

1 GENERAL PROVISIONS AND DEFINITIONS

1.1 **KRR Income Fund** (formerly 4Times Meta Fund, hereinafter the **Fund**) is a non-public common investment fund founded by the supervisory board of 4Times Capital AS April 8th 2013. The Fund rules were registered at the Financial Supervision Authority on February 21st 2014. The Fund rules have been amended with the decisions of the supervisory board of 4Times Capital AS on November 1st 2016 and August 1st 2017.

1.2 The Fund is managed by 4Times Capital AS (hereinafter the **Management Company**), registry code 12263609, location address Tehnika 55, Tallinn, Estonian Republic. The financial year of the Fund is January 1st to December 31st. 4Times Capital AS is the management company of small-scale alternative funds.

1.3 The web-page of the Fund is located at www.4times.eu (hereinafter the **Management Company webpage**).

1.4 The location of the Fund is the location of the Management Company.

1.5 The Fund does not have a depository.

1.6 The register of the units of the Fund (hereinafter the **Register**) is maintained by Swedbank AS, registry code 10060701, address Liivalaia 8, Tallinn, Harju county, Estonian Republic (hereinafter the **Registrar**).

1.7 For the purposes of these Rules the following terms have the following meaning:

Quarter is one quarter of a calendar year.

Banking Day is a weekday that is not Saturday or Sunday. A weekday is not considered to be banking day in case it is public holiday or national holiday for which the law foresees a day off.

Subscription Application is the written application in prescribed format that is submitted to the Management Company for acquisition of the Units of the Fund, the additional conditions and submission procedure and other circumstances related to the submission of which are provided at the Management Company webpage.

Subscription Application Submission Date is 15:00 o'clock on the 15th (fifteenth) date of the last month of the Quarter on Estonian time at the latest. If the respective 15th date is a weekday that is not a Banking Day, then the Subscription Application Submission Date is 15:00 o'clock on the first Banking Day following the day off.

Transaction Date is the Banking Day when the acquirer of the Fund Units and the Management Company perform the transactions and operations prescribed in the Rules for the acquisition of the Fund Units and for payment for the Fund Units. Transaction Date is the 1st (first) Banking Day of the first month of the Quarter following the Quarter when the Subscription Application was submitted or the 1st (first) Banking Day of some other Quarter if postponed in accordance with the Rules.

Redemption Application is the written application in prescribed format that is submitted to the Management Company for redemption of the Units of the Fund, the format, conditions and submission procedure and other circumstances related to the submission of which are published at the Management Company web-page.

Redemption Application Submission Due Date is 15:00 o'clock on the last calendar day of the first calendar month of the Quarter on Estonian time. In case the respective calendar day is a weekday that is not Banking Day, then the Redemption Application Submission Due Date is 15:00 o'clock on the first Banking Day following the day off.

Redemption Date is the Banking Day of satisfying of the Redemption Application, which is the 1st (first) Banking Day of the first month of the Quarter following the Quarter when the Redemption Application was submitted or the 1st (first) Banking Day of some other Quarter if postponed in accordance with the Rules.

Net Asset Value of Unit is the net asset value of the Unit that has been calculated at the Valuation Date and which has been achieved by dividing the net asset value of the assets of the fund with the total number of Units that have been issued and not redeemed as of the date of the calculation.

Issue Price of Unit is the net asset value of the Unit as of the latest Valuation Date.

Acquisition Price of Unit is the Issue Price corresponding to the amount of Units being acquired and the investment amount specified in the Subscription Application.

Redemption Price of Unit is the net asset value of the Unit as of the latest Valuation Date.

Disbursements are monetary payments made to the Unit-holder from the assets of the Fund without redemption of the Units.

Valuation Date is the date on which the net asset value of the Units of the Fund is determined. The Valuation Date is the last Banking Date of a calendar month.

MLTFPA is Money Laundering and Terrorist Financing Prevention Act.

2 FUND OPERATION

2.1 The objective of the Fund operation

- 2.1.1 The Fund is the assets collected by way of issuing of the Units and the pool of other assets acquired by investing of the former, which belong collectively to the Unit-holders (hereinafter the **Unit-holders**) and are managed by the Management Company.
- 2.1.2 The basis for the operations of the Fund and the relations between the Unit-holders and the Management Company are established in these Rules, Subscription Application and legal acts.
- 2.1.3 The objective of the operations of the Fund is increasing the value of the Fund assets, which is being achieved by investing into derivative instruments. The profit received from the increase of the value of Fund assets shall not be invested; it is instead disbursed to the Unit-holders in regular basis.
- 2.1.4 The Unit-holders shall not be guaranteed that the Fund is profitable or that their initial investments are preserved.
- 2.1.5 The base currency of the Fund is EUR.

