

# JOM Fund Management Ltd. Fund Rules

**JOM Silkkitie Asia Equity Investment Fund (UCITS)**  
**August 31, 2017 p.1**

**JOM Komodo Indonesia Equity Investment Fund (UCITS)**  
**August 31, 2017 p.4**

## FUND RULES OF JOM SILKKITIE ASIA EQUITY INVESTMENT FUND

### 1 § The Fund

The name of the fund is JOM Silkkitie Asia Equity Investment Fund (hereinafter referred to as "the Fund"), in Finnish JOM Silkkitie Aasia -sijoitusrahasto and in Swedish JOM Silkkitie Asien Placeringsfond.

### 2 § The Fund Management Company

The Fund is managed by JOM Fund Management Ltd (hereinafter referred to as "the Fund Company"). The Fund Company conducts the investment activities of the Fund, shall represent the Fund, shall act on its behalf in relevant matters and shall exercise the rights related to the assets of the Fund.

### 3 § The Custodian

The custodian of the Fund is Skandinaviska Enskilda Banken AB (publ), Helsinki branch (hereinafter referred to as "the Custodian").

### 4 § Objectives of the Fund's Investment Activities, Investment Strategy and Investing the Fund assets

The objective of the Fund's investment activities is to achieve the best possible increase in value in the long run through diversification of assets and reasonable risk-taking in compliance with the Finnish Act on Common Funds and with the rules of the Fund.

#### Investment Policy and Strategy

The Fund's investment strategy is to invest actively in equities of high-quality Asian companies.

- a.) Via an active investment policy, the Fund aims to find and focus on attractively valued high-quality equities from current or emerging investment themes. The Fund does not follow any regional equity indices in its investment policy. The active investment policy refers here also to the avoidance of high-priced and poor-quality equities, which is one of the risk management cornerstones of the Fund Company.
- b.) High-quality means the following:
  - 1.) The operation of the company is stable and profitable and it's one of the leading companies in its field or its market.
  - 2.) The price of the company is low compared to other competitors and/or the market of the company has developed poorly during last year/years.
- c.) The Fund's investment policy strives for a more concentrated and focused approach by keeping the number of issuers between 20 - 40, depending on the prevailing market situation.
- d.) In exceptional cases the Fund can invest also in equities of non-Asian companies, if the market situation so requires.
- e.) No more than 75 % of the Fund's assets may be invested in one country or industry.

The Fund Company maintains a list of the markets where the Fund is active. The list is available at the Fund Company.

The assets of the Fund are invested in compliance with chapter 11 of the Finnish Act on Common Funds to publicly traded securities of companies operating mainly in Asian emerging and developed markets. The Fund can also invest in bank deposits and investment funds (also ETFs), if needed. The location of the trading marketplace is not geographically restricted.

In this context Asian markets refer to at least the following countries: China, Hong Kong, Taiwan, India, Singapore, Japan, Indonesia, the Philippines, Thailand, Vietnam, Malaysia and South Korea.

A maximum of 10 % of the assets of the Fund may be invested in equities of a single issuer. Single investments that exceed 5 % of the assets of the Fund are limited in total to 40 % of the assets.

The net investment position can vary between 0 % and 100 %, depending on the prevailing market situation. Normally the net investment position (or the equity weight) is over 75 %. The Fund is does not follow any equity indices in its investment activities.

A maximum of 20 % of the assets of the Fund may be invested in deposits issued by a single financial institution registered in the European

Economic Area (EEA), Australia, Japan, Canada, USA or Switzerland. The deposits must be receivable upon request, or term deposits expiring within 12 months. A maximum of 100 % of the assets of the Fund may be invested in deposits.

The assets of the Fund may be invested in investment funds (UCITS and non-UCITS) licensed in Finland or in some other country in the European Economic Area. Investments may be made in funds not issued in accordance with the fund legislation of the issuing country and the UCITS directive, if the protection to the fund unit holders and the laws and regulation concerning the separation of assets, borrowing and lending as well as uncovered transferring of securities, are comparable to the UCITS directive.

The assets of the Fund may not be invested in fund units of a fund (UCITS or non-UCITS) that according to its rules or by-laws may invest more than 10 % of its assets to fund units of other investment funds.

