
**MANAGEMENT
REGULATIONS**

in respect of

INCOMETRIC FUND

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1. THE FUND

Incometric Fund (the "Fund") has been created in April 2006 as an undertaking for collective investment governed by the laws of the Grand Duchy of Luxembourg. The Fund is organised under Part I of the law of 17 December 2010 on undertakings for collective investment (the "Law of 2010") in the form of an open-ended mutual investment fund ("fonds commun de placement"),

The Fund shall consist of different sub-funds (collectively "Sub-Funds" and individually "Sub-Fund") to be created pursuant to Article 4 hereof.

The assets of each Sub-Fund are solely and exclusively managed in the interest of the co-owners of the relevant Sub-Fund (the "Unitholders") by ADEPA Asset Management S.A. (the "Management Company"), a company incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office in Luxembourg.

The assets of the Fund are held in custody by KBL EUROPEAN PRIVATE BANKERS S.A. (the "Custodian"). The assets of the Fund are segregated from those of the Management Company.

By purchasing units (the "Units") of one or more Sub-Fund(s) any Unitholder fully approves and accepts these management regulations (the "Management Regulations") which determine the contractual relationship between the Unitholders, the Management Company and the Custodian. The Management Regulations and any future amendments thereto shall be filed with the *Registre de Commerce et des Sociétés Luxembourg* (where they may be inspected and copies may be obtained). Publication in the *Mémorial C, Recueil des Sociétés et Associations* (the "Mémorial") shall be made through a notice advising of the deposit of such document with the registry.

Unless the context otherwise requires, words and expressions contained in these Management Regulations bear the same meaning as in the prospectus of the Fund (the "Prospectus").

2. THE MANAGEMENT COMPANY

2.1 General information

ADEPA Asset Management S.A. is the Management Company of the Fund. The Management Company will manage the assets of the Fund in compliance with the Management Regulations in its own name, but for the sole benefit of the Unitholders of the Fund.

The Management Company is organised as a public limited liability company ("*société anonyme*") under the laws of the Grand Duchy of Luxembourg. It was established on 9 March 2006 for an unlimited period of time. The articles of incorporation of the Management Company were published in the *Mémorial* of 23 March 2006 and deposited with the *Registre de Commerce et des Sociétés, Luxembourg* on 15 March 2006 (where they may be inspected and copies may be obtained).

The Management Company has its registered office in Munsbach. Its share capital amounts to 675,000 Euro.

2.2 Functions

In compliance with the provisions of Chapter 15 of the Law of 2010, the Management Company provides the following services:

- Determination of the investment policy of each Sub-Fund within the objectives set forth in Article 3 and the restrictions set forth in Article 13 hereafter.
- Investment management (including investment advice; conclusion of agreements; purchase, sale, exchange or delivery of all kind of transferable securities and/or other acceptable types of assets; exercise of all voting rights pertaining to securities of UCITS and UCIs under management);
- Administrative services such as legal and fund management and accounting services, customer inquiries, valuation of the portfolio and pricing of the units (including tax returns), regulatory compliance monitoring, maintenance of the register of unit holders, distribution of income, and issuing and redemption of units, contract settlements (including certificate dispatch), record keeping of transactions; and
- Marketing and distribution in Luxembourg and/or abroad of units or shares of UCITS and/or UCI.

The Management Company may delegate to third parties, for the purpose of a more efficient conduct of their business, the power to carry out on its behalf one or more of its functions in compliance with the Management Regulations and the provisions of Chapter 15 of the Law of 2010.

In particular, it may enter into a written agreement with one or more persons or entities to act as investment manager and/or investment advisor for one or several Sub-Funds of the Fund, to act as paying agent, registrar and transfer agent and/or to render such other services as may be agreed upon by the Management Company and such third parties. It may also conclude contractual arrangements with intermediaries, dealers and/or professional investors for the distribution of the Units and entrust them with such duties and pay them such fees as shall be disclosed in the Prospectus.

The Management Company may choose to co-manage the assets of certain Sub-Funds of the Fund on a pooled basis, as detailed in the Prospectus. In these cases, assets of the Sub-Funds participating in the co-management process will be managed according to a common investment objective and shall be referred to as a “pool”. These pools are used for internal management efficiency purposes or to reduce management costs.

3. **INVESTMENT OBJECTIVES AND POLICIES**

The investment objective of the Fund is to provide investors with an opportunity for investment in a professionally managed mutual investment fund in order to achieve an optimum return from the capital invested.

The Fund will seek to achieve its objective, in accordance with the policies and guidelines established by the board of directors of the Management Company. For this purpose the Fund offers a choice of Sub-Funds as described in the Prospectus, which allow investors to make their own strategic allocation.

The Fund may hold cash, in each Sub-Fund, on an ancillary basis.

According to Article 13 hereafter, the Fund may, in each Sub-Fund, and unless further restricted, employ, for hedging purposes, techniques and instruments relating to Transferable Securities and Money Market Instruments.

There can however be no assurance that the investment objective will be successful or that the investment objectives of the Fund will be achieved.

The investment policy of the Fund shall comply with the rules and restrictions laid down hereafter under Article 13 hereafter.

The specific investment policies and restrictions applicable to any particular Sub-Fund shall be determined by the Management Company and disclosed in the Prospectus.

4. **SUB-FUNDS, CLASSES AND CATEGORIES OF UNITS**

For each Sub-Fund, a separate portfolio of investments and assets will be maintained. The different portfolios will be separately invested in accordance with their specific features as described in the Prospectus of the Fund.

The Fund is one single entity; however, the right of investors and creditors regarding a Sub-Fund or raised by the constitution, operation or liquidation of a Sub-Fund are limited to the assets of this Sub-Fund, and the assets of a Sub-Fund will be answerable exclusively for the rights of the Unitholders relating to this Sub-Fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-Fund. In the relations between the Fund's Unitholders, each Sub-Fund is treated as a separate entity. The assets, commitments, charges and expenses that cannot be allocated to one specific Sub-Fund will be charged to the different Sub-Funds pro rata to their respective net assets, if appropriate due to the amounts considered.

