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**Grand Duchy of Luxembourg**  
  
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**MANAGEMENT REGULATIONS**  
  
**OF**  
  
**NIKKO AM GLOBAL INVESTMENTS**  
**(LUXEMBOURG)**



### **Article 1. - The Fund**

Nikko AM Global Investments (Luxembourg) (hereafter referred to as the "**Fund**") organized under the laws of the Grand-Duchy of Luxembourg as a mutual investment fund (*fonds commun de placement*), is an unincorporated co-proprietorship of transferable securities (hereinafter referred to as "**securities**") and other eligible assets, managed in the interest of its co-owners (hereafter referred to as the "**Unitholders**") by Nikko Asset Management Luxembourg S.A. (hereafter referred to as the "**Management Company**"), a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office in Luxembourg, Grand Duchy of Luxembourg.

There may be several classes of units (the "**Units**") and, within the Fund, the Management Company may create specific pools of assets to be created pursuant to Article 4 (each a "**Sub-Fund**") which shall be linked to one or more classes of Units (each a "**Class**") whose assets will be commonly invested but where a specific sales and/or redemption charge structure, fee structure, hedging policy or other specific features is applied to each Class. The Management Company will decide if and from what date Units of any such Class shall be offered for subscription, those Units to be issued on the terms and conditions as shall be decided by the Management Company. The rights attaching to such Classes shall be specified in the prospectus of the Fund (the "**Prospectus**"). The assets of the Fund, which are held in custody by Brown Brothers Harriman (Luxembourg) S.C.A. (hereafter referred to as the "**Custodian**") are segregated from those of the Management Company and from any other fund managed by the Management Company, if any. By the acquisition of Units of the Fund, any Unitholder fully accepts these management regulations (the "**Management Regulations**") which determine the contractual relationship between the Unitholders, the Management Company and the Custodian.

The Fund is subject to Part I of the law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the "**2010 Law**").

### **Article 2. - The Management Company**

The Fund shall be managed on behalf of the Unitholders by the Management Company, which has its registered office in Luxembourg, Grand Duchy of Luxembourg.

The Management Company is vested with the broadest powers to administer and manage the Fund, subject to the restrictions set forth in Article 6 hereafter, on behalf of the Unitholders, including but not limited to, the purchase, sale, subscription, exchange and receipt of securities and the exercise of all the rights attached directly or indirectly to the assets of the Fund.

The board of directors of the Management Company (the "**Board of Directors**") shall determine the investment policy of the Fund within the restrictions set forth in Article 6 hereafter.

The Management Company may delegate its functions to third parties and appoint a general manager or managers and/or administrative agents and any other agents to implement the investment policy, daily administer, manage the assets of the Fund and carry out the distribution of the Fund's Units.



The Management Company may for the benefit of the Fund obtain investment information, advice and other services.

The Management Company and any investment manager, investment advisor and sub-advisor and any other agent of the Fund are entitled to fees payable out of the assets of the Fund not exceeding the rate and/or amount specified in the Prospectus.

### **Article 3. - The Custodian**

The Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A., a company organised under the laws of the Grand Duchy of Luxembourg, as custodian of the Fund.

The Custodian or the Management Company may terminate the appointment of the Custodian at any time upon 90 days written notice delivered by one party to the other.

In the event of termination of the appointment of the Custodian, the Management Company will use its best endeavors to appoint within two months of such termination, a new custodian which will assume the responsibilities and functions of custodian. Pending the appointment of a new custodian, the Custodian shall take all necessary steps to ensure good preservation of the interests of the Unitholders. After termination as aforesaid, the appointment of the Custodian shall continue thereafter for such period as may be necessary for the transfer of all assets of the Fund to the new custodian.

All cash and securities constituting the assets of the Fund shall be held by the Custodian on behalf of the Unitholders of the Fund. The Custodian may, with the approval of the Management Company, entrust other banks and financial institutions with the safekeeping of such assets. The Custodian may hold securities in fungible or non fungible accounts with such clearing houses as the Management Company may approve. It will have the normal duties of a bank with respect to the Fund's deposits of cash and securities held by it. The Custodian may only dispose of the assets of the Fund and make payments to third parties on behalf of the Fund on receipt of instructions from the Management Company or its appointed agents or otherwise in accordance with applicable law.

Upon receipt of instructions from the Management Company or its appointed agents, the Custodian will perform all acts of disposal with respect to the assets of the Fund.

The Custodian will fulfill the duties and assume the responsibilities provided by the 2010 Law.

The Custodian is entitled to such fees as will be determined from time to time by agreement between the Management Company and the Custodian.



**Article 4. – The Sub-Funds**

The Management Company may, from time to time create Sub-Funds, which have different investment policies.

A separate portfolio of investments and assets will be maintained for each Sub-Fund. The assets of the different Sub-Funds will be separately invested in accordance with an investment policy fixed for each Sub-Fund in the Prospectus.

According to Article 181 (5) of the 2010 Law, the rights of Unitholders and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund.

The assets of a Sub-Fund are exclusively available to satisfy the rights of investors in relation to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund.

For the purpose of the relations between Unitholders, each Sub-Fund will be deemed to be a separate entity.

Any Sub-Fund may be dissolved upon decision of the Management Company, as more fully described in Article 19 hereafter.

**Article 5. – Investment Policy**

The Management Company shall invest the proceeds paid into the Fund for joint account of Unitholders in transferable securities and other assets permitted by the 2010 Law in conformity with the principle of risk spreading. In this context the Management Company shall specify the investment guidelines for each Sub-Fund and publish such guidelines in the Prospectus.

The Fund shall be managed with the objective of providing the Unitholders with a range of investment opportunities worldwide in different geographical markets or different industries or sectors through a range of diversified Sub-Funds. The Sub-Funds may invest or seek exposure to any kind of financial instruments comprising equity and debt securities, money market instruments, deposits, derivative financial instruments, units or shares of investment funds and any other assets permitted to undertakings for collective investment under Part I of the 2010 Law as may be specified in the Prospectus for any specific Sub-Fund. The Management Company shall in its discretion decide what investment opportunities the Fund shall offer to investors by the creation of additional Sub-Funds.

Each Sub-Fund may use leverage through the use of financial derivative instruments or through borrowing or any other means as described in the Prospectus.

The Management Company shall specify the investment guidelines for each Sub-Fund and publish such guidelines in the Prospectus.





## **Article 6. - Investment Restrictions**

In managing the assets of the Fund the Management Company shall comply with the following restrictions which apply individually to each Sub-Fund and not in aggregate to the Fund as a whole, unless specifically so stated.

### **Investment Restrictions**

#### **I. (1) The Fund may invest in:**

- a) transferable securities and money market instruments admitted to or dealt in on a market within the meaning of Article 4. item 1.14) of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public ("**Regulated Market**");
- b) 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 Regulated Market and such admission is secured within one year of the issue;
- c) units/shares of UCITS and/or other UCIs, whether situated in an EU Member State or not, provided that:
  - such other UCIs are authorised under laws which state that they are subject to supervision considered by the *Commission de Surveillance du Secteur Financier* ("CSSF") as equivalent to that laid down in Community law and that co-operation between authorities is sufficiently ensured,
  - the level of protection for unitholders/shareholders in such other UCIs is equivalent to that provided for unitholders/shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs.



- d) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
  - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - the 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 value at the Management Company's initiative;

and/or

- f) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in 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 EU Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, 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 in the 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, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EURO 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, 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 is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (2) In addition, the Management Company, on behalf of the Fund, may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.
- II. The Fund may hold ancillary liquid assets.
- III. a) (i) The Management Company will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Management Company may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body.
- (iii) The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.
- b) Moreover, where the Management Company holds on behalf of a Sub-Fund investment in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Management Company may not combine for each Sub-Fund:

- investments in transferable securities or money market instruments issued by a single body;
- deposits made with the same body and/or;



- exposure arising from OTC derivative transactions undertaken with the same body;

in excess of 20% of its net assets.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, by its public local authorities, or by a third country or by public international bodies of which one or more EU Member States belong.

d) The limit of 10% laid down in sub-paragraph a) (i) may be increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be taken into account for the purpose of applying the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be combined, thus investments in transferable securities or money market instruments issued by the same issuing body or in deposits or in derivative instruments made with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

The Management Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

f) Notwithstanding the above provisions, the Management Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by a state as acceptable by the CSSF and disclosed in the Prospectus (including but not limited to G20 member states and





Singapore or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.

- IV.
  - a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares an/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is recognized by the CSSF and which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
  - b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V.
  - a) The Management Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
  - b) The Management Company, on behalf of the Fund, may acquire no more than:
    - 10% of the non-voting shares of the same issuer;
    - 10% of the debt securities of the same issuer;
    - 10% of the Money Market Instruments of the same issuer.
  - c) These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities or by a non-Member State of the EU, or issued by public international bodies of which one or more Member States of the EU are members.



These provisions are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Management Company, on behalf of the Fund, can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. a), b) and c) and VI. a), b), and c).

VI. a) The Management Company, on behalf of the Fund, may acquire units/shares of the UCITS and/or other UCIs referred to in paragraph I) (1) c), provided that no more than 10% of a Sub-Fund's net assets be invested in the units/shares of UCITS or other UCIs or in one single such UCITS or other UCI unless otherwise specified in the relevant Annex to the Prospectus relating to the Sub-Fund.

b) The underlying investments held by the UCITS or other UCIs in which the Management Company, on behalf of the Fund, invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

c) When the Management Company, on behalf of the Fund, invests in the units/shares of 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 other company cannot charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or UCIs.

If any Sub-Fund's investments in UCITS and other UCIs constitute a substantial proportion of the Sub-Fund's assets, the total management fee (excluding any performance fee, if any) charged both to such Sub-Fund itself and the other UCITS and/or other UCIs concerned shall not exceed 5% of the relevant assets. The Management Company will indicate in the annual report of the Fund the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

d) The Management Company, on behalf of the Fund, may acquire no more than 25% of the units/shares of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units/shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units/shares issued by the UCITS or other UCI concerned, all compartments combined.



- VII. The Management Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

The 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. This shall also apply to the following subparagraphs.

If the Management Company, on behalf of the Fund, invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Management Company, on behalf of the Fund, invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Management Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Management Company, on behalf of the Fund, may acquire foreign currencies by means of back-to-back loans.

b) The Management Company, on behalf of the Fund, may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Management Company, on behalf of the Fund, from (i) acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.

c) The Management Company, on behalf of the Fund, may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

d) The Management Company, on behalf of the Fund, may not acquire movable or immovable property.

e) The Management Company, on behalf of the Fund, may not acquire either precious metals or certificates representing them.

