

These Fund Rules have been registered with the Estonian Financial Supervisory Authority on 18.02.2009 and took effect on 06.04.2009.

## **Trigon Emerging Agri-Sector Fund Rules** (Hereafter: "Fund Rules")

### **1. General**

- 1.1 These Fund Rules set out the basis for the activities of the contractual investment fund Trigon Emerging Agri-Sector Fund and the relations of the unit-holders with the fund management company. The Fund Rules have been set out in accordance with the effective legislation. In case the Fund Rules conflict with the provisions of legislation, the provisions of the legislation will be applied. In case the different provisions of the Fund Rules conflict with each other or in case the Fund Rules include misleading provisions such provisions will be interpreted in accordance with the best interests of the unit-holders of the investment fund.
- 1.2 Trigon Emerging Agri-Sector Fund (hereafter: "Fund") is a contractual investment fund founded by AS Trigon Funds. In Estonian the name of the Fund is: *Trigon Arenevate Turgude Agrisektori Fond*.
- 1.3 The Fund is managed by AS Trigon Funds (hereafter: "Management Company"), registered address: Viru Väljak 2, Tallinn 10111, the Republic of Estonia.
- 1.4 The Fund is situated at the registered address of the Management Company.
- 1.5 The depository of the Fund is Swedbank AS (hereafter: "Depository"), registered address: Liivalaia 8, Tallinn 15040, the Republic of Estonia.
- 1.6 The Fund is open-ended and the Fund units are offered publicly.
- 1.7 The Fund is a UCITS and complies with the Council Directive 85/611/EEC of 20 December 1985.

### **2. The basis and objective of the Fund's activities**

- 2.1 The Fund is a pool of money raised through public issue of units, and of other assets acquired from investing this money that belongs collectively to unit-holders and that is managed by the Management Company.
- 2.2 The basis of the Fund's activities and the relations between unit-holders and the Management Company have been laid down in the legislation of the Republic of Estonia and the Fund Rules.
- 2.3 The Fund offers to the unit-holders the opportunity to indirectly invest into securities mostly traded on the global regulated markets with an emerging markets bias. The objective of the Fund's activities is long-term capital growth.
- 2.4 Neither the profitability of the Fund nor the preservation of the original investment into the Fund made by the unit-holders is guaranteed to unit-holders.

### **3. The Fund's investment policy**

- 3.1 The Management Company manages the Fund's assets according to investment restrictions as provided for in the Investment Funds Act, other legislation issued in accordance with it and the Fund Rules.
- 3.2 The Management Company invests the Fund's assets in securities traded on the global regulated markets with an emerging markets bias.
- 3.3 The assets of the Funds may be invested in securities traded on regulated markets of all and any countries. It is however the intention of the Management Company to focus investments into securities of issuers who are either based in countries commonly considered to be emerging markets or which have substantial business interests in such countries.
- 3.4 The Management Company follows a sector approach when investing the Fund's assets. The Fund's assets are mainly invested into the shares of companies directly or indirectly active in the agricultural sector.
- 3.5 The precise shares of each asset class, type of issuer and countries in the assets of the Fund shall be determined in the course of the everyday activities of the Fund.

### **4. Investment restrictions**

- 4.1 The Fund's assets may be invested in:
  - a) deposits of credit institutions;
  - b) shares and other similar tradable rights, bonds, convertible bonds and other tradable debt obligations issued, subscription rights and other tradable rights granting the right to acquire securities, money market instruments, and tradable depository receipts (in points 4.2 – 4.9 referred to as "securities");

