

FRANKLIN TEMPLETON ALTERNATIVE FUNDS

Société d'investissement à capital variable sous forme de
société anonyme

Siège social: 8A, rue Albert Borschette,
L-1246 Luxembourg

CONSTITUTION

d'une société d'investissement à capital variable
du 1 août 2019
Numéro

In the year two thousand and nineteen, on the first day of the month of August.

Before us Maître Jean-Joseph Wagner, notary residing in Sanem, Grand Duchy of Luxembourg,

There appeared:

Templeton Global Advisors Limited, a company existing under Bahamas law, with registered office at Templeton Building, Lyford Cay, P.O. Box N 7759, Nassau, Bahamas, here represented by Ms. Celine Grosjean, attorney, residing in Luxembourg, pursuant to a proxy dated 30 July 2019.

The proxy given, signed by the appearing person and the undersigned notary, shall remain annexed to this document to be filed with the registration authorities.

Such appearing party, in the capacity in which it acts, has requested the notary to state as follows the articles of incorporation of a company which it intends to incorporate in Luxembourg:

Article 1:

There exists among the subscribers and all those who may become holders of shares, a company in the form of a "société anonyme" qualifying as a "société d'investissement à capital variable" under the name of "FRANKLIN TEMPLETON ALTERNATIVE FUNDS" (the "Company").

Article 2:

The Company is established for an unlimited duration. The Company may be dissolved at any time by a resolution of the shareholders adopted in the manner required for amendment of these articles of incorporation (the "Articles of Incorporation") as prescribed in Article 29 hereof (unless otherwise provided for by Article 28 hereof).

Article 3:

The exclusive object of the Company is to place the funds available to it in transferable securities, and other assets as permitted by the law of 17 December 2010 on undertakings for collective investment, as may be amended (the "Law") with the purpose of spreading investment risks and affording its shareholders the results of the management of its portfolio.

The Company may take any measures and carry out any operation which it may deem useful in the accomplishment and development of its purpose to the full extent permitted by Part I of the Law.

Article 4:

The registered office of the Company is established in Luxembourg-City, Grand Duchy of Luxembourg. The board of directors of the Company (the "**Board of Directors**") may transfer the registered office of the Company to any municipality in the Grand Duchy of Luxembourg in which case the Board of Directors shall have the power to amend the Articles of Incorporation accordingly. Wholly-owned subsidiaries, branches or other offices may be established either in the Grand Duchy of Luxembourg or abroad by resolution of the Board of Directors.

In the event that the Board of Directors determines that extraordinary political, economic or social developments have occurred or are imminent, or in case of events of force majeure, that would interfere with the normal activities of the Company at its registered office, or with the ease of communication between such office and persons abroad, the registered office may be temporarily transferred abroad until the complete cessation of these abnormal circumstances; such temporary measures shall have no effect on the nationality of the Company which, notwithstanding the temporary transfer of its registered office, will remain a Luxembourg company.

Article 5:

The capital of the Company shall be represented by shares of no par value and shall at any time be equal to the total net assets of the Company determined in accordance with Article 23 hereof.

The minimum capital of the Company shall be the equivalent in United States dollars ("**USD**") of the minimum provided by the Law.

The Board of Directors is authorized without limitation to issue further fully paid shares at any time at the respective net asset value per share determined in accordance with Article 23 hereof without reserving the existing shareholders a pre-emptive right to purchase the shares to be issued.

The Board of Directors may delegate to any duly authorized director or officer of the Company or to any other duly authorized person, the duty of accepting subscriptions and receiving payment for such new shares and to deliver the latter.

Such shares may, as the Board of Directors shall determine, be issued in different sub-funds within the meaning of Article 181 of the Law (individually a "**Sub-Fund**" and collectively "**Sub-Funds**") and the proceeds of the issue of the shares of each Sub-Fund shall be invested pursuant to Article 3 hereof in transferable securities or other permitted assets corresponding to such geographical areas, industrial sectors or monetary zones, or to such specific types of equity or debt securities, or with such specific distribution policy or specific fee and charge structure or with such other specific features as the Board of Directors shall from time to time determine in respect of each Sub-Fund. The Board of Directors may further decide to create within each Sub-Fund two or more share classes (individually a "**Share Class**" and collectively "**Share Classes**") whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but where a specific fee and charge structure, a specific distribution policy, hedging policy or other specific features are applied to each Share Class.

Any reference herein to "Sub-Fund" shall also mean a reference to "Share Class" unless the context requires otherwise.

prospectus of the Company (the "**Prospectus**").

For the purpose of determining the capital of the Company, the net assets attributable to each Sub-Fund shall, if not expressed in USD, be converted into USD and the capital of the Company shall be the total net assets of all the Sub-Funds. The Company shall prepare consolidated accounts in USD.

Article 6:

The Company will issue new shares in registered form only. If and to the extent permitted, and under the conditions provided for, by law, the Board of

Directors may at its discretion decide to issue, in addition to shares in registered form, shares in dematerialised form, or global share certificates taking the form of global bearer certificates deposited with a securities settlement system ("**Global Share Certificates**"). In particular, under the conditions provided for in the Luxembourg law of 6 April 2013 relating to dematerialized securities, as may be amended, the Board of Directors may at its discretion decide to issue shares in dematerialised form. Dematerialised shares are generally shares exclusively issued by book entry in an issue account (*compte d'émission*, the "**Issue Account**") held by a central account holder (the "**Central Account Holder**") designated by the Company and disclosed in the Prospectus. Under the same conditions, holders of registered shares may also request the switch of their shares into dematerialised shares by means of a book entry in a security account (*compte titres*, the "**Security Account**") in the name of their holders. In order for the shares to be credited on the Security Account, the relevant shareholder will have to provide to the Company any necessary details of his account holder as well as the information regarding his Security Account. This information data will be transmitted by the Company to the Central Account Holder which will in turn adjust the Issue Account and transfer the shares to the relevant account holder. The Company will adapt, if need be, the register of shareholders of the Company (the "**Register**"). The costs resulting from the switch of registered shares at the request of their holders will be borne by the latter unless the Board of Directors decides at its discretion that all or part of these costs must be borne by the Company. For the avoidance of doubt, shares still can be dematerialised de facto.

Ownership of registered shares is evidenced by the entry in the Register and shareholders shall receive a confirmation of their shareholding. The Board of Directors may however decide to issue share certificates, as disclosed in the Prospectus. Share certificates, if issued, shall be signed by two Directors. Both such signatures may be manual, printed, by facsimile or electronic. However, one of such signatures may be by a person delegated to this effect by the Board of Directors. In such latter case, the signature shall be manual. The Company may issue temporary share certificates in such form as the Board of Directors may from time to time determine.

Ownership of shares issued in dematerialised form or taking the form of Global Share Certificates shall be evidenced in accordance with applicable laws and/or the provisions set forth in the Prospectus, as the case may be.

Shares shall be issued only upon acceptance of the purchase instruction and payment of the purchase price as set forth in Article 24 hereof. The purchaser will, without undue delay, upon acceptance of the subscription and receipt of the purchase price, obtain delivery of a confirmation of his shareholding or a definitive share certificate (if applicable).

All registered shares of the Company shall be inscribed in the Register, which shall be kept by the Company or by one or more persons designated by the Company for such purpose and such Register shall contain the name of each holder of registered shares, his/her/its residence or elected domicile so far as notified to the Company, the Sub-Fund, the number of shares held by him/her/it and the amount paid in on each such share.