- IX. a) The Management Company, on behalf of the Fund, needs not comply with the limits laid down in the above mentioned investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.



b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for the sales transactions of the Fund the remedying of that situation, taking due account of the interest of the Unitholders.

c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

The Management Company may adopt further investment restrictions in order to conform to the requirements of such countries where the Units shall be distributed.

X. A Sub-Fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "**Target Sub-Fund**") under the condition however that:

- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and
- no more than 10% of the assets that the Target Sub-Fund(s) whose acquisition is contemplated may be invested in units of other Target Sub-Funds; and
- voting rights, if any, attaching to the Units of the Target Sub-Fund(s) are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Sub-Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

XI. Under the conditions and within the limits laid down by the 2010 Law, the Management Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "**Feeder UCITS**") or as a master UCITS (a "**Master UCITS**"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest a least 85% of its assets in the units of another Master UCITS.

A Feeder UCITS may hold up to 15% of its assets in one or more of the following:





- ancillary liquid assets;
- financial derivative instruments, which may be used only for hedging purposes.

### **Techniques and Instruments**

The Management Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against risk. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions. The Management Company, on behalf of the Fund (subject as aforesaid), may employ such techniques and instruments in accordance with the applicable laws and regulations.

#### *Authorised transactions*

To the maximum extent allowed by, and within the limits set forth in, the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions and in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investment (as may be amended or replaced), of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments and of (iii) the ESMA Guidelines on ETFs and other UCITS issues dated 18 December 2012, ESMA/2012/832 (the “ESMA Guidelines”) (as these pieces of regulations may be amended or replaced from time to time), the Management Company, on behalf of each Sub-Fund, may for the purpose of generating additional capital or income or for reducing costs or risks (A) engage in securities lending transactions, and (B) enter, either as purchaser or seller, into optional as well as non optional repurchase transactions with highly rated financial institutions specialised in this type of transaction.

#### *Possible reinvestment of cash collateral*

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the provisions of the Prospectus.



## **Financial Derivatives Instruments**

The Management Company, on behalf of each Sub-Fund, may, subject to the conditions and within the limits laid down in the 2010 Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "**Regulations**"), invest in financial derivative instruments for hedging and/or efficient portfolio management purposes and/or to manage foreign exchange risks. If for a Sub-Fund such financial derivative instruments are also used for investment purposes, this will be set out in its investment objective and policy. Financial derivative instruments include, but are not limited to, futures, options, swaps (including, but not limited to, credit and credit-default, interest rate and inflation swaps), forward foreign currency contracts and credit linked notes. The Management Company, on behalf of each Sub-Fund, may enter into transactions which include but are not limited to interest rate, equity, index and government bond futures and the purchase and writing of call and put options on securities, securities indices, government bond futures, interest rate futures and swaps. The Management Company, on behalf of this Sub-Fund, may employ such financial derivative instruments in accordance with the Regulations.

## **Article 7. - The Units**

One or several Classes of Units shall be issued by the Management Company for each Sub-Fund subject to payment therefor to the Custodian within such period thereafter as the Management Company may from time to time determine. Fractions of Units may be issued to such fractional entitlements as the Management Company may determine.

The Management Company may accept securities as payment for Units at its discretion provided that the contribution of such securities are consistent with policies pursued by the Management Company and will not result in a breach of the relevant Sub-Fund's investment objective and policies or the Fund's investment restrictions. In such case, an auditor's report will be necessary to value the contribution in kind. Expenses in connection with the establishment of such report and any other expenses in connection with the subscription in kind will be borne by the subscriber that has chosen this method of payment or by the Management Company at its discretion.

The Management Company will only issue registered Units. Confirmations of holding of Units shall be delivered by the Management Company provided that payment therefore has been received by the Custodian.

The Management Company shall comply, with respect to the issuing of Units, with the laws and regulations of the countries where these Units are offered. The Management Company may, at its discretion, discontinue temporarily, cease definitely or limit the issue of Units at any time to persons or corporate bodies resident or established in certain countries or territories and may also prohibit certain persons or corporate bodies from acquiring Units, if such a measure is necessary for the protection of the Unitholders as a whole and the Fund ("Prohibited Person"). In particular, the Management Company will not give effect to any transfer of Units which would result in a Prohibited Person becoming a Unitholder in the Fund. In addition the Management Company may restrict or



prohibit the transfer of Units of a specific Class of Units if such restriction or prohibition is in the interest of the Unitholders of such Class of Units.

Furthermore, the Management Company may:

- (a) reject at its discretion any application for purchase of Units;
- (b) repurchase at any time the Units held by Unitholders who are excluded from purchasing or holding Units.

More specifically, but not limited to, the Management Company may restrict or prevent the ownership of Units in the Fund by any "U.S. person", as defined hereafter, and for such purposes the Management Company may:

- (a) decline to issue any Unit and decline to register any transfer of a Unit, where it appears to it that such registration or transfer would or might result in beneficial ownership of such Unit by a U.S. person;
- (b) at any time require any person whose name is entered in, or any person seeking to register the transfer of Units on, the register of Unitholders 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 Unitholder's Units rests or will rest in U.S. persons; and
- (c) where it appears to the Management Company that any U.S. person either alone or in conjunction with any other person is a beneficial owner of Units or is in breach of its representations and warranties or fails to make such representations and warranties as the Management Company may require, compulsorily purchase from any such Unitholder all of the Units held by such Unitholder in the following manner:

- 1) The Management Company shall serve a notice (hereinafter called the "purchase notice") upon the Unitholder appearing in the register of Unitholders as the owner of the Units to be purchased, specifying the Units to be purchased as aforesaid, the price to be paid for such Units, and the place at which the purchase price in respect of such Units is payable. Any such notice may be served upon such Unitholder by posting the same in a prepaid registered envelope addressed to such Unitholder at his last address known to or appearing in the books of the Fund held by Management Company. The said Unitholder shall thereupon forthwith be obliged to deliver to the Management Company the Unit certificate or certificates representing the Units specified in the purchase notice, if any. Immediately after the close of business on the date specified in the purchase notice, such Unitholder shall cease to be the owner of the Units specified in such notice and, in the case of registered Units, his name shall be removed as to such Units in the register of Unitholders.



- 2) The price at which the Units specified in any purchase notice shall be purchased (hereinafter called "the purchase price") shall be an amount equal to the per Unit Net Asset Value of Units in the Fund, determined in accordance with Article 13 hereof.
- 3) Payment of the purchase price will be made to the owner of such Units, except during periods of exchange restrictions, and will be deposited by the Management Company with a bank in Luxembourg or elsewhere (as specified in the purchase notice) for payment to such owner upon surrender of the Unit certificate or certificates representing the Units specified in such notice, if any. Upon deposit of such price as aforesaid no person interested in the Units specified in such purchase notice shall have any further interest in such Units or any of them, or any claim against the Fund or its assets in respect thereof, except the right of the Unitholder appearing as the owner thereof to receive the price so deposited (without interest) from such bank upon effective surrender of the Unit certificate or certificates as aforesaid.
- 4) The exercise by the Management Company of the powers conferred by this Article shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of ownership of Units by any person or that the true ownership of any Units was otherwise than appeared to the Management Company at the date of any purchase notice, provided that in such case the said powers were exercised by the Management Company in good faith; and

Whenever used in these Management Regulations, the term "U.S. person" shall mean citizen or alien resident of the United States of America or of any of its territories or possessions or areas subject to its jurisdiction or persons who are normally resident therein, including the estate of any such person, or corporations, partnerships, trusts or any other association created or organised therein.

Further, Unitholders are required to notify the Management Company immediately in the event that they become United States persons as defined in the United States Internal Revenue Code. For this purpose, a United States person includes a citizen or resident alien of the United States of America, a partnership or corporation created or organised in or under the law of, the United States of America, a trust where such trust is subject to the United States' jurisdiction and one or more United States persons have the authority to control all or substantial decisions of the trust, and an estate that is subject to US tax on its worldwide income from all sources. The Management Company reserves the right to repurchase any Units which are or become owned, directly or indirectly, by a United State person or if the holding of the Units by any person is unlawful or detrimental to the interests of the Fund.

The basic terms of the U.S. Foreign Account Tax Compliance Act of 2010 ("FATCA") and the related intergovernmental agreement entered into between the United States of America and the Grand-Duchy of Luxembourg on March 28, 2014 currently appear to include the Fund as a Foreign Financial Institution, such that in order to comply, the Management Company may require all Unitholders of the Fund to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned legislation. Despite anything else herein contained





and as far as permitted by Luxembourg laws, the Management Company shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any Unitholding in the Fund;
- require any Unitholder or beneficial owner of the Units to promptly furnish such personal data as may be required by the Management Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to an immediate payor of U.S. source withholdable payment with respect to such a payment or to any tax or regulatory authority, as may be required by law or such authority;
- withhold the payment of any dividend or redemption proceeds to a Unitholder until the Management Company holds sufficient information to enable it to determine the correct amount to be withheld.

The Management Company may restrict the ownership of Units of certain Classes to institutional investors within the meanings of Article 174 of the 2010 Law ("**Institutional Investor(s)**"). The Management Company may, at its discretion, delay the acceptance of any subscription application for Units of a Class reserved for Institutional Investors until such time as the Management Company has received sufficient evidence that the applicant qualifies as an Institutional Investor. If it appears at any time that a holder of Units of a Class reserved to Institutional Investors is not an Institutional Investor, the Management Company will convert the relevant Units into Units of a Class which is not restricted to Institutional Investors in which case the investors concerned will be informed by registered letter (provided that there exists such a Class with similar characteristics) or compulsorily redeem the relevant Units in accordance with the provisions set forth above in this Article. The Management Company will refuse to give effect to any transfer of Units and consequently refuse for any transfer of Units to be entered into the register of Unitholders in circumstances where such transfer would result in a situation where Units of a Class restricted to Institutional Investors would, upon such transfer, be held by a person not qualify as an Institutional Investor.

In addition to any liability under applicable law, each Unitholder who does not qualify as an Institutional Investor, and who holds Units in a Class restricted to Institutional Investors, shall hold harmless and indemnify the Fund, the Management Company, the other Unitholders of the relevant Class and the Management Company's agent for any damages, losses and expenses resulting from or connected to such holding in circumstances where the relevant Unitholder had furnished misleading or untrue documentation or has made misleading or untrue representations to wrongfully establish its status as an Institutional Investor or has failed to notify the Management Company of its loss of such status.

#### **Article 8. - Issue of Units in the Fund**

The initial issue price per Unit of each Class shall be determined by the Management Company in respect of the initial offer period.



Thereafter subscriptions for Units in each Sub-Fund can be made as at any day that is a "Valuation Day" for that Sub-Fund.