- c) derivative instruments;
  - d) shares and units of investment funds.
- 4.2 Up to 100% of the Fund's assets may be invested in freely transferable securities that comply with at least one of the following conditions:
- a) the securities are dealt in on a regulated market;
  - b) the securities are not dealt in on a regulated market but the terms of their issue include an undertaking that the securities will be admitted for a listing on a regulated market within 12 months of issue.
- 4.3 The Fund may invest no more than 10% of its assets in securities other than those referred to in points 4.2.
- 4.4 The Fund's assets may not be invested in immovables, precious metals or certificates that give rights to precious metals. The Fund's assets may be invested in securities that give rights to immovables.
- 4.5 The Fund may invest up to 20% of its assets in deposits of credit institutions given that their term is at maximum 12 months. The restriction is not applied on the Fund's current account and over-night deposits with the Depositary.
- 4.6 The Fund may invest up to 10% of its assets in covered bonds as defined in the Investment Funds Act.
- 4.7 The Fund may invest no more than 10% of its assets in securities issued by the same legal entity. However, the aggregate value of securities, which are more than 5% of the market value of the assets of the Fund and which are issued by one person, shall total not more than 40% of the market value of the assets of the Fund. The aggregate value of securities issued by persons belonging to one consolidation group shall total no more than 20% of the assets of the Fund.
- 4.8 The Fund may invest up to 30% of its assets in shares and units of other investment funds (both UCITS and other open-ended funds), taking into account the limitations provided for in legislation. The Fund may invest in units of other funds managed by the Management Company or other fund management company belonging to the same group as the Management Company taking into account the limitations set in legislation.
- 4.9 The Fund may invest in derivative instruments taking into account the limitations provided for in the Investment Funds Act, other legislation issued in accordance with it, the internal rules and the Fund Rules. The assets of the Fund may be invested only in such derivative instruments the underlying of which is:
- a) deposits of credit institutions;
  - b) securities referred to in points 4.2 – 4.3;
  - c) units or shares of other investment funds;
  - d) financial indices;
  - e) currency in which the Fund may invest.
- The Fund may invest in derivative instruments referred to in points a) to d) only for the purpose of hedging the risks from fluctuations of securities prices and interest rates. The Fund may invest in derivative instruments referred to in point e) also for the purpose of achieving its investment objectives. The Fund's total exposure relating to derivative instruments may not exceed the total net asset value of the Fund.
- 4.10 The Management Company may on behalf of the Fund guarantee issues of securities, borrow, enter into repurchase and reverse repurchase agreements and make other transactions involving the borrowing and lending securities. The Fund may borrow and assume other liabilities referred to in the amount of up to 10% of its assets. The maturity of the loans and other liabilities of the Fund may be no more than three months.
- 4.11 In addition to the investment restrictions referred to above, the Management Company must take into account all other limitations and requirements for spreading risks provided for in legislation when investing the assets of the Fund. A short overview of the risks related to investing the Fund's assets has been provided in the Fund's prospectus.

## **5. Fund units and the rights and obligations attached to the units**

- 5.1 The Fund unit (hereafter: "Unit") represents a unit-holder's share of the Fund's assets. A Unit is electronically registered security.
- 5.2 A Unit is divisible. The fractions of Units that emerge from dividing Units are rounded up to three decimal points. The following rules are applied for rounding: numbers NNN.NNN0 until NNN.NNN4 are rounded to NNN.NNN and numbers NNN.NNN5 to NNN.NNN9 are rounded to NNN.NN(N+1).
- 5.3 The Fund has three classes of Units (hereinafter "Class 1", "Class 2" and "Class 3").
- 5.4 Class 1:
- a) The name of Units is Trigon Emerging Agri-Sector Fund A (*in Estonian: Trigon Arenevat Turgude Agrisektori Fond A*).