2.2 Risks and other material circumstances

- 2.2.1 The Fund is a non-public fund for which the investor protection requirements of the public funds are not applied.
- 2.2.2 Investment into the Fund may yield both profit and loss to the Unit-holder, the preservation of the value of the investment is not guaranteed. Investment into the Fund always entails certain risks in case of occurrence of which the value of the investment may be decreased. In case of occurrence of risks in combination or in case of extraordinary market situation the effect on the value of the investment may be large-scale. The exact extent of the effect of the risks cannot be estimated. In certain cases the value of the investments made into the Fund may vary more than is usually characteristic to the financial instruments belonging to the similar risk class as the Fund instruments.
- 2.2.3 The yield of Fund in the prior periods or the history of the operations of the Fund so far shall not constitute a promise or indicator for the yield of the future periods of the Fund or for the achievement of the objectives of the operations of the Fund.
- 2.2.4 The Unit-holder must consider the possibility that events may occur in the operations of the Fund that may have material effect on the investment of the Unit-holder in the Fund. For example, in cases provided in the Rules or legal acts the issuing or redemption of the Units may be suspended, the Fund may be restructured or merged with another investment fund or liquidated. There may also take place significant changes, including in the investment policy of the Fund, the rights related to the Units and the matters related to the fees paid on the expense of the Fund or the Unit-holders. Several of the aforementioned events may take place without prior notice and may therefore occur unexpectedly for the Unit-holders.
- 2.2.5 The Unit-holder should consider that the Fund assets may be invested in full into derivative instruments by taking both long term and short term positions; therefore the acquisition of the Units constitutes an investment with high risk level.
- 2.2.6 The Fund in its investments focuses on the markets which have US dollar as their base currency. Unfavourable movements in relation to Euro as the base currency of the Fund may significantly affect the value of the Unit.

3 INVESTMENT OF FUND ASSETS

3.1 Investment policy

- 3.1.1 The Management Company follows the investment limitations stipulated in Investment Funds Act (hereinafter IFA), the legal acts issued based on IFA and these Rules.
- 3.1.2 The Fund invests primarily into the derivative instruments traded on the regulated markets of the United States of America. Money-market instruments, low-risk debt instruments and other such securities are invested into in order to manage the liquidity of the Fund assets, during the time of exit from or acquisition of investment, in case of absence of suitable investment objects or in case the growth potential of the investment into derivative instruments is limited.
- 3.1.3 In investing the Fund assets there are no limitations regarding the type of issuer.
- 3.1.4 There is no specialisation by economic sectors in investing the Fund assets.
- 3.1.5 The exact proportions between the types of assets, types of issuers, regions and economic sectors in the Fund assets shall be determined in the course of daily management of the Fund.

3.2 Limitations on investment

- 3.2.1 The Fund assets may be invested into all financial instruments, included in a scope of up to 100% into each of the following types of instruments:
- i) shares and other equivalent tradable rights, debt instruments, convertible debentures and other issued and tradable debt obligations, subscription rights and other tradable rights which provide the right to acquire securities, money-market instruments and tradable depositary receipts of securities;
 - ii) derivative instruments;
 - iii) shares and units of investment funds.
- 3.2.2 The Fund assets may be invested in a scope of up to 100% into securities that are freely transferable and which are traded on the regulated markets of European Economic Area (EEA) member state or

- United States of America.
- 3.2.3 It is allowed to invest a maximum of 50% of the market value of the Fund assets into the securities listed in clause 3.2.1.1 issued by a single issuer.
- 3.2.4 It is allowed to perform transactions with derivative instruments on account of the Fund both in order to achieve the investment objectives and for the purpose of mitigating risks.
- 3.2.5 The Fund assets may be invested into derivative instruments with a single underlying asset in such a manner that the volume of the derivatives deposit related to the corresponding underlying asset would not exceed 75% of the market value of the Fund assets.
- 3.2.6 There are no restrictions on the underlying assets of the derivative instruments.
- 3.2.7 Unless otherwise provided in law, the investments of the Fund may, at the discretion of the Management Company, be concentrated in full to a single country, i.e. the securities, derivative instruments, money-market instruments or fund units issued by the issuers of a single specific country or registered in it may in total form up to 100% of the market value of the Fund assets.
- 3.2.8 The Fund assets may be invested into the shares of the investment funds allowed by IFA in the scope of up to 100% of the market value of the Fund assets. The value of the fund units of a single investment fund may reach up to 50% of the market value of the Fund assets.
- 3.2.9 The monetary amounts placed on the bank account of the Fund or placed temporarily to overnight deposit may form up to 100% of the market value of the Fund assets.
- 3.2.10 The Management Company shall follow in the investment of the Fund assets, in addition to the above provided rules, all other investment limitations and requirements for risk diversification deriving from legal acts.

3.3 Risks related to investing

- 3.3.1 Investment into the Fund entails various risks, which may affect the yield of the investment. By investing into the Fund the Unit-holder should consider that the operations of the Fund may be both profitable and unprofitable. Investment into the fund cannot be considered as a deposit and the preservation or growth of the investment is not guaranteed by financial organisations or state authorities. The past yields of the Fund shall not guarantee similar results in the future.
- 3.3.2 The following sections describe the main investment risks:

Currency risk - the assets of the Fund are invested into securities that may be issued in a currency other than the base currency of the Fund. Therefore the Fund is affected by the currency risk that derives from the changes in the currency rates. In case of unfavourable changes in the currency rates the value of an investment quoted in a currency other than the base currency of the Fund may decrease as measured in the base currency of the Fund.

Opposite party risk - the opposite party risk of a transaction derives from the inability of the opposite party in transaction with the Fund assets to perform the obligations obtained by the conclusion of the transaction.

Liquidity risk - liquidity risk is related to lack of means in complying with the margin requirements, i.e. a situation where the deposit does not cover the value of the underlying assets due to large-scale movements in the price and additional therefore collaterals must be found in a short time, otherwise there exists the danger of closing of the position and losing of the investment. Liquidity risks also means a situation where the Fund may fail to sell assets in a desired time due to small liquidity of the securities market or the sale of assets does not succeed at all.

Market risk - a risk that the value of the investment may be decreased or the obligations related to the investment may increase due to unfavourable changes in the securities market (e.g. macroeconomic events, instability in the political or social system, behaviour of the investors etc.). Unfavourable change in the market price of a security shall decrease the value of the investment of the Fund.