The offer price of Units in each Sub-Fund shall be the Net Asset Value per Unit of the relevant Class of such Sub-Fund determined in respect of the applicable Valuation Day. A sales charge up to 5% of the Net Asset Value per Unit and a dilution levy (as described under "Article 13. Net Asset Value") may be added as specified in the Prospectus. The Management Company is also entitled to add to the Net Asset Value per Unit a charge sufficient to cover stamp duties and taxation in respect of the issue of Units or certificates and delivery and insurance costs in respect of certificates.

Payment of the issue price, plus the sales charge if any, shall be made in accordance with the rules determined by the Management Company and as disclosed in the Prospectus.

#### **Article 9. – Switching between Sub-Funds**

Unitholders may at any time request the Management Company to switch the whole or part of their Units of one Sub-Fund into Units of another Sub-Fund at the respective Net Assets Value per Unit of the relevant Sub-Funds to be switched, provided that the Management Company may impose restrictions to switching such as, but not limited to, frequency of switching, and may make switching subject to payment of such charge to be payable to the Management Company, as it shall determine. Unless provided to the contrary in the Prospectus, the provisions set out in this section will apply mutatis mutandis to switching of Units of one Class into Units of another class within the same Sub-Fund.

#### **Article 10. - Evidence of Unitholding**

Any person or corporate body shall be eligible to participate in the Fund by subscribing for one or several Units, subject, however, to the provisions contained in Article 7 of these Management Regulations. The Management Company may issue certificates in registered form. In such case, each certificate shall carry the signatures of the Management Company and the Custodian, both of which may be in facsimile. In the absence of a request for certificates investors will be deemed to have requested that no certificate be issued in respect of their Units and a confirmation of Unitholding will be delivered instead.

#### **Article 11. – Redemptions**

Unitholders may request redemption of their Units as at Valuation Days to be specified by the Management Company. Units shall be redeemed on the basis of the Net Asset Value (as defined in "Article 13. Net Asset Value") per Unit of the relevant Class determined in respect of the applicable Valuation Day as more fully described in the Prospectus. The redemption price shall be the Net Asset Value per Unit decreased by applicable dealing charges up to 2.5% of the Net Asset Value per Unit and dilution levy (as described under "Article 13. Net Asset Value"), if any, as the Management Company shall from time to time determine. A redemption charge as described in the Prospectus may



be deducted from the redemption price and reverts to the intermediary which has received the application for redemption or, if no intermediaries are involved, to the Management Company.

The intermediaries or the Management Company may waive the redemption charge in whole or in part as they may think fit.

If requested by a Unitholder, redemptions may be made in kind at the discretion of the Management Company. Expenses in connection with the redemption in kind (mainly costs relating to the drawing up of an auditor's report) will be borne by the Unitholder that has chosen this method of redemption or by the Management Company at its discretion. To the extent reasonably possible, such redemption in kind will normally be made on a pro rata basis of all investments held by the Fund (having always due regard to and/or protecting the interests of the Fund).

The Management Company shall ensure that the Fund maintains an appropriate level of liquidity, so that under normal circumstances repurchase of the Units of the Fund may be made promptly upon request by Unitholders. Payment of the repurchase price shall be made not later than five business days counting from and excluding the Valuation Day of a Sub-Fund applicable to the repurchase request accepted and subject to receipt of the Unit certificates (if issued).

The Custodian must make payment only if no statutory provisions, such as exchange control regulations or other circumstances outside the control of the Custodian, prohibit the transfer of the payment of the repurchase price to the country where reimbursement was applied for.

If redemption requests (including applications for switching of Units, if applicable) are received in respect of any single Valuation Day for redemptions aggregating 10% or more of the Net Asset Value of a Sub-Fund or Class of a Sub-Fund, the Management Company may decide to delay the calculation of the redemption price of the Units of that Sub-Fund or Class until the Management Company has sold the corresponding assets (which it will endeavour to do without unnecessary delay); in such event, the Management Company shall calculate the Net Asset Value on the basis of prices at which it sold investments to meet the redemption requests; in such cases, payment may also be made, with the approval of the Unitholders concerned, in specie in the form of the Fund's assets which will be valued in an auditor's report and in such manner as the Management Company may determine.

If as a result of a redemption request, the holding of a Unitholder in the Fund is less than the minimum holding amount provided for in the sale documents, the Management Company may treat such request as a request to redeem such Unitholder's entire holding in the Fund.

On payment of the redemption price, the corresponding Unit ceases to exist.

If the Management Company becomes aware that any Units are owned directly or indirectly by any person in breach of any law or requirement of a country or governmental or regulatory authority, or otherwise in the circumstances referred to in Article 7 of these Management Regulations, the Management Company may require the redemption of such Units.



**Article 12. - Suspension of the Calculation of the Net Asset Value  
and of the Issue and Redemption of Units**

The Management Company may suspend temporarily the issuance and redemption of Units of any Sub-Fund as well as the right to switch Units into those of another Sub-Fund and the calculation of the Net Asset Value per Unit of any Sub-Fund:

- a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Sub-Fund concerned is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- b) the existence of any state of affairs which constitutes an emergency, as a result of which disposal or valuation of assets of the Sub-Fund concerned would be impracticable or detrimental to the interests of holders of Units of that Sub-Fund; or
- c) any disruption in the means of communication or computation normally employed in determining the price or value of the assets of the Sub-Fund concerned or the current prices or values on any market or stock exchange; or
- d) any period when the Management Company is unable to repatriate funds for the purpose of making substantial payments on the redemption of Units or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Units cannot in the opinion of the Management Company be effected at normal rates of exchange; or
- e) if the Fund or a Sub-Fund is being or may be wound-up; or
- f) any period when in the opinion of the Management Company there exist circumstances outside of the control of the Management Company where it would be impracticable or unfair towards the Unitholders to continue dealing in Units of any Sub-Fund of the Fund; or
- g) during any period when the determination of the net asset value per share of investment funds representing a material part of the assets of the relevant Sub-Fund is suspended; or
- h) where the Master UCITS of a Feeder UCITS temporarily suspends the repurchase, redemption or subscription of its units, whether at its own initiative or at the request of its competent authorities.

The Management Company shall cease the issue, switch and redemption of the Fund's Units forthwith upon the occurrence of an event causing it to enter into liquidation. Unitholders having requested switching or redemption of their Units will be notified in writing of any suspension within seven days of their request and will be promptly notified upon termination of such suspension.





**Article 13. - Net Asset Value**

The net asset value (the "**Net Asset Value**") per Unit shall be expressed in such currency or currencies as the Management Company shall from time to time determine in respect of each Sub-Fund or Class and calculated with the number of decimals specified in the Prospectus for each Sub-Fund, and shall be computed with respect to the Units of each Sub-Fund on dates specified in the Prospectus (a "**Valuation Day**").

The accounts of the Fund shall be expressed in Euro. Where there shall be different Sub-Funds, and if the Net Asset Values of such Sub-Funds are expressed in different currencies, such Net Asset Values shall be converted into Euro and added together for the purpose of determination of the consolidated accounts of the Fund.

The Net Asset Value of the Units shall be determined in respect of any Valuation Day by dividing the net assets attributable to each Sub-Fund by the number of Units of such Sub-Fund then outstanding. The net assets of each Sub-Fund or Class are made up of the value of the assets attributable to such Sub-Fund or Class less the total liabilities attributable to such Sub-Fund or Class calculated at such time as the Management Company shall have set for such purpose.

Units to be redeemed shall be treated as existing and taken into account until immediately after the close of business in the relevant Valuation Day and from such time until paid the price therefore shall be deemed to be a liability of the Fund.

The value of the assets of the Fund 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 and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof;
- 2) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the latest available closing price and each security traded on any other organised market shall be valued in a manner as similar as possible to that provided for quoted securities.

For securities, for which trading on the relevant stock exchanges is thin and secondary market trading is done between dealers who, as main market makers, offer prices in response to market conditions, the Management Company may decide to value such securities in line with the prices so established;

- 3) for non-quoted securities or securities not traded or dealt in on any stock exchange or other organised market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair



market value, the value thereof shall be determined prudently and in good faith on the basis of foreseeable sales prices;

- 4) liquid assets and money market instruments may be valued at face value plus any accrued interests;
- 5) the value of assets denominated in a currency other than the reference currency of a Sub-Fund or Class shall be determined by taking into account the last available middle market rate. In that context, account shall be taken of hedging instruments used to cover foreign exchange risks;
- 6) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in accordance with market practice;
- 7) shares or units in underlying open-ended investment funds shall be valued at their last available net asset value reduced by any applicable charges.

The Management Company is authorised to apply other adequate valuation principles for the assets of the Fund and/or the assets of a given Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate provided that one set of rules shall be applied to the valuation of all assets allocated to a Sub-Fund.

In circumstances where the interests of the Management Company or the Unitholders so justify (avoidance of market timing practices, for example), the Management Company may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Fund's assets.

In circumstances where the value of the assets of a Sub-Fund may be reduced as a result of costs incurred in dealing in a Sub-Fund's investments, including taxes, stamp duties and transaction charges or as a result of dealings in such investments at prices other than the prices used to calculate the Net Asset Value of the Sub-Fund, the Management Company may, in its discretion but subject to applicable law, impose on a Unitholder or applicant for Units a dilution levy in respect of any subscription or redemption of Units where they reasonably consider such levy will avoid or mitigate any potential adverse effects on Unitholders and will be fair to all Unitholders and potential Unitholders.

In the accounts of the Fund, the Management Company shall establish the Sub-Funds and Classes as follows:

- a) the proceeds to be received from the issue of Units of a specific Class shall be applied in the books of the Fund to the Sub-Fund established for that Class of Units, and, as the case may be, the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the Class of Units to be issued, and the assets and liabilities and income and expenditure attributable to such Class or Classes shall be applied to the corresponding Sub-Fund 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 Fund to the same Sub-Fund as the assets from which it was derived and on each re-valuation of an asset, the increase or diminution in value shall be applied to the relevant pool;
- c) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund;
- d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated to all the Sub-Funds pro rata to the net asset values of the relevant Classes of Units;
- e) when Class-specific expenses are paid and/or higher dividends are distributed to Units of a given Class, the net asset value of the relevant Class of Units shall be reduced by such expenses and/or by any excess of dividends paid to holders of Units of one Class over that paid to holders of the other Class or Classes (thus decreasing the percentage of the total net asset value of the Fund or of the Sub-Fund, as the case may be, attributable to such Class of Units) and the net asset value attributable to the other Class or Classes of Units shall remain the same (thus increasing the percentage of the total net asset value of the Fund or of the Sub-Fund, as the case may be, attributable to such other Class or Classes of Units);
- f) when Class-specific assets, if any, cease to be attributable to one Class only, and/or when income or assets derived therefrom are to be attributed to several Classes of Units issued in connection with the same Sub-Fund, the Unit of the relevant Class of Units in the Sub-Fund shall increase in the proportion of such contribution; and
- g) whenever Units are issued or redeemed, the Unit in the common Sub-Fund attributable to the corresponding Class of Units shall be increased or decreased by the amount received or paid, as the case may be, by the Fund for such issue or redemption.

