

# MANAGEMENT REGULATIONS OF RAINBOW FUND

## Art. 1 - THE FUND

RAINBOW FUND (hereinafter referred to as "the Fund") is organized under the laws of the Grand Duchy of Luxembourg (hereinafter referred to as "Luxembourg") as an umbrella mutual investment fund ("*fonds commun de placement à compartiments multiples*"). The Fund is registered under part I of the law of 17<sup>th</sup> December 2010 on undertakings for collective investment, as amended (hereinafter referred to as the "Law of 2010").

The Fund is an unincorporated co-proprietorship of all the transferable securities and other eligible assets of the Fund. It is managed in the interest of the co-owners (hereinafter referred to as "the Unitholders") by ANDBANK ASSET MANAGEMENT LUXEMBOURG (hereinafter referred to as "the Management Company"), a company incorporated under the laws of Luxembourg and having its registered office in Luxembourg.

The assets of the Fund which are held in custody by KBL European Private Bankers S.A. (hereinafter referred to as the "Depositary"), are separate from those of the Management Company.

The Management Company shall issue units in the Fund (the "Units") which may, as the Management Company shall from time to time determine, be of different classes and the proceeds of the issue of each class of Units shall be invested pursuant to Article 2 hereof in securities or other assets corresponding to such geographical areas, industrial sectors or monetary zones, or to such specific types of equity or debt securities or/and with such specific distribution policy as the Management Company shall from time to time determine in respect of each class of Units.

The Units of each class shall be issued, redeemed and converted by the Management Company at prices based on the respective Net Asset Values determined in accordance with Article 8 hereof, increased by a sales charge as determined from time to time by the Management Company.

By the acquisition of Units of the Fund, any Unitholder fully accepts these Management Regulations which determine the contractual relationships between the Unitholders, the Management Company and the Depositary.

## Art. 2 - INVESTMENT OBJECTIVE AND POLICY

The Fund's investment objective is to maximize the long term return on assets. The Management Company will invest the proceeds of each class of Units in transferable securities of any kind and other eligible assets with the purpose of spreading investment risks and affording the Unitholders of each class of Units the results of the management of the portfolio of each class.

The specific investment policy applicable to each class of Units shall be determined by the Management Company and is fully described in the prospectus or other offering documents issued by the Management Company on behalf of the Fund.

As a result of the investments made as aforesaid, each class of Units will be linked to a specific portfolio of assets and liabilities (a "compartment"). For the purpose of reporting requirements, the currency of the Fund is the EURO. The currency of the different compartments is determined by the Management Company and disclosed in the prospectus of the Fund (the "Prospectus"), key investor information documents (the "KIID") of the compartments or other offering documents issued by the Management Company on behalf of the Fund.

For the purpose of efficient management, the Fund may employ techniques and instruments relating to transferable securities, at the conditions and within the limits set forth in the investment restrictions.

## **Art. 3 - INVESTMENT RESTRICTIONS**

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

The Board of Directors of the Management Company shall also determine any restrictions which shall from time to time be applicable to the investments of the Fund, in respect of each compartment, in accordance with part I of the Law of 2010 including, without limitation, restrictions in respect of:

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

The Board of Directors of the Management Company may decide that investments of the Fund and/or each compartment be made (i) in transferable securities and money market instruments admitted to or dealt in on a Regulated Market as defined by the Law of 2010, (ii) in transferable securities and money market instruments dealt in on an Other Market in a Member State of the European Union which is regulated, operates regularly and is recognised and open to the public, (iii) in transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on an Other Market in a non-Member State of the European Union, provided that such market is regulated, operates regularly and is recognised and open to the public, (iv) in recently issued transferable securities and money market instruments provided the terms of the issue provide that application be made for admission to official listing in any of the stock exchanges or other Regulated Markets referred to above and provided that such admission is secured within one year of issue, as well as (v) in any other transferable securities, instruments or other assets within the restrictions as shall be set forth by the Board of Directors of the Management Company in compliance with applicable laws and regulations and disclosed in the sales documents of the Fund.

The Board of Directors of the Management Company may decide to invest up to one hundred per cent of the net assets of any compartment of the Fund in different transferable securities and money market instruments issued or guaranteed by any Member State of the European Union, its local authorities, a non-Member State of the European Union, as acceptable by the Luxembourg supervisory authority and disclosed in the sales documents of the Fund, or public international bodies of which one or more of such Member States are members, or by any other member state of the OECD, provided that in the case where the Fund decides to make use of this provision it must hold, on behalf of the compartment concerned, securities from at least six different issues and securities from any one issue may not account for more than thirty per cent of the total net assets of such compartment.