The board of directors of the Management Company may decide at any time to create new Sub-Funds.

The board of directors of the Management Company may also decide to issue, within each Sub-Fund, different classes of Units (the "Classes") having e.g. (i) a specific sales and redemption charge structure and/or (ii) a specific management or advisory fee structure and/or (iii) different distribution, Unitholders servicing or other fees and/or (iv) different types of targeted investors and/or (v) different currencies and/or such

other features as may be determined by the board of directors of the Management Company from time to time.

The currency in which the Fund or each Sub-Fund is denominated is the reference currency (the "Reference Currency").

The currency in which the Classes of Units are denominated may differ from the Reference Currency of the relevant Sub-Fund. The Management Company may, at the expense of the relevant Class of Units, use instruments such as forward currency contracts to hedge the exposure of the investments denominated in other currencies than the currency in which the relevant Class of Units is denominated.

The Classes of Units will be sub-divided into two Categories: accumulation of income and distribution of income.

5. THE UNITS

5.1 The Unitholders

Each Unit is indivisible with respect of the rights conferred to it. In their dealings with the Management Company or the Custodian, the co-owners or disputants of Units must be represented by the same person. The exercise of rights attached to the Units may be suspended until these conditions are met.

The Unitholders may not request the liquidation or the sharing-out of the Fund or of any Sub-Fund and shall have no rights with respect to the representation and management of the Fund or of any Sub-Fund and their failure or insolvency shall have no effect on the existence of the Fund or of any Sub-Fund.

No general meetings of Unitholders shall be held and no voting rights shall be attached to the Units.

5.2 Reference Currency

The Units in any Sub-Fund shall be issued without par value in such currency as determined by the Management Company and disclosed in the Prospectus.

5.3 Form, Ownership and Transfer of Units

Units of any Class in any Sub-Fund may be issued, upon decision of the Management Company as specified in the Prospectus, in registered or bearer form.

The inscription of the Unitholder's name in the Unit register evidences his or her right of ownership of such Units. The Unitholder shall receive a written confirmation of his or her unitholding upon request; no certificates shall be issued.

Fractions of registered Units will be issued, whether resulting from subscription or conversion of Units.

Title to Units is transferred by the inscription of the name of the transferee in the register of Unitholders upon delivery to the Management Company of a transfer document, duly completed and executed by the transferor and the transferee.

5.4 Restrictions on Subscription and Ownership

The Management Company may, at any time and at its discretion, temporarily discontinue, terminate or limit the issue of Units to persons or corporate bodies residing or established in certain countries or territories. The Management Company may also prohibit certain persons or corporate bodies from directly or beneficially acquiring or holding Units if such a measure is necessary for the protection of the Fund or any Sub-Fund, the Management Company or the Unitholders of the Fund or any Sub-Fund.

In addition, the Management Company may:

- reject in whole or in part at its discretion any application for Units; or
- redeem at any time Units held by Unitholders who are excluded from purchasing or holding such Units.

In the event that the Management Company gives notice of a compulsory redemption for any of the reasons set forth above to a Unitholder, such Unitholder shall cease to be entitled to the Units specified in the redemption notice immediately after the close of business on the date specified therein.

6. **ISSUE AND REDEMPTION OF UNITS**

6.1 Issue of Units

The Fund may issue Units of any Class within each separate Sub-Fund.

Units are made available through the Management Company on a continuous basis in each Sub-Fund.

The Management Company may impose restrictions on the frequency at which Units shall be issued in any Sub-Fund.

Units shall be issued on the relevant business day (a "Business Day") having been designated by the Management Company to be a valuation day for the relevant Sub-Fund (the "Valuation Day"), subject to the right of the Management Company to discontinue temporarily such issue as provided in Article 12.3. Whenever used herein, the term "Business Day" shall mean a day on which banks and the stock exchange are open for business in Luxembourg City.

The price per Unit will be the net asset value ("NAV") per Unit of the relevant Class of Units within each Sub-Fund as of the applicable Valuation Day together with any applicable sales charges. Subject to the laws, regulations, stock exchange rules or banking practices in a country where a subscription is made, taxes or costs may be charged additionally. The NAV per Unit of each Class will be available within the

period of time determined by the Management Company and specified in the Prospectus.

Investors may be required to complete a subscription agreement for Units or other documentation satisfactory to the Management Company indicating that the purchaser or the beneficial owner is not a "U.S. Person" and, as the case may be, is an Institutional Investor. Subscription agreements containing such representations are available from the Management Company or the Fund's duly appointed agents. For subsequent subscriptions, instructions may be given by fax, telex or by post.

Payments shall be made within the period of time determined by the Management Company and specified in the Prospectus by electronic bank transfer net of all bank charges (except where local banking practices do not allow electronic bank transfers) and in the Reference Currency of the relevant Sub-Fund or in any other currency to the extent provided for in the Prospectus to the order of the Custodian. Failing these payment applications will be considered as cancelled.

The Management Company will not issue Units as of a particular Valuation Day unless the application for subscription of such Units has been received by the registrar and transfer agent (on behalf of the Management Company or directly from the subscriber) by a time dictated by the Management Company as more fully described in the Prospectus; otherwise such application shall be deemed to have been received on the next following Business Day. Applications for subscription may also be made through the distributor(s), in such a case investors should note that other subscription procedures or time limits may apply.

The Management Company reserves the right to reject any subscription in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will normally be returned to the applicant within the timeframe as indicated in the Prospectus, provided such subscription monies have been cleared.

No Units of any Class and Sub-Fund will be issued during any period when the calculation of the NAV per Unit in such Class or Sub-Fund is suspended by the Management Company, pursuant to the powers reserved to it by Article 12.3. of the Management Regulations.

In the case of suspension of dealings in Units, the subscription will be dealt with on the first Valuation Day following the end of such suspension period.