The assets of the Fund may only be invested in such funds (UCITS and non-UCITS) whose fixed management fee is at maximum 3 % of the value of the fund per annum. In addition to this fixed management fee, a performance fee may be charged by the funds.

The Fund may use exchange-traded funds (ETFs) to improve the efficiency of the asset management by substituting direct investments to equity markets, by hedging the Fund's investment positions and by taking investment positions that provide a positive return on declining markets.

A maximum of 10 % of the assets of the Fund may be invested in units of funds (UCITS or non-UCITS) or exchange-traded funds (ETFs) in total.

#### The Fund may use derivatives for example to:

- a.) Hedge the Fund's foreign currency risks
- b.) Improve the efficiency of the asset management of the Fund by substituting direct investments in equity markets
- c.) Hedge the Fund's assets with positions that provide a positive return in declining markets

The Fund can buy and sell derivatives for which the underlying assets are publicly traded securities, publicly traded stock market indices or publicly traded future or volatility indexes (or a combination of the aforementioned) regardless of whether the Fund has positions in these underlying assets. Derivative contracts can be standardized or OTC contracts. The Fund may buy or sell derivative contracts in Europe, in the United States and in the rest of the world. A list of public exchanges in which the Fund is active is available at the Fund Company.

In case the Fund buys or sells OTC derivatives, the counterparty to the transaction may be a bank or credit agency domiciled in a member country of the European Economic Area or the United States of America, or an investment service company domiciled in a member country of the European Economic Area.

The counterparty risk stemming from OTC derivative contracts may not exceed 10 % of Fund's assets, with a single bank or a credit agency, and may not exceed 5 % of Fund's assets with any other single counterparty.

The Fund may use currency derivatives to hedge positions against currency fluctuations. Currency derivatives can be used for hedging also in currencies in which the Fund has no assets as long as the currencies of the fund assets correlate with the currency derivatives.

The Fund shall not use derivatives to increase its market exposure to over 100 % of its assets. The margin requirement arising from derivatives positions shall not exceed 30% of the Fund's total assets. The total market value of the premiums related to derivative contracts cannot exceed 30% of the Fund's total assets. Collateral may be given out also under transfer of title terms. Derivative risks are monitored daily. The most important risk measures are the margin requirement and the delta value.

The Fund shall hold enough cash necessary for daily operations of the Fund.

## 5 § Fund Units and the Register

The Fund has only accumulating units. One fund unit consists of ten thousand (10 000) fractions which are of the equal size.

The Fund Company shall maintain a register of all fund units and shall register transfers of ownership. The fund units are registered free of charge by the Fund Company. The register contains the following information: name, address, amount of fund units owned and date and number of the registration.

The subscription to the register shall be made only after the full subscription amount has been paid to the Fund.

A fund unit holder may request the Fund Company to supply an investment certificate on the units owned. The Fund Company may charge a separate service fee for providing and delivering a written investment certificate. Information on the service fee is available on the internet site of the Fund Company and at the Fund Company.

## 6 § Calculation of the Value of the Fund and Fund Unit

The Fund Company calculates the value of the fund unit on each banking day in Finland. The value of the Fund is calculated by deducting liabilities of the Fund from its assets. The value of one fund unit is the total net value of the Fund divided by the total number of the issued fund units. The value of the Fund is calculated in Euro (€). The value is available on the website of the Fund Company ([www.jom.fi](http://www.jom.fi)), from the mutual fund report service of Investment Research Finland ([www.rahastoraportti.fi](http://www.rahastoraportti.fi)), and on the website of the mutual fund rating service Morningstar ([www.morningstar.fi](http://www.morningstar.fi)).

The value of the Fund's assets shall be established on the basis of their market value at 3 p.m. Finnish time (EET). The market value is the last transaction price before the aforementioned cut-off time. If the above-mentioned transaction price does not exist on the valuation date, the last available transaction price shall be used. If no reliable market value is available for the fund's assets, they shall be valued in accordance with the objective valuing principles of the Fund Company.

Accrued interest shall be added to the value of interest-bearing instruments. The value of the Fund's holdings in investment funds (UCITs or non-UCITs) shall be established on the basis of the last available value for the fund unit at 3 p.m. Finnish time (EET). The value for the Fund's assets in exchange traded funds (ETFs) shall be established in accordance with the aforementioned principles for other publicly traded securities.