The Board of Directors of the Management Company may decide that investments of the Fund be made in financial derivative instruments, including equivalent cash settled instruments, dealt in on a Regulated Market as referred to in the Law of 2010 and/ or financial derivative instruments dealt in over-the-counter ("OTC Derivatives") provided that, among others, the underlying consists of instruments covered by Article 41 (1) of the Law of 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund and/or each compartment may invest according to its investment objectives as disclosed in the sales documents of the Fund.

The Board of Directors of the Management Company may decide that investments of a compartment of the Fund be made so as to replicate stock indices and/or debt securities indices to the extent permitted by the Law of 2010 provided that the relevant index is recognised as having a sufficiently diversified composition, is an adequate benchmark and is published in any appropriate manner.

The Management Company of the Fund will not invest more than 30% of the net assets of any compartment in undertakings for collective investment as defined in Article 41 (1) (e) of the Law of 2010.

When investments of the Fund are made in the capital of subsidiary companies which, exclusively on its behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, with regard to the redemption of Units at the request of Unitholders, paragraphs (1) and (2) of Article 48 of the Law of 2010 do not apply.

The Management Company need not comply with the investment limit percentages above when exercising subscription rights attaching to securities which form part of each compartment's assets.

If such percentages are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, the Management Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Fund's Unitholders.

The Management Company may from time to time impose further investment restrictions as shall be compatible with or in the interest of the Unitholders, in order to comply with the laws and regulations of the countries where the Units of each compartment are placed.

## **Art. 4 - THE MANAGEMENT COMPANY**

The Fund is managed on behalf of the Unitholders by the Management Company which shall have its registered office in Luxembourg.

The Management Company is vested with the broadest powers to administer and manage the Fund subject to the investment restrictions set forth in Article 3 hereof, in the name of and on behalf of the Unitholders, including, but not limited to, the purchase, sale, subscription, exchange and receipt of any securities and other assets and the exercise of all the rights attached directly or indirectly to the Fund's assets.

The Board of Directors of the Management Company shall determine the investment policy of the Fund.

The Management Company may require assistance by and obtain the services of investment advisers, managers or administrative agents, whose remuneration will be at the charge of the Fund to the extent provided herein and in the sales documents of the Fund as the case may be.

The Management Company is entitled to management fees as set forth in Article 14 hereof.

The Management Company is governed by Chapter 15 of the Law of 2010.

## **Art. 5 - THE DEPOSITARY, PAYING AGENT, LISTING AGENT, REGISTRAR, TRANSFER, DOMICILIARY AND ADMINISTRATION AGENT**

The Management Company has, on behalf of the Fund, appointed KBL European Private Bankers S.A. as Depositary of the assets of the Fund.

The Depositary is a bank organised as a société anonyme under the laws of the Grand Duchy of Luxembourg for an unlimited duration. Its registered office is at 43, Boulevard Royal, L-2955 Luxembourg. At 31 December 2016, its capital and reserves amounted at EUR 1,330,318,462.10.

Pursuant to the depositary agreement (the "**Depositary Agreement**"), KBL European Private Bankers S.A. will carry out its functions and responsibilities in accordance with the provisions of the Law of 2010. The Depositary will, in accordance with the Law of 2010:

(a) ensure that the sale, issue, repurchase, redemption and cancellation of units of the Fund are carried out in accordance with the applicable Luxembourg law and the Management Regulations;

- (b) ensure that the value of the units of the Fund is calculated in accordance with the applicable Luxembourg law and the Management Regulations;
- (c) carry out the instructions of the Fund, unless they conflict with the applicable Luxembourg law, or with the Management Regulations;
- (d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
- (e) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Management Regulations.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of units of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

- (a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
- (b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC of 10 August 2006 implementing the Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the Directive 2006/73/EC); and
- (c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

- (a) for financial instruments that may be held in custody, the Depositary shall:
  - (i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - (ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;
- (b) for other assets, the Depositary shall:
  - (i) verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;
  - (ii) maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may not be reused unless specific circumstances, as provided for in the Law of 2010.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraph, provided that the conditions set out in the Law of 2010 are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the Law of 2010 and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on <https://www.kbl.lu/en/what-we-do/institutional-clients/regulatory-affairs/> and is made available to investors free of charge upon request.