The Management Company may agree to issue Units as consideration for a contribution in kind of securities to any Unitholder who agrees, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Fund ("réviseur d'entreprises agréé") which shall be available for inspection, and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund described in the Prospectus for the Units of the Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant Unitholders.

To the extent that a subscription does not result in the acquisition of a full number of Units, the Management Company may decide to issue fractional Units up to three decimals.

6.2 Minimum Investment and Holding

Minimum amounts of initial and subsequent investments as well as of holding may be set by the Management Company and disclosed in the Prospectus of the Fund.

6.3 Redemption of Units

Except as provided in Article 12.3, Unitholders may at any time request redemption of their Units.

Redemptions will be made at the NAV per Unit in the relevant Sub-Fund and Class on any Valuation Day, provided that the applications have been received by the registrar and transfer agent (on behalf of the Management Company or directly from the Unitholder) by a time dictated by the Management Company acting on behalf of the Fund in Luxembourg, as more specifically described in the Prospectus. Applications received after that time will be deemed to have been received on the next following Business Day. Application for redemption may also be made through the distributor(s), in such a case investors should note that other redemption procedures and time limits may apply.

Further to potential fluctuations, the redemption price may be higher or lower than the price paid at the time of the subscription or purchase.

Instructions for the redemption of Units may be made by fax, telex or by post. Applications for redemption should contain the following information (if applicable): the identity and address of the Unitholder requesting the redemption, the relevant Sub-Fund, the relevant Class, the number of Units or currency amount to be redeemed, the name in which such Units are registered and full payment details, including name of beneficiary, bank and account number. All necessary documents to fulfil the redemption should be enclosed with such application.

Redemption requests must be accompanied by a document evidencing authority to act on behalf of such Unitholder or power of attorney which is acceptable in form and substance to the Management Company. Redemption requests made in accordance with the foregoing procedure shall be irrevocable, except that a Unitholder may revoke such request in the event that it cannot be honoured for any of the reasons specified in Article 12.3. hereof.

The Management Company shall ensure that an appropriate level of liquidity is maintained in each Sub-Fund in order to make certain at any time, under normal circumstances, the repurchase of Units of a Sub-Fund.

Upon instruction received from the Management Company, payment of the redemption price will be made within the period of time determined by the

Management Company and specified in the Prospectus. Payment for such Units will be made in the Reference Currency of the relevant Sub-Fund or, if applicable, in the denomination currency of the relevant Class as disclosed in the Appendices below or in any freely convertible currency specified by the Unitholder. In the last case, any conversion cost shall be borne by the relevant Unitholder.

Units in any Sub-Fund will not be redeemed if the calculation of the NAV per Unit of such Sub-Fund is suspended by the Management Company in accordance with Article 12.3.

Furthermore, if on any Valuation Day repurchase requests and conversion requests relate to more than 10% of the Units in issue in a specific Class or Sub-Fund, the board of directors of the Management Company may decide that part or all of such requests for repurchase or conversion will be deferred for such period as the board of directors considers to be in the best interest of the relevant Sub-Fund, but normally not exceeding one Valuation Day. On the next Valuation Day following such period, these repurchase and conversion requests will be met in priority to later requests.

If, as a result of any request for repurchase, the aggregate NAV of all the Units held by any Unitholder in any Sub-Fund would fall below the minimum amount referred to in Article 6.2. hereof, the Management Company may treat such request as a request to redeem the entire unitholding of such Unitholder in the relevant Sub-Fund.

7. **CONVERSION**

Except as otherwise specified in the Prospectus, Unitholders who wish to convert all or part of their Units of a particular Class into Units of other Class(es) of Units (as far as available) within the same Sub-fund or Units of the same or different Classes of Units (as far as available) of another Sub-funds must submit an application by fax, telex or by post to the registrar and transfer agent, specifying the Sub-Fund or Sub-Funds, the Class or Classes concerned and the number of Units they wish to convert.

A conversion of Units of a particular Class of one Sub-Fund for Units of another Class in the same Sub-Fund and/or for Units of the same or different Class in another Sub-Fund will be treated as a redemption of Units and a simultaneous purchase of Units of the acquired Sub-Fund. A converting Unitholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Unitholder's citizenship, residence or domicile.

Units may be tendered for conversion on any Business Day.

All terms and conditions regarding the redemption of Units shall equally apply to the conversion of Units.

No conversion of Units will be effected until a duly completed conversion request form or other written notification acceptable to the registrar and transfer agent has been received at the registered office of the registrar and transfer agent (on behalf of the Management Company or directly from the Unitholder) by a time dictated by the

Management Company acting on behalf of the Fund in Luxembourg, as more specifically described in the Prospectus. Applications received after that time will be deemed to have been received on the next following Business Day.

In converting Units, the Unitholder must where applicable meet the minimum investment requirements referred to in Article 6.2 hereof.

If, as a result of any request for conversion, the aggregate NAV of all the Units held by any Unitholder in any Sub-Fund would fall below the minimum amount referred to in Article 6.2 hereof, the Management Company may treat such request as a request to convert the entire holding of such Unitholder in the relevant Sub-Fund.

Conversions will be made on the basis of the respective NAVs of the relevant Units of the relevant Class of Units or Sub-Fund, as of the relevant Valuation Day(s) following receipt by the registrar and transfer agent, of the documents mentioned in the Prospectus, less any conversion charge specified in the Prospectus.

8. **CHARGES OF THE FUND**

8.1 General

The Fund shall pay out of the assets of the relevant Sub-Fund all expenses payable by the Sub-Fund which shall include but not be limited to:

- fees payable to and reasonable disbursements and out-of-pocket expenses incurred by its Management Company, Custodian, paying agent, registrar and transfer agent, as applicable;
- all taxes which may be due on the assets and the income of the Sub-Fund;
- usual banking fees due on transactions involving securities held in the Sub-Fund;
- legal expenses incurred by the Management Company and the Custodian while acting in the interests of the Unitholders;
- the cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of, or claim for damage or other relief asserted against the Management Company and/or the Custodian or other agents of the Fund for violation of any law or failure to comply with their respective obligations under these Management Regulations or otherwise with respect to the Fund;
- the costs and expenses of the preparation and printing of written confirmations of Units; the costs and expenses of preparing and/or filing and printing of the Management Regulations and all other documents concerning the Fund, including registration statements and prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Units of the

Fund; the costs and expenses of preparing, in such languages as are necessary for the benefit of the Unitholders, including the beneficial holders of the Units, and distributing annual and semi-annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the NAV; the cost of preparing and distributing public notices to the Unitholders; lawyers' and auditor's fees; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Units.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortised over a period not exceeding 5 years.