- b) The nominal value of a Unit is 10 euros.
  - c) The registrar of Units is the registrar of the Estonian Central Register of Securities AS Eesti Väärtpaberikeskus (hereafter: “EVK”), registered address: Tartu mnt. 2, 14<sup>th</sup> floor, Tallinn 10145, Republic of Estonia, register code 10111982. The Estonian Central Register of Securities Act is applied to registering Units.
- 5.5 Class 2:
- a) The name of the Units is eQ Emerging Agri.
  - b) The nominal value of a Unit is 10 euros.
  - c) The registrar of Units is Swedbank AS, registered address: Liivalaia 8, Tallinn 15040, Republic of Estonia, register code 10060701. The right of ownership and the rights and duties of a unit-holder and the Management Company stemming from Units are deemed to be effective starting from making an entry to the register. A unit-holder has the right to rely on the entry in the register when performing his/her rights and duties in relation to third persons. The registrar shall issue a statement of Units owned by the unit-holder upon the unit-holder’s request. The agreement on keeping the register of the Units entered into between the Management Company and Swedbank AS and the rules for maintaining the register as laid down by Swedbank AS shall be applied on maintaining the register, making entries in the register and storing the register data. Processing of the register data shall be done electronically. The registrar shall make entries in the register based on the information on transactions with the Units. An entry may be also based on a judicial decision or on other basis if acceptable to the registrar. The registrar is required to store the data and documents that were submitted as basis for making an entry for at least ten years from the end of the legal relationship regarding the Units. The data shall be stored as documents or in a way that enables reproduction as documents.
- 5.6 Class 3:
- a) The name of Units is Trigon Emerging Agri-Sector Fund C (*in Estonian: Trigon Arenevate Turgude Agrisektori Fond C*).
  - b) The nominal value of a Unit is 100 euros.
  - c) The registrar of Units is kept by EVK. The Estonian Central Register of Securities Act is applied to registering Units.
- 5.7 A Unit does not grant to unit-holder the right to make decisions regarding the transactions made with the assets of the Fund. Unit-holders do not hold general meetings. A unit-holder may not demand the dissolution of the community ownership of the unit-holders.
- 5.8 A unit-holder has the following rights:
- a) to demand from the Management Company that the unit-holder’s Units be redeemed according to the Fund Rules and the legislation;
  - b) to transfer the Units held by the unit-holder to third parties;
  - c) to receive, pursuant to the Fund Rules, a share of the Fund’s assets remaining after liquidation of the Fund and of the Fund’s income, based on the number of Units held by the unit-holder and the class of the Units;
  - d) to access at the registered office of the Management Company the Fund Rules, the most recent annual or semi-annual report of the Fund, the prospectus, the simplified prospectus of Class 2 and Class 3 Units, and other documents and information regarding the activities of the Fund as provided for in legislation;
  - e) to demand a document certifying the unit-holder’s ownership;
  - f) to perform other acts prescribed by law or the Fund Rules.
- 5.9 A unit-holder must exercise the rights attached to Units in good faith and in accordance with legislation and the Fund Rules. The objective of exercising the rights of a unit-holder may not be causing damage to other unit-holders, the Management Company, the Depositary or third persons.
- 5.10 The obligations of a unit-holder:
- a) A unit-holder is not personally liable for the obligations of the Fund assumed by the Management Company on behalf of the Fund, or for obligations the performance of which the Management Company has the right to demand pursuant to the Fund Rules. A unit-holder’s liability for performance of such obligations is limited to the unit-holder’s share of the Fund’s assets.
  - b) The Management Company shall not assume obligations on behalf of unit-holders.
  - c) In order to satisfy a claim against a unit-holder, a claim for payment may be made against the Units of the unit-holder but not against the assets of the Fund.
  - d) With regards to potential tax liability, unit-holders are advised to consult a professional tax adviser.

5.11 The rights and obligations attached to a Unit with respect to a unit-holder shall enter into force upon issuing a Unit and shall terminate upon redeeming a Unit. Ownership of a Unit is proved by an entry in the register.