The Fund may at any time issue Units of additional Classes, in connection with an existing Sub-Fund in which event the Unit of each additional Class(es) of Units in the Sub-Fund shall be determined initially in the proportion of the aggregate issue price received by the Fund and to be invested in the Sub-Fund upon the initial offering bears to the existing value of the Sub-Fund.

The Management Company may invest and manage all or any part of the Sub-Funds of the Fund (hereafter referred to as "**Participating Sub-Funds**") on a pooled basis where it is appropriate with regard to their respective investment sectors to do so. Any such enlarged asset pool ("**Asset Pool**") shall first be formed by transferring to the Asset Pool cash or (subject to the limitations mentions below) other assets from each of the Participating Sub-Funds. Thereafter, the Management Company may from time to time make further assets transfers between the Asset Pool and the Participating Sub-Fund(s) concerned. Assets other than cash may be allocated to an Asset Pool only where they are appropriate to the investment sector of the Asset Pool concerned.



The assets of the Asset Pool to which each Participating Sub-Fund shall be entitled shall be determined by reference to the allocations and withdrawals of assets by such Participating Sub-Fund.

Dividends, interest and other distributions of an income nature received in respect of the assets in an Asset Pool will be immediately credited to the Participating Sub-Funds, in proportion to their respective entitlements to the assets in the Asset Pool at the time of receipt. Asset Pools do not change the legal rights or obligations of Unitholders.

The assets of each relevant Sub-Fund will be deemed to include:

1. all cash on hand or on deposit, including any interest accrued thereon;
2. all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
3. all bonds, time notes, warrants, options and other investments and securities owned or contracted for by the Sub-Fund;
4. all cash dividends, if any, and cash distributions receivable by the Sub-Fund (provided that the Sub-Fund may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
5. all interest accrued on any interest-bearing securities owned by the Sub-Fund except to the extent that the same is included or reflected in the principal amount of such security;
6. the liquidation value of all futures, forwards and options contracts;
7. the preliminary expenses of the Sub-Fund insofar as the same have not been written off; and
8. all other assets of every kind and nature, including prepaid expenses.

The liabilities of each relevant Sub-Fund shall be deemed to include:

1. all loans, bills and accounts payable;
2. 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 Sub-Fund;
3. an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time and other reserves (if any) authorised and approved by the Management Company; and





4. all other liabilities of the Sub-Fund of whatsoever kind and nature. The Sub-Fund may calculate administrative and other expenses of a regular or recurring nature of an estimated figure of yearly or other periods in advance and may accrue the same in equal proportions over any such period.

#### **Article 14. - Expenses of the Fund**

The Fund may bear the following expenses:

- all taxes which may be payable on its assets and income thereon, and expenses chargeable to the Fund;
- standard brokerage and bank charges incurred by the Fund in the context of business transactions (these charges are included in the cost of investments and deducted from sales proceeds);
- fees and expenses, as the case may be, of the Management Company, incurred in the context of the management of the Fund;
- fees and expenses, as the case may be, payable to third parties in connection with investment advice or investment management services rendered in relation to the Fund;
- fees and expenses, as the case may be, of the administrator, incurred in the context of its services provided to the Fund;
- fees and expenses, as the case may be, of the Custodian, incurred in the context of its services provided to the Fund;
- the cost, including that of legal advice, which may be payable by the Management Company or the Custodian for actions taken in the interest of the Unitholders;
- the fees and expenses incurred in connection with the registration of the Fund with, or the approval or recognition of the Fund by, the competent authorities in any country or territory and all fees and expenses incurred in connection with maintaining any such registration, approval or recognition;
- the cost of preparing, printing the Unit certificates (if any), depositing, translating and publishing the Management Regulations and other documents in respect of the Fund, including notifications for registration, prospectuses and memoranda for all governmental authorities and stock exchanges (including local securities dealer's associations) which are required in connection with the Fund or with offering the Units of the Fund, the cost of preparing, printing and distributing annual and semi-annual reports for the Unitholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations, the cost of bookkeeping and computation of



the Net Asset Value per Unit, the cost of notifications to Unitholders, the fees of the Fund's auditors and legal advisers, and all other similar administrative expenses, including the cost of advertising and other expenses incurred in connection with such activity, specifically for the offer and sale of the Units of the Fund, such as the cost of printing copies of the above-mentioned documents and reports as are used in marketing the Units.

All recurring fees shall first be deducted from the investment income, then from realized capital gains, and then from the assets. Other expenses may be written off over a period of 5 years.

Where a new Sub-Fund is created and launched, it will incur its own initial expenses that may be written off over a period of 5 years. It shall not participate in initial expenses incurred for the creation and launch of existing Sub-Funds.

#### **Article 15. - Accounting Year, Audit**

The accounting year of the Fund shall end on the last calendar day of February in each year.

The Fund and the accounts thereof shall be audited by an approved statutory auditor (*réviseur d'entreprises agréé*) to be appointed by the Management Company.

#### **Article 16. - Distributions**

Distributions may be declared for such amounts and with respect to such Class or Classes of Units as the Management Company may determine in the Prospectus. Payment dates for dividends shall be set out in the Prospectus or explanatory memorandums issued by the Management Company in connection with the sale of the Units of the Fund.

No distribution may be made as a result of which the net assets of the Fund would become less than the minimum capital prescribed by the 2010 Law.

Dividends not claimed within five years from their due date will lapse and revert to the Fund.

#### **Article 17. - Amendments to these Management Regulations**

The Management Company may amend these Management Regulations in full or in part at any time with the agreement of the Custodian.

Amendments to the Management Regulations will become effective 5 days after the publication in the Luxembourg "*Mémorial C, Recueil des Sociétés et Associations*" (the "*Mémorial*") of a notice advising of the deposit of any amendment to these Management Regulations with the *Registre de Commerce et des Sociétés* in Luxembourg, if not otherwise provided in the relevant document amending the Management Regulations.

The Management Regulations are on file at the *Registre de Commerce et des Sociétés* in Luxembourg.



**Article 18. - Announcements**

The Net Asset Value, the issue price and the repurchase price per Unit will be made available to the Unitholders at the registered office of the Management Company and the Custodian.

The audited annual reports and the unaudited semi-annual reports of the Fund will be made available to the Unitholders at the registered offices of the Management Company, the Custodian and any paying agent.

Notice of deposit with the *Registre de Commerce et des Sociétés* in Luxembourg of any amendments to these Management Regulations, including the dissolution of the Fund, will be published in the *Mémorial*.

The amendments and any notices to Unitholders may also be published, as the Management Company may decide, in newspapers of countries where the Units of the Fund are offered and sold.

**Article 19. - Duration of the Fund, Liquidation and Merger**

The Fund and each specific Sub-Fund shall be established for an indefinite period unless otherwise provided in the Prospectus in relation to such Sub-Fund. Unitholders, their successors in title may not demand the dissolution or division of the Fund or of a Sub-Fund. The Fund may be dissolved at any time by mutual agreement of the Management Company and the Custodian. The dissolution of the Fund shall be published in the *Mémorial* and in two other newspapers, with adequate circulation, including one Luxembourg newspaper. No Units may be issued after the date of such decision of the Management Company and the Custodian. Units may continue to be redeemed or switched if the equal treatment between all Unitholders can be ensured.

In the event of the liquidation of the Fund, the Management Company shall realise the assets of the Fund in the best interest of the Unitholders, and the Custodian shall distribute the net liquidation proceeds corresponding to each Sub-Fund, after deduction of liquidation charges and expenses, to the Unitholders of such Sub-Fund in the proportion of the respective Net Asset Value per Unit, all in accordance with the directions of the Management Company.

Liquidation proceeds which could not be distributed to the persons entitled thereto at the close of liquidation shall be deposited with the *Caisse de Consignation* in Luxembourg until applicable prescription period shall have elapsed.

The Management Company may similarly decide to dissolve any Sub-Fund without terminating the Fund. In such event it shall refund to the holders of Units of the Classes concerned the full Net Asset value of such Classes. Such action shall be publicised by the Management Company in the same manner as the dissolution of the Fund and the proceeds of the refund which can not be distributed to the persons entitled thereto shall be deposited with the *Caisse de Consignation* in Luxembourg.



The Management Company may decide to merge one or more Sub-Funds with another Sub-Fund, or with another undertaking for collective investment or a sub-fund thereof registered pursuant to Part I of the 2010 Law or another UCITS legislation.

The mergers will be undertaken within the framework of the 2010 Law.

#### **Article 20. - Prescription**

Unitholders' claims against the Management Company or the Custodian shall cease to be valid 5 years after the date of the occurrence giving rise to the claim.

#### **Article 21. - Applicable Law, Jurisdiction and Authoritative Languages**

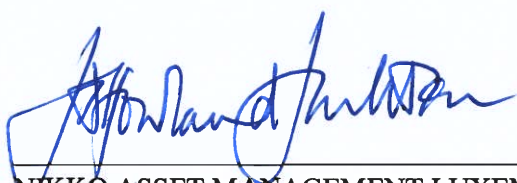
The District Court of Luxembourg shall have jurisdiction over any disputes between the Unitholders, the Management Company, the shareholders thereof and the Custodian, and the laws of the Grand Duchy of Luxembourg shall apply. The Management Company and/or the Custodian may nevertheless submit themselves and the Fund to the jurisdiction of the countries in which the Units are offered and sold, in respect of claims by investors from such countries.

The English-language version of these Management Regulations shall be binding; the Management Company and the Custodian may nevertheless accept the use of translations approved by them into the languages of countries in which Fund Units are offered and sold and these shall be binding in respect of such Units sold to investors in those countries.

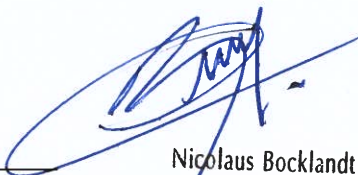




Luxembourg, as of 7 January 2019



NIKKO ASSET MANAGEMENT LUXEMBOURG S.A.



Nicolaus Bocklandt

Henri Hackenberg  
Managing Director  
Brown Brothers Harriman (Lux) S.C.A.