In the event that the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or that other company may not charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or UCIs.

8.2 Formation and launching expenses of the Fund

The costs and expenses of the formation of the Fund and the initial issue of its Units will be borne by the Fund and amortised over a period not exceeding 5 years from the formation of the Fund and in such amounts in each year as determined by the Management Company on an equitable basis.

8.3 Formation and launching expenses of additional Sub-Funds

The costs and expenses incurred in connection with the creation of a new Sub-Fund shall be written off over a period not exceeding 5 years against the assets of such Sub-Fund only and in such amounts each year as determined by the Management Company on an equitable basis. The newly created Sub-Fund shall not bear a pro-rata of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Units, which have not already been written off at the time of the creation of the new Sub-Fund.

8.4 Fees of the Management Company

The Management Company is entitled to a management fee out of the net assets of the relevant Sub-Fund payable at the end of each month. Such fee is described in detail for each Sub-Fund in the relevant appendix of the Prospectus.

The Management Company pays to the Investment Manager and/or to the investment advisor (if any) a fee out of its management fee as from time to time agreed between themselves.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Management Company in its capacity administrator, registrar and transfer agent will be borne by the relevant Sub-Fund.

In addition to the management fee, the Management Company in consideration for the administrative agent services is entitled to an administration fee, up to a maximum of 0,35% p.a., out of the net assets of the relevant Sub-Fund payable at the end of each month.

Furthermore, the Management Company may receive customary fees for the domiciliary and corporate services rendered to the Fund.

8.5 Fees of the Custodian

The fees due to the Custodian may amount to up to 0.10% per year, calculated on the basis of the Net Asset Value determined on the last Valuation Day of each month. Notwithstanding such fees, the Custodian will receive customary banking fees for transactions.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, e-mail, website, cable and postage expenses) incurred by the Custodian, and any custody charges of banks and financial institutions to which custody of assets of a Sub-Fund is entrusted, will be borne by the relevant Sub-Fund.

8.6 Fees of the paying agent, registrar and transfer agent

The paying agent, registrar and transfer agent shall be entitled to receive out of the net assets of each Sub-Fund a maximum fee of 0.10% per year, calculated on the basis of the Net Asset Value determined on the last Valuation Day of each month. For the avoidance of doubt, this maximum fee of 0.10% per year is not included in the management fee.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, e-mail, website, cable and postage expenses) incurred by the paying agent and the registrar and transfer agent.

8.7 Performance fee

The investment manager and/or the investment advisor may be entitled to a performance fee in relation to certain Sub-Funds, as indicated in the relevant appendix of the prospectus.

9. ACCOUNTING YEAR, AUDIT

The accounts of the Fund are closed each year on 31 December. The first accounting year will end on December 31, 2006.

The consolidated accounts of the Fund shall be kept in the Reference Currency of the Fund. The financial statements relating to the separate Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

The accounts of the Management Company and of the Fund will be audited annually by an auditor appointed from time to time by the Management Company.

10. PUBLICATIONS

Audited annual reports and unaudited semi-annual reports will be made available to the Unitholders at no cost to them at the offices of the Management Company, the Custodian and any paying agent.

Any other financial information to be published concerning the Fund or the Management Company, including the NAV, the issue, conversion and repurchase price of the Units for each Sub-Fund and any suspension of such valuation, will be made available to the public at the offices of the Management Company, the Custodian and any paying agent.

To the extent required by Luxembourg law or decided by the Management Company, all notices to Unitholders will be sent to Unitholders at their address indicated in the register of Unitholders, sent to the unitholders via e-mail, published on the website of the Fund, in one or more newspapers and/or in the Mémorial.

11. THE CUSTODIAN, PAYING AGENT, REGISTRAR AND TRANSFER AGENT

As at the date of these Management Regulations, the Management Company has appointed KBL EUROPEAN PRIVATE BANKERS S.A. with its office in Luxembourg, as custodian of the Fund's assets.

The Custodian carries out the usual duties regarding custody, cash and securities deposits, without any restriction. In particular, and upon the instructions of the Management Company, it will execute all financial transactions and provide all banking facilities. The Custodian will further, in accordance with the Law of 2010 be entrusted with the custody of the assets of the Fund and shall carry out all operations concerning the day-to-day administration of the assets of the Fund. The Custodian must moreover:

- ensure that the sale, issue, redemption, conversion and cancellation of Units effected on behalf of the Fund or by the Management Company are carried out in accordance with applicable law and these Management Regulations;
- ensure that the value of Units is calculated in accordance with the law and the Management Regulations;
- carry out the instructions of the Management Company, unless they conflict with applicable law or these Management Regulations;

- ensure that in transactions involving the assets of the Fund any consideration is remitted to it within the customary settlement dates; and
- ensure that the income attributable to the Fund is applied in accordance with these Management Regulations.

The Custodian shall assume its functions and responsibilities in accordance with the Law of 2010.

Each of the Custodian or the Management Company may terminate the appointment of the Custodian at any time upon ninety (90) days' written notice delivered by either to the other, provided, however, that any termination by the Management Company is subject to the condition that a successor custodian assumes within two months the responsibilities and the functions of the Custodian under these Management Regulations and provided, further, that the duties of the Custodian hereunder shall, in the event of a termination by the Management Company, continue thereafter for such period as may be necessary to allow for the transfer of all assets of the Fund to the successor custodian.