Concentration risk - a risk that the value of the investments may decrease due to the concentration of the assets or the markets.

Deposit risk - a risk that the collateral agent, the provider of trading platform or other party maintaining the assets becomes insolvent, the assets perish or disappear or the misuse of the assets takes place in any other manner.

Financial leverage risk - the value of the assets with financial leverage may change unexpectedly and therefore result in significant damage to the Fund assets.

Volatility risk - the risk of the effects of sudden changes in the price to the open trading positions.

Asset valuation risk - the risk that there exists no reliable quoting for the assets at pre-market and aftermarket and it is difficult to provide fair valuation of the assets. The risk of asset valuation is important, inter alia, in case the Fund invests into bonds issued by companies. In such case the Management Company may utilise such valuation model in evaluating the assets where the input is based on the assessments of the Management Company itself. In such case the price of the assets may be significantly different from the price which the Fund may receive from disposing the assets in an unfavourable market situation.

Political risk - a risk that in the country where the underlying assets are manufactured or marketed such events occur that affect the political or economic stability or further development of that country

or area and the events may result in abrupt changes in the market price. Political risks may be for example the radical changes in the economic and legal environment (e.g. nationalisation processes), situations of social or internal political crisis (e.g. acts of terrorism, war) etc.

Natural disaster risk - a risk that extreme natural disasters occur in the country where the underlying assets are manufactured or marketed that affect abruptly the market price of the underlying asset.

Operational risk - risk of losses that derives, for example, from failures in systems, which may be related to failures in IT area or possible failures in the trading systems.

Legal system risk – the legislation related to the activities of the Fund and the investment may be changed, among other things Income Tax Law may be changed.

Business risk – the economic results of the issuer, into whose security the Fund has invested, may depend on the economic cycles and the professionalism level of its management. The latter may also affect the price of the security. In order to reduce this risk the activities of the issuers of the securities are continuously monitored and analysed.

3.4 In addition to the risks related to investments described above the investor must consider the possibilities that other events may take place that could affect the investment in the Fund. For example the Management Company is entitled to suspend the redemption of the Units in cases and conditions provided in the law and the Rules, the Fund may be restructured, merged with another Fund or liquidated.

3.5 The description of the aforementioned risks is a general and summarised description of main risks and is not exhaustive description of all risk related to the investment into the Fund. The Unit-holder should be certain, before investing into the Fund, that the risk profile of the Fund is acceptable for him/her. The investor should consult with investment consultant where necessary.

4 FUND UNITS AND RIGHTS AND OBLIGATIONS RELATED TO THE UNITS

4.1 The Units of the Fund and record-keeping

4.1.1 The Unit of the Fund (hereinafter the Unit) represents the holding of the Unit-holder in the Fund assets. The Unit may be divided. The parts of the Units created by division of the Unit (Fraction Unit) are rounded off up to three decimal points. The rounding shall take place in accordance with the following rules: numbers NNN.NN0 to NNN.NN4 are rounded to a number NNN.NNN and numbers NNN.NNN5 to NNN.NNN9 are rounded to a number NNN.NN(N+1).

4.1.2 The Fund has Units of one type with the nominal value of 10 Euros. The minimum amount of the investment in acquisition of the Unit is 50,000.00 (fifty thousand) Euros and therefore the minimum value of the Units issued to one Unit-holder is 50,000.00 (fifty thousand) Euros. In case the investor wishes to acquire Units in the amount exceeding 50,000.00 Euros, then each additional investment is additional 50,000.00 Euros. There is no maximum amount (cap) of the investment. The Unit-holder may redeem the Units either in whole or partially. In case the Unit-holder wishes to redeem the Units partially, then in case of partial redemption the Units cannot be redeemed in such a manner that the Unit-holder would have Units with less value than 50,000.00 Euros after the partial redemption, i.e. Units in the value of at least the initial investment of 50,000.00 Euros must remain to the Unit-holder after the partial redemption of the Units. The redemption of the Units is regulated in clause 5.3 of these Rules.

4.1.3 The register of the Units is maintained by the Registrar.

4.1.4 These Rules, the conditions for securities accounts and transactions of the Registrar and the agreement concluded between the Management Company and the Registrar are applied to the keeping of the register, entering of entries into the register, preserving of the registry information and to the liability of the Registrar. On the request of the Investor the Registrar shall issue an extract regarding the Units held by the Unit-holder. Processing of the registry information takes place on the securities accounts by way of electronic data processing. The Registrar shall enter an entry into the register based on the instruction submitted by an authorised party (the investor, investor's representative, Management Company). The basis for entry may also be a judicial decision or other basis accepted by the Registrar and the Management Company. The Registrar is obliged to preserve the information and documents submitted for making an entry for at least ten years after the entry is made.

4.1.5 The ownership interest of the Units and the rights and obligations of the Management Company deriving from the Units are considered to have come into force from the moment of entering the entry into the register of the Units. With the expression of will for acquiring the Units the Unit-holder gives his/her consent for processing of his/her data (including personal data) in the extent necessary for keeping the register and also for the purposes provided in the general conditions of the Registrar.

