund EF PRINCIPAL EFT issues / sells shares that provide equal rights to their holders. The shares constitute securities within the meaning of the LFIM. The nominal value of one share is EUR 0.51 (zero euro and fifty-one euro cents). The number of shares of

the Fund varies depending on the volume of sales and redemption of shares. The fund issues and redeems only whole shares. The Fund does not issue partial shares.

The net asset value per share is equal to the net asset value of the Fund divided by the number of the shares. The net asset value of the Fund is increased or decreased in accordance with the change in the number of shares issued and redeemed, and in accordance with the changes in the market value of the investments of the Fund and its liabilities.

Exchange Traded Fund EF PRINCIPAL EFT is obliged to fulfill the following special requirements under Art. 82a of Ordinance No. 44:

- The minimum net asset value of the Fund may not be less than EUR 50,000 and shall be reached within 30 days of the approval of this prospectus;
- After the expiration of the 30-day period, the Fund announces the accumulated amount of the net asset value on its website and notifies the FSC;
- Within 30 days after reaching the minimum amount of assets of EUR 50,000, the Management Company EF Asset Management AD submits an application for admission of the Fund's shares to trading on a regulated market.

As of the date of this Prospectus, the net asset value of the Fund is above the minimum required amount under Art. 82a, para. 1 of Ordinance No. 44 out of EUR 50,000. After admitting the Fund's shares to trading on BSE AD, the Fund will comply with the requirements of BSE AD related to the trading of its shares. In case the Fund is not admitted to trading, it deletes from its name the designation "exchange traded fund" and applies Art. 82a, para. 3, second sentence of Ordinance No. 44.

Rights given by the shares of the Fund

The shares of the **Fund** give their holders the following rights:

- the right to redemption;
- right to liquidation share - in case of liquidation of the Fund each investor has the right to a part of the Fund's property, corresponding to the shares held by them;
- right to information - each investor has the right to information contained in the Prospectus and periodic reports of the Fund, as well as other public information about the Fund;
- right to file a complaint - every investor has the right to file a complaint without paying a fee.

1.9. *(New, adopted through a decision of the BD dated 24 February 2022)* **Market-maker data, including:**

a) name, registered seat and headquarters address, telephone (fax), e-mail address and Internet site (web-site):

The Market - maker of the Fund is:

Name:	EURO-FINANCE AD
Headquarters and address of management:	Republic of Bulgaria, Sofia, 43 Christopher Columbus Blvd., 5th floor
Telephone, fax:	02/9805657, 0700 156 56, 02/981 14 96

E-mail address:	office@eurofinance.bg
Website:	www.eurofinance.bg
Date of establishment:	08.11.1993
Number and date of the FSC permit to act as an Investment Intermediary:	No. 224-IP / 18.12.1996, No. 81-IP / 08.12.1999, No. 81-IP/01.02.2006.

b) essential terms of the contract with the Market Maker:

According to the contract between the Management Company EF Asset Management AD, acting on behalf of the Fund, on the one hand, and the Market Maker, on the other hand, the Market Maker will provide the Fund with the following main services:

- Providing constant "buy" and "sell" quotes for the Fund and thus to ensure that the stock exchange value of the Fund's share does not differ significantly from their value determined on the basis of the net asset value;
- The market-maker of the Fund maintains "buy" and "sell" quotes in a maximum price range of 5% of:
  - at opening auction: from the last declared net asset value (if determined daily) or from the last declared indicative net asset value for the previous day, calculated at closing prices, if no net asset value was declared for that day;
  - in the phase of continuous trade: from the last declared indicative net asset value.
- The market - maker has the right to update the price and the volume of his quotations at any moment of the trading session, as well as in the time intervals before its beginning and after its end, during which the introduction of orders is allowed;
- Upon suspension of the redemption and / or suspension of the issuance of shares of the Fund, the obligations of the Market Maker to maintain quotations "buy" and / or "sell" on a regulated market are eliminated until the resumption of these procedures.

1.10. *(New, adopted through a decision of the BD dated 24 February 2022)* **Accounting dates:**

Management Company EF Asset Management AD is obliged to submit to the Financial Supervision Commission and the public the following reports on the activities of the fund:

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

Until March 31 of each year, the Board of Directors of Management Company EF Asset Management AD prepares a financial report and a report on the Fund's activities for the past calendar year and submits it for inspection to the registered auditor selected by the Management Company. Management Company EF Asset Management AD is obliged to submit to the Commission by the 10th day of the month following the reporting, monthly balance sheet and information on the volume and structure of investments in the Fund's portfolio by issuers and types of securities and other financial instruments.

1.11. *(New, adopted through a decision of the BD dated 24 February 2022)* **Dividend policy:**

The Fund will not distribute dividends. Dividends paid by companies in which the Fund has invested, as well as capital gains realized on trading in shares of the Fund, will be reinvested. In this way, the net asset value of the Fund increases, which is in the interest of its shareholders.

1.12. *(Amend., decision of the BD dated 08 April 2019, 06 April 2020, 14 April 2021, old subpara. 1.9, amend., decision of the BD dated 24 February 2022, 30 March 2022, 10 April 2023, 02 April 2024, 10 April 2025 and 31 March 2026)* **Names of the persons in charge of the preparation of the Prospectus or certain parts thereof and declarations from these persons showing that, after conducting due diligence, and to the best of their knowledge, the information presented in the Prospectus is not untruthful, misleading or incomplete.**

The members of the Board of Directors of the Management Company EF Asset Management AD and the Company Procurator are held jointly responsible for the preparation of the Prospectus and jointly liable for any damages caused as a result of untruthful, misleading or incomplete data contained in the Prospectus. The person under Art. 34, paras 1 and 2 of the Accountancy Law is jointly liable with the abovementioned persons for damages caused as a result of untruthful, misleading or incomplete data contained in the financial statements of the issuer, while the registered auditor Stoyanka Yordanova Apostolova from BDO AKERO LTD shall be held jointly liable for any damages caused as a result of the financial statements for the years 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 audited by her, while Mariyana Petrova Mihaylova, Diploma No. 0203 shall be held jointly liable for any damages caused as a result of the financial statements for the years 2014, 2015, 2016, 2017 and 2018, which were audited by her.

The registered auditor Kameliya Terziyska from Audit Company Brain Storm Consult OD Ltd. shall be held jointly liable for any damages caused as a result of the financial statement for the years 2019, 2020, 2021, 2022 and 2023.

Registered auditor Nikolay Polinchev, with Diploma from IDES No. 0684 for any damages caused as a result of the financial statement for 2024 and 2025.

The abovementioned persons declare that after conducting due diligence, and to the best of their knowledge, the information presented in the Prospectus is not untruthful, misleading or incomplete.

2. INVESTMENT INFORMATION

2.1. *(Amend., decision of the BD dated 05 May 2021, decision of the BD dated 03 August 2021, decision of the BD dated 24 February 2022, decision of the BD dated 19 January 2023 and decision of the BD dated 16 March 2023)* **Description of the Fund's investment objectives, including its financial objectives, investment policy and investment restrictions.**

PROSPECTIVE INVESTORS SHOULD READ THIS SECTION IN ORDER TO ASSESS AND MAKE AN INFORMED DECISION AS TO WHETHER THE INVESTMENT OBJECTIVES, STRATEGY AND POLICIES OF EXCHANGE TRADED FUND EF PRINCIPAL ETF MATCH THEIR OWN INVESTMENT OBJECTIVES.

EF PRINCIPAL ETF is an actively managed exchange traded fund, managed in accordance with the objectives and policies of the collective investment scheme, the management of which does not monitor a specific indicator.

The main objectives of the fund are an increase in the value of the investments of the holders of shares through realisation of the maximum possible income while assuming a moderate to a high risk and ensuring the liquidity of the investments of the holders of shares.

The Fund invests predominantly in shares traded on a regulated market in Bulgaria. The Fund will also invest in debt securities and fixed income instruments, primarily with a view to maintaining the liquidity even at times of market upheavals.

The investment strategy of the Fund provides for the realisation of capital profits from securities, income from dividends/share securities, as well as for current income from debt securities and other financial instruments. For achieving the investment objectives, a strategy of active management of the portfolio of securities, financial assets and monetary resources is implemented.

In order to achieve its main investment objectives, the Fund applies appropriate strategies for protection against market risk, currency risk and other risks ('hedging'): transactions involving options, futures contracts, swaps and other derivatives.

Exchange Traded Fund EF PRINCIPAL EFT has a moderate to a high risk profile, investing primarily in Bulgarian and foreign shares and units in collective investment schemes (CISs), corporate bonds and covered bonds which are traded on regulated markets. The portion of shares is up to 90% of the assets of the Fund, while the units in CISs are up to 10 per cent of the assets, the portion of corporate bonds is up to 60 per cent of the assets and the portion of covered bonds is up to 40 per cent of the assets of the Fund.

The Fund invests primarily in:

- shares in companies, tradable rights and other securities equivalent to companies' shares, which are admitted to trading or traded on a regulated market under Art. 152, para. 1 and 2 of the Law on Financial Instruments Markets (LFIM) or traded on another regulated market in Bulgaria or another Member State, as well as instruments admitted to trading on an official market of a stock exchange or traded on another regulated market in a third country, which is included in a list approved by the Commission on a proposal from the Vice-chairman – up to 90% of the assets of the Fund;

- shares and units in other collective investment schemes and/or other undertakings for collective investment which comply with the conditions laid down in Art. 4, para. 1 of the LACISOUCI and have their registered seat in Bulgaria, or in another Member State, or in a

third country, and fulfil the requirements set forth in Art. 38 para. 1, subpara. 5, item 'a' of the LACISOUCI, provided that, according to the Statutes and rules of these collective investment schemes, the latter are allowed to invest not more than 10 per cent of their assets in other collective investment schemes – up to 10% of the assets of the Fund;

- deposits in credit institutions, which are payable on demand or can be withdrawn at any time, and have a maturity date not more than 12 months ahead; the credit institutions in a third country must abide by the rules and be subject to supervision, which the Commission, on a proposal from the Vice-chairman, reckons as equivalent to those under the European Union law – up to 50% of the assets of the Fund;

- a total of up to 90% of the assets of the Fund into:

a) securities and instruments on the money market, which are issued by the Republic of Bulgaria or by another Member State or by a third country;

b) instruments on the money market other than those traded on a regulated market, provided that the issue or the issuer of these instruments is subject to supervision with a view to

ensuring protection for the investors or the deposits guaranteed by the Republic of Bulgaria or by another Member State, or issued or guaranteed by the Bulgarian National Bank, or by the central bank of another Member State, or by the European Central Bank, or by the European Union, or by the European Investment Bank, or by a third country, and in the cases of a federal state – by any of the members of the federal state, or by a public international organisation that at least one Member State is a member of;

c) securities and instruments on the money market issued or guaranteed by persons under item 'b' (excluding those under item 'a') and admitted to trading or traded on a regulated market under Art. 152, para. 1 and 2 of the LFIM or traded on another regulated market within the Republic of Bulgaria or another Member State, or admitted to trading on an official market of a stock exchange, or traded on another regulated market in a third country which is included in a list approved by the Commission on a proposal from the Vice-chairman;

- covered bonds and other debt securities issued by Bulgarian or foreign banks, which are admitted to trading or traded on a regulated market under Art. 152, para.1 and 2 of the LFIM or traded on another regulated market within the Republic of Bulgaria or within another Member State, or admitted to trading on an official market of a stock exchange, or traded on another regulated market within a third country, which is included in the list approved by the Commission on a proposal from the Vice-chairman – up to 40% of the assets of the Fund;

- corporate bonds (apart from those under subpara. 5), other debt securities and instruments on the money market which are admitted to trading or traded on a regulated market under Art. 152, para.1 and 2 of the LFIM, or traded on another regulated market in Bulgaria – up to 60% of the assets of the Fund;

- securities and instruments on the money market which are issued or guaranteed by regional or local authorities in the Republic of Bulgaria, or a Member State, or a third country, admitted to trading or traded on a regulated market under Art. 152, para.1 and 2 of the LFIM or traded on another regulated market in Bulgaria or another Member State, or admitted to trading on an official market of a stock exchange or traded on another regulated market in a third country, which is included in the list approved by the Commission on a proposal from the Vice-chairman – up to 60% of the assets of the Fund;

- debt securities and instruments on the money market that are admitted to trading or traded on a regulated market under Art. 152, para 1 and 2 of the LFIM or traded on another

regulated market in another Member State, or admitted to trading on an official market of a stock exchange, or traded on another regulated market in a third country, which is included in a list approved by the Commission on a proposal from the Vice-chairman – up to 60% of the assets of the Fund;

- recently issued securities, provided that the terms and conditions of the issue include a commitment to demand admittance and to be admitted not more than one year of their issue for trading on 'Bulgarian Stock Exchange-Sofia' AD or another official market of another stock exchange, or another regulated market, which is included in a list approved by the Commission on a proposal from the Vice-chairman – up to 10% of the assets;

- other securities and instruments on the money market that are admissible in accordance with Art. 38, para. 1 of the LACISOUCI – up to 30% of the assets of the Fund;

- other securities and instruments on the money market that are admissible by law, other than those specified above, including those which are not admitted to trading and/or are not traded on a regulated market, as much as that is allowed by law – up to 10 per cent of the assets of the Fund.