Transfer of registered shares shall be effected by inscription in the Register of the transfer to be made by the Company upon delivery of a duly signed share transfer form or any other instruments of transfer satisfactory to the Company, together with, if issued, the relevant share certificate to be cancelled. The instruction must be dated and signed by the transferor(s), and if requested by the Company or its designated agent also signed by the transferee(s), or by persons holding suitable powers of attorney to act in that capacity. The transfer of dematerialised shares or shares taking the form of Global Share Certificates (if issued) shall be made in accordance with applicable laws or the provisions set forth in the Prospectus, as the case may be.

Shares, when fully paid, shall be free from any lien in favour of the

Company.

In case of registered shares the Company may consider the person in whose name the shares are registered in the Register, as full owner of the shares.

Every registered shareholder must provide the Company with an address that will be entered in the Register and for shareholders that have individually accepted being notified via email, an email address. All notices and announcements from the Company may be sent to the shareholders to the address entered in the Register and/or by email for shareholders that have so accepted. Such address will be entered in the Register. In the case of joint shareholders, only one address will be inserted in the Register and notices and announcements will be sent to that address only.

Notices and announcements from the Company to holders of dematerialised shares or shares taking the form of Global Share Certificates, if issued, shall be made in accordance with applicable laws or the provisions set forth in the Prospectus, as the case may be. In the event that a shareholder does not provide an address or notices and announcements are returned as undeliverable to the address in the Register, the Company may permit a notice to this effect to be entered in the Register and the shareholder's address will be deemed to be at the registered office of the Company, or such other address as may be so entered by the Company from time to time, until another address is provided to the Company by such shareholder. Subject to Article 12 hereof, the shareholder may, at any time, change his/her/its address as entered in the Register or their email address by means of a written notification to the Company at its registered office, or at such other address as may be set by the Company from time to time. The shareholder shall be responsible for ensuring that his/her/its details, including his/her/its address, for the Register are kept up to date and shall bear any and all responsibility should any details be incorrect or invalid.

Holders of dematerialised shares or shares taking the form of Global Share Certificates must provide, or must ensure that registrar agents shall provide, the Company with information for identification purposes of the holders of such shares in accordance with applicable laws. If on a specific request of the Company, the holder of dematerialised shares or shares taking the form of Global Share Certificates does not furnish the requested information, or furnishes incomplete or erroneous information within a time period provided for by law or determined by the Board of Directors at its discretion, the Board of Directors may decide to suspend voting rights attached to all or part of the dematerialised shares or shares taking the form of Global Share Certificates held by the relevant person until satisfactory information is received.

Subject to applicable local laws and regulations and as detailed in the Prospectus, the address of the shareholders as well as all other personal data of shareholders may be collected recorded, stored, adapted, transferred or otherwise processed and used ("processed") by the Company, its agents and other companies of the Franklin Templeton Investments Group, any subsidiary or affiliate thereof, which may be established outside Luxembourg and/or the European Union, including the US and India, and the financial intermediaries of shareholders.

Such data may be processed for the purposes of account administration, anti-money laundering and counter-terrorist financing identification, tax identification and transmission to tax authority (including, but not limited to, Luxembourg and (ultimately) foreign tax authorities (including for the exchange of this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the Foreign Account Tax Compliance Act, as might be amended, completed or supplemented ("FATCA"), the Common Reporting Standard at the Organisation for Economic Co-operation and Development and EU levels or equivalent Luxembourg legislation and Luxembourg financial intelligence units), as well as, to the extent

permissible and under the conditions set forth in Luxembourg laws and regulations and any other local applicable regulations, the development of business relationships including sales and marketing of Franklin Templeton Investments Group investment products and for such other purposes determined by the Board of Directors and disclosed in the Prospectus.

If payment made, or sale or switch requested, by an investor results in the issue of a share fraction, such fraction shall be entered into the Register, unless the shares are held through a clearing system allowing only entire shares to be handled. A share fraction shall not give entitlement to vote but shall, to the extent the Company shall determine, be entitled to a corresponding fraction of the dividend. Fractions of dematerialised shares or of shares taking the form of Global Share Certificates, if any, may also be issued at the discretion of the Board of Directors.

In the case of joint shareholders, the Company reserves the right to pay any sale proceeds, distributions or other payments to the first registered holder, whom the Company may consider to be the representative of all joint shareholders, or to all joint shareholders together, in accordance with Luxembourg law. The Company also reserves the right to suspend the exercise of any right deriving from the relevant share(s) until one person have been designated to represent the joint owners vis à vis the Company.

Article 7:

If any shareholder can prove to the satisfaction of the Company that his share certificate has been mislaid or destroyed, then, at his request, a duplicate share certificate may be issued under such conditions and guarantees, including a bond delivered to the Company by an insurance company but without restriction thereto, as the Company may determine. At the issuance of the duplicate share certificate, on which it shall be recorded that it is a duplicate, the original share certificate in place of which the new one has been issued shall become void.

Mutilated share certificates may be exchanged for new share certificates by order of the Company. The mutilated certificates shall be delivered to the Company and shall be annulled immediately.

The Company may, at its discretion, charge the shareholder for the costs of a duplicate or a new share certificate and all reasonable expenses incurred by the Company in connection with the issuance and registration thereof, or in connection with the annulment of an old share certificate.

Article 8:

The Company shall have power to impose such restrictions (other than any restrictions on transfer of shares) as it may think necessary for the purpose of ensuring that no shares in the Company are acquired or held by (a) any person in breach of the law or requirement of any country or governmental or regulatory authority (if the Board of Directors shall have determined that any of them, the Company, any of the Management Company (as defined herein), investment managers or advisers or any other person as determined by the Board of Directors would suffer any disadvantage as a result of such breach) or (b) any person in circumstances which in the opinion of the Board of Directors might result in the Company incurring any liability to taxation (to include regulatory or any tax liabilities that might derive, *inter alia*, from the requirements of the FATCA or the Common Reporting Standard or any similar provisions or any breach thereof) or suffering any pecuniary disadvantage which the Company might not otherwise have incurred or suffered, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority or (c) any person whose shareholding's concentration could, in the opinion of the Board of Directors, jeopardise the liquidity of the Company or any of its Sub-Funds.

More specifically, the Company may restrict or prevent the ownership of shares in the Company by any person, firm or corporate body, and without limitation, by any "US person", as defined hereafter.

For such purposes the Company may:

a) decline to issue any share and decline to register any transfer of a share, where it appears to it that such registration or transfer would or might result in beneficial ownership of such share by a person precluded from holding shares of the Company;

b) at any time require any person whose name is entered in, or any person seeking to register the transfer of shares on, the Register to furnish it with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such shareholder's shares rests or will rest in a person who is precluded from holding shares of the Company; and

c) where it appears to the Company that any person, who is precluded from holding shares or a certain proportion of the shares in the Company, or whom the Company reasonably believes to be precluded from holding shares in the Company, either alone or in conjunction with any other person, is a beneficial owner of shares or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Company may request, the Company may (i) direct such shareholder to transfer his/her/its shares to a person qualified to own such shares, or (ii) require compulsorily the redemption from any such shareholder of all or part of the shares held by such shareholder in the following manner:

1) The Company shall serve a notice (hereinafter called the "**redemption notice**") upon the shareholder holding such shares or appearing in the Register as the owner of the shares to be redeemed, specifying the shares to be redeemed as aforesaid, the price to be paid for such shares, and the place at which the sale price in respect of such shares is payable. Any such notice may be served upon such shareholder by posting the same in a prepaid registered envelope addressed to such shareholder at his last address known to or appearing in the Register. The said shareholder shall thereupon forthwith be obliged to deliver to the Company the share certificate(s), if issued, representing the shares specified in the redemption notice. Immediately after the close of business on the date specified in the redemption notice, such shareholder shall cease to be the owner of the shares specified in such notice and, in the case of registered shares, his name shall be removed as to such shares from the Register and the relevant shares will be cancelled.