Conflicts of interests:

In carrying out its duties and obligations as depositary of the Fund, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and its investors. The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund. Potential conflicts of interests are disclosed in the relevant section of the Prospectus.

The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party with whom the custody of financial instruments are held in custody in accordance with the Law of 2010. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

For other assets, the Depositary shall be liable only in case of negligence, intentional failure to properly fulfil its obligations.

The Depositary Agreement may be terminated by either party on giving to the other party a notice in writing specifying the date of termination which will not be less than ninety (90) days after giving such notice. The Fund will use its best efforts to appoint a new depositary and obtain the approval of the CSSF within a reasonable time upon notice of termination, being understood that such appointment shall happen within two months. The Depositary will continue to fulfil its obligations until completion of the transfer of the relevant assets to another depositary appointed by the Fund and approved by the CSSF.

Pursuant to a paying agency agreement, KBL European Private Bankers S.A. also acts as Paying Agent. As principal paying agent KBL European Private Bankers S.A. will be responsible for distributing income and dividends, if applicable, to the unitholders

The Management Company acts as Domiciliary Agent of the Fund and in this respect permits the Fund to use its address at its registered office for the duration of the Agreement.

As administrator of the Fund (the "Administrator"), EFA is responsible for the processing of the issue (registration) and redemption of the Units in the compartments and settlement arrangements thereof, for keeping the register of the Fund's Unitholders, the calculation of the Net Asset Value per Unit, the maintenance of records and other general administrative functions.

The Depositary is entitled, as remuneration for the functions defined in this Article 5, to such fees as shall be determined from time to time between the Management Company and the Depositary.

## **Art. 6 - ISSUANCE OF UNITS**

Any person or corporate body shall be eligible to participate in the Fund by subscribing for one or several Units.

However the Units have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"); they may therefore not be publicly offered, sold, transferred or delivered, directly or indirectly, in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a US Person as such expression is defined hereinafter. The Units are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act and with the consent of the Management Company, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "1940 Act"). No transfer or sale of the Units shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Units may furthermore not be sold or held either directly or indirectly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the laws of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "US Person"). The sale and transfer of Units to US Persons is restricted and the Fund may redeem Units held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to assure compliance with the 1933 Act and furthermore with the Foreign Account Tax Compliance Act ("FATCA"). For the purpose of compliance with FATCA, the restriction on investors is to be understood as a restriction on (i) specified US Persons, (ii) Non-participating Foreign Financial Institutions, (iii) Passive Non-Financial Foreign Entities with one or more substantial US owners (collectively the "ineligible investors"). All purchasers must certify that the beneficial owner of such Units is not a US Person respectively an ineligible investor and is purchasing such Units for its own account, for investment purposes only and not with a view towards resale thereof.

The Prospectus may not be delivered to "US Persons", ineligible investors or to any person who may not legally be able to receive it or in respect of whom a sales solicitation is unlawful (collectively the "unauthorised persons").

The Board of Directors of the Management Company will demand the immediate refunding of the Units bought or held by an unauthorised person, including by investors who would have become unauthorised persons after the acquisition of the Units.

Units of each compartment will be issued on each Valuation Day (as defined in Article 8 hereof) by the Management Company or its appointed agents, provided that payment therefore shall have been received by the Depository before the applicable delay; otherwise the issued shares may be cancelled upon decision of the Management Company.

The Management Company may agree to issue Units as consideration for a contribution in kind of securities, in accordance with applicable laws and regulations and in compliance with the conditions set forth by the Management Company, in particular the obligation to deliver a valuation report from the auditors of the Fund which shall be available for inspection, and provided that such securities comply with the investment policy of the relevant compartment. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant investors.

Fractions of registered Units may be issued up to 2 decimal places. Fractions of Units entitle their holder to prorata entitlements in case of redemptions, dividend distributions or distributions of liquidation proceeds.

Confirmation statements will be at the disposal of the subscribers or of their banks at the office of the Management Company no later than one month from the date of subscription against payment of the issue price.

In the case of earlier liquidation of the Fund, issue of Units shall cease as of the event leading to the dissolution.

The Management Company may, in the interest of the Unitholders, split or consolidate the Units of each compartment.

## **Art. 7 - ISSUANCE OF WARRANTS, RIGHTS OR OPTIONS**

The Management Company shall not grant to Unitholders rights to purchase the Fund's Units by issuing warrants, subscription rights on new issues, or options.