The Fund may not acquire precious metals and other commodities or certificates over them.

No short selling contracts may be concluded at the expense of the Fund.

The fund cannot take out loans.

(1) The Fund is entitled to make use of techniques for effective management of a portfolio, these techniques being contracts of purchase or sale of financial instruments under the proviso for redemption of the financial instruments (repo transactions), providing that the transactions are appropriate from the economic point of view; and the risks associated therewith are adequately identified in the process of managing the risk, and on condition that they serve for achieving at least one objective from among the following ones:

1. reducing the risk;

2. decreasing the expenses;

3. generating additional revenues for the Fund, the risk level of the said revenue corresponding to the risk profile of the Fund and the rules on diversification of the risk;

4. The use of repo transactions should not bring about a change in the investment objectives and restrictions or higher risks for the Fund, the said objectives, restrictions and risks being those specified in the Rules of the Fund.

The Fund may only include repo transactions in the event that the counterparties thereto are credit institutions or financial ones which are subject to prudential supervision on the part of a competent authority of a Member State or another state which is a party to the Convention on the Organisation for Economic Cooperation and Development.

In its financial statements, the Fund provides specific information about all those financial instruments which are bought and, respectively, sold under repo transactions, disclosing the total amount of the contracts effective as at the date of drawing up the respective statement, and giving information about the contracts terminated during the reporting period.

When contracting the repo-transactions, the risk exposure of the Fund to each separate counterparty may not exceed 10 per cent of the assets of the counterparty if the latter is a bank under Art. 38, para. 1, subpara. 6 of the LACISOUCI and may not exceed 5 per cent of the assets of the counterparty in all other cases.

The Fund is entitled to contract repo transactions for the purchase of financial instruments under the proviso for their redemption by the seller at the price and within the term laid down in the contract between the two parties or reverse repo transactions,, in compliance with the following restrictions:

a) the contract expressly provides for the possibility of its early termination by the Fund, in which case the Fund will buy back the loaned financial instruments, the subject of the contract, or re-ceive back the full amount of money;

b) the Fund must ensure that the value of purchases under the repo transactions is at a level making it possible for the Fund to perform its obligations – at any point in time – to redeem its own shares and units upon the request of their holders.

c) the financial instruments which can be the subject of a repo transaction are the following ones:

1. instruments on the money market within the meaning of Art. 38, para. 1, subpara. 9 of the LACISOUCI;

2. bonds issued or guaranteed by a Member State or another state which is a party to the Convention on the Organisation for Economic Cooperation and Development, or the central banks of such states, or their local self governance bodies, or the European Central Bank, the European Investment Bank or a public international organisation where at least one Member State is a member of, as well as qualified debt securities which are issued or guaranteed by third countries having a credit rating not lower than the investment one awarded by a credit rating agency which is registered or certified in accordance with Regulation (EU) No. 1060/2009;

3. shares or units issued by a collective investment scheme which calculates the net asset value at least twice a week, and its registered seat or the registered seat of the Managing Company is located either in a Member State or in another country which is a party to the Convention on the Organisation for Economic Cooperation;

4. bonds traded on a regulated market in a Member State or in another country which is a party to the Convention on the Organisation for Economic Cooperation, and the trading in the said bonds is sufficiently liquid;

5. shares traded on a regulated market in a Member State or in another country which is a party to the Convention on the Organisation for Economic Cooperation, on condition that these shares are included in the official index of the said market.

The Fund is entitled to contract repo transactions for the sale of financial instruments under the proviso for their redemption on the part of the Fund at the price and within the term specified in the contract signed by the parties; and on the maturity date the Fund must have sufficient resources available for paying the amount agreed for redemption of the financial instruments.

(New text, adopted through a decision of the BD dated 19 January 2023) Term repo transactions and reverse repo transactions, the duration of which does not exceed seven days, are considered transactions, the terms of which allow the Fund to buy back its units at any time at the request of their hold-ers.

The Management Company does not have the right to invest more than 5 per cent of the assets of the Fund in transferable securities or money market instruments that are issued by the same person.

The Management Company is not allowed to invest more than 20 per cent of the assets of the Fund in deposits in one person under Art. 38, para. 1, subpara. 6 of the LACISOUCI.

The Management Company is entitled to invest up to 10 per cent of the assets of the Fund into transferable securities or instruments on the money market that are issued by one person, provided that the total value of these investments with persons in each one of which the Fund has invested more than 5 per cent of its assets does not exceed 40 per cent of its assets. The restriction under the first sentence shall not apply to the deposits in those credit institutions upon which prudential supervision is exercised, as well as to transactions with over-the-counter derivative financial instruments with these institutions.

Apart from the restrictions described above, the total value of the investments of the Fund in transferable securities or money market instruments that are issued by the same person, together with the deposits with the said person, and the exposition to the said person arising as a result of transaction which involve derivative financial instruments traded off-exchange when, as a result of this combination the total value of these investments will exceed 20 per cent of its assets.

The Management Company has the right to invest up to 35 per cent of the assets of the Fund in transferable securities and instruments on the money market that are issued by one person, if the securities and instruments on the money market are issued or guaranteed by the Republic of Bulgaria, or by another Member State, or by the regional or local authorities of a Member State, or by a third country or by a public international organisation where at least one Member State is a member of.

The Management Company has the right to invest up to 25 per cent of the assets of the Fund in covered bonds. The total amount of the investments under the first sentence in excess of the limit of more than 5 per cent of the Fund's assets in transferable securities or in money market instruments issued by one person may not exceed 80 per cent of the assets of the Fund.

Those companies which are included in the same group for the purposes of drawing up a consolidated financial statement in accordance with the established accounting standards are regarded as one person, subject to the above limitations.

The total value of the investments in transferable securities or instruments on the money market that are issued by the companies within the same group may not exceed 20 per cent of the value of the assets of the Fund.

The Management Company acting on account of all collective investment schemes or other collective investment undertakings managed by it may not acquire voting shares on behalf of the Fund which would enable it to exercise significant influence over the management of an issuing body. Significant influence within the meaning of sentence one shall exist in the cases of holding 20 per cent or more of the votes in the general meeting of an issuer, which shall be set in accordance with Articles 145 and 146 of the Public Offering of Securities Act.

In addition, the Fund does not have the right to acquire more than:

1. ten per cent of non-voting shares that are issued by one person;

2. ten per cent of the bonds or other debt securities that are issued by one person;

3. twenty-five per cent of the shares in the same collective investment scheme or another undertaking for collective investments which fulfils the requirements set forth in Art. 4, para. 1 of the LACISOUCI;

4. ten per cent of the instruments on the money market that are issued by one person.

The Management Company is allowed to invest no more than 10 per cent of the assets of the Fund in shares of the same undertaking for collective investments under Art. 38, para. 1, subpara. 5 of the LACISOUCI, regardless to whether or not the said undertaking has its registered seat in a Member State.

The restrictions laid down in this Section shall not apply where the exercised rights concern subscription and ensue from transferable securities and instruments on the money market which form part of the assets of the Fund.

The total value of the Fund's exposure related to derivative instruments cannot be greater than the net value of its assets.

The Fund may invest in derivative financial instruments subject to the restrictions under Art. 12, para. 7 - 9 of the Fund's Rules and provided that the exposure to the underlying assets in general does not exceed the investment restrictions under Art. 12, para. 1-9 of the Rules of the Fund.

When the Fund invests in derivative financial instruments based on indices, these instruments are not combined for the purposes of the investment restrictions under Art. 12, para. 1-15 of the Rules of the Fund.

When transferable securities or money market instruments contain an embedded derivative instrument, the Fund's exposure to this derivative instrument is taken into account when calculating the total exposure under Art. 12, para. 14 of the Rules of the Fund. When a total return swap is carried out or an investment is made in other derivative financial instruments with similar characteristics, Art. 45 – 49 of LACISOUCI.

In the event of a violation of the investment restrictions set forth in this Chapter, this violation being due to reasons beyond the control of the Management Company or resulting from the exercise of rights to subscription, the Management Company shall give priority to bringing the assets of the Fund in line with the investment restrictions, giving consideration to the interests of the holders of shares, doing so through transactions for sale not later than six months following the commitment of the violation.

In the course of managing the Fund, the Management Company shall implement the investment policy described above with a view to achieving the investment objectives of the Fund.

The Management Company shall abide by the investment restrictions set out in the law and in the Company's rules.

(New text, adopted through a decision of the BD dated 19 January 2023) The Fund's management company is obliged to submit to the Commission by the 10th of the following month the monthly balance sheet and information on:

1. the volume and structure of investments in the portfolio by issuers and types of securities and other financial instruments;

2. the types of derivative instruments, the main risks related to the underlying assets of the derivative in-struments, the quantitative limits and the chosen risk assessment methods related to derivative transactions.

2.2. *(Amend., decision of the BD dated 12 February 2019, 14 April 2021, 05 May 2021, 24 February 2022 and 30 March 2022 and 29 December 2025, effective 1 January 2026)* **Risk profile of the Fund.**

It is important to bear in mind that the investment in shares of Exchange Traded Fund EF PRINCIPAL EFT is not a bank deposit and, therefore, it is not guaranteed in accordance with the Law on Bank Deposits Guarantee. Regardless of the fact that the leading investment goal of the Fund consists in the increase in the value of the investments in shares, there is no certainty that, investing in shares of the Fund, the investors shall not lose money.

The main risks the investors will face when making investments in shares of the Fund are the following ones:

Market risk. The market prices of the investments of the Fund may vary due to changes occurring in the economic and market environment, the fiscal policy of the central banks, the business activity of the issuers, the sector in which the issuer operates and the demand and offering on the market of securities. At certain points in time, the prices of shares on the market (the stock exchange) may vary considerably. This market risk affects the net value of the assets of the Fund, which will also vary as a result of the fluctuations in the market prices of shares and other securities in which the Fund has made investments. Fortunately, not all the

shares traded on a given market (exchange) and not all the markets change their prices into the same direction at a certain time, and there are various factors that influence the market value of certain shares (for instance, financial statements disclosing a decrease in the profit of the company that has issued the shares, loss of a basic customer, a legal claim of high amount brought against a company, a change in the regulations of a certain industry). It is impossible to foresee all these factors.

The Management Company may reduce – yet it cannot totally eliminate – the effect of the fluctuations in the prices of the investments by way of diversification of the Fund's portfolio, as a result of which the net value of the assets per share may decrease in certain periods. As far as diversification of the investments in shares is concerned, the Management Company provides for having the shares in the Fund's portfolio being issued by companies operating in different sectors of the economy, and for limiting the maximum investment amount in shares of one company.

The market risk is also related to the offering of the shares of the Fund on a regulated market - BSE AD. In this aspect, market risk is the possibility of realizing losses from investors from adverse changes in share prices. After the registration of the shares of the Fund for free trading on BSE AD, their value on BSE AD will be determined by supply and demand, and their price may increase or decrease. Share prices can fluctuate sharply and fall below the price at which investors acquired them. The stock market price will be influenced by publicly announced corporate events and financial results, which may be weaker than market expectations. The price of the shares may be influenced by the general market trends, the volume of the freely tradable shares, the profitability of the alternative investments and other significant factors concerning the activity of the Fund.

Interest risk. This is the risk of the changes in market interest rates having an unfavourable effect on the income or the value of the assets of the Fund, the said assets consisting of debt securities and instruments on the money market. In general, the increase in interest rates brings about a decrease in the market price of debt instruments. As for the investments in debt instruments, the interest risk attributed to short-term debt securities (instruments on the money market) is lower, and the one attributed to long-term debt securities is higher. The Management Company shall diversify the portfolio of the Fund, including through investing in shares and instruments of floating income, and may as well carry out transactions of hedging the interest risk.