2) The price at which the shares specified in any redemption notice shall be redeemed (herein called "**the sale price**") shall be an amount based on the net asset value per share of the Company, determined in accordance with Article 23 hereof less any fees and charges as defined in Article 21 hereof and disclosed in the Prospectus.

3) Subject to all applicable laws and regulations, payment of the sale price will be made to the owner of such shares in the currency of denomination for the relevant Share Class except during periods of exchange restrictions, and will be deposited by the Company with a bank in the Grand Duchy of Luxembourg or elsewhere (as specified in the redemption notice) for payment to such person but only, if a share certificate shall have been issued, upon effective surrender of the share certificate(s) representing the shares specified in such notice, if any. Upon deposit of such price as aforesaid no person interested in the shares specified in such redemption notice shall have any further interest in such shares or any of them, or any claim against the Company or its assets in respect thereof, except the right of the shareholder appearing as the owner thereof to receive the price so deposited (without interest) from such bank upon effective surrender of the share certificate(s) as aforesaid.

4) The exercise by the Company of the powers conferred by this Article shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of ownership of shares by any person or that the true ownership of any shares was otherwise than appeared to the Company at the

date of any redemption notice, provided that in such case the said powers were exercised by the Company in good faith; and

d) decline to accept the vote of any person who is precluded from holding shares in the Company at any meeting of shareholders of the Company.

Whenever used in these Articles of Incorporation, the term "US person" shall have the meaning determined by the Board of Directors from time to time and disclosed in the Prospectus. This definition will be based on Regulation S, as amended from time to time, of the United States Securities Act of 1933, as amended (the "**1933 Act**") or as in any other regulation or act which shall come into force within the United States of America and which shall in the future replace Regulation S of the 1933 Act. In addition to the foregoing, the Company may restrict the issue and transfer of shares of a Sub-Fund to institutional investors within the meaning of Article 174 of the Law ("**Institutional Investor(s)**") or may impose any other eligibility criteria. The Company may, at its discretion, delay the acceptance of any subscription application for shares of a Sub-Fund or having specific eligibility criteria until such time as the Company has received sufficient evidence that the applicant qualifies as an Institutional Investor or complies with such eligibility criteria. If it appears at any time that a holder of shares of a Sub-Fund is not an Institutional Investor or does not meet any specific eligibility criteria, the Company will convert the relevant shares into shares of a Sub-Fund which is not restricted to Institutional Investors or for which the applicant meets such eligibility criteria (provided that there exists such a Sub-Fund with similar characteristics) or compulsorily redeem the relevant shares in accordance with the provisions set forth above in this Article. The Company will refuse to give effect to any transfer of shares and consequently refuse for any transfer of shares to be entered into the Register in circumstances where such transfer would result in a situation where shares of a Sub-Fund (i) restricted to Institutional Investors would, upon such transfer, be held by a person not qualifying as an Institutional Investor or (ii) having specific eligibility criteria would, upon such transfer, be held by a person who does not comply with the eligibility criteria.

In addition to any liability under applicable law, each shareholder who (i) is precluded from holding shares in the Company and who holds shares of the Company or (ii) who does not qualify as an Institutional Investor, and who holds shares in a Share Class restricted to Institutional Investors or (iii) does not meet the eligibility criteria of the Sub-Fund or the Share Class he/she/it holds or (iv) has caused the Company and/or its Sub-Fund/Share Class to suffer any sanction, penalty, burden or other disadvantage (including any tax liability that might derive from the FATCA or the Common Reporting Standard or any similar provisions) which it/they might not otherwise have incurred or suffered or might otherwise be detrimental to its/their interests, shall hold harmless and indemnify the Company, the Board of Directors, the other shareholders of the relevant Sub-Fund/Share Class and the Company's agents for any damages, losses and expenses (including, inter alia, tax liabilities deriving from the requirements of FATCA, the Commission Reporting Standard or any similar provisions) resulting from or connected to such holding circumstances where the relevant shareholder had furnished misleading or untrue documentation or had made misleading or untrue representations to wrongfully establish (i) its/her/his status as an eligible investor and/or has failed to notify the Company of its/her/his change of such status and/or (ii) its/her/his compliance with the eligibility criteria of the Sub-Fund or Share Class and/or (iii) its/her/his tax status or its/her/his situation to the Company and/or tax or other authorities.

Where a demand for further information is made on a shareholder for anti-money laundering purposes or other similar purposes (such as tax or regulatory purposes) as further disclosed in the Prospectus, the Company may decide to withhold any transfer request and any payment of the proceeds of any redemption request that has been processed, without interest accruing, until such information demand has been satisfied.

Article 9:

Any regularly constituted meeting of the shareholders of the Company shall represent the entire body of shareholders of the Company. Its resolutions shall be binding upon all shareholders of the Company regardless of the Sub-Fund of which shares are held by them. It shall have the broadest powers to order, carry out or ratify acts relating to the operations of the Company.

Article 10:

The annual general meeting of shareholders shall be held, each year, in accordance with the laws of the Grand Duchy of Luxembourg, at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the notice of meeting, at any date and time decided by the Board of Directors but no later than within six months from the end of the Company's previous accounting year. To the extent permitted by law, the annual general meeting may be held abroad if, in the absolute and final judgment of the Board of Directors, exceptional circumstances so require.

Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting. Sub-Fund meetings may be held, at any time, to decide on any matters which relate exclusively to such Sub-Fund.

Two or more Sub-Funds may be treated as a single Sub-Fund if such Sub-Funds would be affected in the same manner by the proposals requiring the approval of holders of shares relating to these Sub-Funds.

Article 11:

The quorum and time required by the laws of Grand Duchy of Luxembourg shall govern the notice for and conduct of the meetings of shareholders of the Company, unless otherwise provided herein.

To the extent permitted by law, the Board of Directors may suspend the right to vote of any shareholder which does not fulfil its/her/his obligations under the Articles of Incorporation or any document stating its obligations towards the Company and/or the other shareholders. Any shareholder may undertake personally not to exercise its/her/his voting rights on all or part of his/her/its shares, temporarily or indefinitely. In case the voting rights of one or more shareholders are suspended in accordance with the previous sentences, such shareholders shall be called and may attend the general meeting but their shares shall not be taken into account for determining whether the quorum and majority requirements are satisfied. An attendance list shall be kept at all general meetings.

Subject to the limitations imposed by these Articles of Incorporation, each entire share is entitled to one vote, irrespective of the Sub-Fund to which it belongs and regardless of the net asset value per share of the Sub-Fund.

A shareholder may act at any meeting of shareholders by appointing another person as his proxy in writing, or by telex, telefax message, facsimile or by any other electronic means capable of evidencing such proxy. Such proxy shall be deemed valid, provided that it is not revoked, for any reconvened shareholders' meeting.

The Board of Directors may determine all other conditions that must be fulfilled by shareholders to allow them to take part in any meeting of shareholders.

Except as otherwise required by the laws of the Grand Duchy of Luxembourg or as otherwise provided herein, resolutions at a meeting of shareholders or at a Sub-Fund meeting duly convened will be passed by a simple majority of the votes cast. Votes cast shall not include votes attached to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or invalid vote. A corporation may execute a proxy under the hand of a duly authorised officer.

Article 12:

Shareholders will meet upon call by the Board of Directors or upon the written request of shareholders representing at least one tenth (1/10) of the share capital of the Company

To the extent required by Luxembourg law, the notice shall, in addition, be published in the *Recueil Electronique des Sociétés et Associations* of Luxembourg, in (a) Luxembourg newspaper(s) and in such other newspapers as the Board of Directors may decide.

If all shares are in registered form and if no publications are required by law, notices to shareholders may be mailed by registered mail, or in any manner as set forth in applicable law. If so permitted by law, the convening notice may be sent to a shareholder by any other means of communication having been accepted by such shareholder. The alternative means of communication are email, the ordinary letter, the courier services or any other means satisfying the conditions provided for by law.