## **6. Establishing a Unit's net asset value**

- 6.1 The Management Company shall establish the net asset value of the Fund and a Unit according to the internal rules and legislation.
- 6.2 The net asset value of the Fund shall be determined based on the market value of the assets of the Fund from which the liabilities of the Fund shall be deducted. The total net asset value of the class of Units shall be determined by deducting that class' share of the liabilities of the Fund from that class' share of the market value of the securities and other rights belonging to the Fund's assets.
- 6.3 The net asset value of a Unit shall be determined by dividing that class' total net asset value by that class' number of Units issued and not redeemed as at the moment of valuation.
- 6.4 The Management Company calculates and publishes the net asset value of the Fund and of a Unit, the redemption price of Class 1 Unit and the issue and redemption price of a Class 2 and Class 3 Unit at least once for each banking day on the following banking day no later than 2 PM. A Unit's net asset value, issue and redemption price shall be rounded up to four decimal points.
- 6.5 The assets and liabilities of the Fund shall be accounted for in Estonian kroons. The net asset value of a Unit shall be expressed in euro.
- 6.6 The Fund's income shall not be distributed to unit-holders but shall be reinvested. Unit-holders profit or loss shall be reflected in the changes of a Unit's net asset value.

## **7. Issuing and redeeming Units**

- 7.1 Units are issued by the Management Company.
- 7.2 As of 06.04.2009 no Class 1 Units shall be issued.
- 7.3 The time period of issuing Class 2 and Class 3 Units shall not be restricted. The size of the issue and the number of Units to be issued shall not be fixed.
- 7.4 A Class 2 and Class 3 Unit may be issued only upon a monetary payment into the assets of the Fund corresponding to the number of respective Units to be issued and the respective Unit's net asset value. When issuing a fraction of Class 2 Unit or Class 3 Unit an amount corresponding to the fraction of the respective Unit's net asset value must be paid into the assets of the Fund.
- 7.5 The redemption transactions of Class 1 Units and the issue and redemption transactions of Class 2 and Class 3 Units shall be settled in euro.
- 7.6 The subscription fee of a Unit is:  
For a Class 2 Unit there is no subscription fee. A unit-holder shall bear the fee payable to the intermediary that amounts up to 3% of the subscription amount;
  - a) For a Class 3 Unit up to 1% of the net asset value of Class 3 Unit.
- 7.7 The subscription price of a Unit is:  
For a Class 2 Unit the net asset value of a Class 2 Unit that shall be calculated on the following banking day from receiving the purchase order. A unit-holder shall additionally bear the fee to the intermediary;
  - a) For a Class 3 Unit the net asset value of a Class 3 Unit that shall be calculated on the following banking day from receiving the purchase order to which the subscription fee may be added.
- 7.8 The procedure and schedule of issuing Units:  
Class 2 Units may be acquired only through eQ Pankki Oy (register number: 1066893-6, situated: Helsinki, the Republic of Finland) (hereafter: "eQ"). In order to acquire a Class 2 Unit, an investor must submit a purchase order to the Management Company through eQ. The format of the purchase order shall be stipulated by eQ. A Unit shall be issued in no more than 6 banking days from the day the Management Company receives the purchase order (T+6) unless a longer period has been agreed between the Management Company and eQ;
  - a) In order to acquire a Class 3 Unit, an investor must submit a purchase order to the Management Company through a custodian of EVK or an intermediary appointed by the Management Company. The format of the purchase order shall be stipulated by the intermediary. A Unit shall be issued in no more than 6 banking days from the day the Management Company receives the purchase order (T+6) unless a longer period has been agreed between the Management Company and the investor.