Credit risk. This is the risk of the issuer (the issuing company) of debt securities and instruments on the money market, and, respectively, the person that has furnished the security being unable to perform its obligations, and particularly, being unable to pay on time the principal and/or the interest due. If the contractor of the Fund under a redemption contract fails to perform his obligation for redemption of the securities, the Fund may suffer a loss, inasmuch as the revenues from the sale of the security are smaller than the redemption price where it is a fixed one. In the event that those securities and instruments on the money market in which the Fund has invested have a credit rating, the credit risk includes the possibility of the credit rating being lower. The assessments of the rating agencies Standard and Poor's, Moody's and Fitch are an internationally recognized barometer of the credit risk of securities. But even these

ratings are not perfect: they are determined on the basis of past events and do not reflect the possible future circumstances with the same degree of accuracy.

We expect that the major part of the investments of the Fund will be made in securities and instruments on the money market that have no credit rating. The Management Company shall strive for reducing the credit risk when investing in instruments with no credit rating, doing so by way of carrying out credit analyses, diversification of the investments and holding under surveillance the events and tendencies in the economic and political conditions. It is not certain whether or not these actions of the Management Company will prevent losses.

Liquidity risk. Here the risk is that, in certain conditions, it might turn out to be difficult or even impossible for the Management Company to sell at an advantageous price the securities owned by the Fund. In particular, this risk is higher with regard to those securities and instruments on the money market which have not been admitted for trading on a regulated market. The Management Company provides for making investments in the shares of companies traded on regulated markets both in Bulgaria and abroad.

Currency risk. The investments in instruments denominated in foreign currency can be unfavourably affected by a decrease in the rate of exchange between the euro and the said currency. Such fluctuations in the rate of exchange would affect the net value of the assets of the Fund as well as its income. In connection thereto, the Management Company is entitled to carry out certain transactions aimed at hedging the currency risk (for instance, currency options, purchase and sale of currency through spot transactions and forward transactions), which pose certain risks on their own.

Management risk. It occurs due to the active management of the investment portfolio of the Fund. The Management Company shall apply investment techniques and analyses of the risks in the course of taking investment decisions, however, there is no certainty that the desired result will be achieved.

Inflation risk. It is possible for the inflation rate to compensate for a considerable part of the income of the holders of shares in the Fund, or even for the whole of it, due to which the investors in the Fund may either not receive a real income (increased purchasing power) or receive an inconsiderable income. As a counteraction against this risk, the Management Company will strive for maintaining an appropriate balance – which is consistent with the investment objectives and the strategy of the Fund – between its fixed-yield assets and variable-yield ones.

Trading on the regulated market There is no certainty that the conditions for admission to trading of the Fund's shares will not change. In addition, the trading of the shares of BSE AD may be suspended according to the rules of BSE AD due to market conditions and investors will face the impossibility to sell their shares until the trade is restored.

Risks associated with the use of derivatives. Apart from the aforesaid market, credit and liquidity risks, derivatives are associated with additional risks that are specific thereto.

Management risk. Derivatives are highly specialized instruments the use of which requires understanding of both the underlying asset and the mechanism of operation of the derivative itself. The complexity of derivatives requires adequate means of monitoring the transactions involving them, analysis of the specific risks and capability of forecasting the prices.

Leverage risk. Any unfavourable change in the price of the underlying asset, the rate of exchange or an index may bring about the loss of an amount greater than the one invested in the derivative. Some derivatives have a potential for unlimited loss. There also exists a risk of improper measurement of the derivative. A large part of the derivatives are complex instruments and the measurement thereof is often a subjective one. Consequently, the Fund may suf-

fer losses in the case of purchasing overrated derivatives. In conclusion, the use of derivatives might not be successful all the time.

Political risk. Legislative changes. Political risks are related to the possibility of occurrence of domestic political upheavals and an unfavourable change in business legislation. This risk is connected with the possibility of having the government of a state abruptly change its policy, this bringing about an unfavourable change in the environment in which the companies operate and probable losses for the investors. The governments of certain countries may implement measures, including an increase in taxes, restrictions on repatriation of profit, etc., which may unfavourably affect the Fund.

Currently, the profit of the Fund is not subject to corporate tax. An amendment to tax laws and other applicable laws and regulations may have an unfavourable impact on the financial results of EF-Principal.

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

Other systematic risks. Other risks ensuing from the world's current political and economic situation are the probable instability or military actions in the region. Calamities and accidents are factors which make any risk management system a more complicated one. The consequences are difficult to be prognosticated, however, the access to information and the application of a system for prognostication and actions in extreme situations are possible ways of minimization of the negative effect.

(New text adopted by the BD decision dated 12 February 2019) For the calculation of the total risk exposure, the Fund uses the Commitment method recommended in the CESR Risk Measurement Guidelines and the calculation of the total risk exposure and counterparty risk at collective investment schemes (CESR / 10-788.).

(New text adopted by the BD decision dated 14 April 2021, amend., decision of the BD dated 30 March 2022) ***Risks related to sustainable development***

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Management Company EF Asset Management AD does not take into account the adverse impacts of the investment decisions on the sustainability factors in managing the Fund:

The reasons for not taking into account the adverse impacts of investment decisions on the sustainability factors at present are the following:

- the specifics of the mandatory provisions of the sectoral legislation - when providing services the Company is guided by acting in the best interest of the client, taking into account the risk profile and investment policy for each of them. In connection with the above, if these principles and specifics are not followed, claims for lost profits as a result of incorrectly taken or not taken investment decisions or respectively provided advice could be directed to the Company;

- The legal framework governing the reporting of adverse impacts of investment decisions on sustainability factors is not yet fully completed:
  - the lack of adopted and entered into force under the relevant legislative procedure technical standards for the content, methodologies and presentation of information under Regulation (EU) 2019/2088, which would regulate the reporting of possiblee adverse impacts of investment decisions and advice on sustainability factors;
  - currently there are different European regulations adopted at different times, which are not fully harmonized;
- the current lack of regulated and publicly available means of disclosure by public companies about the presence or absence of ESG data, which could possibly allow the formation of objective information about sustainable factors or their absence. The lack of a regulatory requirement in this direction carries risks of publishing false or misleading information that would harm the interests of the clients of the MC.
- The potential effect of potential lost profits as a result of decisions taken or advice provided on investments in products related to sustainable development should be quantified as far as possible by statistical analysis in order to comply with the investment policy and risk profile of the respective Fund, respectively a portfolio of financial instruments, and achieving its goals for optimal return / risk ratio;

Although at present the Company does not take into account the adverse impacts of sustainability factors in managing the Fund, it will conduct an ongoing review of legal requirements and customer preferences and eliminate the reasons for non-reporting and change the investment policy of customers will analyze and assess whether reporting adverse impacts on sustainability factors would contribute to the provision of investment services in compliance with the principle of action in the best interests of the Fund.

(New, adopted through a decision of the BD dated 05 May 2021) **Sustainability risks**

Sustainability risks are defined as events and conditions of ecological, social or governance nature, which can have a significant negative impact on the value of the assets under management:

· Environmental risk - a risk in which investment returns may be adversely affected by environmental factors, including factors arising from climate change and factors arising from other environmental degradation;

· Social risk - a risk where investment returns may be negatively affected by social factors (e.g., labour disputes);

· Governance risk - risk where investment returns may be negatively affected by governance factors (e.g., transparent corporate structure);

· Sustainability factors - environmental, social and employee issues, as well as issues related to respect for human rights and the fight against corruption and bribery;

· Sustainable development risk - if the Management Company applies strict sustainability criteria when selecting investments for the Fund, then sustainability risk will arise to it. Accordingly, a potential investment target may limit exposure to

companies, industries or sectors and may decline investment opportunities that do not meet its sustainability criteria. Accordingly, the Fund may underperform relative to other funds that do not seek to invest based on such criteria.

When making investment decisions, the Management Company, among other factors, considers the existence of sustainability risks and how the latter are potentially likely to lead to a significant negative impact on the value of the investments that the company makes in managing the portfolios of the Fund.

At the present moment, the impact of the sustainability risks is taken into account when making investment decisions, however it does not hold any weight in the decision making process, nor is it accounted for or documented. The Management Company does not apply strictly specific and predetermined criteria for assessing sustainability risks. The reasons for this are the lack of currently adopted regulatory technical standards in Regulation 2019/2088, the lack of disclosure on non-financial information by public companies that could serve for the adoption of quantitative and qualitative criteria by the Management Company for sustainability risk assessment. Currently Regulation 2019/2088 has not yet made it mandatory for companies to disclose such information. Once such standards and criteria have been adopted by EU legislation the Management Company will dully start incorporating sustainability risks within its investment strategy and decision making process.

In the overall assessment of the investment, the Management Company does not document in a special way the reporting of the risks to sustainability in the investment decision-making processes. The consideration of the impact of sustainability risks on the value of investments and the integration of these risks into the specific investment decision-making processes is made by the investment advisor/portfolio manager within his professional subjective judgment of the respective investment, and in the manner described in the Policy for Integration of Sustainability Risks in Investment Decision-Making of the Management Company.

Although the Management Company's investment adviser is encouraged to consider the risks for sustainability when making an investment decision, they do not carry weight when making an investment decision. Sustainability risks are part of the overall investment decision-making process of the Management Company.

2.2.a. **(New, decision of the BD dated 21 March 2017 and 29 December 2025, effective 1 January 2026) Policy on collaterals**

All the assets received by the Fund as a result of using techniques for effective management of the portfolio are regarded as collaterals and should conform to the criteria shown below. When calculating the thresholds under Art. 45 and Art. 46 of the LACISOUCI, consideration is given to the risk exposure of the Fund to the counterparty, the said exposure resulting from transactions involving derivative instruments traded off-exchange and techniques for effective management of the portfolio. The Management Company monitors the compliance with the restrictions regarding the portfolio of the Fund. In the event that the Fund receives a collateral for at least 30 per cent of its assets, the management company shall be obliged to design and implement a policy which ensures the carrying out of stress tests under normal and extraordinary conditions of liquidity, so that it is possible to assess the liquidity risk of the Fund

related to the collateral.In those cases where, on behalf of and at the expense of the Fund, transactions are carried out involving off-exchange financial derivatives, and techniques for effective management of the portfolio are used, each collateral used for lowering the risk exposure to the counterparty shall conform to the following criteria at any point in time: liquidity; assessment; quality of the issuer; correlation; diversification of the collateral; risks connected with the management of the collateral; in the event of a transfer of a share, the collateral received shall be held by the depository of the collective investment scheme; the collective investment scheme shall be entitled to proceed to enforcement against the collateral, at any time, without invocation of a counterparty or approval by the latter; a non-cash collateral cannot be sold, reinvested or pledged; a cash collateral can only be:

a) deposited with a person under Art. 38, para. 1, subpara. 6 of the LACISOUCI;

b) invested in high-quality state securities;

c) used for the objectives of reverse repo transactions, provided that the transactions are contracted with credit institutions which are subject to prudential supervision, and that it is at any point in time that the Fund can receive back the full pecuniary amount along with the interest due;

d) invested in short-term funds on the money market.

A cash collateral is invested following the principles of diversification applicable to a non-cash collateral. A cash collateral shall only be invested in banks about which there is no information that during the previous 3 calendar years support was required to be given by the local governments in relation to liquidity.

The Fund is allowed to disregard the restrictions relating to diversification, if the collateral is in the form of various transferable securities and instruments on the money market issued by a person from among those specified in Art. 38, para. 1, subpara. 9, item 'a' of the LACISOUCI in compliance with the requirements set forth in Art. 47, para. 4 of the LACISOUCI.

The Fund may accept, as a collateral, financial assets exceeding 20 per cent of the net value of its assets, provided that the said assets are issued by an EU Member State, or by any of the regional or local authorities of a Member State which either issue securities or guarantee them. The Fund shall have the right to accept, as a collateral, financial assets exceeding 20 per cent of the net value of its assets, provided that the said assets are issued by public international organisations with an investment credit rating from at least one of the three greatest rating agencies – Standard & Poors, Fitch or Moody's. In the event that the Fund acquires a cash collateral, it shall undertake acts of disposition with it in accordance with its investment strategy described in the Prospectus and the Rules.

The assessment of any possible losses from deposits in EUR is made by way of decreasing the nominal value of the collateral by any possible expenses on the disposition therewith.

The assessment of any possible losses from deposits in foreign currency other than EUR is made by:

a) considering the current buying rate of the bank in which the collateral is kept;

b) considering the standard deviation of the rate of exchange between the said currency and EUR for the preceding 12 months, on a monthly basis;

c) when estimating the possible loss of collateral, the exchange rate calculated by the formula shall be used: current "buy" exchange rate - standard deviation on an annual basis;

d) the assessment of the collateral under item 'b' is reduced by any possible expenses on the disposition therewith.