4.2 Rights and obligations related to the Unit

4.2.1 The Unit-holder shall have the following rights:

- i) to request redemption of Units from the Management Company in compliance with the provisions of the Rules and applicable legislation;
- ii) to receive in compliance with the Rules part of the remaining assets and the profit of the Fund, corresponding to his/her amount of Units in case of liquidation of the Fund;

- iii) to request entering of him/her into the register as the Unit-holder or amendment of the registry data;
 - iv) to request from the Registrar a certificate or extract from the registry regarding the Units belonging to him/her;
 - v) to receive Disbursements in compliance with clause 9 of the Rules
 - vi) to act in other manner provided in the law or Fund Rules.
- 4.2.2 The following obligations and conditions are related to the Units:
- i) the Unit-holder is aware while acquiring the Units that the main direction of investment of the Fund assets are the derivative instruments listed on the regulated stock exchanges of the United States of America (and prior to acquiring the Units the Management Company has explained the entailed special risk level).
 - ii) The Unit-holder is obliged to execute the rights deriving from the Units in good faith and in compliance with the conditions of the Rules and applicable legislation. The purpose of execution of the Unit-holder's rights cannot be causing damage to the other Unit-holders, Management Company or third parties.
 - iii) Prior to acquisition of the Units the Unit-holder is obliged to thoroughly assess his/her knowledge and experience for investing into the Fund and also his/her financial and economic abilities. By acquiring the Units the Unit-holder is automatically considered to irrevocably confirmed that he/she is able to bear the risks and losses related to the investment, including complete loss of the investment and he/she is aware that he/she shall not be compensated the decrease in the value of the investment or its complete loss by way of any reimbursements or returns.
 - iv) The Unit-holder is not entitled to pledge the Units or encumber these in any other manner.
 - v) In case of transfer of the Unit to a third party, it can only be made to such person that complies with the requirements provided in clause 5.1.6 of the Rules and is acquiring the Units of the Unit-holder in their full extent. The Unit-holder is obliged to ensure in case of transferring of the Units that the acquirer of the Units complies with the requirements provided in clause 5.1.6 of the Rules. In case of violation of the obligation provided in this clause the Management Company is entitled to claim a contractual penalty in the amount of 15% from the Net Asset Value of the Unit of the Unit-holder transferring the Unit as of the date the transfer transaction.
 - vi) In case of transferring of the Unit to third party the Rules in their respective version are automatically applied also for any consequent acquirer of the Unit.
 - vii) The Unit-holder is not entitled to exchange his Units with the units of other fund managed by the Management Company.
 - viii) The Unit shall not provide the Unit-holder with the right for decision making regarding the transactions made with the Fund assets. The Unit-holders of the Fund do not hold general meetings in case other than provided in these Rules. None of the Unitholders may request the termination of the Unit-holders' community.
 - ix) The Unit-holder shall not be personally liable for the obligations of the Fund that the Management Company has obtained on behalf of the Fund nor for the obligations the performance of which the Management Company is entitled to request on the account of the Fund in compliance with the Rules. The liability of the Unit-holder for the performance of these obligations has been limited to his/her Unit in the Fund assets.
 - x) the Management Company cannot acquire obligations on behalf of the Unit-holders.
 - xi) in order to satisfy a claim directed against a Unit-holder the claim for payment may be made against his Units, but not against the Fund assets.
 - xii) for any possible tax issues the Unit-holder is advised to consult with a competent tax specialist.
 - xiii) The Unit-holder is aware and takes into account the fact that the Fund assets may be invested in part or in full into derivative instruments and the Management Company may keep for that purpose either part or all of the Fund assets at such service provider that is providing the service of trading with derivative instruments. The Unit-holder is aware of the risk that in the case of the bankruptcy of such service provider the Fund assets may be included into the bankruptcy estate of the service provider. The Unit-holder is aware and agrees that the Management Company shall not be held liable for the maintaining of the assets in case of maintaining such assets at the third party service provider. The rights, obligations and liability of such third party depository derive from the agreement concluded between such third party and the Management Company

5 ISSUE AND REDEMPTION OF UNITS

5.1 Preconditions for issue. Subscription Application

- 5.1.1 In order to acquire Units the person must have a banking account and securities account or registry account opened at the Registrar.
- 5.1.2 The issuer of the Units is the Management Company. Issuing of Units is limited in time, i.e. the Units are only issued on times prescribed and according to procedure described in these Rules. The volume of the issue of the Units and the number of issued Units are not prescribed. Only monetary