- 7.9 The Management Company is entitled to decline the fulfilment of the subscription order if the Management Company deems necessary to limit the size of the Fund in order to effectively implement the investment policy of the Fund.
- 7.10 By submitting a purchase order an investor confirms that he or she has sufficiently acquainted himself or herself with the Fund Rules, accepts the Fund Rules and shall act in accordance with the Fund Rules.
- 7.11 Upon redemption of Units a monetary payment corresponding to the number of Units to be redeemed and the redemption price shall be made out of the assets of the Fund to the current account linked to the unit-holder's securities account.
- 7.12 Upon redemption of Units the payments for the Units shall be made in the order the requests are submitted.
- 7.13 In case the size of a redemption order exceeds 5% of the market value of the Fund's assets the Management Company is entitled to postpone payments for such large redemption orders additionally by another 30 banking days. The time for making the payment does not include the time for processing the transfer in banks.
- 7.14 In case various unit-holders request the redemption of Units in an amount exceeding 5% of the market value of the Fund's assets during the same day, the Management Company has the right to postpone all the payments to be made based on that day's sale orders additionally by another 30 banking days. The time for making the payment does not include the time for processing the transfer in banks.
- 7.15 The Management Company may suspend redeeming Units under the conditions and according to the procedures provided for in the Investment Funds Act, incl. suspending the redemption of Units for up to three months if the money in the accounts of the Fund is insufficient for payment of the redemption price for the Units, if the regular management of the Fund may be harmed by the payment of the price, if the securities or other assets of the fund cannot be promptly sold or if the interests of other unit-holders would be materially harmed thereby.
- 7.16 The redemption fee of a Unit is:
- For Class 1 Unit up to 2% of the net asset value of a Class 1 Unit;
  - For Class 2 Unit there is no redemption fee. A unit-holder shall bear the fee payable to the intermediary that amounts up to 1,5% of the redemption amount, minimum fee EUR 20;
  - For Class 3 Unit up to 2% of the net asset value of a Class 3 Unit.
- 7.17 The redemption price of a Unit is:
- For Class 1 Unit the net asset value of a Class 1 Unit that shall be calculated on the following banking day from receiving the sale order from which the redemption fee may be deducted;
  - For Class 2 Unit the net asset value of a Class 2 Unit that shall be calculated on the following banking day from receiving the sale order. A unit-holder shall additionally bear the fee to the intermediary;
  - For Class 3 Unit the net asset value of a Class 3 Unit that shall be calculated on the following banking day from receiving the sale order from which the redemption fee may be deducted.
- 7.18 The procedure and schedule of redeeming Units:
- In order to redeem a Class 1 Unit, a unit-holder must submit a sale order to the Management Company through a custodian of EVK or an intermediary appointed by the Management Company. The format of the sale order shall be stipulated by the intermediary. A Unit shall be redeemed in no more than 6 banking days from the day the Management Company receives the sale order (T+6) unless a longer period has been agreed between the Management Company and the investor;
  - Class 2 Units shall be redeemed only through eQ. In order to redeem a Class 2 Unit, a unit-holder must submit a sale order to the Management Company through eQ. The format of the sale order shall be stipulated by eQ. A Unit shall be redeemed in no more than 6 banking days from the day the Management Company receives the sale order (T+6) unless a longer period has been agreed between the Management Company and eQ;
  - In order to redeem a Class 3 Unit, a unit-holder must submit a sale order to the Management Company through a custodian of EVK or an intermediary appointed by the Management Company. The format of the sale order shall be stipulated by the intermediary. A Unit shall be redeemed in no more than 6 banking days from the day the Management Company receives the sale order (T+6) unless a longer period has been agreed between the Management Company and the investor.
- 7.19 A person who has signed an agreement with the Management Company for intermediating Units has the right to reduce or omit issue and redemption fees for transactions intermediated by it.
- 7.20 The Management Company has a right to grant the following persons a right to issue or redeem Units without issue or redemption fees:

- a) Persons that have entered into contractual relationship with the Fund Management Company
- b) Persons that have invested over 1,000,000 euros into the Fund
- c) Persons employed or contracted by any company belonging to the same consolidation group as the Management Company, also family members of such persons, and to whom such right has been granted with decision adopted by the Management Board of the Fund Management Company.

In addition, such right may be given and also lower management and performance fees may be applied to certain investors by the resolution of the Management Board of the Management Company.