The assessment of any possible losses from the collateral invested in high-quality state securities shall be made by taking into consideration the price at which there is a demand for the said securities. The assessment of any possible losses from a collateral invested in short-term funds on the money market shall be made on the basis of the current prices of redemption of the said funds. The assessment is adjusted by way of lowering it by the standard deviation of the price of the Fund. The assessment of any possible losses from a non-cash collateral shall be made in accordance with the characteristics of the assets received as a collateral.

The assessment of any possible losses from debt instruments provided as a collateral is made by way of assessing the interest risk through the calculation of the duration of the said debt instrument. In the event that the instruments have their credit rating, the Management Company assesses the probability of occurrence of changes in the credit rating bringing about changes in the price of the collateral. The assessment of any possible losses from shares provided as a collateral is made by considering the historical volatility of their prices, the said volatility being measured by the standard deviation. In the event that the instruments have their credit rating, the Management Company assesses the probability of occurrence of changes in the credit rating bringing about changes in the price of the collateral.

2.2.b. *(New one, decision of the BD dated 21 March 2017, amend., decision of the BD dated 24 February 2022)* **Information about the intention of the Fund to apply higher restrictions regarding diversification, as specified in Art. 46, para. 1 of the LACISOUCI, and description of the exclusive market situation conditioning such an investment.**

The Fund does not have an intention to apply higher restrictions regarding diversification as specified in Art. 46, para. 1 of the LACISOUCI.

2.3. ***(Amend., decision of the BD dated 24 February 2022)*** **Rules on the measurement of the assets.**

The measurement of the assets and liabilities of the Fund is carried out in accordance with the International Accounting Standards under § 1, subpara. 8 of the Supplementary Provisions of the Accountancy Law. The measurement of the assets of the Fund is carried out upon the initial acquisition (recognition) at the price of acquisition, which also includes the expenses on the acquisition. The subsequent evaluation of assets of the Fund is carried out at fair value.

- The subsequent measurement is carried out of all the assets, including those which are initially recognized as at the date of the measurement.
- The securities and other financial instruments which are purchased and, respectively, sold, are measured on the day of contracting the transaction involving them ('the trade date'), and not on the value date.

The methods for evaluation of the assets are contained in the Rules on portfolio valuation and determination of the net asset value and the indicative net asset value of the Fund.

2.4. *(Amend., decision of the BD dated 08 April 2019, 06 April 2020, 14 April 2021, 30 March 2022, 10 April 2023, 03 May 2023, 02 April 2024, 10 April 2025, 29 December 2025 (effective 1 January 2026) and 31 March 2026)* **Description of the investment activity of the Fund during the three years preceding the year of updating the Prospectus**

2.4.1. Data on the amount, structure and dynamics of the assets of the Fund, including the available securities of any type – in total and by types of assets

In EUR	31 December 2025	31 December 2024	31 December 2023
Shares and units in mutual funds:	**25 513 170**	**23 344 326**	**20 362 350**
- Bulgarian ones	24 211 111	22 007 759	18 813 323
- foreign ones	1 302 058	1 336 567	1 549 026
Debt securities (total):	**8 145 679**	**8 118 288**	**8 451 455**
- corporate securities	**8 145 679**	8 118 288	8 451 455
Repo transactions with securities	**1 682 130**	**1 387 040**	**1 058 724**
Monetary resources	**965 251**	**1 256 588**	**1 260 542**
Interest receivables under deposits	**318.53**	**619**	**615**
Other receivables	**166 686**	**233 682**	**14 609**
Total:	**36 473 234**	**34 340 543**	**31 148 296**

2.4.2. Net asset value

	31 December 2025	31 December 2024	31 December 2023
Net asset value (EUR)	36 426 977	34 297 681	31 109 064

2.4.3. Minimum, maximum and average weighted issue price and redemption price:

2025			
	Minimum	Maximum	Average weighted
Issue price	0.6222 €	0.6633 €	0.6389 €
Redemption price	0.6222 €	0.6633 €	0.6389 €
2024			
	Minimum	Maximum	Average weighted
Issue price	0.5726 €	0.6350 €	0.6035 €
Redemption price	0.5726 €	0.6350 €	0.6035 €
2023			
	Minimum	Maximum	Average weighted

Issue price	0.5398 €	0.6194 €	0.5724 €
Redemption price	0.5398 €	0.6194 €	0.5724 €

2.4.4. Number of outstanding shares as at the end of the year, and number of shares issued, sold and repurchased

Year 2025:

- number of outstanding shares as at the end of the year: 54 875 836;
- number of shares issued and sold: 823 810;
- number of shares redeemed: - ;

Year 2024:

- number of outstanding shares as at the end of the year: 54 052 026;
- number of shares issued and sold: 168 834;
- number of shares redeemed: - ;

Year 2023:

- number of outstanding shares as at the end of the year: 53 883 192;
- number of shares issued and sold: 1 830 605;
- number of shares redeemed: 1 866;

2.4.5. Data on loans permitted and taken, including the amount of the loan, its term and the interest thereon, the loan disbursed, the interest paid and the amount of the part of the loan which has not been reimbursed

As at 31 December 2025, Exchange-traded fund EF PRINCIPAL ETF did not have a loan taken.

As at 31 December 2024, Exchange-traded fund EF PRINCIPAL ETF did not have a loan taken.

As at 31 December 2023, Exchange-traded fund EF PRINCIPAL ETF did not have a loan taken..

Statement: **The value of the shares and the income from them may be lower; the profit is not guaranteed and the investors assume the risk of not having the investments restored in their full amount; the investments in the Fund are not guaranteed by a guarantee fund and there is no connection between the previous results of the activity of the Fund and its future results.**

2.5. *(Amend., decision of the BD dated 24 February 2022)* **Characteristics of the typical investor who is the target of the activity of the Fund.**

The main group of investors who are the targets of the activity of the Fund are the investors having an income exceeding the average one for the country, high investment culture and

medium to high risk bearing capacity. These are investors who would like to participate in the market of risky assets, but would not accept the risk to make an independent choice in which assets to invest. The Fund offers them the opportunity to manage their investment risk, while maintaining the opportunity to implement morehigh income.

The investment product of the Fund is targeted at persons (citizens, companies, institutions) which:

- are ready to assume high investment risk, with a view to realisation of higher income;
- are willing to achieve quick and secured liquidity, without this affecting the investment income that has already been achieved;
- are ready to invest monetary resources in the long run;
- are seeking diversification of the risk of their own portfolio;
- are willing to have their money managed by financial market professionals.

We reckon that the shares of the Fund are appropriate for those Bulgarian and foreign individuals, companies and institutions which are willing to invest a part of their resources on the financial markets, and, particularly, in a diversified product consisting mainly of shares, at a high level of risk and a possibility of achieving higher yield.

2.6. *(Amend., decision of the BD dated 24 February 2022)* **Categories of assets in which the Fund is authorised to invest.**

The Fund is authorised to invest in the assets described in subpara. 2.1. of this Prospectus.

2.7. *(Amend., decision of the BD dated 24 February 2022)* **Where the Fund invests primarily in categories of assets other than securities and instruments on the money market or reproduces an index consisting of share or debt securities – indication of this aspect of its investment policy.**

The Fund does neither invest in categories of assets other than securities and instruments on the money market nor reproduce an index.

2.8. *(Amend., decision of the BD dated 24 February 2022)* **If it is possible for the net value of the assets of the Fund to be subject to fluctuations (volatility) due to the composition or techniques of management of its portfolio, this fact should be indicated.**

The composition and technique of management of the Fund (of a balanced to high risk type) implies moderate fluctuations in the net value of the assets.

2.9. (Amend., decision of the BD dated 19 January 2023) Assignment of functions and activities to third persons

The Management Company is entitled to conclude a contract through which it delegates to a third party certain functions and actions under Art. 86, para. 1 of the LACISOUCI, in compliance with the terms and conditions set forth in Art. 106, para. 1, subparas 1 through 8 of the said Law.

Where the delegation of functions and actions concerns the management of the investments, the following additional requirements must be fulfilled as well:

1. the delegation must take place in compliance with the criteria for redistribution of the

investments, these criteria being set by the management company;

2. the third party to which the functions are delegated must be licensed or registered for the purposes of management of assets and must be subject to supervision as regards the fulfilment of the requirements concerning the carrying out of its activity;

3. cooperation must be ensured between the commission and the body exercising the supervision over the third party in those cases where the delegated functions concern the management of the investments of a person from a third country.

(New text, adopted through a decision of the BD dated 19 January 2023) When the management company delegates portfolio management functions to a third party, it should ensure that the third party complies with the independence requirements under Art. 45d of Ordinance 44, with a view to preventing dependence and excessive influence from the stress tests carried out by the third party.

3. ECONOMIC INFORMATION

3.1. *(Amend., decision of the BD dated 24 February 2022)* Tax regime.

This section discusses the general tax regime of the Fund and the investors regarding their income from transactions with the Fund's shares in accordance with the tax legislation in force at the date of preparation of the Prospectus. It is in the interest of share holders and all investors to consult tax experts on these and other tax issues, including on the tax effect depending on the specific situation.

Corporate taxation of the Fund

Currently, the profit of the Fund is not subject to corporate tax.

Taxation of the income of the holders of shares in the Fund

The net income realized by the Fund increases the net asset value of the Fund and, accordingly, the value of its share. As the Fund does not distribute income among investors, the latter could realize capital gains by selling their shares back to the Fund or to BSE AD, respectively. The amount of capital gain of investors is defined as a positive difference between the selling price and the acquisition price of the shares. When shares are acquired at different prices and some of them are subsequently sold and it is not possible to prove which ones are sold, the acquisition price of the shares is the weighted average price determined on the basis of the acquisition price of the shares held at the time of sale.

General

Income from transactions with shares of the Fund (realized capital gain) both in cases of redemption of shares of the Fund and in the sale of shares on BSE AD are not taxed when the recipient of the income are local individuals or individuals resident in a Member State of the European Union or in another country belonging to the European Economic Area.

Accordingly, this income reduces the accounting financial result in determining the tax financial result of legal entities that are subject to taxation under the Corporate Income Tax Act

("CITA"). It should be borne in mind that in case of loss from transactions with shares, the persons subject to taxation under the CITA will have to increase their accounting financial result with the negative difference between the sale and purchase price of the shares. When shares are acquired at different prices and a part of them is subsequently sold and it is not possible to prove which ones are sold, the acquisition price of the shares is the weighted average price determined on the basis of the acquisition price of the shares held at the time of sale. This income is not subject to withholding tax.

Exception for certain categories of persons

Income from transactions with shares of the Fund (realized capital gains), as well as with financial assets in general received from individuals from third countries other than the above, is subject to a final tax of 10% on taxable income.

Taxable income is the amount of profits realized during the year, determined for each specific transaction, less the amount of losses realized during the year, determined for each specific transaction. The realized profit / loss for each transaction is determined by reducing the selling price by the acquisition price of the shares. When shares are acquired at different prices and a part of them is subsequently sold and it is not possible to prove which ones are sold, the acquisition price of the shares is the weighted average price determined on the basis of the acquisition price of the shares held at the time of sale.

3.2. *(Amend., decision of the BD dated 24 February 2022)* **Fees (commissions) for the purchase and sale of shares of the Fund on the primary and secondary market.**

In the event of purchase or sale of shares on the primary market the investors shall not pay any fees or commission compensations. The issue price and the redemption price of shares shall be equal to the net value of the assets per share.

The investors owe fees for concluding transactions with shares of the Fund of BSE AD. They are determined in accordance with the tariffs of the respective investment intermediaries through which the transactions are carried out, standard commissions and fees, as well as in accordance with the fees of the regulated market, Central Depository AD and others. Investment intermediaries provide their clients with comprehensive information on the costs and fees of transactions with shares of the Fund in accordance with regulatory requirements and contracts with clients. It is also possible for investors to incur obligations to pay fees for keeping the Fund's shares in a depository institution.

There are no other specific expenses for investors related to trading with shares of the Fund of BSE AD.

3.3. *(Amend., decision of the BD dated 03 October 2018, 09 October 2019, 05 May 2021 and 24 February 2022)* **Other possible expenses or fees consisting of those due by the holders of shares and those which must be paid with financial resources of the Fund.**

The holders of shares do not owe any other expenses or fees to the Fund or the Management Company.