The value of holdings in the Fund in foreign currency is converted into Euros according to the prevailing market exchange rates on the valuation date at 3 p.m. Finnish time (EET).

## 7 § The Subscription and Redemption of Fund Units

Fund units may be subscribed, redeemed or switched at the Fund Company and other companies that are mentioned in the fund prospectus and accepted by the board of the Fund Company. Units can normally be subscribed, redeemed or switched two (2) times per month: on the 15<sup>th</sup> day of the month, or the preceding banking day if the 15<sup>th</sup> day of the month is not a banking day in Finland, and on the last banking day of each month. The value of the Fund on the subscription and redemption day is the subscription and redemption value.

### *Subscription*

The subscription requires that the subscriber has delivered adequate information of the subscription, subscriber and the identity of the subscriber to the Fund Company. A written subscription notification should be delivered to the Fund Company at least two (2) banking days before the subscription date. The subscription shall be executed with the Fund's value on the date of the subscription. The subscription amount must be on the Fund's account by 2 p.m. Finnish time (EET) on the subscription day. The aforementioned deadline is strictly binding, the only exception being a switch of fund units between funds managed by the Fund Company, in which case the Fund Company takes care of transferring the required cash amount between the two funds at the latest on the next banking day following the switching date. The Fund Company reserves the right to approve or reject paid subscriptions or subscription orders, if adequate information on the subscriber is not

available. The Fund Company reserves the right to decide the minimum subscription amount.

### *Redemption*

The fund units are redeemed by delivering the redemption form and the investment certificate, if such certificate has been issued to the investor, to the Fund Company by 2 p.m. Finnish time (EET) at least five (5) banking days before the redemption date. The redemption form has to include the total value or the number fund units to be redeemed. The redemption shall be executed with the Fund's value on the date of the redemption. The amount redeemed subtracted by any redemption fees shall be paid to the client on the banking day following the redemption date as per the payment instructions given at the time of subscription.

The Fund Company deducts the redemption amount from the Fund's account. If the cash required for the redemption must be procured by selling securities, the Fund Company shall execute the sale of securities without undue delay, however at the latest within two (2) weeks of the request for redemption. In such case the redemption is executed at the value of the day on which the securities are sold. Redemption and switch orders shall be executed in the same order they are received and may be cancelled only with the permission of the Fund Company.

### *Switching fund units*

The investor may switch fund units between two funds managed by the Fund Company. Switching fund units is treated as a combined subscription and redemption event executed on the same subscription and redemption date, provided that both funds are open for subscriptions and redemptions. If either of the funds is closed, the redemption is to be executed first and the moneys are transferred to the subscription account of the other fund, and the subscription is executed on the next possible subscription date.

In order to switch fund units, the investor must fill out the fund switch form and deliver the form to the Fund Company by 2 p.m. Finnish time (EET) at least five (5) banking days before the intended subscription and redemption date. The form has to include the names of the funds to be redeemed from and subscribed to, as well as the number of fund units or the amount in Euro, which is to be switched from one fund to another. The redemption shall be executed with the redemption Fund's value on the date of the redemption, and the corresponding amount is subscribed to the other fund with the subscription Fund's value of the subscription date. A switching fee may be deducted for switching fund units.

The Fund Company deducts the redemption amount for the switch from the Fund's account. If the cash required for the switch must be procured by selling securities, the Fund Company shall execute the sale of securities without undue delay, however at the latest within two (2) weeks of the request for the fund unit switch. In such case the redemption for switching of fund units is executed with the redemption Fund's value of the day on which the securities are sold, and the subscription is executed on the next possible subscription date with subscription Fund's value on this subscription date in question. Redemption and switch orders shall be executed in the same order they are received and may be cancelled only by the permission of the Fund Company.

The Fund Company reserves the right to differ from the subscription, redemption and switching dates, depending on the prevailing market situation.

Fund units can be transferred to a third party. The new owner has to present documentation on the transfer of title, after which the ownership changes can be registered.

The Fund Company may temporarily interrupt redemption and with permission of the Financial Supervisory Authority FIN-FSA subscription of fund units, if

A market place that can be considered as a primary market considering the investment policy of the Fund is closed or the trade is restricted, or when reliable market information is not obtainable from the Fund's primary market or its integral parts.

The mutual interest of the fund unit holders so requires.

For other important reasons.