- 7.21 Issue and redemption fees and all other direct expenses related to issuing and redeeming Units shall be borne by a unit-holder. On request, the Management Company shall issue a statement indicating the amount of issue or redemption fee paid by a person acquiring or redeeming Units by mail, fax or e-mail.
- 7.22 If Units are held on a nominee account, transfers of securities and payments to a unit-holder shall be made to the nominee account and to the current account linked to the nominee account. Transfers and payments to the accounts of a unit-holder shall be executed by the owner of the nominee account according to agreements with the unit-holder.
- 7.23 A Unit is deemed to be issued or redeemed from the point of making a corresponding entry in the register of Units.
- 7.24 A unit-holder has the right to switch the Units the unit-holder holds for similar class units of another fund managed by the Management Company. Units may not be switched for Units of another class of the Fund.
- 7.25 In order to switch Units, a unit-holder must submit an order for switching Units through the unit-holder's custodian to the Management Company according to the format stipulated by the custodian. Upon switching Units, no payments shall be made to a unit-holder. Based on the number of Units to be switched and the net asset value, Units shall be redeemed. Based on the net asset value of the units of the other fund, units of the other fund shall be issued. Upon switching units, the net asset value of units that shall be calculated on the following banking day from receiving the switch order shall be used. No redemption or issue fees shall be charged when switching units. The value date of switching Units shall be in no more than 6 banking days from the day the Management Company received the switching order (T+6) unless a longer period has been agreed between the Management Company and the investor.
- 7.26 A unit-holder is not allowed to cancel or change the subscription, redemption or switch order after submitting it. The investor who has submitted an order is obliged to utilise due care in securing the timely fulfilment of conditions necessary for the settlement of such order.
- 7.27 Additional details on making transactions with Units, including the cut-off times for submitting trade orders to the Management Company are available in the Fund's prospectus.

## **8. The activities of the Management Company**

- 8.1 The basis of the activities of the Management Company are laid down in the articles of association of the Management Company, legislation and the Fund Rules.
- 8.2 The Management Company has the right, in accordance with the Fund Rules, to dispose of and possess the assets of the Fund and has other rights deriving there from.
- 8.3 The Management Company invests the assets of the Fund in its own name and on behalf of the unit-holders collectively, i.e. on behalf of the Fund.
- 8.4 Upon investing the assets of the Fund the Management Company shall:
- a) obtain sufficient information on the assets which the Management Company intends to acquire or has acquired on behalf of the Fund;
  - b) monitor the financial situation of the issuer whose securities the Management Company intends to acquire or has acquired on behalf of the Fund;
  - c) obtain sufficient information with regard to the solvency of the persons with whom they transact on behalf of the Fund.
- 8.5 The Management Company shall manage the assets of the Fund separately from its own assets and from the assets of other funds and pools of assets managed by the Management Company. The assets of the Fund do not form a part of the bankruptcy estate of the Management Company and the claims of creditors of the Management Company shall not be satisfied out of such assets.
- 8.6 The Management Company has the right and obligation to submit a claim in its own name on behalf of unit-holders of the Fund against the Depositary or other persons if failure to submit such claim will result or may result in significant damage to the Fund or its unit-holders. The Management Company is not required to submit such claim if the Fund or unit-holders have already submitted a claim.