The Fund shall owe the following fees and expenses:

- management fee due to the Management Company – the annual amount of the fee for the management of the Fund amounts to up to 1.50 (one point fifty) per cent of the average annual net value of the assets of the Fund;

- remuneration of the depository – the amount of the remuneration of the depository shall be specified in the contract for depository services concluded with the Management Company and shall be at the expense of the Fund;

- other expenses payable at the account of the Fund are the following ones:

✓ for all print services connected with dissemination of information about the Fund;

✓ for all the publications and communications in the press;

✓ commission compensations for the investment intermediaries executing the investment orders connected with the portfolio of the Fund;

✓ the remuneration of the registered auditor for checking the annual financial statement of the Fund;

✓ state fees;

✓ fees collected by the regulated markets of securities;

✓ fees collected by 'Central Depository' AD;

✓ current fees for FSC supervision;

✓ fees relating to the management of the Fund's advertising and marketing activity.

3.4. ***(Amend., decision of the BD 08 April 2019, 06 April 2020, 14 April 2021, 24 February 2022, 30 March 2022, 10 April 2023, 02 April 2024, 10 April 2025, 29 December 2025 (effective 1 January 2026) and 31 March 2026)*** **Data on the expenses of the Fund during the three years preceding the year of updating the Prospectus, presented both as a total amount and as a percentage ratio with regard to the average net balance value of the assets, including:**

	2025	2024	2023
Annual remuneration of the Management Company	**520 964 €**	**488 730 €**	**462 060 €**
Relative portion with regard to the average annual net value of the assets	1.50%	1.50%	1.50%
Commission compensations paid to investment intermediaries	**12 574 €**	**17 166 €**	**11 812 €**
Relative portion with regard to the average annual net value of the assets	0.04%	0.05%	0.04%
Annual remuneration for depository services	**15 484 €**	**14 988 €**	**14 547 €**
Relative portion with regard to the average annual net value of the assets	0.04%	0.05%	0.05%
Annual remuneration of the auditor who has certified the annual financial statement	**1 329 €**	**648 €**	**1 188 €**
Relative portion with regard to the average annual net value of the assets	0.00%	0.00%	0.00%
Other expenses of the mutual fund	**772 €**	**757 €**	**1 457 €**
Relative portion with regard to the average annual net value of the assets	0.00%	0.00%	0.00%
Note: These expenses do not include expenses on operations involving investments, expenses on currency operations, expenses on taxes on the profit and extraor-			

dinary expenses, which are as follows:			
Total amount of all the expenses	**551 124 €**	**522 289 €**	**491 064 €**
Relative portion with regard to the average annual net value of the assets	1.59%	1.60%	1.60%

4. TRADE INFORMATION

4.1. *(Amend., decision of the BD dated 14 June 2019 and 24 February 2022)* Terms and conditions for sale of shares on the primary market.

The Fund's shares may be bought and sold on a primary or secondary market, without being limited to a certain category of investors.

The primary market is the market in which the Fund's shares are issued or redeemed by the Fund itself.

The minimum amount of the order for purchase of shares of the Fund on the primary market is 10,000 shares. The minimum amount of the order for redemption of shares of the Fund on the primary market is 25,000 shares.

According to the requirements of Art. 21, para. 1 of the LACISOUCI and the Rules of the Fund, the latter is obliged to constantly issue and sale shares to the investors at the issue price grounded on the net value of the assets. The cases of exception are those of temporary suspension of the issue (the sale) of shares and those of redemption of shares of the Fund, which are provided for below in this Prospectus.

The issue (the sale) of shares of the Fund is carried out by the management company EF Asset Management AD.

(Amend., decision of the BD dated 24 February 2022) Place, time and way of placement of an order for the purchase of shares on a primary market

The purchase of shares in the capital of the Fund is made through submitting a *written order for purchase* of shares and the supplements thereto, each working day between 9.30 and 17:00 h. at the following addresses:

- at the office of MC EF Asset Managemen' AD - Sofia, 43 Christopher Columbus Blvd., floor 5

At the time of placement of the order for purchase of shares, the ordering party makes a deposit up to the amount of the shares he/she is willing to acquire. The deposit is made as follows:

- At the cash desk in the office of MC EF Asset Management AD
- To the bank account of the Fund, IBAN : BG49 UNCR 7630 1077 3006 61, BIC code: UNCRBGSF, the account being opened with 'INICREDIT BULBANK' JSC – central office, the grounds for payment being: purchase of shares of the Exchange Traded Fund EF Principal EFT;

The order for purchase of shares is placed by the ordering party either in person or through an authorised person of the ordering party. The ordering party or the authorised person thereof shall be obliged to prove his/her identity through an identity document.

(Amend., decision of the BD dated 24 February 2022 and decision of the BD dated 19 January 2023) Content of the order for purchase of shares

- number, date, time and place of accepting the order for purchase of shares;
- full name, personal number and number of the identity card /passport data/ of the natural person-ordering party, and, respectively, of the representative of the legal entity on behalf of which the order is placed;
- name, unified identification code and registered seat of the legal entity - ordering party;
- name, registered seat and headquarters address of the investment intermediary that the order is placed through, and, respectively, the full name, personal number, place of residence and address of the authorised person, as well as the number and date of the Power of Attorney;
- the address of the ordering party or of its representative or authorised person to whom the messages relating to the purchase of shares are to be sent;
- the way and place of receiving the documents certifying the purchase of shares;
- name, unified identification code, registered seat, headquarters address, mailing address and contact telephone number of MC EF Asset Management AD through which the sale of shares takes place;
- amount of the order (the number of shares that will be acquired by the ordering party is not specified by the latter, as it is equal to the amount of the order divided by the issue price);
- total amount deposited by the ordering party (the said amount is equal to the amount of the order);
- amount of the expenses for the issue (the sale) of the Fund's shares;
- way of payment of the issue price of the shares, and, respectively, the type, date and number of the payment document through which the amount for the purchase of shares is deposited;
- term for execution of the order;
- date of execution of the order;
- a declaration from the ordering party concerning the origin of the monetary resources under the Law on Measures against Money Laundering (LMML) with which shall be paid for the shares;
- a declaration from the ordering party, and, respectively, from its representative or authorised person, evidencing that upon placing the order he/she has received a free of key information document and was given the opportunity to be with the Prospectus of the Fund; and showing whether he/she has the quality of an insider and whether he/she has internal information about the shares or Exchange Traded Fund EF Principal EFT; and showing whether the transaction forming the subject matter of the order is a disguised purchase of securities or not;
- signatures of the ordering party, and, respectively, of its representative or authorised person, and of the person authorised by the Management Company to accept the orders for purchase of shares.

Documents to be submitted by the ordering party upon placement of the order for the purchase of shares:

◊ (Amend., decision of the BD dated 19 January 2023) If the order for purchase of shares is placed by an authorised person or representative:

1. if the order is placed by an authorised person – a notarised Power of Attorney, which shows the powers of representation in carrying out actions of management and disposition with securities. The management company keeps the original power of attorney, respectively a nota-rized copy of it. If the power of attorney has multiple effects, the management compa-ny keeps a copy of it, certified by the power of attorney and by the person accepting the order. The certification is carried out with the inscription "true to the original", date and signature of the persons. The Power of Attorney under this item shall not be applied to the placement of orders for the purchase of shares through an investment intermediary.
2. if the order is placed by a representative:
   - if the ordering party is a legal entity - an extract from the Commercial Register which certifies the right to the powers of representation;
   - if the ordering party is a natural person – a notarised copy of a document certifying the right to the powers of representation (a birth certificate, or a marriage certificate, or a document of appointing a guardian or a custodian);
3. a copy of the identity document of the authorised person or the representative, the said document being certified by him/her and by the person authorised by the Management Company to accept the orders.

◊ If the ordering party is a legal entity:

1. an extract from the Commercial Register, and where foreign entities are concerned – the respective legalized documents certifying their current status;

After his/her identity is verified, the ordering party signs the order and the declarations in the presence of a person authorised by the Management Company to accept orders. The person authorised by the Management Company to accept orders shall state whether the requirements under the preceding sentence have been fulfilled.

(Amend., decision of the BD dated 24 February 2022) Establishing the propriety of the orders placed for the purchase of shares on a primary market

The orders for purchase of shares that are subject to execution are only the ones which have been properly placed. Such are those orders which have been submitted in compliance with all the requirements of this Prospectus.

In the event of absence, vagueness or inconsistency in the data related to the requisites of the order specified above and/or the necessary supplements thereto, as well as in case that the submitted documents show that there is a flaw in the process of taking the corporate decision or in the powers of representation, or in some other condition precedent to the purchase of shares, the order for purchase shall be regarded as invalid and shall not be subject to execution.

(Amend., decision of the BD dated 24 February 2022) Calculation of the number of shares acquired under a certain order

The Management Company executes the order for purchase of shares on a primary market up to the amount deposited by the investor, the said amount being divided by the fixed

issue price per share, thus calculating the number of shares acquired, and the number of purchased whole shares is rounded down to the smaller integer.

(Amend., decision of the BD dated 24 February 2022) Deadline for the execution of orders for purchase of shares on a primary market

The orders for purchase of shares shall be executed within a term of 7 days following the date of placement of the order.

The order for purchase shall be regarded as executed at the time of registration of the transaction with 'Central Depository' AD. The Management Company shall send a confirmation of the transaction not later than the end of the first working day following the execution of the transaction, to the e-mail address specified by the customer, and if there is no such e-mail address specified, the confirmation shall be sent by post, except where the respective document is received at an office of the Management Company. In the event that a decision is taken in favour of temporary suspension of the issue (the sale) and the redemption of shares in accordance with the terms and procedure laid down in this Prospectus, those purchase orders which have been placed, yet not executed at the time of taking the decision regarding temporary suspension shall not be executed at all. The Management Company shall reimburse the respective amounts to the investors that have placed orders for the purchase of shares, to their bank accounts or at the cash desk of the company, doing so not later than the end of the working day following the day on which the decision regarding the suspension of the issue of shares was taken. After the resumption of the issue (the sale) of shares, the purchase and redemption of shares of the company shall be carried out on the basis of placement of a new order in accordance with the procedure set forth in this Prospectus.

(Amend., decision of the BD dated 24 February 2022) Reimbursement of amounts under non-executed orders for purchase of shares on a primary market

The amounts under non-executed orders for purchase of shares shall be reimbursed to the bank account of the customers not later than the end of the working day following the day on which the order was placed.

(Amend., decision of the BD dated 24 February 2022) Terms and procedure for the redemption of shares and circumstances under which the redemption can be temporarily suspended. Procedure for the transfer of shares.

The Fund is obliged upon request of the holders of shares to redeem the shares at a price based on the net asset value, in accordance with the terms and procedure laid down in the LACISOUCI, the acts related to its application, the Rules of the Fund and this Prospectus, with the exception of the cases of temporary suspension of the redemption of the company's shares.

The redemption of shares of the Fund purchased on a primary market is carried out by the management company EF Asset Management AD.

(Amend., decision of the BD dated 24 February 2022) Place, time and way of placement of order for redemption of shares

Each holder of shares of the Fund shall be entitled to demand that either a part of the shares he/she holds or all the shares he/she holds to be repurchased on the terms and in accordance with the procedure set forth in this Section.

A prerequisite for redemption is that the shares are purchased on the primary market. The Management Company keeps a register of orders and transactions for subscription of shares on

the primary market and will accept redemption orders only up to the amount of shares subscribed by the shareholder on the primary market by the Fund itself. Another important condition precedent to the redemption is to have the shares kept in a customer's subaccount of the holder of shares at the account of 'EF Asset Management' AD in Central Depository AD. In the event that the shares are kept in a customer's subaccount of the holder of shares at the account of an investment intermediary, a redemption is only possible after transferring the said shares from the customer's subaccount at the investment intermediary into the customer's subaccount of the shareholder to the account of EF Asset Management AD in Central Depository AD.
Redemption of shares in the capital of the Fund is made through submitting a written order for redemption of shares and the supplements thereto, each working day between 9:30 and 17:00 h at the office of MC EF Asset Management AD - city of Sofia, 43 Christopher Columbus Blvd., 5th floor.

The order for redemption of shares is to be placed by the holder of shares either in person or through an authorised person of the holder of shares. The holder of shares or the representative thereof shall be obliged to prove his/her identity through an identity document.

Orders for redemption of shares may as well be placed by each licensed investment intermediary. In these cases the redemption terms and conditions may differ from those specified in this Prospectus, inasmuch as the terms and conditions of the investment intermediary must be taken into consideration as well.