**8 § Payments to the Fund Company and the Custodian**

In remuneration for the fund management activities, the Fund Company will receive a subscription and redemption fee, a fixed management fee and a performance fee.

The subscription fee is a maximum of 1.5 % of the subscription amount. The redemption fee is a maximum of 1 % of the redeemed amount, or at least 20 Euro. The fee for switching fund units is a maximum of 1 % of the switch amount, or at least 20 Euro.

The fixed management fee is a maximum of 1.2 % per annum of the value of the fund. The fee shall be calculated daily (percentage fee p.a. x number of days since the previous calculation day/365) on the Fund value on the previous calculation date, and shall be paid to the Fund Company monthly in arrears.

The performance fee is calculated on a monthly basis. The Fund Company receives ten (10) percent of the return that exceeds the hurdle rate of five (5) percent per annum cumulatively. The performance fee is calculated and deducted from the daily value of the Fund after the deduction of the management fee and the custodian fee. The performance fee shall be paid to the Fund Company monthly in arrears.

The performance fee is calculated with a high-water mark rule: if the value of the Fund on the last banking day of the month is lower than the historically highest value of the Fund on the last banking day of the month, the performance fee is not charged.

The Fund Company shall pay an annual fee to the Custodian for the safekeeping of the Fund's securities and for other lawfully entrusted duties.

**9 § The Use of Representatives**

The Fund Company may outsource its activities to representatives. The fund prospectus contains information on which activities the Fund Company uses representatives for at each time.

**10 § The Accounting Period of the Fund Company and Fund**

The accounting period of the Fund Company and the Fund shall be the calendar year.

**11 § The Meeting of Fund Unit Holders**

The Annual Ordinary General Meeting of fund unit holders (herein after referred to as "the Meeting") shall be held annually on a date determined by the board of the Fund Company no later than six months after the end of the accounting period. The Meeting shall be summoned by the board of the Fund Company. The invitation to the Meeting shall be delivered in writing by mail, or with unit holder's approval by e-mail, or as an announcement to be published in at least one (1) national newspaper published in Helsinki, Finland, at least two (2) weeks in advance.

In the Meeting, the fund unit holders shall:

- a. elect a chairman for the Meeting, who will in turn appoint a person to keep the minutes at the Meeting
- b. draw up and adopt a register of votes
- c. elect two (2) persons to scrutinize the minutes and two (2) persons to count votes
- d. attest the legitimacy of the meeting
- e. be presented with the annual financial report for the Fund Company and the Fund
- f. elect fund representative(s) to the board of the Fund Company as set out in the Fund Company bylaws and
- g. treat any other relevant matters

Each unit of the Fund shall be represented by one vote in the Meeting. A fund unit holder is not allowed to exercise the respective rights before his fund units have been registered. The right to attend the Meeting and the number of votes are determined by the prevailing state of the fund register 10 days before the Meeting. A decision in the Meeting shall be the opinion, which has been supported by simple majority, or in the event of a tie, the opinion supported by the chairman of the Meeting.

**The FIN-FSA has last confirmed the fund rules on July 7, 2017.**

In order to attend the Meeting, the fund unit holder must sign up with the Fund Company at the latest on the date specified in the invitation to the Meeting.

Other announcements to fund unit holders shall be delivered in writing by mail, or with the unit holder's approval by e-mail, or as an announcement to be published in at least one (1) national newspaper published in Helsinki, Finland.

An extraordinary meeting of the fund unit holders shall be held when considered justified by the board of the Fund Company, or if the auditors or holders of fund units holding at least one twentieth of all the issued fund units, so request in writing from the Fund Company, in order to deal with a specific matter.

**12 § The Delegation of Fund Unit Holders**

In the Meeting, fund unit holders of every fund managed by the Fund Company shall elect separately one representative to the common delegation of fund unit holders. The term of these representatives shall end at the end of the next Annual Ordinary General Meeting held after the election.

The representatives will hold a meeting and elect one auditor and one deputy auditor to the Fund Company, if the Finnish Act on Common Funds (Sijotusrahastolaki, 29.1.1999/48) so requires. They will also elect as many members to the board of the Fund Company as the Annual General Meeting of the Fund Company has decided. The result of the election shall be notified to the Fund Company within one (1) month of the delegation's meeting.