## **Art. 8 - NET ASSET VALUE**

The Net Asset Value per Unit of each compartment, expressed in the relevant reference currency of that compartment, will be determined by the Management Company from time to time, but not less than twice monthly (on "Valuation Day"), by dividing the value of the assets less the liabilities (including any provisions considered by the Management Company to be necessary or prudent) of the relevant compartment by the total number of Units outstanding of such compartment.

To the extent feasible, investment income, interest payable, fees and other liabilities (including investment management fees and risk management fees) will be accrued.

For the allocation of the assets and liabilities, the Management Company has established in respect of each class of Units a compartment in the following manner:

(a) the proceeds from the issue of each class of Units shall be applied in the books of the Fund to the compartment established for that class of Units and the assets and liabilities and income and expenditure attributable thereto shall be applied to such compartment subject to the provision set forth hereafter;

(b) when any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same compartment as the assets from which it was derived and on such revaluation of an asset, the increase or diminution in value shall be applied to the relevant compartment;

(c) when the Fund incurs a liability which relates to any asset of a particular compartment or to any action taken in connection with an asset of a particular compartment, such liability shall be allocated to the relevant compartment, provided however that all liabilities, whatever compartment they are attributable to, shall unless otherwise agreed upon with the creditors, be binding upon the Fund as a whole;

(d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular compartment, such asset or liability shall be allocated to the compartment, pro rata to the total net asset values of the relevant classes of Units, provided that the Management Company may use another method of allocating such assets and liabilities if, in the opinion of the Management Company and of the auditors of the Fund, such method is equally fair and reasonable;

(e) upon the payment of dividends to the holders of any class of Units, the Net Asset Value of the relevant compartment shall be reduced by the amount of such dividends.

The Fund constitutes a single entity. However, in respect of the relations between Unitholders, each compartment will be treated as a separate entity.

The following definitions shall apply for the purposes of the valuation of the assets of the Fund.

EU	European Union;
Member State	a member state of the European Union;
Money market instruments	shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time;
OTC	Over the Counter;
Other State	any State of Europe which is not a Member State, and any State of America, Africa, Asia and Oceania;
Other Regulated Market	market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public;
Regulated Market	a market within the meaning of Article 4(1)14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and/or any other market which is regulated, operates regularly and is recognized and open to the public, located in EU Member States or non-EU Member States.

The assets of the Fund will be valued as follows:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b) securities and financial derivative instruments listed or traded on any Regulated Market, stock exchange in an Other State or Other Regulated Market will be valued at the last available price on such markets. If a security or a financial derivative instrument is listed or traded on several markets, the last available price at the

market which constitutes the main market for such securities or financial derivative instruments, will be determining;

- c) securities not listed or traded on any Regulated Market, stock exchange in an Other State or Other Regulated Market will be valued at their last available market price;
- d) securities for which no price quotation is available or for which the price referred to in (a) and/or (b) is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonably foreseeable sales prices;
- e)
- f) values expressed in a currency other than the reference currency of a compartment shall be translated to the reference currency of a compartment at the average of the last available buying and selling price for such currency;
- h) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organized market will be valued on a daily basis in accordance with market practice, with a constant, reliable and verifiable method;
- i) units or shares in underlying open-ended investment funds shall be valued at their last available net asset value reduced by any applicable charges.

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

## **Art. 9 - SUSPENSION OF DETERMINATION OF NET ASSET VALUE**

The Management Company may temporarily suspend the determination of the Net Asset Value of the Units of each compartment and, as a result, the issue, redemption and conversion of Units in any of the following events:

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

In case of any such suspension, the Management Company shall notify Unitholders having tendered their Units for redemption or conversion and, if appropriate, shall publish such suspension as provided in Article 15 hereof.

## **Art. 10 - SUBSCRIPTION PRICE**

The subscription price of the Units of each compartment includes the applicable Net Asset Value per Unit of such compartment on the applicable Valuation Day  
The Units of each class shall be issued at prices based on the respective Net Asset Values.

## **Art. 11 - ACCEPTANCE OF APPLICATIONS**

Applications for the issue of Units shall be accepted by the Management Company or its appointed agents, if received in Luxembourg prior to 2 p.m. (Luxembourg time) on the day immediately preceding the applicable Valuation Day.

The payment of the corresponding subscription price shall be made within a maximum period of four bank business days after the applicable Valuation Day of the relevant compartment of the Fund.