In the event of the Custodian's resignation, the Management Company shall as soon as possible and in any case not later than two months after the termination, appoint a successor custodian who shall assume the responsibilities and functions of the Custodian under these Management Regulations.

The Management Company has further appointed KBL EUROPEAN PRIVATE BANKERS S.A. as paying agent responsible for the payment of distributions, if any, payment of the redemption price by the Fund;

The Management Company has delegated a portion of its duties, with the prior approval of the Board of Directors, to Kredietrust Luxembourg S.A., having its registered office at 11, rue Aldringen, L-2960 Luxembourg Grand-Duchy of Luxembourg, which has been appointed to provide registrar and transfer agent services to the Fund and is in charge for the processing of the issue, redemption and conversion of Shares. Kredietrust Luxembourg S.A. is empowered to delegate, under its full responsibility, all or part of its duties to a third Luxembourg entity, with the prior consent of the Management Company.

12. DETERMINATION OF THE NET ASSET VALUE PER UNIT

12.1 Frequency of Calculation

The NAV per Unit for each Class within the relevant Sub-Fund will be calculated at least twice a month as more fully described in the Prospectus (a "Valuation Day"), in accordance with the provisions of Article 12.4. hereinafter. Such calculation will be done by the Management Company in its capacity as administrator.

12.2 Calculation

The NAV per Unit for each Class of Units within the relevant Sub-Fund shall be expressed in the Reference Currency of each relevant Sub-Fund and shall be determined as of any Valuation Day by dividing the net assets of the Sub-Fund attributable to the relevant Class, being the value of the total assets of that Sub-Fund properly allocable to such Class less the portion of liabilities of such Sub-Fund properly allocable to such Class, on any such Valuation Day, by the total number of Units of such Class then outstanding on the relevant Valuation Day, in accordance with the valuation rules set forth under Article 12.4.

The assets and liabilities of each Sub-Fund are valued in its Reference Currency.

The NAV per Unit may be rounded up or down to the nearest unit of the relevant currency as the Management Company shall determine.

12.3 Temporary Suspension of the Calculation

The Management Company, acting on behalf of the Fund, may suspend the determination of the NAV per Unit of any Sub-Fund and in consequence the issue and redemption of its Units from its Unitholders as well as the conversion from and to Units of each Sub-Fund:

- when one or more Regulated Markets, stock exchanges or other regulated markets, which provide the basis for valuing a substantial portion of the assets of the Fund attributable to such Sub-Fund, or when one or more Regulated Markets, stock exchanges or other regulated markets in the currency in which a substantial portion of the assets of the Fund attributable to such Sub-Fund is denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Management Company, disposal of the assets of the Fund attributable to such Sub-Fund is not reasonably or normally practicable without being seriously detrimental to the interests of the Unitholders;
- in the case of a breakdown in the normal means of communication used for the valuation of any investment of the Fund attributable to such Sub-Fund, or if, for any exceptional circumstances, the value of any asset of the Fund attributable to such Sub-Fund may not be determined as rapidly and accurately as required;
- if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchases and sales of the Fund's assets attributable to such Sub-Fund cannot be effected at normal rates of exchange.

Any such suspension shall be published and shall be notified to Unitholders having made an application for subscription, redemption or conversion of Units for which the calculation of the NAV has been suspended.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the NAV per Unit, the issue, redemption and conversion of Units of any other Sub-Fund.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the NAV per Unit in the relevant Sub-Fund.

12.4 Valuation of the Assets

12.4.1 The assets of the Fund, in relation to each Sub-Fund, shall be deemed to include:

- (i) All cash on hand or on deposit, including any interest accrued thereon;
- (ii) All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned by the Fund or contracted for by the Management Company on behalf of the Fund (provided that the Management Company may make adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (iv) All stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) All interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The preliminary expenses of the Fund, including the cost of issuing and distributing Units of the Fund, insofar as the same have not been written off;
- (vii) The liquidating value of all forward contracts and all call or put options the Fund has an open position in;
- (viii) All other assets of any kind and nature including expenses paid in advance.

12.4.2 The value of the assets of each Sub-Fund shall be determined as follows:

- a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the

full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;

- b) The value of securities listed or dealt in on a Regulated Market, stock exchange or other regulated markets will be valued at the closing price on such markets on the day preceding the Valuation Day, save for securities listed on an Asian exchange, the value of which will be measured applying the closing prices on the Valuation Day. If a security is listed or traded on several markets, the closing price at the market which constitutes the main market for such securities, will be determining;
- c) In the event that the securities are not listed or dealt in on a Regulated Market, stock exchange or other regulated markets or if, in the opinion of the Management Company, the latest available price does not truly reflect the fair market value of the relevant securities, the value of such securities will be defined by the Management Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Management Company;
- d) The liquidating value of futures, forward or options contracts not dealt in on Regulated Markets, stock exchange or other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on Regulated Markets, stock exchange or other regulated markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchange or other regulated markets on which the particular futures, forward or options contracts are dealt in by the Management Company on behalf of the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Management Company may deem fair and reasonable;
- e) The NAV per Unit of any Sub-Fund may be determined by using an amortised cost method for all investments with a known short term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price such Sub-Fund would receive if it sold the investment. The Management Company will

continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Sub-Fund's investments will be valued at their fair value as determined in good faith by the Management Company. If the Management Company believe that a deviation from the amortised cost per Unit may result in material dilution or other unfair results to Unitholders, the Management Company shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;

The relevant Sub-Fund shall, in principle, keep in its portfolio the investments determined by the amortisation cost method until their respective maturity date;

- f) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Management Company;
- g) All other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Management Company;
- h) The Management Company, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Management Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Fund.

If since the time of determination of the NAV per Unit of any Class in a particular Sub-Fund there has been a material change in the quotations in the markets on which a substantial portion of the investments of such Sub-Fund are dealt in or quoted, the Management Company may, in order to safeguard the interests of the Unitholders and the Fund, cancel the first valuation of the NAV per Unit and carry out a second valuation. All the subscription, redemption and exchange orders received on such day will be dealt at the second NAV per Unit.