Any shareholder having accepted email as an alternative means of convening shall provide his/her/its email to the Company no later than fifteen (15) days before the date of the general meeting.

A shareholder who has not communicated his/her/its email address to the Company shall be deemed to have rejected any convening means other than the registered letter, the ordinary letter and the courier service.

Any shareholder may change his/her/its address or his email address or revoke its/her/his consent to alternative means of convening provided that its/her/its revocation or it/her/his new contact details are received by the Company no later than fifteen (15) days before the general meeting. The Board of Directors is authorised to ask for confirmation of such new contact details by sending a registered letter or an email, as appropriate, to this new address or email. If the shareholder fails to confirm its/her/his new contact details, the Board of Directors shall be authorised to send any subsequent notice to the previous contact details.

The Board of Directors is free to determine the most appropriate means for convening shareholders to a shareholders' meeting and may decide on a case by case basis. The Board of Directors may, for the same general meeting, convene shareholders to the general meeting by email as regards those shareholders that have provided their email address in time and the other shareholders by letter or courier service.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority applicable for this general meeting will be determined according to the shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attached to his shares will be determined by reference to the shares held by this shareholder as at the Record Date. In case of dematerialised shares (if issued) the right of a holder of such shares to attend a general meeting of shareholders and to exercise the voting rights attached to such shares will be determined by reference to the shares held by this holder as at the time and date provided for in the convening notices and/or by Luxembourg laws and regulations. The holders of dematerialised shares are obliged to comply with the conditions set forth in the convening notice in order to be admitted to the general meetings.

Article 13:

The Company shall be managed by a Board of Directors composed of not less than three members. Members of the Board of Directors (individually a "Director" and collectively the "Directors") need not be shareholders of the Company.

The Directors shall be elected by the shareholders at a general meeting for a period ending at the next annual general meeting and until their successors are

elected and qualify, provided, however, that a Director may be removed with or without cause and/or replaced at any time by resolution adopted by the shareholders of the Company.

In the event of a vacancy in the office of Director because of death, retirement or otherwise, the remaining Directors may meet and may elect, by majority vote, a Director to fill such vacancy until the next meeting of shareholders.

Article 14:

The Board of Directors may choose from among its members a chairman, and may choose from among its members one or more vice-chairmen. It may also choose a secretary, who need not be a Director, who shall be responsible for keeping the minutes of the meetings of the Board of Directors and of the shareholders. The Board of Directors shall meet upon call by the chairman (if any), or by any two Directors, at the place indicated in the notice of meeting.

The chairman (if any) shall preside at all meetings of shareholders and of the Board of Directors, but in his absence the shareholders or the Board of Directors may appoint another Director (and, in respect of shareholders' meetings, any other person) as chairman pro tempore by vote of the majority of the Directors present or represented, or of the votes cast at any such meeting respectively.

The Board of Directors from time to time may appoint the officers of the Company, including a general manager, a secretary, and any assistant general managers, assistant secretaries or other officers considered necessary for the operation and management of the Company. Any such appointment may be revoked at any time by the Board of Directors. Officers need not be Directors or shareholders of the Company. The officers appointed, unless otherwise stipulated in these Articles of Incorporation, shall have the powers and duties given to them by the Board of Directors.

Written notice of any meeting of the Board of Directors shall be given to all Directors at least twenty-four (24) hours in advance of the hour set for such meeting, except in circumstances of emergency, in which case the nature of such circumstances shall be set forth in the notice of meeting. This notice may be waived by the consent in writing, or by telex, telefax message, facsimile or any other electronic means capable of evidencing such waiver of each Director. Separate notice shall not be required for individual meetings held at times and places prescribed in a schedule previously adopted by resolution of the Board of Directors.

Any Director may act at any meeting of the Board of Directors by appointing in writing, or by telex, telefax message, facsimile or any other electronic means capable of evidencing such appointment another Director as his proxy. Directors may also cast their vote in writing, or by telex, telefax message, facsimile or any other electronic means capable of evidencing such vote.

Any Director may attend a meeting of the Board of Directors using teleconference means or any other means, provided that (i) the Director attending the meeting can be identified, (ii) all persons participating in the meeting can hear and speak to each other, (iii) the transmission is performed on an ongoing basis and (iv) the Directors can properly deliberate. The participation in a meeting by such means shall constitute presence in person at the meeting and the meeting is deemed to be held at the registered office of the Company.

The Directors may only act at duly convened meetings of the Board of Directors. Directors may not bind the Company by their individual acts, except as specifically permitted by resolution of the Board of Directors.

The Board of Directors can deliberate or act validly only if at least a majority of the Directors is present or represented at a meeting of the Board of Directors. Decision shall be taken by a majority of the votes of the Directors present or represented at such meeting or participating in the video-conference, conference call or teleconference or participating by any other electronic means capable of

evidencing such decision. In the event that in any meeting the number of votes for and against a resolution shall be equal, the chairman (if any) or the chairman pro tempore shall have a casting vote. Resolutions of the Board of Directors may also be passed in the form of a consent resolution in identical terms in the form of one or several documents in writing signed by all the Directors and circulated in original or by telefax message or other electronic means. The entirety will form the minutes giving evidence of the resolution.

The Board of Directors may delegate its powers to conduct the daily management and affairs of the Company and its powers to carry out acts in furtherance of the corporate policy and purpose, to one or several physical persons or corporate entities which do not need to be Directors.

The Board of Directors may also delegate any of its powers, authorities and discretions to any committee, consisting of such person or persons (whether a member or members of the Board of Directors or not) as it deems fit.

Article 15:

The minutes of any meeting of the Board of Directors shall be signed by the chairman (if any) or, in his absence, by the chairman pro tempore who presided at such meeting.

Copies or extracts of such minutes which may be produced in judicial proceedings or otherwise shall be signed by the chairman (if any), the chairman pro tempore, or by the secretary, or by two Directors, or by any person to whom such power has been delegated by the Board of Directors.

Article 16:

The Board of Directors shall, based upon the principle of spreading of risks, have power to determine the corporate and investment policy for each Sub-Fund, and the course of conduct of the management and business affairs of the Company.

The Board of Directors shall also determine any restrictions which shall from time to time be applicable to the investments of the Company in accordance with Part I of the Law including, without limitation, restrictions in respect of:

- a) the borrowings of the Company and the pledging of its assets;
- b) the maximum percentage of its assets which it may invest in any form or category of security and the maximum percentage of any form or category of security which it may acquire.

The Board of Directors may decide that investments of the Company be made in financial derivative instruments, including equivalent cash settled instruments, dealt in on a regulated market as referred to in the Law and/or financial derivative instruments dealt in over-the-counter provided that, among others, the underlying consists of instruments covered by Article 41(1) of the Law, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives as disclosed in the Prospectus.

The Board of Directors may further decide to create one or more Sub-Funds the assets of which will be invested so as to replicate the composition of a certain stock or debt securities index which meets the requirements of the applicable provisions of the Law.

Any Sub-Fund may, to the widest extent permitted by and under the conditions set forth in applicable Luxembourg laws and regulations, but in accordance with the provisions set forth in the Prospectus, subscribe, acquire and/or hold shares to be issued or issued by one or more Sub-Funds. In such case and subject to conditions set forth in applicable Luxembourg laws and regulations, the voting rights, if any, attaching to these shares are suspended for as long as they are held by the Sub-Fund concerned. In addition and for as long as these shares are held by a Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the

Law.