(Amend., decision of the BD dated 24 February 2022) Content of the order for redemption of shares

- number, date, time and place of accepting the order for the redemption of shares;
- full name, personal number and number of the identity card /passport data/ of the natural person-ordering party, and, respectively, of the representative of the legal entity on behalf of which the order is placed;
- name, registered seat and headquarters address of the investment intermediary that the order is placed through, and, respectively, the full name, personal number, place of residence and address of the authorised person, as well as the number and date of the Power of Attorney;
- the address of the ordering party or its representative or authorised person to whom the messages relating to the redemption of shares are to be sent;
- the way and place for receiving the monetary resources for the repurchased shares. In the event that the monetary resources for the repurchased shares are received through the bank, then the name, the bank code and the number of the bank account should be specified as well;
- name, registered seat, headquarters address, mailing address, unified identification code and contact telephone number of EF Asset Management AD, through which the sale of shares takes place;
- number of shares submitted for redemption;
- amount of expenses for the redemption;
- where the ordering party is a foreign person, a statement is made as to whether the latter shall make use of a special tax regime under the respective treaty for avoiding double taxation with respect to the income realised from the redemption of shares, the re-

spective state with which the Republic of Bulgaria has contracted the said treaty, and the specific method used (full or partial exemption from taxation);

- deadline for execution of the order;
- date of execution of the order;
- a declaration from the ordering party, and, respectively, from his/her representative or authorised person, evidencing that upon placing the order he/she was given the opportunity to familiarise himself/herself with the Prospectus of the Fund; and showing whether he/she has the quality of an internal person and whether he/she has internal information about the shares or the Fund; and showing whether the transaction forming the subject matter of the order is a disguised purchase of securities or not;
- signatures of the ordering party, and, respectively, of its representative or the authorised person, and of the person authorised by the Management Company to accept and execute the orders for redemption of shares.

(Amend., decision of the BD dated 24 February 2022) Documents to be submitted by the ordering party upon placement of the order for redemption of shares:

◊ The original of the depository receipt for the shares held, with the exception of those cases where the depository receipt has not been issued yet and the shares forming the subject matter of the order for redemption are kept in the customer's subaccount of the ordering party at the account of EF Asset Management AD in Central Depository AD, or an excerpt from the subaccount of the investment intermediary certifying the ownership of the shares upon the Fund/

◊ Upon placement of an order for redemption of shares by an authorised person or representative:

1. if the order is placed by an authorised person – a notarised Power of Attorney, which shows the powers of representation in carrying out actions of management and disposition with securities. The Power of Attorney under this item shall not be applied to the placement of orders for the redemption of shares through an investment intermediary.

2. if the order is placed by a representative:

- if the ordering party is a legal entity - an extract from the Commercial Register which certifies the right to the powers of representation;
- if the ordering party is a natural person – a notarised copy of a document certifying the right to the powers of representation (a birth certificate, or a marriage certificate, or a document of appointing a guardian or a custodian);

3. a copy of the identity document of the authorised person or the representative, the said document being certified by the ordering party and by the person, authorized be the Management Company to accept the orders.

◊ If the ordering party is a legal entity:

1. an extract from the Commercial Register, and where foreign entities are concerned – the respective legalized documents certifying their current status;

After his/her identity is verified, the ordering party signs the order and the declarations in the presence of a person authorised by the Management Company to accept orders. The person

authorised by the Management Company to accept orders shall state whether the requirements under the preceding sentence have been fulfilled.

On the reverse of the order there must be a description of all the documents submitted upon its placement.

Establishing the propriety of the orders placed for the redemption of shares

The orders for redemption of shares that are subject to execution are only the ones which have been properly placed. Such are those orders which have been submitted in compliance with all the requirements of this Prospectus.

All those orders for redemption of shares which do not comply with the terms and conditions provided for in this Prospectus shall be regarded as invalid and shall not be subject to execution.

In the event of absence, vagueness or inconsistency in the data related to the requisites of the order specified above and/or the necessary supplements thereto, as well as in case that the submitted documents show that there is a flaw in the process of taking the corporate decision, or in the powers of representation, or in some other condition precedent to the disposition with shares, the order for redemption shall be regarded as invalid and shall not be subject to execution.

Calculation of the total amount of the order

The orders for redemption of shares are executed in accordance with the number of those shares ordered for redemption by their holder at the redemption price.

Deadline for execution of properly placed orders for redemption of shares and way of payment of the amounts due

The orders for redemption of shares are executed and paid within a period of 10 days following the date of placement of the written order for redemption of shares.

The order for redemption is regarded as executed at the time of registering the transaction in Central Depository AD.

The payment of the price is made in the way specified in the order, as follows:

- to the bank account specified in the order for redemption – in the event that the order provides for payment by a bank transfer.

(Amend., decision of the BD dated 24 February 2022) Terms and procedure for temporary suspension of the redemption

It is upon decision of the Board of Directors of the Management Company that the Fund may temporarily suspend the redemption of the shares, doing so in extraordinary cases only where the circumstances require it and the suspension is reasonable in view of the interests of the investors, this including the following cases:

- when on a regulated market of securities where a significant part of the assets of the Fund are quoted or traded, transactions are terminated or suspended or subject to restrictions.
- where it is impossible to properly assess the assets or the liabilities of the Fund, or it may not dispose with them without injuring the interests of the investors;

- if a decision has been made in favour of dissolution or transformation through merger or takeover of the mutual fund;
- where the execution of the order for redemption would bring about a violation of the operative statutory requirements regarding the maintenance of a minimum of immediately available funds of the Fund;
- in the event of revocation of the depository's banking licence or imposition of other restrictions on its activity, the said revocation or restrictions either making it impossible for the depository to perform its obligations under the depository services contract or creating a possibility of the investors' interests being injured;
- in the event of denunciation of the depository services contract signed with the depository due to culpable non-performance.

In the event of revocation of the licence of the Management Company or in the event of its dissolution or its declaring bankrupt, the redemption is suspended upon decision of the depository, the latter taking over the management of the mutual fund.

The Management Company or, respectively, the depository (in the cases under the preceding sentence) notifies the investors of the suspension of the redemption, and, respectively, of the resumption thereof immediately after such a decision is taken, doing so through the Internet site of the Management Company.

The Financial Supervision Commission must be notified of the decision regarding the suspension of the redemption not later than the end of the working day, and in the event of resumption of the redemption – not later than the end of the working day preceding the resumption.

Where a decision in favour of suspension of the redemption is taken, the sale of shares is also suspended for the period of temporary suspension of the redemption.

In the event that the Management Company or the depository temporarily suspends the redemption of shares in accordance with the conditions and the procedure set forth in this Prospectus, those orders for redemption which have not been executed until the time the decision on suspension of the redemption was made shall not be subject to execution. In these cases the redemption of shares after the resumption shall be carried out through placement of new orders in accordance with the procedure set forth in this section of the Prospectus.

4.2. (New, adopted through a decision of the BD dated 24 February 2022) Terms and conditions for issuance and sale of shares on the secondary market

Main characteristics

As of the date of this prospectus, the Management Company does not intend to take action to allow the Fund's shares to be traded on other regulated markets.

The minimum number of shares that can be purchased by one person is 1 (one) share. There is no limit to the maximum number of shares that can be purchased by one person.

The trading with the shares of the Fund will be carried out in accordance with the Regulations for the activity of the Bulgarian Stock Exchange AD and the Regulations of the Central Depository AD. After after admitting the Fund's shares to trading on the BSE AD, any investor who wishes to acquire or sell shares of the Fund is required to enter into an investment services agreement with a licensed investment intermediary and to submit an order for purchase or sale,

by filling in all the necessary documents in accordance with the requirements of the selected investment intermediary and the requirements of the regulations.

The investment intermediary shall not be entitled to execute an order if it finds that the shares - subject of the sale order, are not available on the client's account or are blocked in a depository institution, as well as if a pledge has been established or a lien has been imposed on them. The prohibition under the previous sentence, in respect of an order for the sale of shares that are not available on the client's account, does not apply in cases where the investment intermediary otherwise guarantees that the financial instruments subject to sale will be delivered on the day of settlement of the transaction.

The shares of the Fund may be subject to a pledge within the meaning of the Law on Special Pledges, as well as to a financial collateral agreement with the provision of a pledge within the meaning of the Law on Financial Collateral Contracts.

The prohibition described above shall not apply to pledged financial instruments in the following cases:

- the acquirer has been notified of the established pledge and has expressly agreed to acquire the pledged financial instruments, there is an explicit consent of the pledgee in the cases provided by the Law on Special Pledges;
- the pledge is established on a set within the meaning of the law on Special Pledges.

In case the restrictive circumstances described above are not present, the investment intermediary is obliged to enter the client's order in the trading system of BSE AD. Upon concluding a transaction, the investment intermediaries - parties to the transaction, shall perform the necessary actions for registration of the transaction with Central Depository AD. Central Depository AD registers the transaction within two days of its conclusion (T+2) if the necessary securities and funds are available and there are no other obstacles to this and updates the book of the Fund's shareholders.

Payments under the concluded transactions shall be made in accordance with the conditions of the selected investment intermediary and in accordance with the standard procedures for settlement of stock exchange transactions - of the type “Delivery against payment” through Central Depository AD. After the completion of the settlement, Central Depository AD credits the client sub-account of the investor-buyers with the shares purchased by them. Certificates of ownership of the shares may be requested for issuance by Central Depository AD through the investment intermediary whose services the investor uses.

The investors owe fees for concluding transactions with shares of the Fund of BSE AD. They are determined in accordance with the tariffs of the respective investment intermediaries through which the transactions are carried out, standard commissions and fees, as well as in accordance with the fees of BSE AD, Central Depository AD and others. Investment intermediaries provide their clients with comprehensive information on the costs and fees of transactions with shares of the Fund in accordance with regulatory requirements and contracts with clients. It is also possible for investors to incur obligations to pay fees for keeping the Fund's shares in a depository institution.

The securities are offered for secondary trading on BSE AD freely to all interested parties without restrictions in the categories of investors - professional, non-professional and institutional, and without pre-emption rights.

As part of the registration of the shares of the Fund on BSE AD there is an obligation to designate one or more members of the regulated market as market-makers to provide prices at which the shares of the Fund can be bought or sold on the stock exchange. Market-makers must comply with the requirements of BSE AD and the regulations applicable to this market, as well as all additional requirements and conditions set forth in the Market-maker contract with the Management Company.

Shares purchased on the secondary market may not be redeemed by the Fund. Investors have to buy and sell shares on the secondary market with the help of an investment intermediary and may owe fees for this. In addition, investors may pay more than the current net asset value when buying shares on the secondary market and receive less than the current net asset value when selling them.

If the Management Company deems that there is a significant deviation from the stock exchange price of the Fund's shares, incl. in the event of market disruption, the minimum redemption limits described in this prospectus may not be applied.

The Management Company considers the following a significant deviation from the stock exchange price of the Fund's shares: when the last price of a transaction with shares of the Fund concluded on BSE AD is 20% lower or higher than the last published NAV per share (indicative or for the day depending on which is the last), and for each transaction there is given the time in which it was concluded and the last published NAV compared to this time.

Only the following cases are considered "market disruptions": lack of market - maker and when the shares are withdrawn from trading on the secondary market for more than 3 consecutive days. If the Management Company decides not to apply the redemption restrictions, the Fund's Management Company shall immediately notify BSE AD, the Financial Supervision Commission, and publish on the Management Company's website this circumstance and the possibility for each investor to request redemption. The redemption costs paid by investors in this case are the same as those described in the section "Fees (commissions) for the purchase and sale of shares of the Fund on the primary and secondary market" - accrued only on transactions on the primary market.

4.3. (New, adopted through a decision of the BD dated 24 February 2022) **Other ways to transfer the Fund's shares beyond those specified in subpara. 4.1 and 4.2 of this Prospectus**

After the Fund's shares are admitted to trading on a regulated market, they can also be traded over-the-counter (the so-called OTC market), through a licensed investment intermediary - a member of the exchange. When concluding transactions with the Fund's shares on a non-regulated market, the respective investment intermediary shall make public information about this transaction in accordance with the requirements of the current regulations.

The transfer of ownership of shares of the Fund in cases of donation and inheritance is carried out through a licensed investment intermediary operating as a registration agent.

4.4. (New, adopted through a decision of the BD dated 24 February 2022) **Register of shareholders of the Fund**

The Shareholder Register of the Fund, regardless of the manner in which the shares were acquired, is maintained by Central Depository AD. The transfer of shares of the Fund is regarded as made at the time of entering the shares in Central Depository AD, namely, in their transferee's subaccount at the account of the Management Company or of a licensed investment intermediary. The rights over these shares is certified by way of a registration document (depository receipt) which is issued by Central Depository AD in the name of their owner, the said document being received upon the request of the investor either through the Management Company or through the investment intermediary.

4.5. *(Amend., decision of the BD dated 12 February 2019, old subpara. 4.3., amend. decision of the BD of 24 February 2022, 26 April 2022 and 29 December 2025, effective 1 January 2026)* **Conditions and procedure for calculating the issue value and the redemption price of the shares of of the Fund, calculation of the Indicative Net Asset Value of the Fund**

Calculation of the issue price of shares

The issue price is equal to the amount of the net value of the assets per share. The issue price in EUR is rounded to four decimal places.