The Management Company shall comply with the laws and regulations of the countries where these Units are offered, with respect to the issuing of Units.

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 particular countries and territories.

The Management Company may exclude certain persons or corporate bodies from the acquisition of Units, if such measure is necessary for the protection of the Unitholders as a whole and the Fund.

Furthermore, the Management Company may:

1. reject at its discretion any application for Units;
2. redeem at any time the Units held by Unitholders who are excluded from purchasing or holding Units.

## **Art. 12 - REDEMPTION**

Unitholders may request the Management Company to redeem their Units of any compartment on any Valuation Day.

The Units of each class shall be redeemed at prices based on the respective Net Asset Values.

Requests for redemptions will be accepted by the Management Company in the same manner as applications for subscriptions.

The Management Company shall ensure that the Fund maintains the convenient level of liquidity in each compartment, so that, under normal circumstances, the payment of the redemption price can be made without undue delay, normally within a maximum period of four bank business days after the applicable Valuation Day of the relevant compartment of the Fund.

If on any Valuation Day redemption requests relate to more than 10% of the Units in issue in a specific compartment, the Management Company may decide that part or all of such requests for redemption will be deferred for such period as the Management Company considers to be in the best interests of the compartment, but normally not exceeding one Valuation Day. On the next Valuation Day following such period, these redemption requests will be met in priority to later requests.

The Depositary shall not be liable for failure to make remittance abroad if foreign exchange control regulations or other circumstances beyond its control render impracticable the transfer of the proceeds of redemption as requested.

## Art. 13 - CONVERSION OF UNITS

Unitholders may request conversion of their Units into Units of another compartment at any time.

The Units of each class shall be converted at prices based on the respective Net Asset Values.

Unitholders wishing to convert from one compartment Units into another compartment Units will be entitled to do so by written request to convert to Units of another compartment. The conversion of Units can only be requested for a minimum of EUR 5.000.

The number of Units issued upon conversion will be based upon the respective applicable Net Asset Values of the two classes of Units and shall be calculated as follows:

$$N1 = \frac{NAV2 * N2}{NAV1}$$

- N1 : The number of Units to be issued upon conversion. Fractional Units shall be issued up to 2 decimal places. Amounts resulting from further decimal Units will revert to the origin compartment of the Units converted.
- N2 : The number of Units requested for conversion
- NAV1 : Applicable Net Asset Value of Units to be issued upon conversion
- NAV2 : Applicable Net Asset Value of Units requested for conversion

The Management Company may decide to cancel the Units of one compartment and allocate to the Unitholders of such compartment Units of another compartment ("the new compartment"), the allocation to be made on the basis of the respective Net Asset Values of the two compartments on the date of allocation ("the allocation date").

In such case, the assets attributable to the compartment to be cancelled will either be attributed directly to the new compartment to the extent that such attribution does not conflict with the specific investment policy applicable to the new compartment, or will be realized on or before the allocation date, the proceeds of such realization to be attributed to the new compartment.

Any such decision of the Management Company is subject to giving notice thereof to the Unitholders of the compartment to be cancelled at least one month prior to the allocation date.

## Art. 14 - MANAGEMENT FEE

The Management Company and any other investment manager, adviser or co-adviser appointed by the Management Company shall have the right to perceive fees from the Fund for investment management and consultancy services, according to the type of compartments.

The remuneration of the Management Company and of the investment manager, adviser or co-adviser may not exceed in aggregate an annual rate of 3.00% of the net assets of each compartment during the relevant period. A risk management fee and a performance fee disclosed in the Prospectus of the Fund may in addition become payable pursuant to the conditions described in the Fund's Prospectus.

The fees shall be calculated and paid quarterly in arrears.

## Art. 15 - UNITHOLDERS' INFORMATION

The latest Net Asset Value, issue price and redemption price per Unit of each compartment may be obtained from the offices of the Management Company and the Depositary in Luxembourg.

Audited annual and unaudited semi-annual reports of the Fund shall be made available to the Unitholders at the registered office of the Management Company.

The reports contain individual information on each compartment, as well as consolidated information about the Fund.

Any notices to Unitholders may be published in such newspapers as the Management Company will from time to time determine.

## **Art. 16 - ACCOUNTING YEAR AND AUDIT**

The accounts of the Fund, kept in EURO, shall be closed each year on the 31<sup>st</sup> December.