Under the conditions set forth in Luxembourg laws and regulations, the Board of Directors may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg laws and regulations, but in accordance with the provisions set forth in the Prospectus, (i) create any Sub-Fund qualifying either as a feeder UCITS or as a master UCITS, (ii) convert any existing Sub-Fund into a feeder UCITS Sub-Fund or (iii) change the master UCITS of any of its feeder UCITS Sub-Funds.

The Board of Directors may invest and manage all or any part of the pools of assets established for two or more Sub-Funds on a pooled basis, as described in Article 23 .

In order to reduce the operational and administrative charges of the Company while permitting a larger diversification of the investments, the Board of Directors may resolve that all or part of the assets of the Company shall be co-managed with the assets of other Luxembourg collective investment undertakings.

The Company may, in accordance with the Law and the applicable Luxembourg laws and regulations hold all the shares in the capital of subsidiary companies which, exclusively on the Company's behalf, carry on only the business of management, advice or marketing in the country where the subsidiary is located, with regard to the sale of shares at the request of shareholders.

Article 17:

No contract or other transaction between the Company and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Company is interested in, or is a director, associate, officer or employee of such other company or firm. Any Director, or officer of the Company who serves as a director, officer or employee of any company or firm with which the Company shall contract or otherwise engage in business, shall not, by reason of such connection and/or relationship with that other company or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event that any Director or officer of the Company may have any direct or indirect financial interest conflicting with that of the Company in any transaction submitted for approval to the Board of Directors conflicting with that of the Company, that Director or officer must make such interest known to the Board of Directors and shall not consider, or vote on, any such transaction, and any such transaction shall be reported to the next meeting of shareholders.

The preceding paragraph shall not apply where the decision of the Board of Directors or by the single Director relates to current operations entered into under normal conditions.

The term "direct or indirect financial interest", as used above, shall not include any relationship with or interest in any matter, position or transaction involving any entity promoting the Company or any subsidiary thereof, or any other company or entity as may from time to time be determined by the Board of Directors at its discretion, including, but not limited to, any company of, or related to, the Franklin Templeton Investments Group, any subsidiary or affiliate thereof, provided that this "direct or indirect financial interest" is not considered as a conflicting interest according to applicable laws and regulations.

If the Board of Directors cannot deliberate on a particular item due to a conflict of interest of one or more members of the Board of Directors, the Board of Directors may submit the item to the general meeting of shareholders.

Article 18:

The Company may indemnify any Director or officer and his heirs, executors and administrators, against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or

creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct.

Article 19:

The Company will be bound by the joint signature of any two Directors, or by the joint or individual signature(s) of any person(s) to whom such authority has been delegated by the Board of Directors.

Article 20:

The Company shall appoint an approved statutory auditor (*réviseur d'entreprises agréé*) who shall carry out the duties prescribed by the Law. The approved statutory auditor shall be elected by the general meeting of shareholders for a period ending at the next annual general meeting and until its successor is elected.

Article 21:

As prescribed below, the Company has the power to redeem its own shares at any time within the sole limitations set forth by the laws of the Grand Duchy of Luxembourg.

Any shareholder may instruct the sale of all or part of his shares by the Company, under the terms and procedures set forth by the Board of Directors in the Prospectus. The instruction to sell may not be executed until any previous transaction involving the shares to be sold has been completed and settled by such shareholder.

The sale price shall normally be paid within a period of time, to be determined by the Board of Directors and disclosed in the Prospectus, after the date on which the applicable net asset value was determined, and shall be equal to the net asset value of the relevant Sub-Fund's shares as determined in accordance with the provisions of Article 23 hereof less such applicable fees and charges (including but not limited to the dilution levy as described hereafter) as the Board of Directors may by resolution decide and such sum as the Board of Directors may consider an appropriate provision for duties and charges (including stamp and other duties, taxes and governmental charges, brokerage commissions, bank charges, transfer fees, registration and certification fees and other similar duties and charges) ("**dealing charges**") which would be incurred if all the assets held by the Company and taken into account for the purpose of the relative valuation were to be realised at the values attributed to them in such valuation and taking into account any factors which it is in the opinion of the Board of Directors acting prudently and in good faith proper to take into account, such price being rounded down to two (2) decimal places and such rounding to accrue to the benefit of the Company.

In addition a dilution levy may be imposed on shareholder transactions as specified in the Prospectus. Such dilution levy should not exceed a certain percentage of the net asset value determined from time to time by the Board of Directors and disclosed in the Prospectus. This dilution levy will be calculated taking into account the estimated costs, expenses and potential impact on security prices that may be incurred to meet sale and switch instructions.

The Board of Directors may extend the period for payment of the sale price to such period, not exceeding thirty (30) Luxembourg business days, as may be required by settlement and other constraints prevailing in the financial markets of countries in which a substantial part of the assets attributable to any Sub-Fund shall be invested.

Any instruction to sell shares must be filed by the relevant shareholder in written form, subject to the conditions set out in the Prospectus, at the registered office of the Company or with any other person or entity appointed by the Company as its agent for redemption of shares, together with the delivery of the certificate(s) for such shares in proper form (if issued) and accompanied by proper evidence of transfer or assignment.

With the prior consent of the shareholder(s) concerned, and having due

regard to the principle of equal treatment of shareholders, the Board of Directors may satisfy instructions to sell in whole or in part in specie by allocating to the selling shareholder(s) investments from the portfolio of the relevant Sub-Fund equal in value to the net asset value attributable to the shares to be sold, as more fully described in the Prospectus. To the extent required by applicable laws and regulations, such sale will be subject to a special report by the approved statutory auditor of the Company. The specific costs for such sale, in particular the costs of the special report will be borne by the selling shareholder or by a third party, unless the Board of Directors considers that such sale is in the interest of the Company or made to protect the interest of the Company, in which case the costs may be borne entirely or partially by the Company.

The Company may require an instruction to sell to be given by such notice prior to the date on which the sale shall be effective as the Board of Directors shall reasonably determine.

Any instruction to sell shall be irrevocable except in the event of suspension of the valuation of the assets pursuant to Article 22 hereof. If the instruction is not withdrawn, the sale of the shares will be made on the next Valuation Day following the end of the suspension.

Shares of the Company redeemed by the Company shall be cancelled.

Subject to any restriction as described in the Prospectus, any shareholder may instruct to switch all or part of his shares into shares of another Sub-Fund at the respective net asset values of the shares of the relevant Sub-Funds, adjusted by the relevant dealing charges, and rounded up or down as the Board of Directors may decide, provided that the Board of Directors may impose such restrictions as to, inter alia, frequency of switch, and may make such switch subject to payment of a charge, as specified in the Prospectus. The instruction to switch may not be executed until any previous transaction involving the shares to be switched has been completed and settled by such shareholder.

No switch by a single shareholder may, unless otherwise decided by the Board of Directors, be for less than an amount to be determined by the Board of Directors from time to time and disclosed in the Prospectus.

If a sale or switch of shares would reduce the value of the holdings of a single shareholder in one Sub-Fund below an amount to be determined by the Board of Directors from time to time and disclosed in the Prospectus, then such shareholder may be deemed to have instructed to sell or switch all his shares of such Sub-Fund.

If instructions to sell or switch of more than a percentage of the net asset value of the shares or the number of shares of any Sub-Fund to be determined by the Board of Directors from time to time and disclosed in the Prospectus are received on any Valuation Day, the Board of Directors may decide that, subject to applicable regulatory requirements, sales and/or switches shall be deferred as further described in the Prospectus. These instructions to sell or switch will be executed in accordance with the procedures described in the Prospectus.

In addition, if in exceptional circumstances the liquidity of a Sub-Fund does not permit payment of sale proceeds or a switch to be made within such period of time determined by the Board of Directors and disclosed in the Prospectus, such payment or switch will be made as soon as reasonably practicable but without interest.