The issue price of the shares is determined by the Management Company under the control of the depository.

In the event that a decision has been taken for suspension of the sale and the redemption of shares of the mutual fund, no issue price shall be calculated.

(Amend., decision of the BD dated 24 February 2022) Frequency of determining the issue price

The issue price of the shares forming the subject of sale of the Fund is determined each working day and is valid for the day on which it is determined.

Those orders for purchase of shares which are received until 16:00 h. are executed at the issue price determined on the working day following the date of the order.

Those orders for purchase of shares which are received later than 16:00 h are executed at the issue price determined two working days after the date of the order.

(Amend., decision of the BD dated 24 February 2022 and 29 December 2025, effective 1 January 2026) Calculation of the redemption price

The redemption price is equal to the amount of the net value of the assets per share.

The redemption price in EUR is rounded to four decimal places.

The redemption price of the shares is determined by the Management Company under the control of the depository.

In the event that a decision has been taken for suspension of the redemption of shares of the Fund, no redemption price shall be calculated.

(Amend., decision of the BD dated 24 February 2022) Frequency of determining the redemption price

The redemption price of the shares is determined each working day and is valid for the day on which it is determined.

Those orders for purchase of shares which are received until 16:00 h are executed at the redemption price determined on the working day following the date of the order.

Those orders for repurchase of shares which are received later than 16:00 h are executed at the price determined on the second working day after the date of the order.

(Amend., decision of the BD dated 24 February 2022) Calculation of the net value of the assets of the Fund

The net asset value of the Fund is calculated by the Management Company EF Asset Management AD under the control of the depository in compliance with the ***Rules on the measurement of the assets and determination of the net value of the assets*** of the fund, which are adopted by the Management Company and approved by the Vice President of the FSC.

The net asset value of the Fund for the purposes of determining the issue price and the redemption price is calculated by way of subtracting the value of liabilities from the value of all assets of the fund. The liabilities, denominated in foreign currency, are calculated at the official exchange rate of the Bulgarian National Bank (BNB), this rate being determined the previous day and announced on the day of measurement.

The net asset value per share is equal to the net asset value of the fund divided by the number of the shares of the fund.

The net asset value and the net asset value per share of the fund are determined each working day.

(New, adopted through a decision of the BD dated 24 February 2022) Indicative net asset value of the Fund.

Indicative net value of the Fund's assets shall be calculated and published by BSE AD for each day in which the Fund's shares are traded on a regulated market at least twice during the session for the day. For this purpose, the Management Company enters into an agreement with the market operator on a regulated market on behalf and for the account of the Fund. In the absence of such an agreement, the indicative net asset value of the Fund shall be published by the Management Company on its website in the Fund section.

The indicative net asset value of the Fund gives an idea of the net asset value of the Fund, based on the latest data on the Fund's asset prices at the time the indicative net asset value of the Fund is calculated.

The Management Company shall provide to BSE AD upon concluded agreement with the regulated market, data on the structure of the Fund's portfolio, on the volume of instruments held from each position, on the amount of funds in the Fund, as well as on the number of issued shares confirmed by the Fund's Depository for the previous business day. When calculating the indicative net asset value of the Fund BSE AD or the Management Company, when no agreement has been concluded with BSE AD for calculating and publishing the indicative net asset value, updates the asset prices in the Fund's portfolio, leaving unchanged the level of all other elements of the Fund's balance sheet. The indicative net asset value of the Fund is calcu-

lated on the basis of information available during the stock exchange session or during part of the stock exchange session on the current value of the Fund's assets.

The indicative net asset value per share is not and should not be construed as the price per share at which shares may be subscribed or redeemed on the primary market, or the price at which shares may be bought and / or sold at the BSE AD. Investors should be aware of delays between the calculation and publication of the indicative net asset value. Investors wishing to buy or sell shares in the Fund should not rely solely on the indicative net asset value when making an investment decision, but should take into account relevant market, economic and other factors.

(New, adopted through a decision of the BD dated 24 February 2022) Trade on a secondary market

Trading in the Fund's shares will start on the secondary market at the quotations of the Market Maker. The Market-maker undertakes to provide constant "buy" and "sell" quotes for the Fund and thus to ensure that the stock exchange price of the Fund's share does not differ significantly from their value determined on the basis of the net asset value;

The market-maker of the Fund maintains "buy" and "sell" quotes in a maximum price range of 5% of:

1. at the opening auction: from the last declared net asset value (if determined daily) or from the last declared indicative net asset value for the previous day, calculated at closing prices, if no net asset value was declared for that day;

3. in the phase of continuous trade: from the last declared indicative net asset value.

The development of the price of the shares of the Fund on BSE AD will be determined by the market dynamics.

(Amend., decision of the BD dated 24 February 2022) Frequency, place and way of publishing the issue price and the redemption price and announcing them to the FSC

The issue price and the redemption price of the shares are published and announced as follows:

- on the site of the Association of Management Companies in Bulgaria – each working day;
- on the site of the Management Company EF Asset Management AD – each working day;
- in those places where orders are accepted for purchase and redemption of shares as laid down in this Prospectus, on the day following the day of measurement – each working day.

(New text adopted through a decision of the BD dated 12 February 2019 and amend. decision of the BD of 26 April 2022 and amend. decision of the BD of 19 January 2023)

The management company announce to the Commission summary information about the issue values and redemption prices of its units once a month, within three business days after the end of the month.

The Management Company publishes on its website a summary of the announced issue values and redemption prices within three working days after the end of the month.

4.6. *(Old subpara 4.4, amend., decision of the BD dated 24 February 2022)* **Distribution of the income. Reinvestment.**

The Fund does not distribute the realised income among the holders of shares. The entire income is reinvested and increases the value of the shares.

5. (AMEND., DECISION OF THE BD DATED 24 FEBRUARY 2022 AND 30 MARCH 2022) FINANCIAL INFORMATION

The annual and the interim financial statements, the activity reports and the auditors' reports are published and available for the investors at the following addresses:

- Financial Supervision Commission, Sofia, 16 Budapest Str., www.fsc.bg
- MC EF Asset Management AD, Sofia, 43 Christopher Columbus Blvd., floor 5, www.efam.bg;

Contact person at the office of MC EF Asset Management AD – Ivan Ovcharov, Sofia, 43 Christopher Columbus Blvd., tel. 02/902 19 44, fax 02/981 14 96, e-mail:office@efam.bg, each working day from 09:00 h to 17:00 h.

6. ADDITIONAL INFORMATION

6.1. *(Amended through a decision of the BD dated 14 June 2019 and 24 February 2022)* **State supervision institution; number and date of the authorisation for the organisation and management of the mutual fund.**

The state supervision institution is the Financial Supervision Commission.

The authorisation for the organisation and management of the Mutual fund 'EF Principal' is No. 2-ДФ/19.09.2005, issued under decision number 526- ДФ /17.08.2005.

After acquiring the status of an exchange-traded fund, the Fund was entered as such under the name Exchange-traded fund EF PRINCIPAL ETF in the register under Art. 30, para. 1, subpara. 4 of the Law on the Financial Supervision Commission.

6.2. *(Amend., decision of the BD dated 24 February 2022)* **Place where the Rules and the other organisational acts of the Fund are accessible to the investors.**

The Fund is registered under BULSTAT number 131467907 and tax number 4220137371. The rules and other acts of incorporation of the Fund are available to investors on site at the office of the Management Company: city of Sofia, 43 Christopher Columbus Blvd., 5th floor. every working day from 09.00 to 17.00 h, as well as on its website - www.efam.bg. Contact person in the office of the Management Company - Ivan Ovcharov, tel. 02/902 19 44, fax 02/981 14 96, e-mail:office@efam.bg..

6.3. *(Amend., decision of the BD dated 24 February 2022)* **Procedure for dissolution of the Fund.**

The Fund may be dissolved either upon decision of the Management Company or upon revocation of the authorisation for the organisation and management of the Fund. The exchange traded fund shall be dissolved upon revocation of the licence of the Management Company, only if the Management Company is not replaced, as well as upon termination or opening of insolvency proceedings of the Management Company, if the Management Company is not replaced, as well as in other cases provided by law. Except for the revocation of the permit for organisation and management of the Fund, the dissolution of the Fund is carried out with the permission of the FSC, under conditions and in accordance with the procedure specified in the law.

The liquidators of the Fund shall be appointed by the Management Company. The persons appointed as liquidators shall be approved by the FSC.

6.4. *(Amend., decision of the BD dated 24 February 2022)* **Information about the place, the time and the way in which additional information can be obtained, including the address, the telephone number, the working time and the contact person**

Anybody willing to obtain additional information about the Fund may do so each working day from 09.00 until 17:00 h at the office of MC EF Asset Management AD at the following address: city of Sofia 1592, 43 Christopher Columbus Blvd. Telephone: 02/902 19 44, fax: 02/981 14 96. Contact person: Ivan Ovcharov.

6.5. *(New, adopted through a decision dated 29 December 2016, amended through a decision of the BD dated 19 August 2020,14 April 2021, 20 July 2023 and 29 December 2025, effective 1 January 2026)* **Remuneration policy of MC EF Asset Management AD**

The remuneration policy of MC EF Asset Management AD /'the Policy'/ covers all the remuneration types, such as salaries and other financial and/or material incentives, including the benefits connected with voluntary pension and/or health insurance. The remuneration under sentence first do not include additional payments or benefits that are part of a general non-discretionary policy that applies to the whole of the Management Company and which does not encourage risk-taking. The policy applies to the following categories of staff, if by their professional activities they exercise a significant influence on the risk profile of the managed by the Management Company collective investments schemes:

1. employees occupying managing positions;

2. the employees whose activity is connected with taking risks;

3. the employees who perform control functions;

4. all other employees whose remuneration is commensurate with the remuneration of the employees under the preceding items and whose activities influence the risk profile of the company and the risk profile of the collective investment schemes it manages.

MC EF Asset Management AD may not apply the requirements under Art. 108, para. 4, subparas 11 through 13 for the persons under subparas 1 through 4, if the total amount of the

annual variable remuneration of the person concerned does not exceed 30 per cent of its total fixed remuneration and does not exceed EUR 15,000.

According to the Policy, the remuneration in the MC EF Asset Management AD is divided into constant and variable. The general criteria when determining the remuneration are the position of the respective employee, the responsibilities assigned to him/her and the professional experience acquired. The amount of the remuneration of those members of the Board of Directors to whom management is not assigned is determined by decision of the General Meeting of the shareholders, in accordance with the provision of Art. 221, subpara. 5 of the Commercial Law. The amount of the remuneration of all the other persons under items 1 through 4 is determined by decision of the Board of Directors of the company composed of: Ivan Ovcharov – Executive Member of the BD, Teodora Shopova – member of the BD and Evelina Vasileva – member of the BD.

Fixed remuneration is any payment or other benefit that has been determined in advance and does not depend on the result achieved. The constant remuneration consists of the fixed basic salary of the respective employee and the additional remuneration due under the operative labour legislation. At any time, the constant remuneration constitutes a sufficiently large portion of the total remuneration of the respective employee, which makes it possible to apply a flexible policy with respect to the variable elements of the remuneration, this including the possibility of non-payment of variable remuneration.

The variable remuneration are any additional payments or other benefits that are determined and paid depending on the result achieved or other contractual terms.

MC EF Asset Management AD does not provide for the arrangement of retirement-related benefits. The compensations connected with early termination of a contract must reflect the results achieved in the course of time by the respective person and is determined so as not to reward a lack of success. Guaranteed variable remuneration may only be arranged for the first year following the appointment of a newly appointed employee.

The decision of the Board of Directors on the variable remuneration should necessarily contain at least: the total amount of the variable remuneration by units, based on the results achieved and the overall contribution to the activity and the financial position of the company; the criteria (financial and non-financial ones) which apply to the assessment of the results of the persons' activity; the amounts of the variable remuneration of the individual employees determined on the grounds of the assessment of their activity; the portion of the variable remuneration of the individual employees which can be paid in the form of interest or shares in the respective collective investment scheme or ownership rights equal thereto, or instruments connected with shares, or non-monetary instruments of equal value and with incentives of the same efficiency as the other instruments; the dates of payment of the variable remuneration; the portion of the variable remuneration which will be deferred and, respectively, the dates of deferrals of the variable remuneration payments.

The maximum upper limit of a person's variable remuneration under items 1 through 4 is 40% of the total amount of the remuneration.