The accounts of the Fund shall be audited by auditors who shall be appointed by the Management Company.

## **Art. 17 - DISTRIBUTIONS**

The Management Company will decide each year, upon the closing of the accounts of the Fund and of each compartment, if and to what extent distributions will be made out of the net investment income and out of realized capital gains after deduction of the realized capital losses of each compartment.

If necessary, and in order to maintain a reasonable level of distributions, distributions may be made out of the unrealized results available for distribution.

Distributions shall be paid in the reference currency of the relevant compartment or in such other currency as the Management Company shall from time to time determine.

Unitholders may elect to have their dividends automatically reinvested at the applicable Net Asset Value prevailing on the payment date of the dividends.

No distribution will be made as a result of which the net assets of the Fund would become less than the minimum net assets required by Luxembourg law.

In the event of agreeing the distribution of dividends, the distributions which are not claimed within five years from their due date will lapse and revert to the relevant compartment.

The Paying Agent shall not be liable for failure to arrange remittance abroad if foreign exchange control regulations or other circumstances beyond its control render impracticable the transfer of dividends to any countries outside Luxembourg.

## **Art. 18 - AMENDMENT OF THE MANAGEMENT REGULATIONS**

The Management Company may, upon approval of the Depositary, amend these Management Regulations in whole or in part at any time.

Any amendment shall become effective on the date of their signature.

A notice of the deposit of the amendments of these Management Regulations and of the Consolidated Management Regulations to the *Registre de Commerce et des Sociétés de Luxembourg* will be published in the *Luxembourg Recueil Electronique des Sociétés et Associations* (the "RESA").

## Art. 19 - DURATION OF THE FUND AND THE COMPARTMENTS

The compartments are created for an undetermined period but may be dissolved at any time upon decision of the Management Company.

Notice of the dissolution will be sent to all Unitholders of the relevant compartment at their address set forth in the register of Unitholders.

The Management Company will realize the assets of the relevant compartment and, upon the close of the liquidation, the Depositary will distribute the net proceeds of the liquidation among the Unitholders of the compartment.

Unless a derogation is obtained, 9 (nine) months after the decision to liquidate the relevant compartment, the proceeds thereof corresponding to Units not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed.

Amounts not claimed within the prescribed period may be forfeited in accordance with applicable provisions of Luxembourg law.

The Fund is created for an undetermined period provided, however, that it shall be terminated and totally dissolved, subject to the publication of a notice of termination, if (i) in the judgement of the Management Company and the Depositary, the termination of the Fund can best serve the interest of the Unitholders, (ii) in the judgement of the Management Company and the Depositary circumstances beyond their control compel them to terminate the Fund, (iii) the Management Company is to be dissolved and liquidated and (iv) in any other cases provided for by Luxembourg law.

Unitholders may not request dissolution or partition of the Fund.

The notice of dissolution shall be published in the RESA and in at least two Luxembourg and foreign newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper, to be determined jointly by the Management Company and the Depositary. Issuance, redemption and conversion of Units will cease at the time of the decision or event leading to the dissolution.

The Management Company will realize the assets of the Fund in the best interests of the Unitholders and, upon instructions given by the Management Company, the Depositary will distribute the net proceeds of the liquidation among the Unitholders in proportion to their rights, after deduction of liquidation fees and expenses.

Unless a derogation is obtained, 9 (nine) months after the decision to liquidate the Fund, the proceeds thereof corresponding to Units not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed.

Amounts not claimed within the prescribed period may be forfeited in accordance with applicable provisions of Luxembourg law.

The Board of Directors of the Management Company may decide to close and/or liquidate a compartment every time the interest of the Unitholders of the same compartment will demand so (notably in case of changes in the political and/ or economic situation, at the maturity of the investment objective of the compartment or if the net assets of the compartment have fallen below an amount such that it can no longer be managed in a cost efficient manner, if all or most of Unitholders have decided to order the sale of their Units), upon a duly motivated resolution.

The Unitholders will be notified by the Board of Directors of the Management Company or informed of its decision to liquidate. The net liquidation proceeds will be paid to the relevant Unitholders in proportion of the Units they are holding. Liquidation proceeds which will remain unpaid after the closing of the liquidation procedure will be kept under the custody of the Depositary and the Administrator for a period of nine months. At the expiration of this period, unclaimed assets will be deposited under the custody of the *Caisse de Consignation* to the benefit of the Unitholders concerned. Any resolution of the Board of Directors of the Management Company to close and/ or liquidate a compartment will entail automatic suspension of the NAV computation of the Units of the relevant compartment, as well as suspension of all redemption, subscription or conversion orders, whether pending or not.