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**MANAGEMENT REGULATIONS**  
  
**OF**  
  
**NIKKO AM GLOBAL INVESTMENTS**  
**(LUXEMBOURG)**



### **Article 1. - The Fund**

Nikko AM Global Investments (Luxembourg) (hereafter referred to as the "**Fund**") organized under the laws of the Grand-Duchy of Luxembourg as a mutual investment fund (*fonds commun de placement*), is an unincorporated co-proprietorship of transferable securities (hereinafter referred to as "**securities**") and other eligible assets, managed in the interest of its co-owners (hereafter referred to as the "**Unitholders**") by Nikko Asset Management Luxembourg S.A. (hereafter referred to as the "**Management Company**"), a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office in Luxembourg, Grand Duchy of Luxembourg.

There may be several classes of units (the "**Units**") and, within the Fund, the Management Company may create specific pools of assets to be created pursuant to Article 4 (each a "**Sub-Fund**") which shall be linked to one or more classes of Units (each a "**Class**") whose assets will be commonly invested but where a specific sales and/or redemption charge structure, fee structure, hedging policy or other specific features is applied to each Class. The Management Company will decide if and from what date Units of any such Class shall be offered for subscription, those Units to be issued on the terms and conditions as shall be decided by the Management Company. The rights attaching to such Classes shall be specified in the prospectus of the Fund (the "**Prospectus**"). The assets of the Fund, which are held in custody by Brown Brothers Harriman (Luxembourg) S.C.A. (hereafter referred to as the "**Custodian**") are segregated from those of the Management Company and from any other fund managed by the Management Company, if any. By the acquisition of Units of the Fund, any Unitholder fully accepts these management regulations (the "**Management Regulations**") which determine the contractual relationship between the Unitholders, the Management Company and the Custodian.

The Fund is subject to Part I of the law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the "**2010 Law**").

### **Article 2. - The Management Company**

The Fund shall be managed on behalf of the Unitholders by the Management Company, which has its registered office in Luxembourg, Grand Duchy of Luxembourg.

The Management Company is vested with the broadest powers to administer and manage the Fund, subject to the restrictions set forth in Article 6 hereafter, on behalf of the Unitholders, including but not limited to, the purchase, sale, subscription, exchange and receipt of securities and the exercise of all the rights attached directly or indirectly to the assets of the Fund.

The board of directors of the Management Company (the "**Board of Directors**") shall determine the investment policy of the Fund within the restrictions set forth in Article 6 hereafter.

The Management Company may delegate its functions to third parties and appoint a general manager or managers and/or administrative agents and any other agents to implement the investment policy, daily administer, manage the assets of the Fund and carry out the distribution of the Fund's Units.



The Management Company may for the benefit of the Fund obtain investment information, advice and other services.

The Management Company and any investment manager, investment advisor and sub-advisor and any other agent of the Fund are entitled to fees payable out of the assets of the Fund not exceeding the rate and/or amount specified in the Prospectus.

### **Article 3. - The Custodian**

The Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A., a company organised under the laws of the Grand Duchy of Luxembourg, as custodian of the Fund.

The Custodian or the Management Company may terminate the appointment of the Custodian at any time upon 90 days written notice delivered by one party to the other.

In the event of termination of the appointment of the Custodian, the Management Company will use its best endeavors to appoint within two months of such termination, a new custodian which will assume the responsibilities and functions of custodian. Pending the appointment of a new custodian, the Custodian shall take all necessary steps to ensure good preservation of the interests of the Unitholders. After termination as aforesaid, the appointment of the Custodian shall continue thereafter for such period as may be necessary for the transfer of all assets of the Fund to the new custodian.

All cash and securities constituting the assets of the Fund shall be held by the Custodian on behalf of the Unitholders of the Fund. The Custodian may, with the approval of the Management Company, entrust other banks and financial institutions with the safekeeping of such assets. The Custodian may hold securities in fungible or non fungible accounts with such clearing houses as the Management Company may approve. It will have the normal duties of a bank with respect to the Fund's deposits of cash and securities held by it. The Custodian may only dispose of the assets of the Fund and make payments to third parties on behalf of the Fund on receipt of instructions from the Management Company or its appointed agents or otherwise in accordance with applicable law.

Upon receipt of instructions from the Management Company or its appointed agents, the Custodian will perform all acts of disposal with respect to the assets of the Fund.

The Custodian will fulfill the duties and assume the responsibilities provided by the 2010 Law.

The Custodian is entitled to such fees as will be determined from time to time by agreement between the Management Company and the Custodian.





**Article 4. – The Sub-Funds**

The Management Company may, from time to time create Sub-Funds, which have different investment policies.

A separate portfolio of investments and assets will be maintained for each Sub-Fund. The assets of the different Sub-Funds will be separately invested in accordance with an investment policy fixed for each Sub-Fund in the Prospectus.

According to Article 181 (5) of the 2010 Law, the rights of Unitholders and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund.

The assets of a Sub-Fund are exclusively available to satisfy the rights of investors in relation to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund.

For the purpose of the relations between Unitholders, each Sub-Fund will be deemed to be a separate entity.

Any Sub-Fund may be dissolved upon decision of the Management Company, as more fully described in Article 19 hereafter.

**Article 5. – Investment Policy**

The Management Company shall invest the proceeds paid into the Fund for joint account of Unitholders in transferable securities and other assets permitted by the 2010 Law in conformity with the principle of risk spreading. In this context the Management Company shall specify the investment guidelines for each Sub-Fund and publish such guidelines in the Prospectus.

The Fund shall be managed with the objective of providing the Unitholders with a range of investment opportunities worldwide in different geographical markets or different industries or sectors through a range of diversified Sub-Funds. The Sub-Funds may invest or seek exposure to any kind of financial instruments comprising equity and debt securities, money market instruments, deposits, derivative financial instruments, units or shares of investment funds and any other assets permitted to undertakings for collective investment under Part I of the 2010 Law as may be specified in the Prospectus for any specific Sub-Fund. The Management Company shall in its discretion decide what investment opportunities the Fund shall offer to investors by the creation of additional Sub-Funds.

Each Sub-Fund may use leverage through the use of financial derivative instruments or through borrowing or any other means as described in the Prospectus.

The Management Company shall specify the investment guidelines for each Sub-Fund and publish such guidelines in the Prospectus.



### **Article 6. - Investment Restrictions**

In managing the assets of the Fund the Management Company shall comply with the following restrictions which apply individually to each Sub-Fund and not in aggregate to the Fund as a whole, unless specifically so stated.

#### **Investment Restrictions**

- I. (1) The Fund may invest in:
- a) transferable securities and money market instruments admitted to or dealt in on a market within the meaning of Article 4. item 1.14) of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public ("**Regulated Market**");
  - b) 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 Regulated Market and such admission is secured within one year of the issue;
  - c) units/shares of UCITS and/or other UCIs, whether situated in an EU Member State or not, provided that:
    - such other UCIs are authorised under laws which state that they are subject to supervision considered by the *Commission de Surveillance du Secteur Financier* ("CSSF") as equivalent to that laid down in Community law and that co-operation between authorities is sufficiently ensured,
    - the level of protection for unitholders/shareholders in such other UCIs is equivalent to that provided for unitholders/shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended,
    - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
    - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs.



- d) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
  - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - the 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 value at the Management Company's initiative;

and/or

- f) money market instruments other than those dealt in on a Regulated Market, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in 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 EU Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, 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 in the 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, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EURO 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, 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 is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (2) In addition, the Management Company, on behalf of the Fund, may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

II. The Fund may hold ancillary liquid assets.

- III. a) (i) The Management Company will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Management Company may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body.
- (iii) The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.
- b) Moreover, where the Management Company holds on behalf of a Sub-Fund investment in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Management Company may not combine for each Sub-Fund:

- investments in transferable securities or money market instruments issued by a single body;
- deposits made with the same body and/or;





- exposure arising from OTC derivative transactions undertaken with the same body;

in excess of 20% of its net assets.

c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, by its public local authorities, or by a third country or by public international bodies of which one or more EU Member States belong.

d) The limit of 10% laid down in sub-paragraph a) (i) may be increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be taken into account for the purpose of applying the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be combined, thus investments in transferable securities or money market instruments issued by the same issuing body or in deposits or in derivative instruments made with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

The Management Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

f) Notwithstanding the above provisions, the Management Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by a state as acceptable by the CSSF and disclosed in the Prospectus (including but not limited to G20 member states and



Singapore or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares an/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is recognized by the CSSF and which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V. a) The Management Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- b) The Management Company, on behalf of the Fund, may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 10% of the Money Market Instruments of the same issuer.
- c) These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities or by a non-Member State of the EU, or issued by public international bodies of which one or more Member States of the EU are members.



These provisions are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Management Company, on behalf of the Fund, can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. a), b) and c) and VI. a), b), and c).

VI. a) The Management Company, on behalf of the Fund, may acquire units/shares of the UCITS and/or other UCIs referred to in paragraph I) (1) c), provided that no more than 10% of a Sub-Fund's net assets be invested in the units/shares of UCITS or other UCIs or in one single such UCITS or other UCI unless otherwise specified in the relevant Annex to the Prospectus relating to the Sub-Fund.

b) The underlying investments held by the UCITS or other UCIs in which the Management Company, on behalf of the Fund, invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.

c) When the Management Company, on behalf of the Fund, invests in the units/shares of 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 other company cannot charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or UCIs.

If any Sub-Fund's investments in UCITS and other UCIs constitute a substantial proportion of the Sub-Fund's assets, the total management fee (excluding any performance fee, if any) charged both to such Sub-Fund itself and the other UCITS and/or other UCIs concerned shall not exceed 5% of the relevant assets. The Management Company will indicate in the annual report of the Fund the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

d) The Management Company, on behalf of the Fund, may acquire no more than 25% of the units/shares of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units/shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units/shares issued by the UCITS or other UCI concerned, all compartments combined.



- VII. The Management Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

The 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. This shall also apply to the following subparagraphs.

If the Management Company, on behalf of the Fund, invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Management Company, on behalf of the Fund, invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Management Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Management Company, on behalf of the Fund, may acquire foreign currencies by means of back-to-back loans.

b) The Management Company, on behalf of the Fund, may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Management Company, on behalf of the Fund, from (i) acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.

c) The Management Company, on behalf of the Fund, may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

d) The Management Company, on behalf of the Fund, may not acquire movable or immovable property.

e) The Management Company, on behalf of the Fund, may not acquire either precious metals or certificates representing them.

- IX. a) The Management Company, on behalf of the Fund, needs not comply with the limits laid down in the above mentioned investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.





b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for the sales transactions of the Fund the remedying of that situation, taking due account of the interest of the Unitholders.

c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

The Management Company may adopt further investment restrictions in order to conform to the requirements of such countries where the Units shall be distributed.