The Board of Directors may delegate to any duly authorised director or officer of the Company or to any other duly authorised person, the duty of accepting instructions to sell and switch and if applicable effecting payments in relation thereto.

Article 22:

For the purpose of determination of the purchase, sale and switch prices, the net asset value of shares in the Company shall be determined as to the shares of each Sub-Fund by the Company from time to time, but in no instance less than twice monthly, as the Board of Directors by resolution may direct (every such day

or time for determination of net asset value being referred to herein as a "Valuation Day" as further described in the Prospectus).

The Company may suspend the determination of the net asset value of shares of any particular Sub-Fund, as well as the purchase and sale of its shares as well as the switch of shares from and to shares of another Sub-Fund:

a) during any period when any of the principal stock exchanges or markets on which any substantial portion of the investments of the Company attributable to such Sub-Fund from time to time are quoted is closed, or during which dealings therein are restricted or suspended;

b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable; or

c) during any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the investments of any particular Sub-Fund or the current price or value on any stock exchange or market; or

d) during any period when the Company is unable to repatriate funds for the purpose of making payments due on redemption of shares of such Sub-Fund or any period when the transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange; or

e) during any period when the net asset value of shares of any Sub-Fund may not be determined accurately; or

f) during any period when in the opinion of the Directors there exists unusual circumstances where it would be impractical or unfair towards the shareholders to continue dealing in the shares of the Company of any Sub-Fund, or circumstances where a failure to do so might result in the shareholders of the Company or a Sub-Fund incurring any liability to taxation or suffering other pecuniary disadvantage or other detriment which the shareholders of the Company or a Sub-Fund might not otherwise have suffered; or

g) if the Company or a Sub-Fund is being or may be wound-up, on or following the date on which such decision is taken by the Board of Directors or notice is given to shareholders of a general meeting of shareholders at which a resolution to wind-up the Company or a Sub-Fund is to be proposed; or

h) in the case of a merger, if the Board of Directors deems this to be justified for the protection of the shareholders; or

i) in the case of a suspension of the calculation of the net asset value of one or several underlying investment funds in which a Sub-Fund has invested a substantial portion of assets.

To the extent legally or regulatory required or decided by the Company, any such suspension shall be publicized, if appropriate, by the Company and shall be notified to shareholders instructing the sale or switch of their shares by the Company at the time of the filing of the written request for such sale or switch as specified in Article 21 hereof.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the net asset value, the purchase, sale and switch of the shares of any other Sub-Fund.

Article 23:

The net asset value of shares of each Sub-Fund shall be expressed as a per share figure in the currency of the relevant Sub-Fund and shall be determined in respect of any Valuation Day in the currency of the relevant Sub-Fund by dividing the net assets of the Company corresponding to each Sub-Fund, being the value of the assets of the Company corresponding to such Sub-Fund, less its liabilities attributable to such Sub-Fund at the close of business on such date, by the number of shares of the relevant Sub-Fund then outstanding and by rounding the resulting sum up or down to the nearest unit of currency, in the following manner:

A. The assets of the Company shall be deemed to include:

- a) all cash on hand or on deposit, including any interest accrued thereon;
- b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
- c) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other derivative instruments, units or shares of undertakings for collective investment, and other investments and securities owned or contracted for by the Company;
- d) all stock dividends, cash dividends and cash distributions receivable by the Company and to the extent known by the Company (provided that the Company may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- e) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal amount of such security;
- f) the formation expenses of the Company insofar as the same have not been written off, and
- g) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, cash distributions and interest accrued as aforesaid and not yet received shall be 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 shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.

2) The value of transferable securities, money market instruments and financial derivative instruments are valued on the basis of the last available price at the closing of the relevant stock exchange or regulated market on which these securities or assets are traded or admitted for trading. Where such securities or other assets quoted or dealt in on one or more than one stock exchange or regulated market, the Board of Directors shall make rules as to the order of priority in which such stock exchanges or other regulated markets shall be used for the provisions of prices of securities or assets.

3) If a transferable security or money market instrument is not traded or admitted on any official stock exchange or an regulated market, or in the case of transferable securities or money market instruments so traded or admitted where the last available price is not representative of their fair market value, the Board of Directors shall proceed on the basis of their reasonably foreseeable sales price, which shall be valued with prudence and in good faith.

4) The financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in accordance with market practice as may be further disclosed in the Prospectus.

5) Units or shares of undertakings for collective investment, including Sub-Fund(s) of the Company, shall be valued on the basis of their last available net asset value as reported by such undertakings.

6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or, for those with an initial or residual maturity of no more than 397 days or regular yield adjustments in line with the maturities mentioned before, on an amortised cost basis.

7) All other assets, where practice allows, may be valued in the same manner.

8) If any of the aforementioned valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Board of Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and

procedures.

9) Any assets or liabilities in currencies other than the base currency of the respective Sub-Funds will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.

The net asset value may be adjusted as the Board of Directors or its delegate may deem appropriate to reflect, among other considerations, any dealing charges including any dealing spreads, fiscal charges and potential market impact resulting from shareholders' transactions.

B. The liabilities of the Company shall be deemed to include:

- a) all loans, bills and accounts payable;
- b) all accrued or payable administrative expenses (including Management Company fees, investment management and/or advisory fees, depositary fees and corporate agents' fees);
- c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Company where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;
- d) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Company, and other provisions if any authorized and approved by the Board of Directors covering, among others, liquidation expenses; and
- e) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by shares in the Company. In determining the amount of such liabilities the Company shall take into account all expenses payable by the Company comprising formation expenses, fees payable to the Management Company, the investment managers and/or advisers, fees and expenses of the accountants, the Depositary, the registrar and transfer, corporate, domiciliary and administrative agent, the principal paying agent and the local paying agents (if any) and permanent representatives in places of registration, any other agent employed by the Company, fees for legal and/or auditing services, insurance premiums, printing, reporting and publishing expenses, including the cost of advertising and/or preparing and printing of the prospectuses, explanatory memoranda, key investor information documents or registration statements, investment research fees, taxes or governmental or supervisory charges, all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage commissions, postage, telephone, telex, telefax message and facsimile (or other similar means of communication). The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

C. The Board of Directors shall establish a pool of assets for the shares of each Sub-Fund in the following manner:

- a) the proceeds from the issue of shares of each Sub-Fund shall be applied in the books of the Company to the pool of assets established for that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool subject to the provisions of this Article;
- b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same pool as the assets from which it was derived and on each revaluation of an asset, the increase or diminution in value shall be applied to the relevant pool;
- c) where the Company incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability shall be allocated to the relevant pool;
- d) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular pool, such asset or liability shall be equally divided between all the pools or, as insofar as justified by the amounts,

shall be allocated to the pools pro rata to the net asset value of the relevant pool;
e) upon the record date for the determination of the person entitled to any dividend declared on any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividend declared.

If there have been created, as more fully described in Article 5 hereof, within any Sub-Fund two or several Share Classes, the allocation rules set out above shall apply, *mutatis mutandis*, to such Share Classes.

D. Each pool of assets and liabilities shall consist of a portfolio of transferable securities and other assets in which the Company is authorised to invest, and the entitlement of each Sub-Fund within the same pool will change in accordance with the rules set out below.

In addition there may be held within each pool on behalf of one specific Sub-Fund or several specific Sub-Funds, assets which are Sub-Fund specific and kept separate from the portfolio which is common to all Sub-Funds related to such pool and there may be assumed on behalf of such Sub-Fund or Sub-Funds specific liabilities.

The proportion of the portfolio which shall be common to each of the Sub-Funds related to a same pool which shall be allocable to each Sub-Fund shall be determined by taking into account purchases, sales, distributions, as well as payments of Sub-Fund specific expenses or contributions of income or realisation proceeds derived from Sub-Fund specific assets, whereby the valuation rules set out below shall be applied *mutatis mutandis*.