- contributions are accepted for the Units.
- 5.1.3 No issue fee is collected at the issuing of the Units.
- 5.1.4 The Management Company issues the Units with the Issue Price of the Unit.
- 5.1.5 In order to purchase Units the Subscription Application must be submitted to the Management Company on the Subscription Application Submission Date at the latest. Subscription Application may be submitted either in digital format with digital signature to the address provided on the Management Company web-site or by delivering the personally signed original of the Subscription Application on paper to the Management Company
- i) Subscription Application in digital format and digitally signed must be submitted to the Management Company and to the Registrar. The Management Company web-site shall list the e-mail addresses of the Management Company and the Registrar to which the digitally signed Subscription Application should be sent. Digitally signed Subscription Application is considered not submitted if the Subscription Application is sent only to one of the aforementioned e-mail addresses.
 - ii) In case of submission of the personally signed Subscription Application on paper, the original copy of the Subscription Application must be delivered to the Management Company at its location in one of the following manners (exhaustive list): a) by delivery to the representative of the Management Company against his signature, b) by way of registered mail (with notice of delivery) with delivery to the representative of the Management Company against his signature, c) by way of courier service with delivery to the representative of the Management Company against his signature. Personally signed Subscription Application on paper is considered as delivered to the Management Company only in case the original copy of the Subscription Application has arrived at the legal address of the Management Company in one of the above manners and has been delivered to the representative of the Management Company against signature.
 - iii) Subscription Application is not considered to be delivered if it does not comply with the format requirements provided in clause 5.1.5. and/or has not been submitted in the manner prescribed in clause 5.1.5.
- 5.1.6 Subscription Application can be submitted to the Management Company by a person that complies with all the following requirements:
- i) whose initial investment amount is at least 50,000.00 (fifty thousand) Euros and the acquisition of the Units complies also in other manner with the provisions of these Rules;
 - ii) who confirms in writing in the Subscription Application that he/she has sufficient knowledge or experience in the area of investment, including investment into derivative instruments, the risks and specific risk level related to this and he/she has been explained the risks related to investing and the keeping of the assets of the Fund, in case the Fund assets are kept at third party and in case of insolvency the third party the Fund assets might not be partially or fully excluded from the bankruptcy estate;
 - iii) who confirms in the Subscription Application that he/she has thoroughly reviewed the Rules, agrees to these and obliges to follow these;
 - iv) against whom there are no circumstances deriving from MLTFPA that would hinder or prevent the Management Company to conclude a transaction with the person.
- 5.1.7 Subscription Application may be submitted on any Banking Day, but not later than the Subscription Application Submission Date. In case the Subscription Application is submitted later than the Subscription Application Submission Date, then the issue date of Units based on that Subscription Application (Transaction Date) shall be postponed by one Quarter, even if the date of the Subscription Application or its signature was given prior to the Subscription Application Submission Date, but the digitally signed Subscription Application was delivered to the Management Company and/or Registrar after the Subscription Application Submission Date or the personally signed Subscription Application on paper was delivered to the Management Company after the Subscription Application Submission Date.
- 5.1.8 Irrespective of the provisions of the Rules and irrespective of the compliance of the person that submitted the Subscription Application with the requirements of the Rules, the Management Company reserves the right to postpone the Transaction Date at its own discretion or refuse either partly or in full from issuing of new Units to whichever investor and for whatever reason at any time after the receipt of the Subscription Application. In such case the Management Company is not obliged to provide reasons for the respective decision. The Management Company is entitled to postpone the Transaction Date or to refuse the issuing of the Units repeatedly. Deriving from the requirement for equal treatment of the investor, in case the Management Company executes its right to postpone or refuse from issuing the Units, then this shall apply to all persons that had submitted the Subscription Applications by the respective postponed or cancelled Transaction Date.
- 5.1.9 The Management Company shall inform the person that has submitted the Subscription Application of the postponing or cancelling of the issue of the Units in a format that can be reproduced in writing to the e-mail address provided in the Subscription Application. If the Management Company has postponed the Transaction Date, then the Management Company shall send to the e-mail address of the person that has submitted the Subscription Application the information regarding the next

Transaction Day at the latest on the last Banking Date of the Quarter, which precedes the Quarter on the first Banking Day of the first calendar month of which the Management Company has set as the new Transaction Date.

5.1.10 The person that has submitted the Subscription Application is entitled to waive from the acquisition of the Units at any time before the submission of the instruction provided in clause 5.2.1. ii) of these Rules. The person that has submitted the Subscription Application shall waive from the acquisition of the Units either by sending a respective notice to the e-mail address of the Management Company or by not performing the payment of the Acquisition Price of the Units provided in clause 5.2.1. ii) to the subscription account of the Fund by the Transaction Date.

5.1.11 In case the Subscription Application or the person does not comply with the requirements of clause 5.1.6., then the Management Company is entitled not to accept the Subscription Application by notifying the person that submitted the Subscription Application to the e-mail address provided in the Subscription Application on that Transaction date at the latest when the issue of the Units would have taken place in case there had not been any grounds for not accepting the Subscription Application.

5.2 Acquisition of the Units and payment for the Units

5.2.1 After the receipt of the Subscription Application the Management Company shall verify the compliance of the person with the provision of clause 5.1.6 of these Rules. If the person complies with the provisions of the Rules and there are no circumstances for postponing or cancellation as provided in clauses 5.1.7., 5.1.8. or 5.1.10., then the Management Company, the acquirer of the Unit and the Registrar shall perform the following operations in the following order:

- i) the Management Company shall submit to the Registrar an unconditional and irrevocable instruction for transferring the Units corresponding to the number and investment amount provided in the Subscription Application to the securities account of the Unit-holder against the payment for the Acquisition Price of the Units;
- ii) the Unit-holder shall ensure the transfer of the investment amount provided in the Subscription Application to the subscription account of the Fund in such a manner that the amount has been received in full to the aforementioned account within 5 Banking Days from the Subscription Application Submission Date. In case the required amount has not been received in full by the Transaction Date the Management Company will not issue the Units;

5.2.2 In case of receipt of the Acquisition Price of the Units to the subscription account of the Fund the Registrar shall perform the transfer of the Units to the securities account of the Unit-holder at the latest within the first Banking day after the Transaction Date (T+1). In case there are mistakes or deficiencies in the instructions specified in clause 5.2.1. of the Rules the person that made the mistake or deficiency is obliged to remedy it immediately.

5.3 Redemption of Units

5.3.1 In order to redeem Units the Unit-holder shall submit to the Management Company the Redemption Application in accordance with clause 5.3.9. of the Rules. The Redemption Application shall be submitted by the Redemption Application Submission Due Date at the latest. In case the Redemption Application is submitted later, then the Redemption Date shall be postponed to the next Quarter, even if the date of the Redemption Application or its signature was given prior to the Redemption Application Submission Due Date, but the digitally signed Redemption Application was delivered to the Management Company and/or Registrar after the Redemption Application Submission Due Date or the personally signed Redemption Application on paper was delivered to the Management Company after the Redemption Application Submission Due Date. Unit-holder is entitled to redeem the Units only in accordance with clause 4.1.2. of the Rules in such a manner that the Unitholder's holding in the Fund shall remain at least 50,000.00 Euros or the Units, including fraction units are redeemed in full.