X. A Sub-Fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "**Target Sub-Fund**") under the condition however that:

- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and
- no more than 10% of the assets that the Target Sub-Fund(s) whose acquisition is contemplated may be invested in units of other Target Sub-Funds; and
- voting rights, if any, attaching to the Units of the Target Sub-Fund(s) are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Sub-Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

XI. Under the conditions and within the limits laid down by the 2010 Law, the Management Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "**Feeder UCITS**") or as a master UCITS (a "**Master UCITS**"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest a least 85% of its assets in the units of another Master UCITS.

A Feeder UCITS may hold up to 15% of its assets in one or more of the following:



- ancillary liquid assets;
- financial derivative instruments, which may be used only for hedging purposes.

### **Techniques and Instruments**

The Management Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against risk. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions. The Management Company, on behalf of the Fund (subject as aforesaid), may employ such techniques and instruments in accordance with the applicable laws and regulations.

#### *Authorised transactions*

To the maximum extent allowed by, and within the limits set forth in, the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions and in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investment (as may be amended or replaced), of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments and of (iii) the ESMA Guidelines on ETFs and other UCITS issues dated 18 December 2012, ESMA/2012/832 (the “ESMA Guidelines”) (as these pieces of regulations may be amended or replaced from time to time), the Management Company, on behalf of each Sub-Fund, may for the purpose of generating additional capital or income or for reducing costs or risks (A) engage in securities lending transactions, and (B) enter, either as purchaser or seller, into optional as well as non optional repurchase transactions with highly rated financial institutions specialised in this type of transaction.

#### *Possible reinvestment of cash collateral*

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the provisions of the Prospectus.



## **Financial Derivatives Instruments**

The Management Company, on behalf of each Sub-Fund, may, subject to the conditions and within the limits laid down in the 2010 Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "**Regulations**"), invest in financial derivative instruments for hedging and/or efficient portfolio management purposes and/or to manage foreign exchange risks. If for a Sub-Fund such financial derivative instruments are also used for investment purposes, this will be set out in its investment objective and policy. Financial derivative instruments include, but are not limited to, futures, options, swaps (including, but not limited to, credit and credit-default, interest rate and inflation swaps), forward foreign currency contracts and credit linked notes. The Management Company, on behalf of each Sub-Fund, may enter into transactions which include but are not limited to interest rate, equity, index and government bond futures and the purchase and writing of call and put options on securities, securities indices, government bond futures, interest rate futures and swaps. The Management Company, on behalf of this Sub-Fund, may employ such financial derivative instruments in accordance with the Regulations.

### **Article 7. - The Units**

One or several Classes of Units shall be issued by the Management Company for each Sub-Fund subject to payment therefor to the Custodian within such period thereafter as the Management Company may from time to time determine. Fractions of Units may be issued to such fractional entitlements as the Management Company may determine.

The Management Company may accept securities as payment for Units at its discretion provided that the contribution of such securities are consistent with policies pursued by the Management Company and will not result in a breach of the relevant Sub-Fund's investment objective and policies or the Fund's investment restrictions. In such case, an auditor's report will be necessary to value the contribution in kind. Expenses in connection with the establishment of such report and any other expenses in connection with the subscription in kind will be borne by the subscriber that has chosen this method of payment or by the Management Company at its discretion.

The Management Company will only issue registered Units. Confirmations of holding of Units shall be delivered by the Management Company provided that payment therefore has been received by the Custodian.

The Management Company shall comply, with respect to the issuing of Units, with the laws and regulations of the countries where these Units are offered. The Management Company may, at its discretion, discontinue temporarily, cease definitely or limit the issue of Units at any time to persons or corporate bodies resident or established in certain countries or territories and may also prohibit certain persons or corporate bodies from acquiring Units, if such a measure is necessary for the protection of the Unitholders as a whole and the Fund ("Prohibited Person"). In particular, the Management Company will not give effect to any transfer of Units which would result in a Prohibited Person becoming a Unitholder in the Fund. In addition the Management Company may restrict or



prohibit the transfer of Units of a specific Class of Units if such restriction or prohibition is in the interest of the Unitholders of such Class of Units.

Furthermore, the Management Company may:

- (a) reject at its discretion any application for purchase of Units;
- (b) repurchase at any time the Units held by Unitholders who are excluded from purchasing or holding Units.

More specifically, but not limited to, the Management Company may restrict or prevent the ownership of Units in the Fund by any "U.S. person", as defined hereafter, and for such purposes the Management Company may:

- (a) decline to issue any Unit and decline to register any transfer of a Unit, where it appears to it that such registration or transfer would or might result in beneficial ownership of such Unit by a U.S. person;
- (b) at any time require any person whose name is entered in, or any person seeking to register the transfer of Units on, the register of Unitholders 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 Unitholder's Units rests or will rest in U.S. persons; and
- (c) where it appears to the Management Company that any U.S. person either alone or in conjunction with any other person is a beneficial owner of Units or is in breach of its representations and warranties or fails to make such representations and warranties as the Management Company may require, compulsorily purchase from any such Unitholder all of the Units held by such Unitholder in the following manner:

- 1) The Management Company shall serve a notice (hereinafter called the "purchase notice") upon the Unitholder appearing in the register of Unitholders as the owner of the Units to be purchased, specifying the Units to be purchased as aforesaid, the price to be paid for such Units, and the place at which the purchase price in respect of such Units is payable. Any such notice may be served upon such Unitholder by posting the same in a prepaid registered envelope addressed to such Unitholder at his last address known to or appearing in the books of the Fund held by Management Company. The said Unitholder shall thereupon forthwith be obliged to deliver to the Management Company the Unit certificate or certificates representing the Units specified in the purchase notice, if any. Immediately after the close of business on the date specified in the purchase notice, such Unitholder shall cease to be the owner of the Units specified in such notice and, in the case of registered Units, his name shall be removed as to such Units in the register of Unitholders.





- 2) The price at which the Units specified in any purchase notice shall be purchased (hereinafter called "the purchase price") shall be an amount equal to the per Unit Net Asset Value of Units in the Fund, determined in accordance with Article 13 hereof.
- 3) Payment of the purchase price will be made to the owner of such Units, except during periods of exchange restrictions, and will be deposited by the Management Company with a bank in Luxembourg or elsewhere (as specified in the purchase notice) for payment to such owner upon surrender of the Unit certificate or certificates representing the Units specified in such notice, if any. Upon deposit of such price as aforesaid no person interested in the Units specified in such purchase notice shall have any further interest in such Units or any of them, or any claim against the Fund or its assets in respect thereof, except the right of the Unitholder appearing as the owner thereof to receive the price so deposited (without interest) from such bank upon effective surrender of the Unit certificate or certificates as aforesaid.
- 4) The exercise by the Management Company of the powers conferred by this Article shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of ownership of Units by any person or that the true ownership of any Units was otherwise than appeared to the Management Company at the date of any purchase notice, provided that in such case the said powers were exercised by the Management Company in good faith; and

Whenever used in these Management Regulations, the term "U.S. person" shall mean citizen or alien resident of the United States of America or of any of its territories or possessions or areas subject to its jurisdiction or persons who are normally resident therein, including the estate of any such person, or corporations, partnerships, trusts or any other association created or organised therein.

Further, Unitholders are required to notify the Management Company immediately in the event that they become United States persons as defined in the United States Internal Revenue Code. For this purpose, a United States person includes a citizen or resident alien of the United States of America, a partnership or corporation created or organised in or under the law of, the United States of America, a trust where such trust is subject to the United States' jurisdiction and one or more United States persons have the authority to control all or substantial decisions of the trust, and an estate that is subject to US tax on its worldwide income from all sources. The Management Company reserves the right to repurchase any Units which are or become owned, directly or indirectly, by a United State person or if the holding of the Units by any person is unlawful or detrimental to the interests of the Fund.

The basic terms of the U.S. Foreign Account Tax Compliance Act of 2010 ("FATCA") and the related intergovernmental agreement entered into between the United States of America and the Grand-Duchy of Luxembourg on March 28, 2014 currently appear to include the Fund as a Foreign Financial Institution, such that in order to comply, the Management Company may require all Unitholders of the Fund to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned legislation. Despite anything else herein contained



and as far as permitted by Luxembourg laws, the Management Company shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any Unitholding in the Fund;
- require any Unitholder or beneficial owner of the Units to promptly furnish such personal data as may be required by the Management Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to an immediate payor of U.S. source withholdable payment with respect to such a payment or to any tax or regulatory authority, as may be required by law or such authority;
- withhold the payment of any dividend or redemption proceeds to a Unitholder until the Management Company holds sufficient information to enable it to determine the correct amount to be withheld.

The Management Company may restrict the ownership of Units of certain Classes to institutional investors within the meanings of Article 174 of the 2010 Law ("**Institutional Investor(s)**"). The Management Company may, at its discretion, delay the acceptance of any subscription application for Units of a Class reserved for Institutional Investors until such time as the Management Company has received sufficient evidence that the applicant qualifies as an Institutional Investor. If it appears at any time that a holder of Units of a Class reserved to Institutional Investors is not an Institutional Investor, the Management Company will convert the relevant Units into Units of a Class which is not restricted to Institutional Investors in which case the investors concerned will be informed by registered letter (provided that there exists such a Class with similar characteristics) or compulsorily redeem the relevant Units in accordance with the provisions set forth above in this Article. The Management Company will refuse to give effect to any transfer of Units and consequently refuse for any transfer of Units to be entered into the register of Unitholders in circumstances where such transfer would result in a situation where Units of a Class restricted to Institutional Investors would, upon such transfer, be held by a person not qualify as an Institutional Investor.

In addition to any liability under applicable law, each Unitholder who does not qualify as an Institutional Investor, and who holds Units in a Class restricted to Institutional Investors, shall hold harmless and indemnify the Fund, the Management Company, the other Unitholders of the relevant Class and the Management Company's agent for any damages, losses and expenses resulting from or connected to such holding in circumstances where the relevant Unitholder had furnished misleading or untrue documentation or has made misleading or untrue representations to wrongfully establish its status as an Institutional Investor or has failed to notify the Management Company of its loss of such status.

#### **Article 8. - Issue of Units in the Fund**

The initial issue price per Unit of each Class shall be determined by the Management Company in respect of the initial offer period.



Thereafter subscriptions for Units in each Sub-Fund can be made as at any day that is a "Valuation Day" for that Sub-Fund.