The percentage of the net asset value of the common portfolio of any such pool to be allocated to each Sub-Fund shall be determined as follows:

1) initially the percentage of the net assets of the common portfolio to be allocated to each Sub-Fund shall be determined by reference to the allocations made on behalf of the relevant Sub-Fund;

2) the purchase price received upon the purchase of shares of a specific Sub-Fund shall be allocated to the common portfolio and result in an increase of the proportion of the common portfolio attributable to the relevant Sub-Fund;

3) if in respect of one Sub-Fund the Company acquires specific assets or pays specific expenses (including any portion of expenses in excess of those payable by other Sub-Funds) or makes specific distributions or pays the sale price in respect of shares of a specific Sub-Fund, the proportion of the common portfolio attributable to such Sub-Fund shall be reduced by the acquisition cost of such Sub-Fund specific assets, the specific expenses paid on behalf of such Sub-Fund, the distributions made on the shares of such Sub-Fund or the sale price paid upon sale of shares of such Sub-Fund;

4) the value of Sub-Fund specific assets and the amount of Sub-Fund specific liabilities are attributed only to the Sub-Fund to which such assets or liabilities relate and this shall increase or decrease the net asset value per share of such specific Sub-Fund.

E. For the purposes of this Article:

a) shares in respect of which subscription has been accepted but payment has not yet been received shall be deemed to be existing as from the close of business on the Valuation Day on which they have been allotted and the price therefor, until received by the Company, shall be deemed a debt due to the Company;

b) shares of the Company to be sold under Article 21 hereof shall be treated as existing and taken into account until immediately after the close of business on the Valuation Day referred to in this Article, and from such time and until paid the price therefore shall be deemed to be a liability of the Company;

c) all investments, cash balances and other assets of the Company expressed in currencies other than the currency of the relevant Sub-Fund shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the asset value of shares; and

d) effect shall be given on any Valuation Day to any purchases or sales of

securities contracted for by the Company on such Valuation Day, to the extent practicable.

F. Pooling

1. The Board of Directors may decide to invest and manage all or any part of the pool of assets established for two or more Sub-Funds (hereafter referred to as "**Participating Funds**") on a pooled basis where it is appropriate with regard to their respective investment sectors to do so. Any such asset pool ("**Asset Pool**") shall first be formed by transferring to it cash or (subject to the limitations mentioned below) other assets from each of the Participating Funds. Thereafter the Board of Directors may from time to time make further transfers to the Asset Pool. They may also transfer assets from the Asset Pool to a Participating Fund, up to the amount of the participation of the Participating Fund concerned. Assets other than cash may be contributed to an Asset Pool only where they are appropriate to the investment sector of the Asset Pool concerned. The provisions of sections C. and D. of this Article shall, where relevant, apply to each Asset Pool as they do to a Participating Fund.

2. All decisions to transfer assets to or from an Asset Pool (hereinafter referred to as "**transfer decisions**") shall be notified forthwith in writing, or by telex, telefax message, facsimile or any other acceptable means to the Depositary (as defined hereafter) stating the date and time at which the transfer decision was made.

3. A Participating Fund's participation in an Asset Pool shall be measured by reference to notional units ("**units**") of equal value in the Asset Pool. On the formation of an Asset Pool the Board of Directors shall in its discretion determine the initial value of a unit which shall be expressed in such currency as the Directors consider appropriate, and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or value of other assets) contributed. Fractions of units, calculated to three (3) decimal places, may be allocated as required. Thereafter the value of a unit shall be determined by dividing the net asset value of the Asset Pool (calculated as provided below) by the number of units subsisting.

4. When additional cash or assets are contributed to or withdrawn from an Asset Pool, the allocation of units of the Participating Fund concerned will be increased or reduced (as the case may be) by a number of units determined by dividing the amount of cash or value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash it may be treated for the purpose of this calculation as reduced by an amount which the Board of Directors considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of a cash withdrawal a corresponding addition may be made to reflect costs which may be incurred in realising securities or other assets of the Asset Pool.

5. The value of assets contributed to, withdrawn from, or forming part of an Asset Pool at any time and the net asset value of the Asset Pool shall be determined in accordance with the provisions (*mutatis mutandis*) of Article 22 provided that the value of the assets referred to above shall be determined on the day of such contribution or withdrawal.

6. Dividends, interests and other distributions of an income nature received in respect of the assets in an Asset Pool will be immediately credited to the Participating Funds, in proportion to their respective participation in the Asset Pool at the time of receipt. On the dissolution of the Company the assets in an Asset Pool will (subject to the claims of creditors) be allocated to the Participating Funds in proportion to their respective participation in the Asset Pool.

Article 24:

Whenever the Company shall offer shares for purchase, the price per share at which such shares shall be offered and sold, shall be the net asset value as hereinabove defined for the relevant Sub-Fund together with such sum as the Board of Directors may consider represents an appropriate provision for duties

and charges (including stamp and other duties, taxes, governmental charges, brokerage commissions, bank charges, transfer fees, registration and certification fees and other similar duties and charges) ("**dealing charges**") which would be incurred if all the assets held by the Company and taken into account for the purposes of the relative valuation were to be acquired at the values attributed to them in such valuation and taking into account any other factors which it is in the opinion of the Board of Directors proper to take into account, plus such commission as set out in the Prospectus, such price to be rounded up or down to two (2) decimal places as the Board of Directors may decide. Any remuneration to agents active in the placing of the shares shall be paid out of such commission. The price so determined shall be payable within a period to be determined by the Board of Directors and disclosed in the Prospectus and not exceeding seven (7) Luxembourg business days after the date on which the instruction was accepted.

In addition, a dilution levy may be imposed on shareholder transactions as specified in the Prospectus. Such dilution levy should not exceed a certain percentage of the net asset value determined from time to time by the Board of Directors and disclosed in the Prospectus. This dilution levy will be calculated taking into account the estimated costs, expenses and potential impact on security prices that may be incurred to meet instructions to purchase.

The purchase price (not including the sales commission, if any) may, upon approval of the Board of Directors and subject to all applicable laws and regulations, notably with respect to a special report from the approved statutory auditor of the Company (which may also be specifically requested by the Board of Directors), be paid by contributing to the Company securities acceptable to the Board of Directors consistent with the investment policy and investment restrictions of the Company.

The specific costs for such purchase in kind, in particular the costs of the special report will be borne by the purchaser, or a third party, unless the Board of Directors considers that the contribution in kind is in the interest of the Company or made to protect the interest of the Company, in which case these costs may be borne entirely or partially by the Company.

Article 25:

The accounting year of the Company shall begin on the 1st of ~~July~~ ^{April} and shall terminate on the ~~30th of June~~ of the following year.

The accounts of the Company shall be expressed in USD. When there shall be different Sub-Funds as provided for in Article 5 hereof, and if the accounts within such Sub-Funds are expressed in different currencies, such accounts shall be converted into USD and added together for the purpose of the determination of the accounts of the Company.

Article 26:

The appropriation of the annual results and any other distributions shall be determined by the annual general meeting of shareholders upon proposal by the Board of Directors.

Any resolution of a general meeting of shareholders deciding on whether or not dividends are declared to the shares of any Sub-Fund or whether any other distributions are made in respect of each Sub-Fund shall, in addition, be subject to a prior vote, at the majority set forth above, of the shareholders of such Sub-Fund.

Interim dividends may, subject to the conditions set forth by the laws of the Grand Duchy of Luxembourg, be paid out on the shares of any Sub-Fund upon decision of the Board of Directors.

No distribution may be made if as a result thereof the capital of the Company became less than the minimum prescribed by the laws of the Grand Duchy of Luxembourg.