**13 § Fund Prospectus, Annual and Interim Reports**

The Fund Company publishes the fund prospectus of the Fund, the Key Investor Information Document (KIID), the biannual interim report and the annual report of the Fund in compliance with the Finnish Act on Common Funds. The Fund's and the Fund Company's annual report must be published within three months of the end of the accounting period. The biannual interim reports must be published within two months of the end of the interim reporting period. The above-mentioned documents are available at the Fund Company's internet site ([www.jom.fi](http://www.jom.fi)) or from the Fund Company by request.

**14 § Amending the Rules of the Fund**

The board of the Fund Company shall decide on any amendment to the rules of the Fund. Amendments must be ratified by the Finnish Financial Supervision Authority.

Amendments to the rules shall come into effect one month after the Finnish Financial Supervision Authority has given its confirmation and the fund unit holders have been informed of the amendment, unless otherwise instructed by the Finnish Financial Supervision Authority. The fund unit holders are considered to be informed on the fifth (5<sup>th</sup>) day after a written notice has been sent to them by post, or on the day that the notice has been published in a national newspaper published in Helsinki, Finland. After coming into effect, amendments to the rules shall apply to all unit holders.

**15 § Giving Out Information**

The Fund Company has the right to give out information of the unit holders in compliance with the legislation in force at each time.

**16 § Applicable Law**

Finnish law shall be applied to the operations of the Fund Company and the Fund.

**17 § Remuneration**

Should the Fund Company pay variable remuneration to a person who is in the scope of application of Chapter 4 b of the Finnish Act on Common Funds, at least 50 percent of such remuneration shall be paid as fund units in the funds managed by the Fund Company. Information about the Fund Company's remuneration policy is available in the Prospectus and the Key Investor Information Document.

## FUND RULES OF JOM KOMODO INDONESIA EQUITY INVESTMENT FUND

### 1 § The Fund

The name of the fund is JOM Komodo Indonesia Equity Investment Fund (hereinafter referred to as "the Fund"), in Finnish JOM Komodo Indonesia -sijoitusrahasto and in Swedish JOM Komodo Indonesien Placeringsfond.

### 2 § The Fund Management Company

The Fund is managed by JOM Fund Management Ltd (hereinafter referred to as "the Fund Company"). The Fund Company conducts the investment activities of the Fund, shall represent the Fund, shall act on its behalf in relevant matters and shall exercise the rights related to the assets of the Fund.

### 3 § The Custodian

The custodian of the Fund is Skandinaviska Enskilda Banken AB (publ), Helsinki branch (hereinafter referred to as "the Custodian").

### 4 § Objectives of the Fund's Investment Activities, Investment Strategy and Investing the Fund assets

The objective of the Fund's investment activities is to achieve the best possible increase in value in the long run through diversification of assets and reasonable risk-taking in compliance with the Finnish Act on Common Funds and with the rules of the Fund.

#### Investment Policy and Strategy

The Fund's investment strategy is to invest actively in equities of high-quality small and midcap Indonesian companies.

- a. Via an active investment policy, the Fund aims to find and focus on attractively valued high-quality equities from current or emerging investment themes. The Fund does not follow any Indonesian equity indices in its investment policy. The active investment policy refers here also to the avoidance of high-priced and poor-quality equities, which is one of the risk management cornerstones of the Fund Company.
- b. High-quality means the following:
  - 1.) The operation of the company is stable and profitable and it's or it's becoming one of the leading companies in its field or its market.
  - 2.) The price of the company is low compared to other competitors when considering the company growth outlook and its profit generating capabilities.
- c. The Fund's investment policy strives for a more concentrated and focused approach by keeping the number of issuers between 20 - 40, depending on the prevailing market situation.
- d. In exceptional cases the Fund can invest also in equities of non-Indonesian companies, if the market situation so requires.
- e. No more than 75 % of the Fund's assets may be invested in one industry.

The Fund Company maintains a list of the markets where the Fund is active. The list is available at the Fund Company.

The assets of the Fund are invested in compliance with chapter 11 of the Finnish Act on Common Funds to publicly traded securities of companies operating mainly in Indonesia. The Fund can also invest in bank deposits and investment funds (also ETFs), if needed. The location of the trading marketplace is not geographically restricted.

A maximum of 10 % of the assets of the Fund may be invested in equities of a single issuer. Single investments that exceed 5 % of the assets of the Fund are limited in total to 40 % of the assets.