The offer price of Units in each Sub-Fund shall be the Net Asset Value per Unit of the relevant Class of such Sub-Fund determined in respect of the applicable Valuation Day. A sales charge up to 5% of the Net Asset Value per Unit and a dilution levy (as described under "Article 13. Net Asset Value") may be added as specified in the Prospectus. The Management Company is also entitled to add to the Net Asset Value per Unit a charge sufficient to cover stamp duties and taxation in respect of the issue of Units or certificates and delivery and insurance costs in respect of certificates.

Payment of the issue price, plus the sales charge if any, shall be made in accordance with the rules determined by the Management Company and as disclosed in the Prospectus.

#### **Article 9. – Switching between Sub-Funds**

Unitholders may at any time request the Management Company to switch the whole or part of their Units of one Sub-Fund into Units of another Sub-Fund at the respective Net Assets Value per Unit of the relevant Sub-Funds to be switched, provided that the Management Company may impose restrictions to switching such as, but not limited to, frequency of switching, and may make switching subject to payment of such charge to be payable to the Management Company, as it shall determine. Unless provided to the contrary in the Prospectus, the provisions set out in this section will apply mutatis mutandis to switching of Units of one Class into Units of another class within the same Sub-Fund.

#### **Article 10. - Evidence of Unitholding**

Any person or corporate body shall be eligible to participate in the Fund by subscribing for one or several Units, subject, however, to the provisions contained in Article 7 of these Management Regulations. The Management Company may issue certificates in registered form. In such case, each certificate shall carry the signatures of the Management Company and the Custodian, both of which may be in facsimile. In the absence of a request for certificates investors will be deemed to have requested that no certificate be issued in respect of their Units and a confirmation of Unitholding will be delivered instead.

#### **Article 11. – Redemptions**

Unitholders may request redemption of their Units as at Valuation Days to be specified by the Management Company. Units shall be redeemed on the basis of the Net Asset Value (as defined in "Article 13. Net Asset Value") per Unit of the relevant Class determined in respect of the applicable Valuation Day as more fully described in the Prospectus. The redemption price shall be the Net Asset Value per Unit decreased by applicable dealing charges up to 2.5% of the Net Asset Value per Unit and dilution levy (as described under "Article 13. Net Asset Value"), if any, as the Management Company shall from time to time determine. A redemption charge as described in the Prospectus may



be deducted from the redemption price and reverts to the intermediary which has received the application for redemption or, if no intermediaries are involved, to the Management Company.

The intermediaries or the Management Company may waive the redemption charge in whole or in part as they may think fit.

If requested by a Unitholder, redemptions may be made in kind at the discretion of the Management Company. Expenses in connection with the redemption in kind (mainly costs relating to the drawing up of an auditor's report) will be borne by the Unitholder that has chosen this method of redemption or by the Management Company at its discretion. To the extent reasonably possible, such redemption in kind will normally be made on a pro rata basis of all investments held by the Fund (having always due regard to and/or protecting the interests of the Fund).

The Management Company shall ensure that the Fund maintains an appropriate level of liquidity, so that under normal circumstances repurchase of the Units of the Fund may be made promptly upon request by Unitholders. Payment of the repurchase price shall be made not later than five business days counting from and excluding the Valuation Day of a Sub-Fund applicable to the repurchase request accepted and subject to receipt of the Unit certificates (if issued).

The Custodian must make payment only if no statutory provisions, such as exchange control regulations or other circumstances outside the control of the Custodian, prohibit the transfer of the payment of the repurchase price to the country where reimbursement was applied for.

If redemption requests (including applications for switching of Units, if applicable) are received in respect of any single Valuation Day for redemptions aggregating 10% or more of the Net Asset Value of a Sub-Fund or Class of a Sub-Fund, the Management Company may decide to delay the calculation of the redemption price of the Units of that Sub-Fund or Class until the Management Company has sold the corresponding assets (which it will endeavour to do without unnecessary delay); in such event, the Management Company shall calculate the Net Asset Value on the basis of prices at which it sold investments to meet the redemption requests; in such cases, payment may also be made, with the approval of the Unitholders concerned, in specie in the form of the Fund's assets which will be valued in an auditor's report and in such manner as the Management Company may determine.

If as a result of a redemption request, the holding of a Unitholder in the Fund is less than the minimum holding amount provided for in the sale documents, the Management Company may treat such request as a request to redeem such Unitholder's entire holding in the Fund.

On payment of the redemption price, the corresponding Unit ceases to exist.

If the Management Company becomes aware that any Units are owned directly or indirectly by any person in breach of any law or requirement of a country or governmental or regulatory authority, or otherwise in the circumstances referred to in Article 7 of these Management Regulations, the Management Company may require the redemption of such Units.





**Article 12. - Suspension of the Calculation of the Net Asset Value  
and of the Issue and Redemption of Units**

The Management Company may suspend temporarily the issuance and redemption of Units of any Sub-Fund as well as the right to switch Units into those of another Sub-Fund and the calculation of the Net Asset Value per Unit of any Sub-Fund:

- a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Sub-Fund concerned is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- b) the existence of any state of affairs which constitutes an emergency, as a result of which disposal or valuation of assets of the Sub-Fund concerned would be impracticable or detrimental to the interests of holders of Units of that Sub-Fund; or
- c) any disruption in the means of communication or computation normally employed in determining the price or value of the assets of the Sub-Fund concerned or the current prices or values on any market or stock exchange; or
- d) any period when the Management Company is unable to repatriate funds for the purpose of making substantial payments on the redemption of Units or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Units cannot in the opinion of the Management Company be effected at normal rates of exchange; or
- e) if the Fund or a Sub-Fund is being or may be wound-up; or
- f) any period when in the opinion of the Management Company there exist circumstances outside of the control of the Management Company where it would be impracticable or unfair towards the Unitholders to continue dealing in Units of any Sub-Fund of the Fund; or
- g) during any period when the determination of the net asset value per share of investment funds representing a material part of the assets of the relevant Sub-Fund is suspended; or
- h) where the Master UCITS of a Feeder UCITS temporarily suspends the repurchase, redemption or subscription of its units, whether at its own initiative or at the request of its competent authorities.

The Management Company shall cease the issue, switch and redemption of the Fund's Units forthwith upon the occurrence of an event causing it to enter into liquidation. Unitholders having requested switching or redemption of their Units will be notified in writing of any suspension within seven days of their request and will be promptly notified upon termination of such suspension.



**Article 13. - Net Asset Value**

The net asset value (the "**Net Asset Value**") per Unit shall be expressed in such currency or currencies as the Management Company shall from time to time determine in respect of each Sub-Fund or Class and calculated with the number of decimals specified in the Prospectus for each Sub-Fund, and shall be computed with respect to the Units of each Sub-Fund on dates specified in the Prospectus (a "**Valuation Day**").

The accounts of the Fund shall be expressed in Euro. Where there shall be different Sub-Funds, and if the Net Asset Values of such Sub-Funds are expressed in different currencies, such Net Asset Values shall be converted into Euro and added together for the purpose of determination of the consolidated accounts of the Fund.

The Net Asset Value of the Units shall be determined in respect of any Valuation Day by dividing the net assets attributable to each Sub-Fund by the number of Units of such Sub-Fund then outstanding. The net assets of each Sub-Fund or Class are made up of the value of the assets attributable to such Sub-Fund or Class less the total liabilities attributable to such Sub-Fund or Class calculated at such time as the Management Company shall have set for such purpose.

Units to be redeemed shall be treated as existing and taken into account until immediately after the close of business in the relevant Valuation Day and from such time until paid the price therefore shall be deemed to be a liability of the Fund.

The value of the assets of the Fund 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 and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof;
- 2) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the latest available closing price and each security traded on any other organised market shall be valued in a manner as similar as possible to that provided for quoted securities.

For securities, for which trading on the relevant stock exchanges is thin and secondary market trading is done between dealers who, as main market makers, offer prices in response to market conditions, the Management Company may decide to value such securities in line with the prices so established;

- 3) for non-quoted securities or securities not traded or dealt in on any stock exchange or other organised market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair



market value, the value thereof shall be determined prudently and in good faith on the basis of foreseeable sales prices;

- 4) liquid assets and money market instruments may be valued at face value plus any accrued interests;
- 5) the value of assets denominated in a currency other than the reference currency of a Sub-Fund or Class shall be determined by taking into account the last available middle market rate. In that context, account shall be taken of hedging instruments used to cover foreign exchange risks;
- 6) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in accordance with market practice;
- 7) shares or units in underlying open-ended investment funds shall be valued at their last available net asset value reduced by any applicable charges.

The Management Company is authorised to apply other adequate valuation principles for the assets of the Fund and/or the assets of a given Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate provided that one set of rules shall be applied to the valuation of all assets allocated to a Sub-Fund.

In circumstances where the interests of the Management Company or the Unitholders so justify (avoidance of market timing practices, for example), the Management Company may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Fund's assets.

In circumstances where the value of the assets of a Sub-Fund may be reduced as a result of costs incurred in dealing in a Sub-Fund's investments, including taxes, stamp duties and transaction charges or as a result of dealings in such investments at prices other than the prices used to calculate the Net Asset Value of the Sub-Fund, the Management Company may, in its discretion but subject to applicable law, impose on a Unitholder or applicant for Units a dilution levy in respect of any subscription or redemption of Units where they reasonably consider such levy will avoid or mitigate any potential adverse effects on Unitholders and will be fair to all Unitholders and potential Unitholders.

In the accounts of the Fund, the Management Company shall establish the Sub-Funds and Classes as follows:

- a) the proceeds to be received from the issue of Units of a specific Class shall be applied in the books of the Fund to the Sub-Fund established for that Class of Units, and, as the case may be, the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the Class of Units to be issued, and the assets and liabilities and income and expenditure attributable to such Class or Classes shall be applied to the corresponding Sub-Fund 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 Fund to the same Sub-Fund as the assets from which it was derived and on each re-valuation of an asset, the increase or diminution in value shall be applied to the relevant pool;
- c) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund;
- d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated to all the Sub-Funds pro rata to the net asset values of the relevant Classes of Units;
- e) when Class-specific expenses are paid and/or higher dividends are distributed to Units of a given Class, the net asset value of the relevant Class of Units shall be reduced by such expenses and/or by any excess of dividends paid to holders of Units of one Class over that paid to holders of the other Class or Classes (thus decreasing the percentage of the total net asset value of the Fund or of the Sub-Fund, as the case may be, attributable to such Class of Units) and the net asset value attributable to the other Class or Classes of Units shall remain the same (thus increasing the percentage of the total net asset value of the Fund or of the Sub-Fund, as the case may be, attributable to such other Class or Classes of Units);
- f) when Class-specific assets, if any, cease to be attributable to one Class only, and/or when income or assets derived therefrom are to be attributed to several Classes of Units issued in connection with the same Sub-Fund, the Unit of the relevant Class of Units in the Sub-Fund shall increase in the proportion of such contribution; and
- g) whenever Units are issued or redeemed, the Unit in the common Sub-Fund attributable to the corresponding Class of Units shall be increased or decreased by the amount received or paid, as the case may be, by the Fund for such issue or redemption.