5.3.2 If the Redemption Application has been submitted to the Management Company then the Unit-holder cannot cancel it (except in case of written consent from the Management Company). In case the Unit-holder applies for cancellation of the Redemption Application the Unit-holder shall submit a respective written application to the Management Company which the Management Company either accepts or does not accept at its own discretion without providing reasons.

5.3.3 Redemption Applications are satisfied on the Redemption Date in order of receipt by the Management Company and the Management Company shall submit to the Registrar the instruction to cancel the Units specified in the Redemption Application. The Registrar shall cancel the Units and the Redemption Price of the Units is transferred to the Unit-holder from the Fund assets on the Redemption Date.

5.3.4 With the payment of the Redemption Price of the Units the Unit is considered redeemed. The rights deriving from the Unit shall expire as of the moment of redemption of the Unit.

5.3.5 The Management Company is entitled to suspend the redemption of the Units either partially or fully in case of one or several of the following cases if the Management Company is on the opinion that:

- i) the liquidity of the investment portfolio of the Fund is not sufficient for redeeming such amount of the Units at the Redemption Date,
- ii) due to extraordinary circumstances or extreme fluctuations in market prices the calculation of the Net

- Asset Value of the Units cannot be reasonably performed.
- iii) selling of significant part of the Fund assets could significantly harm the interests of the Unit-holders..
- 5.3.6 In cases provided in clause 5.3.5. the Management Company may suspend the redemption of the Units either partly or fully for up to 3 (three) months. After the expiry of the suspension period the Management Company may suspend the redemption of the Units for subsequent 3-month periods, but not for longer than one year in case the circumstance providing the grounds for the suspension has not passed.
- 5.3.7 In case of performance of any monetary payments from the Fund assets to the Unit-holders no interest is calculated or paid.
- 5.3.8 No redemption fee is collected in case of redemption of the Units.
- 5.3.9 In order to redeem the Units the Redemption Application must be submitted to the Management Company on the Redemption Application Submission Due Date at the latest. Redemption Application may be submitted either in digital format with digital signature to the address provided on the Management Company web-site or by delivering the personally signed original of the Redemption Application on paper to the Management Company.
- i) Redemption Application in digital format and digitally signed must be submitted to the Management Company and to the Registrar. The Management Company web-site shall list the e-mail addresses of the Management Company and the Registrar to which the digitally signed Redemption Application should be sent. Digitally signed Redemption Application is considered not submitted if the Redemption Application is sent only to one of the aforementioned e-mail addresses.
- ii) In case of submission of the personally signed Redemption Application on paper, the original copy of the Redemption Application must be delivered to the Management Company at its location in one of the following manners (exhaustive list): a) by delivery to the representative of the Management Company against his signature, b) by way of registered mail (with notice of delivery) with delivery to the representative of the Management Company against his signature, c) by way of courier service with delivery to the representative of the Management Company against his signature. Personally signed Redemption Application on paper is considered as delivered to the Management Company only in case the original copy of the Redemption Application has arrived at the legal address of the Management Company in one of the above manners and has been delivered to the representative of the Management Company against signature.
- 5.3.10 Redemption Application is not considered to be delivered if it does not comply with the format requirements provided in clause 5.3.9. and/or has not been submitted in the manner prescribed in clause 5.3.9. In case the Redemption Application submitted for redemption of the Units does not comply with other conditions provided herein, including ti clause 5.3.1. and 4.1.2., then the Management Company shall not satisfy such Redemption Application and the Units shall not be redeemed, of which the Management Company shall inform the person that submitted the Redemption Application by e-mail.
- 5.4 Determining of the Net Asset Value of the Unit**
- 5.4.1 In calculating the net asset value of the Fund assets and the Unit the Management Company shall follow the provisions of its own internal procedure rules and the law. The net asset value of the Fund assets is calculated based in the market value of the Fund assets from which the liabilities of the Fund are deducted. The net asset value of the Unit is calculated by dividing the net asset value of the Fund assets with the number of all Units issued and not redeemed by the moment of performance of the calculation.
- 5.4.2 The Management Company shall calculate the net asset value of the Unit, the Issue Price of the Unit and the Redemption Price of the Unit at least once a month on the Valuation Date.
- 5.4.3 The Issue Price of the Unit and the Redemption Price of the Unit are published on each Transaction Date and Redemption Date on the Management Company web-page.
- 5.4.4 In case an event or circumstance appears after the determination of the Net Asset Value of the Fund assets and the Unit, that in accordance with the best professional assessment of the Management Company affects the Net Asset Value of the Fund assets and the Unit, then the Management Company is entitled to reevaluate the Net Asset Value of the Fund assets and the Unit provided that failure to perform such revaluation would harm the interests of the Unit-holders.
- 5.4.5 The Management Company is entitled to postpone the calculation and publishing of the net asset value of the Fund assets and the Unit in case the redemption of the Units has been suspended in compliance with clauses 5.3.5. and 5.3.6. of these Rules. In case of passing of the circumstances providing grounds for suspension of the redemption of the Units the Management Company is obliged to calculate the net asset value of the Units at the Valuation Date of the same month when the circumstances providing grounds for suspension of the redemption of the Units passed. The fact of postponing the calculation and publishing of the net asset value of the Unit by the Management Company shall be published immediately on the Management Company web-site.
- 5.5 Mandatory redemption of the Units**
- 5.5.1 Mandatory redemption is the Management Company's right to request from the Unit-holder and the Unit-holder's respective obligation to redeem his/her Units on the grounds provided in this section.