Depending on the legal and organisational form of the collective investment scheme and its Statutes, Rules and constituent documents, at least 50 per cent of the variable remuneration consists of shares and units in the respective collective investment scheme or ownership rights equal thereto, or instruments connected with shares, or non-monetary instruments of equal value and with incentives of the same efficiency as the other instruments. This threshold may as well be lower if the management of the collective investment scheme constitutes less than 50 per cent of the whole portfolio managed by the Management Company. The instruments under

the preceding sentence are subject to an appropriate lag policy, which is aimed at achieving compliance between the incentives and the interests of the Management Company, the managed collective investment schemes and the holders of shares, the lag policy being also applied with respect to the deferred part of the variable remuneration.

In the event that within a year a person under items 1 through 4 is paid variable remuneration in an amount exceeding one third of the gross annual remuneration, at least 40 % of the variable remuneration shall be deferred for a period of minimum duration of three years, depending on the period of ownership recommended to the investors in the respective collective investment scheme, and in compliance with the nature of risks associated with the respective scheme. The remuneration shall be paid in proportion to the time, and where the amount of the variable remuneration is extremely high, at least 60 per cent of the amount of payment shall be deferred. The remuneration policy provides that the persons under items 1 through 4 must refund, either in part or in full, the variable remuneration paid on the grounds of data that have subsequently turned out to be wrong or misleading. In the event that the contracts of the persons under items 1 through 4 comprise clauses related to the receipt of variable remuneration, the latter are necessarily accompanied by clauses guaranteeing the refund of the variable remuneration on the hypothesis of the preceding sentence.

The provision of variable remuneration in instalment is provided proportionally. The deferred portion of the remuneration might consist of shares and units in the respective collective investment scheme or ownership rights equal thereto, or instruments connected with shares or non-monetary instruments of equal value and with incentives of the same efficiency as the other instruments. In the event that the deferred portion is bound with future results, the criteria for their assessment should allow adjustment of the assessment amount depending on the current risks and the future ones.

The variable remuneration is bound with the assessment of activity results as a combination of the results of the individual employee and those of the organisational unit in which the individual employee works, or those of the respective collective investment scheme, its risk profile and the overall results of the Management Company. The assessment of the employee's performance is grounded on financial and non-financial indicators. The assessments form part of an assessment process of several years, the length of which depends on the period of ownership recommended to the investors in the collective investment scheme managed by the Management Company, this period being determined with a view to guaranteeing that the assessment is grounded on the long-term results of the collective investment scheme and its risk profile, and that the actual payment of the remuneration elements associated with the results shall be deferred within the same period of time.

The assessment of the activity results which is used in the formation of the variable remuneration and its distribution takes into consideration all the risks – both current and future ones – the price of the capital and the required liquidity of the company. The employees under items 1 through 4 are obliged not to use personal strategies for risk limitation or insurance related to remuneration or liability, with a view to reducing those risk-related effects on their remuneration which are provided for in their contracts.

The following forms part of the indicators of assessment of an employee's performance: efficiency and contribution to the activity and the financial stability of the company; the profession and the technical knowledge and experience of the respective employee in relation thereto; the obligations and responsibilities of the respective employee as well as the employee's attitude thereto; the communication with the other employees of the company; the hones-

ty, uprightness and reputation of the employee; his/her capacity to continue performing his/her obligations in a competent way without additional supervision, taking into account his/her individual experience, knowledge and skills; observance and strict implementation of the relevant regulations concerning the activity carried out by the employee and the internal rules and policies of the company.

When determining the amount of the variable remuneration, the Board of Directors shall necessarily take the following into consideration: the overall market performance of the company; the collective performance of the team that the respective employee forms part of as well as his/her contribution in that respect; the individual performance of the employee with regard to the requirements thereto, the achievement of the objectives that have been set, special attention being given in those cases where the employee has coped with his/her job in a remarkable way; a change in the economic situation within the country, a change in the business climate, a change in the state of the company, a change in the basic activity of the company, as well as any other relevant market information resulting from a comparison with the competitors on the market; abidance by the employee's obligation of acting in an honest, fair and professional way and in the best interests of the customer.

The variable remuneration, including the deferred part thereof, shall only be paid if complying with the overall financial position of the Management Company and if it is justifiable from the viewpoint of the results of the organisational unit in which the person works and those of the respective collective investment scheme. In the event of unsatisfactory or negative financial results of either the Management Company or the respective collective investment scheme, the total amount of the variable remuneration shall be considerably reduced, this including a reduction in the current compensations, a decrease in the amounts accrued for the preceding period, or a refund of remuneration that has already been accrued.

No variable remuneration shall be paid in the following cases: where the payment thereof limits the capability of the company to maintain and improve its capital basis; where the remuneration is paid through instruments or methods regarding which a well-grounded conclusion can be made that they facilitate the non-compliance of the requirements laid down in the regulations on the company's capital adequacy; where the remuneration is not bound with the financial results of the company or the assessment of the activity of the respective structural unit and the individual employee; where the payment of the remuneration would bring about deterioration of the company's risk profile, and would endanger its stability; and where the said remuneration is not in line with the statutory requirements and the provisions of this policy.

EF Asset Management AD does not have a remuneration committee.

EF Asset Management AD does not take into account the factors and risks to sustainability in the Remuneration Policy.

Information about the details of the updated remuneration policy of EF Asset Management AD, including a description of the methods of calculation of the remuneration, the incentives and the names and positions of the persons in charge of the remuneration distribution and the incentives is shown on the Internet site of EF Asset Management AD www.efam.bg.

The investors are entitled to receive a free paper copy of the remuneration policy of EF Asset Management AD upon demand made at the office of the Management Company.

6.6. *(NEW, ADOPTED THROUGH A DECISION OF THE BD DATED 19 JANUARY 2023 AND AMEND., DECISION OF THE BD DATED 16 MARCH 2023)* MARKETING MESSAGES

All marketing communications to investors must be clearly labeled as such, accurate, clear and not misleading. Any marketing message, including an invitation to purchase shares of the Fund, cannot contain false or misleading information, as well as information that contradicts the information contained in the Prospectus and in the main information document under Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for bundled retail investment products and insurance-based investment products (the Key Information Document). Marketing communications related to the Fund's activity, including public statements, interviews and presentations of the members of the Board of Directors of the Management Company and other persons working under a contract for the Management Company, as well as marketing communications about the Fund's activity prepared and distributed by third parties persons used by the management company for marketing purposes must be pre-approved by the Head of Regulatory Compliance.

The solicitation of investors in the Fund by telephone calls is only permissible on the basis of pre-prepared information that is approved and fully complies with the Guidelines on Marketing Communications under the Regulation on the Cross-Border Distribution of Funds (ESMA34-45-1272). A record of the telephone conversation is prepared and stored for a period of at least 5 years, which is provided to the investor or the vice-chairman upon request.

For all marketing communications to investors, the management company complies with the requirements of Art. 4, paragraphs 1 - 3 of Regulation (EU) 2019/1156 of the European Parliament and of the Council of 20 June 2019 to facilitate the cross-border distribution of undertakings for collective investment and to amend regulations (EU) No. 345/2013, (EU) No. 346/2013 and (EU) No. 1286/2014 (OB, L 188/55 of 12 July 2019), ("Regulation (EU) 2019/"156"), and ESMA's guidelines on the implementation of Art. 4, paragraph 1 of Regulation (EU) 2019/1156, for which the FSC has decided to apply them pursuant to Article 13, Paragraph 1, Item 26 of the Law on the Financial Supervision Commission. Pursuant to Article 4, Paragraphs 1 – 3 of Regulation (EU) 2019/1156 The management company guarantees that:

1. All marketing communications addressed to investors are recognizable as such and describe in an equally visible manner the risks and benefits of purchasing shares from the Fund;

2. All information included in marketing communications is correct, clear and not misleading.

3. Marketing communications containing specific information about the Fund do not contradict or reduce the significance of the information contained in the prospectus referred to in Article 68 of Directive 2009/65/EO or in the main information document for investors referred to in Article 78 of the said Directive.

4. All marketing communications inform about the existence of a prospectus and the availability of the main information document for investors. These marketing communications specify where, how and in what language investors or potential investors can obtain the prospectus and key investor information document and provide hyperlinks to those documents or their website addresses.

Marketing communications shall specify where, how and in what language investors or potential investors may obtain a summary of investor rights and provide an electronic hyperlink to such summary, which shall include, where appropriate, information on access to the collective redress mechanism at the level of EU and at national level, in case of litigation.

The marketing communications shall also contain clear information that the management company may decide to terminate the marketing arrangements of its collective investment undertakings in accordance with Article 93a of Directive 2009/65/EO.

In relation to marketing messages, additional requirements defined in Art. 81 and 82 of Ordinance No. 44.

7. *(New, adopted through a decision of the BD dated 12 March 2020 and Amend., decision of the BD dated 19 January 2023)* INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

Notice for investors in the Federal Republic of Germany pursuant to Sec. 293 para. 1 No. 3 German Investment Code (Kapitalanlagegesetzbuch; "KAGB").

This section contains additional information for investors who are resident in the Federal Republic of Germany. This Country section amends the Table of Contents in the Prospectus for the Fund such that reference is specifically made to this Country Supplement.

7.1. *(Amend., decision of the BD dated 19 January 2023)* Distribution in Federal Republic of Germany Information Agent in Federal Republic of Germany

The Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority) has been notified pursuant to Section 310 German Investment Code of the Fund's intention to distribute Units of the Fund in the Federal Republic of Germany.

7.2. *(Amend., decision of the BD dated 19 January 2023 and 04 January 2024)* Facilities provided for the performance of the tasks referred to in Art. 92 para. 1 of Di-rective 2009/65/EC as amended by Directive (EU) 2019/1160.

The following task is performed by EF Asset Management AD, Sofia, 43 Christopher Columbus Blvd., office@efam.bg:

a. process subscription, repurchase and redemption orders and make other payments to unitholders relating to the units of the UCITS.

In addition, the following tasks are performed by Acolin Europe AG, Line-Eid-Strasse 6, 78467 Konstanz, Germany.

b. provide investors with information on how orders can be made and how repurchase, and redemption proceeds are paid.

c. facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC relating to the investors' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed.

d. make the information and documents required pursuant to Chapter IX of Directive 2009/65/EC available to investors under the conditions laid down in Article 94, for the purposes of inspection and obtaining copies thereof.

e. provide investors on request with information relevant to the tasks that the facilities perform in a durable medium.

The Prospectus, the Key Information Documents (PRIIPs KIDs), the Memorandum and Articles of Association, the Annual and Semi-Annual Reports can be obtained free of charge in paper form at the office of the Acolin Europe AG, by the telephone or requested electronically at facilityagent@acolin.com / www.acolin.com/services/facilities-agency-services .

In addition, the issue, conversion, and redemption prices as well as any other information and documents which are required to be published in the home member state of the funds are available free of charge from the Acolin Europe AG.

7.3. *(Amend., decision of the BD dated 24 February 2022 and 19 January 2023)* **Redemption and conversion requests; payments**

Requests for the redemption and conversion of shares that may be distributed in Germany may be submitted to the registered office of of the Management Company: EF Asset Management AD, Sofia, 43 Christopher Columbus Blvd., or electronically via email at office@efam .bg.

In addition, such requests may be submitted to Acolin Europe AG via email for transmis-sion to the EF Asset Management AD.

All payments to investors in Germany (redemption proceeds, any disbursements, or other payments) may be remitted via the credit institutions holding their securities account in the Federal Republic of Germany.

7.4. *(Amend., decision of the BD dated 19 January 2023)* **Publication of prices**

Any other documents and information in respect of the Fund, which must be published under German law will be published in Germany on www.efam.bg.

In accordance with § 298 (2) of the German Investment Code investors in Germany shall be informed by way of a durable medium and a publication on the website www.efam.bg under the following circumstances:

- suspension of the redemption of a Sub-Fund's Units,
- termination of the management or winding-up of a Sub-Fund,
- amendments to the terms and conditions which are inconsistent with the previous investment principles, which affect material investor rights, or which relate to remunera-tion and reimbursements of expenses that may be paid out of a Sub-Fund,
- merger of Sub-Funds in form of merger information, which must be prepared according to Article 43 of the Directive 2009/65/EC,
- conversion of a Sub-Fund to a feeder fund or the changes to a master fund in form of information, which must be prepared according to Article 64 of the Directive 2009/65/EC.

7.5. Tax Information in the Federal Republic of Germany

Prospective investors are advised to seek independent professional advice concerning possible taxation of purchasing, holding, or selling of the Shares.

Date of updating the Prospectus: 31 March 2026

FOR EF ASSET MANAGEMENT AD:

Ivan Ovcharov Executive Director	Ivelina Ivanova Procurator