- 8.7 The Management Company shall be liable for damage caused to the Fund or unit-holders due to violation of its obligations. However, the Management Company is not guaranteeing positive return to the unit-holders on their investments into the Fund, therefore it shall not be held liable for losses resulting from negative performance of the Fund due to fluctuations of securities prices, interest rates, political changes and other risks as described in prospectus of the Fund and simplified prospectus of the Class 2 and Class 3 Units.
- 8.8 The Management Company may own Units. The share of the Fund owned by the Management Company may not exceed 5% of the Fund's net asset value. Upon acquiring Units, the provisions set out in the Investment Funds Act shall be followed. Information regarding the size of the Management Company's ownership in the Fund is available at the location of the Management Company.
- 8.9 The Management Company has the right to delegate to third parties for the purpose of better conduct of the Management Company's business the right to carry out on the Management Company's behalf the following functions related to managing the Fund pursuant to the Investment Funds Act:
- a) investing the Fund's assets;
  - b) organising the issue and redemption of Units;
  - c) if necessary issuing evidence of title to the unit-holders of the Fund;
  - d) providing necessary information to the Fund's unit-holders and other customer services;
  - e) organising the distribution of Units;
  - f) keeping account of the Fund's assets and organising accounting;
  - g) determining the Fund's net asset value;
  - h) keeping the register of Units;
  - i) accounting the Fund's income;
  - j) monitoring the compliance of the activities of the Management Company and the Fund with the Investment Funds Act and other legislation, including organising a relevant internal audit system;
  - k) other functions related to the functions referred to.

The Management Company's liability related to managing the Fund shall not be affected by the fact that the Management Company delegated any functions to third parties.

## **9. Activities of the Depositary**

- 9.1 The Depositary shall safe-keep the assets of the Fund and carry out other duties entrusted to it by legislation.
- 9.2 The Depositary has the right, in accordance with the policies provided for in the depositary agreement, to enter into agreements for delegating to third parties the safekeeping of the Fund's assets, performing settlements therewith and fulfilling other functions.
- 9.3 The Depositary is liable upon violation of its obligations for direct damages caused thereby to the Fund, to unit-holders or the Management Company.
- 9.4 The Depositary shall choose the third parties safe-keeping the Fund's assets or securities with due care to secure the reliability of such third parties. The Depositary shall assess before and following the delegation of its functions if the standards of administration and technological solutions and the financial situation of a third party are sufficient for performing the contractual obligations.

## **10. Fees and expenses paid by the Fund**

- 10.1 The Management Company shall be paid a fee for managing the Fund. The rate of the management fee is for Class 1, Class 2 and Class 3 Unit 2% per annum of the market value of the assets of the Fund. In addition, the Management Company shall be paid a performance fee based on the performance of Class 1, Class 2 and Class 3 Unit. The Management Company is entitled to the performance fee if the net asset value of Class 1, Class 2 or Class 3 Unit exceeds the life high of end-of-month net asset values of the respective Unit to which an annual linear hurdle rate has been added. The annual linear hurdle rate is 5%. The rate of the performance fee is 20% of the increase in the net asset value of Class 1, Class 2 and Class 3 Unit over the life high of end-of month net asset values of the respective Unit to which the annual linear hurdle rate of 5% has been added (high-water mark principle). The management board of the Management Company may decide to lower the rate of the management fee and the performance fee for some time periods.
- 10.2 Information about the currently valid rates of the management fee and the performance fee are available in the Fund's prospectus.

- 10.3 The Depository shall be paid a fee for its services. The annual rate of the depository fee is maximum 0,30% of the market value of the assets of the Fund. The abovementioned depository fee rate is exclusive of VAT. The currently valid depository fee rate is available in the prospectus.
- 10.4 The management fee and depository fee shall be accounted for daily based on 365-year and are paid out during the month following the accounting period. The performance fee shall be re-valued daily based on 365-year and is paid out as at the end of each month during the following month.
- 10.5 The Fund shall also pay expenses related to holding the Fund's assets and making transactions therewith, including fees to intermediaries, interest expenses, payment fees and transaction fees.
- 10.6 Total fees and expenses paid by the Fund may not exceed 30% of the weighted average market value of the Fund's assets per annum.