12.4.3 The liabilities of the Fund shall be deemed to include:

- (i) All loans, bills and accounts payable;

- (ii) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) All accrued or payable administrative expenses;
- (iv) All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- (v) An appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Management Company, and other reserves, if any, authorised and approved by the Management Company; and
- (vi) All other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Units of the Fund. In determining the amount of such liabilities, the Management Company shall take into account all expenses payable and all costs incurred by the Fund, which shall comprise inter alia the fees and expenses detailed in Section 8 hereafter.

The NAV per Unit for each Sub-Fund is determined by the Management Company acting in its capacity as administrator and made available at the registered office of the Management Company.

Each Sub-Fund shall be valued so that all agreements to purchase or sell securities are reflected as of the date of execution, and all dividends receivable and distributions receivable are accrued as of the relevant ex-dividend dates.

13. **INVESTMENT RESTRICTIONS**

The Management Company has the power to determine any investment restrictions which will from time to time be applicable to the assets of the Fund and of each Sub-Fund, provided that at all times the investment policy of the Fund and of each Sub-Fund complies with Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time, and any other law with which it must comply in order to qualify as an undertaking for collective investments in transferable securities under article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

1. **In the determination and implementation of the investment policy the board of directors of the Company may cause the assets of each sub-fund to be invested in:**

- a) Transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

- b) Transferable Securities and Money Market Instruments dealt in on another regulated market in a Member State of the European Union which operates regularly and is recognised and open to the public;
- c) Transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the management regulations or the instruments of incorporation of the UCITS;
- d) Recently issued Transferable Securities and Money Market Instruments provided that:
 - The terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under a), b) and c) above; and
 - Such admission is secured within one year of the issue;
- e) Shares or units of UCITS authorized according to the UCITS Directive and/or other UCI within the meaning of the first and second indent of Article 1(2) of the UCITS Directive, should they be situated in a Member State of the European Union or not, provided that:
 - Such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently ensured;
 - The level of guaranteed protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
 - The business of the other UCI is reported in at least half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - No more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or other UCIs;

- The Sub-Funds may not invest in units of other UCITS or other UCIs for more than 10% of their assets, unless otherwise provided in respect of a particular Sub-Fund.
- f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 twelve months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law
- g) Financial derivatives, including options, futures and options on futures, equivalent cash settled instruments, dealt in on a regulated market referred to under a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
- The underlying consists of instruments covered by this Section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest in accordance with its investment objectives;
 - The counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Fund’s initiative;
- h) Money market instruments other than those dealt in on Regulated Markets or other regulated markets referred to in a), b) and c) and other than Money Market Instruments, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- Issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
 - Issued by an undertaking any securities of which are dealt in on Regulated Markets or other regulated markets referred to under a), b) or c) above; or

- Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
- Issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent of this Section 1 h), and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000) and (ii) which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, (iii) is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group, or (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. **Moreover, in each sub-fund the Company may:**

- a) Invest up to 10% of the net assets of each of the Sub-Funds in transferable securities and money market instruments other than those referred to under Section 1) a) through h) above.
- b) Hold, on an ancillary basis, cash and other cash-equivalent instruments.
- c) Borrow the equivalent of up to 10% of its net assets provided that the borrowing is on a temporary basis. Commitments in connection with options and the purchase and sale of futures are not taken into consideration when calculating the investment limit.
- d) Acquire foreign currencies by means of back-to-back loans.

3. **In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:**

(a) **Rules for risk spreading**

For the calculation of the limits defined in points (1) to (5) and (7) below, companies belonging to the same Group of Companies shall be treated as a single issuer.

Insofar as an issuer is a legal entity with several sub-funds where the assets of a given sub-fund are exclusively subject to the rights of investors in such sub-fund and of creditors with a claim arising from the creation, operation or liquidation of said sub-fund, each sub-fund must be considered a separate issuer for the application of the risk division rules.

- **Transferable Securities and Money Market Instruments**
 - (1) A sub-fund may not buy additional Transferable Securities and Money Market Instruments from one and the same issuer if, after their purchase:
 - (i) more than 10% of its net assets are Transferable Securities or Money Market Instruments issued by said entity;
 - (ii) the total value of the Transferable Securities and Money Market Instruments from issuers in each of which it invests more than 5% of its net assets exceeds 40% of its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to transactions with such institutions involving OTC derivatives.
 - (2) The 10% limit laid down in paragraph (1) is raised to 20% in the case of Transferable Securities and Money Market Instruments issued by the same Group of Companies.
 - (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.
 - (4) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a Member State of the European Union and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the Sub-Fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-Fund's net assets.
 - (5) The values mentioned in (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) (ii) above.
 - (6) Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Sub-Fund is authorised to invest up to 100% of its assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union, its local authorities, a member state of the OECD, a non member State of the European Union and non OECD countries if provided in respect of a

particular Sub-Fund in the relevant appendix of the Prospectus or public international bodies of which one or more Member States of the European Union are members, provided that (i) these securities consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Sub-Fund's net assets.

(7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Sub-Fund's investment policy is aimed at duplicating the composition of a certain stock or debt securities index, which is recognised by the CSSF and meets the following criteria:

- The index's composition is sufficiently diversified;
- The index represents an adequate benchmark for the market to which it refers;
- The index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional conditions, in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for one single issuer.

- **Bank deposits**

(8) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same entity.

- **Derivatives**

(9) The net exposures (*i.e.* the exposures of the UCITS less the collateral received by the UCITS) to a counterparty arising from securities lending transactions or reverse repurchase / repurchase agreement transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the Law of December 17, 2010 pursuant to point 2 of Box 27 of ESMA Guidelines 10-788

(10) The Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (5), (8), (9), (16) and (17). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits laid down in (1) to (5), (8), (9), (16) and (17).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the

requirements of article 42 of the Law of 2010 to determine the risks arising on transactions in derivative instruments.

- (12) With regard to derivative instruments, each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The risks exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Except if otherwise provided in the relevant appendix of the prospectus with respect to a particular Sub-Fund, derivative instruments will only be used for hedging purposes.