The Fund may at any time issue Units of additional Classes, in connection with an existing Sub-Fund in which event the Unit of each additional Class(es) of Units in the Sub-Fund shall be determined initially in the proportion of the aggregate issue price received by the Fund and to be invested in the Sub-Fund upon the initial offering bears to the existing value of the Sub-Fund.

The Management Company may invest and manage all or any part of the Sub-Funds of the Fund (hereafter referred to as "**Participating Sub-Funds**") on a pooled basis where it is appropriate with regard to their respective investment sectors to do so. Any such enlarged asset pool ("**Asset Pool**") shall first be formed by transferring to the Asset Pool cash or (subject to the limitations mentions below) other assets from each of the Participating Sub-Funds. Thereafter, the Management Company may from time to time make further assets transfers between the Asset Pool and the Participating Sub-Fund(s) concerned. Assets other than cash may be allocated to an Asset Pool only where they are appropriate to the investment sector of the Asset Pool concerned.





The assets of the Asset Pool to which each Participating Sub-Fund shall be entitled shall be determined by reference to the allocations and withdrawals of assets by such Participating Sub-Fund.

Dividends, interest and other distributions of an income nature received in respect of the assets in an Asset Pool will be immediately credited to the Participating Sub-Funds, in proportion to their respective entitlements to the assets in the Asset Pool at the time or receipt. Asset Pools do not change the legal rights or obligations of Unitholders.

The assets of each relevant Sub-Fund will be deemed to include:

1. all cash on hand or on deposit, including any interest accrued thereon;
2. all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
3. all bonds, time notes, warrants, options and other investments and securities owned or contracted for by the Sub-Fund;
4. all cash dividends, if any, and cash distributions receivable by the Sub-Fund (provided that the Sub-Fund may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
5. all interest accrued on any interest-bearing securities owned by the Sub-Fund except to the extent that the same is included or reflected in the principal amount of such security;
6. the liquidation value of all futures, forwards and options contracts;
7. the preliminary expenses of the Sub-Fund insofar as the same have not been written off; and
8. all other assets of every kind and nature, including prepaid expenses.

The liabilities of each relevant Sub-Fund shall be deemed to include:

1. all loans, bills and accounts payable;
2. 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 Sub-Fund;
3. an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time and other reserves (if any) authorised and approved by the Management Company; and



4. all other liabilities of the Sub-Fund of whatsoever kind and nature. The Sub-Fund may calculate administrative and other expenses of a regular or recurring nature of an estimated figure of yearly or other periods in advance and may accrue the same in equal proportions over any such period.

#### **Article 14. - Expenses of the Fund**

The Fund may bear the following expenses:

- all taxes which may be payable on its assets and income thereon, and expenses chargeable to the Fund;
- standard brokerage and bank charges incurred by the Fund in the context of business transactions (these charges are included in the cost of investments and deducted from sales proceeds);
- fees and expenses, as the case may be, of the Management Company, incurred in the context of the management of the Fund;
- fees and expenses, as the case may be, payable to third parties in connection with investment advice or investment management services rendered in relation to the Fund;
- fees and expenses, as the case may be, of the administrator, incurred in the context of its services provided to the Fund;
- fees and expenses, as the case may be, of the Custodian, incurred in the context of its services provided to the Fund;
- the cost, including that of legal advice, which may be payable by the Management Company or the Custodian for actions taken in the interest of the Unitholders;
- the fees and expenses incurred in connection with the registration of the Fund with, or the approval or recognition of the Fund by, the competent authorities in any country or territory and all fees and expenses incurred in connection with maintaining any such registration, approval or recognition;
- the cost of preparing, printing the Unit certificates (if any), depositing, translating and publishing the Management Regulations and other documents in respect of the Fund, including notifications for registration, prospectuses and memoranda for all governmental authorities and stock exchanges (including local securities dealer's associations) which are required in connection with the Fund or with offering the Units of the Fund, the cost of preparing, printing and distributing annual and semi-annual reports for the Unitholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations, the cost of bookkeeping and computation of



the Net Asset Value per Unit, the cost of notifications to Unitholders, the fees of the Fund's auditors and legal advisers, and all other similar administrative expenses, including the cost of advertising and other expenses incurred in connection with such activity, specifically for the offer and sale of the Units of the Fund, such as the cost of printing copies of the above-mentioned documents and reports as are used in marketing the Units.

All recurring fees shall first be deducted from the investment income, then from realized capital gains, and then from the assets. Other expenses may be written off over a period of 5 years.

Where a new Sub-Fund is created and launched, it will incur its own initial expenses that may be written off over a period of 5 years. It shall not participate in initial expenses incurred for the creation and launch of existing Sub-Funds.

#### **Article 15. - Accounting Year, Audit**

The accounting year of the Fund shall end on the last calendar day of February in each year.

The Fund and the accounts thereof shall be audited by an approved statutory auditor (*réviseur d'entreprises agréé*) to be appointed by the Management Company.

#### **Article 16. - Distributions**

Distributions may be declared for such amounts and with respect to such Class or Classes of Units as the Management Company may determine in the Prospectus. Payment dates for dividends shall be set out in the Prospectus or explanatory memorandums issued by the Management Company in connection with the sale of the Units of the Fund.

No distribution may be made as a result of which the net assets of the Fund would become less than the minimum capital prescribed by the 2010 Law.

Dividends not claimed within five years from their due date will lapse and revert to the Fund.

#### **Article 17. - Amendments to these Management Regulations**

The Management Company may amend these Management Regulations in full or in part at any time with the agreement of the Custodian.

Amendments to the Management Regulations will become effective 5 days after the publication in the Luxembourg "Mémorial C, Recueil des Sociétés et Associations" (the "Mémorial") of a notice advising of the deposit of any amendment to these Management Regulations with the *Registre de Commerce et des Sociétés* in Luxembourg, if not otherwise provided in the relevant document amending the Management Regulations.

The Management Regulations are on file at the *Registre de Commerce et des Sociétés* in Luxembourg.



**Article 18. - Announcements**

The Net Asset Value, the issue price and the repurchase price per Unit will be made available to the Unitholders at the registered office of the Management Company and the Custodian.

The audited annual reports and the unaudited semi-annual reports of the Fund will be made available to the Unitholders at the registered offices of the Management Company, the Custodian and any paying agent.

Notice of deposit with the *Registre de Commerce et des Sociétés* in Luxembourg of any amendments to these Management Regulations, including the dissolution of the Fund, will be published in the *Mémorial*.

The amendments and any notices to Unitholders may also be published, as the Management Company may decide, in newspapers of countries where the Units of the Fund are offered and sold.

**Article 19. - Duration of the Fund, Liquidation and Merger**

The Fund and each specific Sub-Fund shall be established for an indefinite period unless otherwise provided in the Prospectus in relation to such Sub-Fund. Unitholders, their successors in title may not demand the dissolution or division of the Fund or of a Sub-Fund. The Fund may be dissolved at any time by mutual agreement of the Management Company and the Custodian. The dissolution of the Fund shall be published in the *Mémorial* and in two other newspapers, with adequate circulation, including one Luxembourg newspaper. No Units may be issued after the date of such decision of the Management Company and the Custodian. Units may continue to be redeemed or switched if the equal treatment between all Unitholders can be ensured.

In the event of the liquidation of the Fund, the Management Company shall realise the assets of the Fund in the best interest of the Unitholders, and the Custodian shall distribute the net liquidation proceeds corresponding to each Sub-Fund, after deduction of liquidation charges and expenses, to the Unitholders of such Sub-Fund in the proportion of the respective Net Asset Value per Unit, all in accordance with the directions of the Management Company.

Liquidation proceeds which could not be distributed to the persons entitled thereto at the close of liquidation shall be deposited with the *Caisse de Consignation* in Luxembourg until applicable prescription period shall have elapsed.

The Management Company may similarly decide to dissolve any Sub-Fund without terminating the Fund. In such event it shall refund to the holders of Units of the Classes concerned the full Net Asset value of such Classes. Such action shall be publicised by the Management Company in the same manner as the dissolution of the Fund and the proceeds of the refund which can not be distributed to the persons entitled thereto shall be deposited with the *Caisse de Consignation* in Luxembourg.





The Management Company may decide to merge one or more Sub-Funds with another Sub-Fund, or with another undertaking for collective investment or a sub-fund thereof registered pursuant to Part I of the 2010 Law or another UCITS legislation.

The mergers will be undertaken within the framework of the 2010 Law.

#### **Article 20. - Prescription**

Unitholders' claims against the Management Company or the Custodian shall cease to be valid 5 years after the date of the occurrence giving rise to the claim.

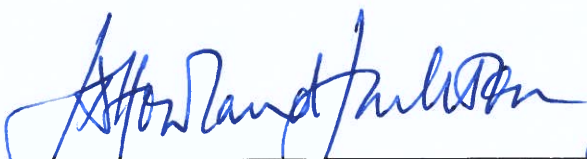
#### **Article 21. - Applicable Law, Jurisdiction and Authoritative Languages**

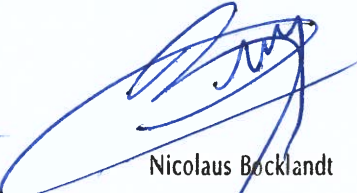
The District Court of Luxembourg shall have jurisdiction over any disputes between the Unitholders, the Management Company, the shareholders thereof and the Custodian, and the laws of the Grand Duchy of Luxembourg shall apply. The Management Company and/or the Custodian may nevertheless submit themselves and the Fund to the jurisdiction of the countries in which the Units are offered and sold, in respect of claims by investors from such countries.

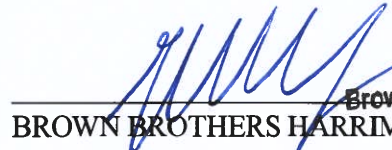
The English-language version of these Management Regulations shall be binding; the Management Company and the Custodian may nevertheless accept the use of translations approved by them into the languages of countries in which Fund Units are offered and sold and these shall be binding in respect of such Units sold to investors in those countries.



Luxembourg, as of 7 January 2019

  
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NIKKO ASSET MANAGEMENT LUXEMBOURG S.A.

  
\_\_\_\_\_  
Nicolaus Bocklandt

  
\_\_\_\_\_  
BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A.

**Henri Hackenberg**  
Managing Director  
**Brown Brothers Harriman (Lux) S.C.A.**