## **11. Accounting and reporting of the Fund**

- 11.1 The accounting and reporting of the Management Company and of the Fund shall be organised based on the Accounting Act, the Investment Funds Act, other legislation and the internal rules for accounting of the Management Company, unless otherwise provided by the Investment Funds Act.
- 11.2 The accounting of the Fund shall be organised by the Management Company.
- 11.3 The accounting of the Fund must be kept separate from the accounting of the Management Company and other funds.
- 11.4 The financial year of the Fund is the financial year of the Management Company that is the calendar year.
- 11.5 The annual and semi-annual report of the Fund shall be approved by the management board of the Management Company. The reports shall be signed by all members of the management board of the Management Company.
- 11.6 The annual report of the Fund must be audited by an external auditor prior to approval. The auditor's report shall be added to the Fund's annual report.
- 11.7 The annual report of the Fund shall be made available at the registered office of the Management Company in no more than 4 months after the end of the Fund's financial year. The semi-annual report of the Fund shall be made available in no more than 2 months after the end of the half-year.

## **12. Publishing information regarding the Fund**

- 12.1 Any person can access the following information and documents at the registered office of the Management Company and at its web page:
- Fund Rules;
  - the most recent annual report of the Fund;
  - the most recent semi-annual report of the Fund if it has been approved after the most recent annual report;
  - the prospectus of the issue of the Units and the simplified prospectus for Class 2 Units and Class 3 Units;
  - the name and contact details of the Management Company;
  - the name of the fund manager;
  - the name and contact details of the Depository;
  - the rules for calculating the net asset value of the Fund and the internal rules for making derivative transactions on the account of the Fund;
  - the size of the ownership of the Management Company in the Fund.

On request, unit-holders shall receive a copy of the Fund Rules, the Fund's most recent annual or semi-annual report, the prospectus and the simplified prospectus for Class 2 Units and Class 3 Units of the Fund free of charge.

- 12.2 The Management Company shall publish on each banking day the net asset value, the redemption price of Class 1 Unit and the issue and the redemption price of the Class 2 and Class 3 Unit at its web page.
- 12.3 In case circumstances that substantially affect the activities or the financials of the funds managed by the Management Company (including the Fund) or the net asset value of the Unit should become evident, respective information shall be published without delay at the web page of the Management Company.

## **13. Amending the Fund Rules**

- 13.1 The supervisory board of the Management Company may adopt a decision to amend the Fund Rules, including Fund's investment policy and fees and expenses paid by the Fund.

- 13.2 Subsequent to the acceptance and registering of the amendments by the Financial Supervisory Authority, the Management Company shall without delay publish a notice regarding amending the Fund Rules in at least one daily national newspaper and on the web page of the Management Company.
- 13.3 The amendments to the Fund Rules take effect in one month after the publishing of the corresponding notice unless the notice prescribes a later date.

#### **14. Liquidation of the Fund**

- 14.1 Liquidation of the Fund shall be effected in the cases and according to the procedures provided for in the Investment Funds Act.
- 14.2 Liquidation of the Fund shall be decided upon by the supervisory board of the Management Company. In the cases provided for in the Investment Funds Act, the Depositary can act as the liquidator.
- 14.3 Subsequent to obtaining approval for the liquidation of the Fund from the Financial Supervisory Authority, the Management Company shall without delay publish a notice regarding the liquidation of the Fund in at least one daily national newspaper.
- 14.4 Upon the liquidation of the Fund the Management Company shall transfer the assets of the Fund as soon as possible and in accordance with the interests of the unit-holders, shall collect the debts of the Fund and satisfy the claims of the creditors of the Fund. Liquidation must be concluded within a period of six months starting from the publication of the liquidation notice. The time limit may be extended on authorisation by the Financial Supervisory Authority if requested by the Management Company; however, as a result of the extension, the period of liquidation must not exceed 18 months.
- 14.5 Up to 2% of the net asset value of the Fund may be used to cover the expenses of liquidation of the Fund. If the actual liquidation expenses exceed the specified amount, the Management Company or the person acting as the Management Company shall assume responsibility for the expenses exceeding the amount.
- 14.6 The Management Company shall distribute the assets remaining after the liquidation between the unit-holders according to the class, the number and the net asset value of the Units held by a unit-holder. The Management Company shall publish a notice regarding the distribution of assets to be distributed in at least one daily national newspaper.