- **Shares or units in open-ended funds**

- (13) Each Sub-Fund may not invest more than 20% of its net assets in shares or units of a single UCITS or other UCI referred to in 1) e) above.
- (14) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.
- (15) To the extent that a UCITS or UCI is composed of several sub-funds and provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties, each sub-fund shall be considered as a separate entity for the application of the limit laid down in (13) hereabove.

When the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of other UCITS and/or other UCI.

If the Sub-Fund shall decide to invest a substantial proportion of its assets in other UCITS and/or UCIs the maximum level of management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it intends to invest will be disclosed in this Prospectus under the specific information regarding the concerned Sub-Fund.

- **Combined limits**

- (16) Notwithstanding the individual limits laid down in (1), (8) and (9), the Sub-Funds may not combine:

- Investments in Transferable Securities or Money Market Instruments issued by;
- Deposits made with; and/or
- Exposures arising from OTC derivatives transactions undertaken with; a single body in excess of 20% of its net assets.

(17) The limits set out in (1) to (5), (8) and (9) cannot be combined. Thus, investments by each Sub-Fund in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with (1) to (5), (8) and (9) may not exceed a total of 35% of the net assets of the Sub-Fund.

(b) Restrictions with regard to control

(18) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(19) The Fund may acquire no more than:

- (i) 10% of the outstanding non-voting shares of the same issuer,
- (ii) 10% of the outstanding debt securities of the same issuer,
- (iii) 25% of the outstanding shares or units of the same UCITS and/or other UCI,
- (iv) 10% of the outstanding Money Market Instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

(20) The limits laid down in (18) and (19) are waived as regards:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union or its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State of the European Union;
- Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States of the European Union are members;

- Shares held in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such holding represents the only way in which the relevant Sub-Fund can invest in the securities of issuing bodies of that State and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
- Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the shares at the Unitholders request exclusively on its or their behalf.

4. **Furthermore, the following restrictions will have to be complied with:**

- (i) No Sub-Fund may acquire either precious metals or certificates representing them.
- (ii) No Sub-Fund may acquire real estate, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (iii) No Sub-Fund may issue warrants or other instruments giving holders the right to purchase Units in such Sub-Fund.
- (iv) Without prejudice to the possibility of a Sub-Fund to acquire debt securities and to hold bank deposits, a Sub-Fund may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Sub-Fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up.
- (v) A Sub-Fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

5. **Notwithstanding the above provisions:**

- (i) Each of the Sub-Funds needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of such Sub-Fund's portfolio concerned. Each Sub-Fund has 6 months from its date of authorization to achieve compliance with paragraph 3 (a).
- (ii) If the limits referred to above are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.

- (iii) The Fund has access to employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-Funds. The Fund employs a process allowing for accurate and independent assessment of the value of the OTC derivative instruments.
- (iv) Information relating to the quantitative limits that apply in the risk management of the Fund , to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to investors upon request.

14. SPECIAL INVESTMENT AND HEDGING TECHNIQUES AND INSTRUMENTS

14.1 General

Unless further restricted by the Investment Policies of a specific Sub-Fund, the Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that, for the time being, such techniques and instruments are only used for hedging purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in section "Investment Restrictions".

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

Furthermore, the Fund may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing and as repurchase agreement transactions, provided that the following rules be complied with:

14.2 Securities lending transactions

The Fund may engage in securities lending provided that these transactions comply with the following rules:

- (1) The Fund is authorised to lend securities within a standardised system organised by a recognised securities clearing institution or a first rate financial institution specialised in this type of transaction.
- (2) When engaging in securities lending, and except when this is done through a recognised securities clearing institution, the Fund must receive security of a value that, at the time of entering into the agreement, must be at least equal to the aggregate value of the securities lent.

This collateral must be given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD or by the central, regional or local government agencies of these States, or by supranational institutions and organisations with EU, regional or worldwide scope, and must be blocked in favour of the Fund until expiry of the lending agreement.

Such collateral is not required when securities lending is arranged through the intermediary of Clearstream, Euroclear or any other institution whereby the lender is assured of receiving the value of the securities lent in application of a guarantee or otherwise.

- (3) Lending transactions may not extend beyond a period of 30 days, nor may they exceed 50% of the aggregate market value of the securities in the portfolio of the Sub-Fund concerned. This restriction is not applicable if the Fund has the right to terminate the agreement at any time and obtain restitution of the securities lent.

14.3 Repurchase agreements

On an ancillary basis and for the purpose of improving performances, the Fund may enter into repurchase agreements consisting of the purchase and sale of securities in which the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the time of entering into the agreement.

The Fund may enter into repurchase agreements either as purchaser or as seller. However, when entering into agreements of this type, the Fund shall comply with the following rules:

- (1) The Fund may purchase or sell securities in connection with a repurchase agreement only if the counterparty is a highly rated financial institution specialised in this type of transaction.
- (2) For the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement either before the counterparty has exercised its right to repurchase the securities or before the repurchase period has expired.
- (3) When the Fund has obligations to make repurchases, it must ensure that the level of repurchase agreements is such that it can meet these obligations at any given time.

15. **CROSS INVESTMENTS AND MASTER FEEDER**

- **Cross Investments:**

A Sub-Fund of the Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Fund of the same Fund under the condition, however, that:

- The target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and

- No more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested pursuant to their management regulations or their instruments of incorporation in units of other target Sub-Fund of the Fund; and
- Voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- In any event, for as long as these securities are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by this Law; and
- There is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target compartment, and this target Sub-Fund.

- **Master Feeder:**

A Sub-Fund of the Fund may be a feeder Sub-Fund approved to invest at least 85% of its assets in units of another UCITS or investment Sub-Fund thereof (the "master UCITS") or a master Sub-Fund which has, among its unitholders, at least one feeder UCITS, is not itself a feeder UCITS and does not hold units of a feeder UCITS, subject to and in accordance with Chapter 9 of the Law of 17 December 2010 on undertakings for collective investments, as replaced or amended.