- 5.5.2 The Management Company is entitled to execute the mandatory redemption of the Units held by the Unit-holder in order to ensure that the Units are not acquired or held by:
- 5.5.2.1 any person in conflict with clauses 5.1.6. and 4.2.2. (v) of these Rules;
 - 5.5.2.2 any person that has been convicted with court judgment that has entered into force for commitment of criminal offence, irrespective of the country where the judgment was made;
 - 5.5.2.3 any person under circumstances that in the opinion of the Management Company could result in tax liability for the Management Company or any other monetary liability that would not have been arisen for the Management Company in any other manner;
 - 5.5.2.4 the Unit-holder does not provide, despite the respective request by the Management Company, the documents or information that are required in order to perform the Management Company's diligence obligations deriving from MLTFPA; or
 - 5.5.2.5 the documents or information provided by the Unit-holder do not remove the Management Company's doubt that the purpose of the business relation or transaction could be money laundering or financing of terrorism.
- 5.5.3 The Management Company may redeem the Units in mandatory manner in cases provided in clause 5.5. by informing the respective Unit-holder. In case of redemption of the Units according to clause 5.5. the Redemption Date shall be the 1st (first) Banking Day of the first calendar month of the Quarter after the Quarter when the respective notice was submitted to the Unit-holder by the Management Company or the 1st (first) Banking Day of the first calendar month of some following Quarter in case of postponing in accordance with the Rules. In other part the principles provided in clauses 5.3.3. to 5.3.8. of the Rules are applied to the redemption of the Units and the redemption of the Units shall take place with the Redemption Price of the Unit. In case of redemption of the Units in the cases provided clause 5.5. the Redemption Price of the Unit shall be paid to the banking account of the Unit-holder specified in the Subscription Application, unless MLTFPA provides otherwise.

6 GENERAL MEETING

6.1 Competence of general meeting

- 6.1.1 The Unit-holders execute their rights regarding the common fund at the general meeting.
- 6.1.2 The general meeting has the competence to:
- i) decide on the merger of the fund;
 - ii) decide on submission of petition to declare the fund insolvent or dissolved.

6.2 Calling of general meeting

- 6.2.1 The general meeting is called by the Management Company.
- 6.2.2 General meeting is called and an item is taken into the agenda in case it is requested by Unit-holders whose Units represent at least one tenth of the total votes.
- 6.2.3 The notice for calling of general meeting is sent in a format enabling written reproduction to the addresses of the Unit-holders that are recorded at the register of Fund Units.
- 6.2.4 Participation and voting through electronic means at the general meeting is allowed.
- 6.2.5 The location of the general meeting is the location of the Management Company or other location indicated by the Management Company.
- 6.2.6 The costs of the general meeting are borne by the Management Company.
- 6.3.** General meeting has only the competence provided in these Rules and deciding on other issues provided in § 249 of IFA has been granted to the competence of the management of the Management Company.

7 OPERATIONS OF THE MANAGEMENT COMPANY

7.1 The basis for the operation of the Management Company

- 7.1.1 The basis for the operation of the Management Company is provided in the articles of association of the Management Company, in the legislation, in the activity licence issued for the Management Company and in the Rules.
- 7.1.2 The Management Company has the right, in compliance with the Rules, to possess and dispose of the Fund assets and other rights deriving from therein.
- 7.1.3 The Management Company invests the Fund assets at its own behalf and on the common account of the Unit-holders, i.e. on the account of the Fund.
- 7.1.4 In investing the Fund assets the Management Company is obliged to:
- i) obtain sufficient information regarding the property intended to be acquired or have been acquired on account of the Fund;
 - ii) inspect the financial-economic situation of the issuer whose securities are intended to be acquired or have been acquired on account of the Fund;
 - iii) obtain sufficient information regarding the solvency of the person with whom transactions are being concluded on account of the Fund.
- 7.1.5 The Management Company is obliged to manage the Fund assets separately from its own assets, from the assets of the other funds managed by it and from other collective assets. The Fund assets shall not be part of the bankruptcy estate of the Management Company and the claims of the creditors

of the Management Company cannot be satisfied on account of Fund assets.

- 7.1.6 The Management Company is entitled and obliged to file the claims of the Unit-holders or the Fund against third parties if failure to file such claims would or could result in occurrence of significant damage to the Fund or the Unit-holders. The Management Company is not obliged to file the aforementioned claims in case the Fund or the Unit-holders have themselves already filed these claims.
- 7.1.7 The Management Company shall be liable for the damage caused to the Fund or the Unit-holder by violation of its obligations.
- 7.1.8 The Management Company is entitled, but not obliged, to hold or acquire the Units of the fund and will do that in compliance with the valid legislation. In case the Management Company has acquired the Units, then it may redeem these Units in compliance with the procedure provided in the Rules and the restrictions provided in IFA are applied to the redemption of these.