The dividends declared will normally be paid in the currency in which the relevant Sub-Fund is denominated or in such other currencies as may be

31st of March



determined by the Board of Directors and may be paid at such places and times as shall be determined by the Board of Directors. The Board of Directors may make a final determination of the rate of exchange applicable to convert dividend funds to the currency of payment.

Dividends may further, in respect of any Sub-Fund, include an allocation from an equalization account which may be maintained in respect of any such Sub-Fund and which, in such event, will, in respect of such Sub-Fund be credited upon issue of shares and debited upon redemption of shares, in an amount calculated by reference to the accrued income attributable to such shares.

The Board of Directors may decide that dividends be automatically reinvested unless a shareholder elects for receiving payment of dividends. However, no dividends will be distributed if their amount is below an amount to be determined by the Board of Directors from time to time and disclosed in the Prospectus. Such amount will automatically be reinvested.

A dividend declared but unclaimed on a share after a period of five years from the date of declaration of such dividend shall be forfeited and revert to the relevant Sub-Fund.

Article 27:

The Company has designated a management company ("**Management Company**") in accordance with the Law.

The Company may also delegate to third parties for the purpose of a more efficient conduct of its business the power to carry out on its behalf one or more of its own functions.

The Company shall enter into a depositary agreement with a credit institution which shall satisfy the requirements of the Law (the "**Depositary**"). All securities and cash of the Company are to be held by or to the order of the Depositary who shall assume towards the Company and its shareholders the responsibilities provided by law.

In the event of the Depositary desiring to resign the Board of Directors shall use their best endeavours to find a company to act as depositary and upon doing so the Board of Directors shall appoint such company to be depositary in place of the resigning Depositary. The Board of Directors may terminate the appointment of the Depositary, but shall not remove the Depositary unless and until a successor depositary shall have been appointed in accordance with this provision to act in the place thereof.

Article 28:

In the event of a liquidation of the Company, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of shareholders resolving to liquidate the Company and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidator(s) to the holders of shares of each Sub-Fund in proportion of their holding of shares in such Sub-Fund.

The Board of Directors of the Company may decide to liquidate a Sub-Fund if the net assets of such Sub-Fund fall below an amount to be determined by the Board of Directors and disclosed in the Prospectus, or if a change in the economic or political situation relating to the Sub-Fund concerned would justify such liquidation, or if required by the interests of the shareholders of the Sub-Fund concerned. The decision of the liquidation will be published or notified, if appropriate, by the Company in accordance with applicable laws and regulations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the Sub-Fund concerned may continue to instruct the sale or switch of their shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund concerned will be deposited with the *Caisse de Consignation* in Luxembourg on behalf of their beneficiaries. If not claimed, they shall be forfeited in accordance with Luxembourg law.

In all other circumstances or where the Board of Directors determines that the decision should be submitted for shareholders' approval, the decision to liquidate a Sub-Fund may be taken at a meeting of shareholders of the Sub-Fund to be liquidated. At such Sub-Fund meeting, no quorum shall be required and the decision to liquidate will be taken by simple majority of the votes cast.

Any merger of a Sub-Fund shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Funds where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of the votes cast. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (relating in particular to the notification of the shareholders) shall apply.

The Board of Directors may also, under the circumstances provided in the second paragraph of this Article, decide the reorganisation of any Sub-Fund by means of a division into two or more separate Sub-Funds. To the extent required by Luxembourg law, such decision will be published or notified, if appropriate, in the same manner as described above and, in addition, the publication or notification will contain information in relation to the Sub-Funds resulting from the reorganisation.

The preceding paragraph also applies to a division of shares of any Share Class.

In the circumstances provided in the second paragraph of this Article, the Board of Directors may also, subject to regulatory approval (if required), decide to consolidate or split any Share Classes within a Sub-Fund. To the extent required by Luxembourg law, such decision will be published or notified in the same manner as described above and the publication and/or notification will contain information in relation to the proposed split or consolidation. The Board of Directors may also decide to submit the question of the consolidation or split of Share Class to a meeting of holders of such Share Class. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

Article 29:

These Articles of Incorporation may be amended from time to time by a meeting of shareholders, subject to the quorum and voting requirements provided by the laws of the Grand Duchy of Luxembourg. Any amendment affecting the rights of the holders of shares of any Sub-Fund vis-à-vis those of any other Sub-Fund shall be subject, further, to the said quorum and majority requirements in respect of each such relevant Sub-Fund.

Article 30:

All matters not governed by these Articles of Incorporation shall be determined in accordance with the provisions of the Law, the law dated 10th August 1915 on commercial companies, as this law may be amended from time to time and the law of 6 April 2013 relating to dematerialized securities, as may be amended.

TRANSITORY PROVISIONS

The first accounting year will begin on the date of the incorporation of the Company and will end on 31 March 2020.

The first annual general meeting will be held in 2020.

SUBSCRIPTION AND PAYMENT

The subscriber has subscribed for the number of shares and has paid in cash the amount as mentioned hereafter:

Shareholder	Subscribed capital	number of shares
Templeton Global Advisors	USD 35,000	350

Limited, prenamed

TOTAL

USD 35,000

350

Proof of such payment has been given to the undersigned notary.

EXPENSES

The expenses, costs, remunerations or charges in any form whatsoever which shall be borne by the Company as a result of its formation are estimated at approximately four thousand euro.

DECLARATION

All the Shareholders declare to accept to be convened by email and undertake to provide the Company with an email address as soon as possible. If a Shareholder does not communicate an email address to the Company, the convening notice will be sent to it by registered mail.

STATEMENTS

The notary drawing up the present deed declares that the conditions set forth in Articles 420-1, 420-12 and 420-14 of the Law of August 10, 1915 on Commercial Companies, as amended, have been fulfilled and expressly bears witness to their fulfilment.

EXTRAORDINARY RESOLUTIONS OF THE SOLE SHAREHOLDER

The above named person, representing the entire subscribed capital and considering itself as fully convened, has immediately taken the following resolutions:

First resolution

The following persons are appointed directors of the Company for a term expiring at the date of the next annual general meeting:

- **William Jackson**, born on 25 June 1964 in Lanark (United Kingdom), professionally residing at 5 Morrison Street, Edinburgh EH3 8BH, Scotland, United Kingdom;
- **Reinard Berben**, born on 19 November 1958 in Huels, now Krefeld (Germany), professionally residing at 16 Mainzer Landstrasse, 60325 Frankfurt, Germany;
- **James F. Kinloch**, born on 28 February 1959 in Dolphinton (United Kingdom), professionally residing at 8A, Rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg; and
- **Michel Tulle**, born on 12 October 1964 in Buenos Aires (Argentina), professionally residing at 20 rue de la Paix, F-75002 Paris, France.

Second resolution

PricewaterhouseCoopers, société coopérative, having its registered office at 2, rue Gerhard Mercator, L-2182 Luxembourg, R.C.S. Luxembourg B65477, is appointed approved statutory auditor for a term expiring at the date of the next annual general meeting.

Third resolution

The registered office of the Company is fixed at 8A rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg.

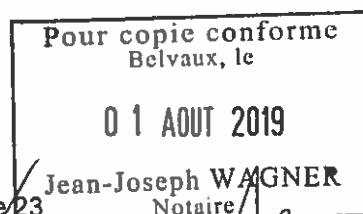
Declaration

The undersigned notary who speaks and understands English, states herewith that, in accordance with **Article 26** of the Law the present deed is worded in **English only**.

Whereof the present notarial deed was drawn up in Luxembourg.

On the day named at the beginning of this document.

The document having been read to the appearing person, known to the notary by his surnames, Christian name, civil status and residence, said person appearing signed together with us, the notary, this original deed.



Page 23