16. **DISTRIBUTION POLICY**

Where specified for specific Categories as disclosed in the Prospectus, the Management Company may declare annual or other interim distributions out from the investment income gains and realised capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution.

Notwithstanding the above, no distribution may be made as a result of which the total net assets of the Fund would fall below the equivalent in the Reference Currency of the Fund of the minimum amount of the net assets of undertakings for collective investment, as required by Luxembourg law.

Distributions made and not claimed within five years from their due date will lapse and revert to the relevant Sub-Fund.

17. **AMENDMENTS TO THE MANAGEMENT REGULATIONS**

The Management Company may, by mutual agreement with the Custodian and in accordance with Luxembourg law, make such amendments to these Management Regulations as it may deem necessary in the interest of the Unitholders. These amendments shall be effective as per the date of their signature by the Management Company and the Custodian.

18. **DURATION, LIQUIDATION AND AMALGAMATION OF THE FUND OR OF ANY SUB-FUND**

The Fund and each of the Sub-Funds have been established for an unlimited period of time. However, the Fund or any Class and/or the Sub-Funds may be terminated at any time by decision of the Management Company. The Management Company may, in particular decide such dissolution where the value of the net assets of the Fund or of any Class and/or Sub-Fund has decreased to an amount determined by the Management Company to be the minimum level for the Fund or for such Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation or as a matter of rationalisation.

The liquidation of the Fund or of a Class and/or Sub-Fund cannot be requested by a Unitholder.

The event leading to dissolution of the Fund must be announced by a notice published in the *Mémorial*. In addition, the event leading to dissolution of the Fund must be announced in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the Unitholders in such other manner as may be deemed appropriate by the Management Company.

The Management Company or, as the case may be, the liquidator it has appointed, will realise the assets of the Fund or of the relevant Class(es) and/or Sub-Fund(s) in the best interest of the Unitholders thereof, and upon instructions given by the Management Company, the Custodian will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the Unitholders of the relevant Class(es) and/or Sub-Fund(s) in proportion to the number of Units held by them. The Management Company may distribute the assets of the Fund or of the relevant Class(es) and/or Sub-Funds wholly or partly in kind to any Unitholder who agrees in compliance with the conditions set forth by the Management Company (including, without limitation, delivery of independent valuation report issued by the auditors of the Fund) and the principle of equal treatment of Unitholders.

At the close of liquidation of the Fund, the proceeds thereof corresponding to Units not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed. As far as the liquidation of any Class and/or Sub-Fund is concerned, the proceeds thereof corresponding to Units not surrendered for repayment at the close of liquidation will be kept in safe custody with the Custodian during a period not exceeding 9 months as from the date of the close of the liquidation; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*.

Units may be redeemed, provided that Unitholders are treated equally.

Under the same circumstances as provided in the first paragraph above in relation to the liquidation of Class(es) and/or Sub-Funds, the Management Company may decide to amalgamate a Class and/or Sub-Fund into another Class and/or Sub-Fund.

Unitholders will be informed of such decision by a notice sent to the Unitholders at their address indicated in the register of Unitholders or in such manner as may be deemed appropriate by the Management Company and, in addition, the publication will contain information in relation to the new Class and/or Sub-Fund. Such publication will be made at least one month before the date on which the amalgamation becomes effective in order to enable Unitholders to request redemption of their Units, free of charge, before the operation involving contribution into the new Class and/or Sub-Fund becomes effective.

The Management Company may decide to allocate the assets of any Class and/or Sub-Fund to those of another UCI submitted to part I of the Law of 2010 or to another sub-fund within such other UCI (such other UCI or sub-fund within such other UCI being the "new Fund") (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Unitholders) where the value of the net assets of any Class and/or Sub-Fund has decreased to an amount determined by the Management Company to be the minimum level for the Class and/or Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation or as a matter of rationalisation. Such decision will be announced by a notice sent to the Unitholders at their address indicated in the register of Unitholders or in such manner as may be deemed appropriate by the Management Company (and, in addition, the notice will contain information in relation to the new Fund), one month before the date on which the amalgamation becomes effective in order to enable Unitholders to request redemption of their Units, free of charge, during such period. After such period, Unitholders having not requested the redemption of their Units will be bound by the decision of the Management Company, provided that only the Unitholders having expressly consented thereto may be transferred to a foreign UCI.

19. SPECIAL DERIVATIVE RISK FACTORS

(i) Leverage Risk

Due to the low margin deposits normally required in trading derivative instruments, a high degree of leverage is typical for trading in derivatives instruments. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.

(ii) Short Selling Risk

Certain Sub-Funds may take short positions on a security through the use of derivatives in the expectation that their value will fall in the open market. The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investments may also be subject to

changes in regulations, which could impose restrictions that could adversely impact returns to investors.

(iii) Particular Risks of Exchange Traded Derivative Transactions Suspensions of Trading

Each securities exchange or commodities contract market typically has the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub-Funds, to liquidate positions and, accordingly, expose the Sub-fund to losses and delays in its ability to redeem Units.

(i) Particular Risks of OTC Derivative Transactions:

a. Absence of regulation; counterparty default

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, any Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. A Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Sub-Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

b. Liquidity; requirement to perform

From time to time, the counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Investment Manager with the possibility to offset the Sub-Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

20. **APPLICABLE LAW, JURISDICTION, LANGUAGE**

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg.

Any claim arising between the Unitholders, the Management Company and the Custodian shall be settled according to the laws of the Grand Duchy of Luxembourg and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company and the Custodian may subject themselves and the Fund (i) to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by investors resident in such countries and, (ii) with respect to matters relating to subscriptions, redemptions and conversions by Unitholders resident in such countries, to the laws of such countries.

English shall be the governing language of these Management Regulations.

The claims of the Unitholders against the Management Company or the Custodian will lapse five years after the date of the event which gave rise to such claims.

Executed in three originals and effective as of 2nd of July 2012.

The Management Company

The Custodian