A merger of a compartment with another compartment of the same Fund can be decided by the Board of Directors of the Management Company at the maturity of the investment objective of a compartment or when a change in the economic and political background has occurred and with the following conditions:

- ♦ the Unitholders of this compartment have to be offered the opportunity to request the redemption of their Units held in this compartment, at no cost, within a time limit of one month from the date of publication of the decision relative to this merger or from the date of mailing of the notice to registered Unitholders.  
At the end of this period, all Unitholders who have not made any use of this opportunity will deem to be committed with the merger decision.
- ♦ The decision must be announced through a written notice to registered Unitholders or through a publication in the RESA and in two other newspapers with adequate circulation in the countries where Units are sold including a Luxembourg daily.  
This publication will detail the reasons and proceedings of the merger as well as the differences between the two relevant compartments and the free redemption facility.

A merger of one or several compartments with another undertaking for collective investment subject to Part I of the Law of 2010, can be decided by the Board of Directors of the Management Company at the maturity of the investment objective of the compartment or when a change in the economic and political background has occurred and with the following conditions :

- ♦ the Unitholders of this compartment have to be offered the opportunity to request the redemption of their Units held in this compartment, at not cost, within a time limit of one month from the date of publication of the decision relative to this merger or from the date of mailing of the notice to registered Unitholders.  
At the end of this period, all Unitholders who have not made any use of this opportunity will deem to be committed with the merger decision.
- ♦ The decision must be announced through a written notice to registered Unitholders or through a publication in the RESA and in two other newspapers with adequate circulation in the countries where Units are sold, including a Luxembourg daily.  
This publication will detail the reasons and proceedings of the merger as well as the differences between the two relevant entities and the free redemption facility.

The merger of a compartment with a foreign-based undertaking for collective investment is not authorized.

## **Art. 20 - FEES AND EXPENSES PAID BY THE FUND**

The Fund bears the following fees and expenses:

1. taxes due on the assets and the income of the Fund and on the services rendered to the Fund;
2. brokerage commissions and handling charges due on the portfolio transactions of the Fund;
3. fees to the Management Company and any investment manager, investment advisers or co-advisers to the extent provided herein;
4. the fees of the Depositary, Paying Agent, Administrator and Registrar and Transfer Agent and Domiciliary Agent which may be determined on the basis of the value of the assets of the Fund, on a transaction basis or as a fixed sum and which shall be

- agreed upon by the Management Company; the cost of the activity of compliance monitoring;
5. the cost of bookkeeping, accounting and calculating the Net Asset Value and the cost of publication thereof, and any other administrative expenses;
  6. professional fees to the lawyers and auditors acting for the Fund;
  7. the cost of preparing and filing the Management Regulations, registration statements, prospectuses, KIIDs and other documents with any authorities having jurisdiction over the Fund and the offering of the Fund's Units (including local securities dealers' associations);
  8. the cost of listing the Units of the Fund on any Stock Exchange or other regulated markets;
  9. the cost of translating, printing and distributing the reports delivered to Unitholders and such other documents as may be required under the applicable laws and regulations;
  10. the cost of public notices to Unitholders;
  11. all advertising expenses and other expenses directly incurred in the offering or distribution of the Fund's Units, including the printing costs of the documents or reports.

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

## **Art. 21 - STATUTE OF LIMITATIONS**

The claims of the Unitholders against the Management Company or the Depositary shall lapse five years after the date of the event which gives rise to such claims.

## **Art. 22 - GOVERNING LAW, JURISDICTION AND GOVERNING LANGUAGE**

Any disputes and claims arising between the Unitholders, the Management Company and the Depositary shall be subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company and the Depositary may submit themselves and the Fund to the jurisdiction of courts of the countries, in which the Units of the Fund are offered and sold, with respect to claims by investors in such countries, and to the law of such countries, with respect to matters relating to sale and redemption by Unitholders resident in such countries.

The English language will be the governing language of these Management Regulations.

The present amendments to the Management Regulations shall become effective on the date of their signature.

Luxembourg, 15 April, 2019.

ANDBANK ASSET MANAGEMENT  
LUXEMBOURG

The Management Company

KBL  
European Private Bankers SA

The Depositary