7.2 Assignment of the operations of the Management Company

- 7.2.1 The Management Company is entitled to assign the following operations related to the management of the Fund to third parties for the best performance of its obligations by following the provisions of IFA:
- i) Investment of the Fund assets;
 - ii) Organisation of the issue and redemption of the Units;
 - iii) Issuing of evidence of title, if necessary, to the Unit-holders of the Fund;
 - iv) Forwarding of necessary information to the Unit-holders of the Fund and other customer service;
 - v) Organisation of the marketing of the Units;
 - vi) Keeping record of the Fund assets and organising of accounting;
 - vii) Determination of the Net Asset Value of the Fund assets;
 - viii) Organisation of the maintaining of the register of the Units;
 - ix) Calculation of the profit of the Fund;
 - x) Calculation and publishing of the Net Asset Value of the Unit;
 - xi) Monitoring of the compliance of the operations of the Fund and the Management Company with the requirements of law and other legal acts, incl. application of the respective internal control system;
 - xii) activities directly related to the abovementioned activities.
- 7.2.2 Assignment of the tasks to a third party shall release the Management Company from the liability in relation to the management of the Fund in the maximum extent allowed by IFA.

8 FEES AND EXPENSES PAYABLE ON ACCOUNT OF THE FUND

8.1 Performance fee

- 8.1.1 The Management Company shall be paid a performance fee (hereinafter the Performance Fee). The calculation period for the Performance Fee is Quarter. The calculation of the Performance Fee shall be performed as of the Valuation Date.
- 8.1.2 The rate of the Performance Fee is 50% of the increase of the net asset value of the Unit over the nominal value of the Unit.
- 8.1.3 The Management Company is not entitled to receive the Performance Fee in case the net asset value of the Unit has fallen below the nominal value of the Unit. In such case the Performance Fee paid to the Management Company based on the previous Quarter shall not be returned or decreased or set off in any other manner.
- 8.1.4 No fees other than the Performance Fee shall be paid to the Management Company. The management of the Management Company may apply lower rate of the Performance Fee for some periods.

8.2 Other expenses paid on account of the Fund

- 8.2.1 The transfer and service fees directly related to the transactions performed on account of the Fund and other costs directly related to the management of the Fund, including transactions fees, broker fees, stock exchange fees, interest costs, maintenance fees of securities accounts, shall be paid on account of the Fund based on the price list of the respective service provider.
- 8.2.2 Monthly fees payable on the expense of the Fund (including Performance and Management Fee) may not exceed 60% of the Net Asset Value of the Fund as of the Valuation Date of the following calendar month.
- 8.2.3 Costs related to opening and maintaining of the Unit-holder's securities account shall not be paid on account of the Fund and are paid by the Unit-holder at its own expenses.

9 DISBURSEMENTS

- 9.1 The Unit-holders shall receive Disbursements without redeeming the Units in case the net asset value of the Unit has increased during a Quarter higher than the nominal value of the Unit. The Disbursement is calculated based on the increase in the net asset value as of the Valuation Date from which the Performance Fee of the Management Company has been deducted. Disbursement is made by the Management Company to the Unit-holder's bank account within the 5 (five) days of the first calendar month of the Quarter.
- 9.2 The Unit-holder is not entitled to receive the Disbursements in case the net asset value of the unit has

- fallen under the nominal value of the Unit.
- 9.3** Disbursements are made as monetary payments through the bank account of the Fund opened at the Depository
- 10 ACCOUNTING AND REPORTING OF THE FUND**
- 10.1** The accounting and reporting of the Management Company and the Fund are organised following the requirements deriving from the Accounting Act, IFA, other legislation and the internal accounting rules of the Management Company unless otherwise provided in IFA.
- 10.2** The financial year of the fund is the financial year of the Management Company, which is a calendar year.
- 11 PUBLISHING OF INFORMATION REGARDING THE FUND**
- 11.1** It shall be possible for all persons to review the following information and documents on the Management Company web-page:
- i) Rules;
 - ii) Name and contact information of the Management Company;
 - iii) Name of the Fund manager;
 - iv) The procedure for determining the Net Asset Value of the Fund assets;
 - v) Net asset value of the Unit, the Issue and Redemption Price of the Unit, which is published at the time provided in the Rules
 - vi) The template of the Subscription Application;
 - vii) The template of the Redemption Application;
- 11.2** The Management Company is entitled to send information and reports to the Unit-holder to the mail or e-mail address known to the Management Company.
- 12 AMENDMENTS TO THE RULES**
- 12.1** With the decision of the supervisory board of the Management Company the Rules may be amended.
- 12.2** After the amendments of the Rules the Management Company shall immediately publish the notice regarding the amendments on the Management company web-page.
- 12.3** Amendments of the Rules shall come into force at the adoption of the respective decision by the Supervisory Board and are automatically applicable also to all existing Unit-holders of the Fund.
- 13 LIQUIDATION OF THE FUND**
- 13.1** Liquidation of the Fund takes place in the cases and according to procedure provided in IFA.
- 13.2** The liquidation of the Fund shall be decided by the General Meeting of the Unit-holders.
- 13.3** After the adoption of the liquidation decision the Fund the Management Company shall immediately publish the notice regarding the liquidation of the Fund on the Management Company's web-page. The redemption of the units and disbursements from the Fund assets are suspended starting from the day following the publishing of the liquidation notice.
- 13.4** In case of liquidation of the Fund the Management Company shall dispose of the Fund assets as soon as possible and by following the interests of the Unit-holders, collects the debts to the Fund and satisfies the claims of the creditors of the Fund.
- 13.5** The liquidation costs of the Fund may be covered on account of the Fund to the extent of 2% from the Net Asset Value of the Fund assets. In case the actual liquidation costs exceed the aforementioned amount, then the costs exceeding that amount shall be borne by the Management Company or the person that acted as the Management Company.
- 13.6** The assets remaining after the liquidation operations are distributed by the Management Company between the unit-holders correspondingly to the type, amount and net asset value of the Units held by them. Notice regarding the distribution of the assets shall be published by the Management Company on its web-page.