The net investment position can vary between 0 % and 100 %, depending on the prevailing market situation.

Normally the net investment position (or the equity weight) is over 75 %. The Fund does not follow any equity indices in its investment activities.

A maximum of 20 % of the assets of the Fund may be invested in deposits issued by a single financial institution registered in the European Economic Area (EEA), Australia, Japan, Canada, USA or Switzerland. The deposits must be receivable upon request, or term deposits expiring

within 12 months. A maximum of 100 % of the assets of the Fund may be invested in deposits.

The assets of the Fund may be invested in investment funds (UCITS and non-UCITS) licensed in Finland or in some other country in the European Economic Area. Investments may be made in funds not issued in accordance with the fund legislation of the issuing country and the UCITS directive, if the protection to the fund unit holders and the laws and regulation concerning the separation of assets, borrowing and lending as well as uncovered transferring of securities, are comparable to the UCITS directive.

The assets of the Fund may not be invested in fund units of a fund (UCITS or non-UCITS) that according to its rules or by-laws may invest more than 10 % of its assets to fund units of other investment funds.

The assets of the Fund may only be invested in such funds (UCITS and non-UCITS) whose fixed management fee is at maximum 3 % of the value of the fund per annum. In addition to this fixed management fee, a performance fee may be charged by the funds.

The Fund may use exchange-traded funds (ETFs) to improve the efficiency of the asset management by substituting direct investments to equity markets, by hedging the Fund's investment positions and by taking investment positions that provide a positive return on declining markets.

A maximum of 10 % of the assets of the Fund may be invested in units of funds (UCITS or non-UCITS) or exchange-traded funds (ETFs) in total.

The Fund may use derivatives for example to:

- a. Hedge the Fund's foreign currency risks
- b. Improve the efficiency of the asset management of the Fund by substituting direct investments in equity markets
- c. Hedge the Fund's assets with positions that provide a positive return in declining markets

The Fund can buy and sell derivatives for which the underlying assets are publicly traded securities, publicly traded stock market indices or publicly traded future or volatility indexes (or a combination of the aforementioned) regardless of whether the Fund has positions in these underlying assets. Derivative contracts can be standardized or OTC contracts. The Fund may buy or sell derivative contracts in Europe, in the United States and in the rest of the world. A list of public exchanges in which the Fund is active is available at the Fund Company.

In case the Fund buys or sells OTC derivatives, the counterparty to the transaction may be a bank or credit agency domiciled in a member country of the European Economic Area or the United States of America, or an investment service company domiciled in a member country of the European Economic Area.

The counterparty risk stemming from OTC derivative contracts may not exceed 10 % of Fund's assets with a single bank or a credit agency, and may not exceed 5 % of Fund's assets with any other single counterparty.

The Fund may use currency derivatives to hedge positions against currency fluctuations. Currency derivatives can be used for hedging also in currencies in which the Fund has no assets as long as the currencies of the fund assets correlate with the currency derivatives.

The Fund shall not use derivatives to increase its market exposure to over 100 % of its assets. The margin requirement arising from derivatives positions shall not exceed 30% of the Fund's total assets. The total market value of the premiums related to derivative contracts cannot exceed 30% of the Fund's total assets. Collateral may be given out also under transfer of title terms. Derivative risks are monitored daily. The most important risk measures are the margin requirement and the delta value.

The Fund shall hold enough cash necessary for daily operations of the Fund.

### 5 § Fund Units and the Register

The Fund has only accumulating units. One fund unit consists of ten thousand (10 000) fractions which are of the equal size.

The Fund Company shall maintain a register of all fund units and shall register transfers of ownership. The fund units are registered free of

charge by the Fund Company. The register contains the following information: name, address, amount of fund units owned and date and number of the registration.

The subscription to the register shall be made only after the full subscription amount has been paid to the Fund.

A fund unit holder may request the Fund Company to supply an investment certificate on the units owned. The Fund Company may charge a separate service fee for providing and delivering a written investment certificate. Information on the service fee is available on the internet site of the Fund Company and at the Fund Company.

#### **6 § Calculation of the Value of the Fund and Fund Unit**

The Fund Company calculates the value of the fund unit on each banking day in Finland. The value of the Fund is calculated by deducting liabilities of the Fund from its assets. The value of one fund unit is the total net value of the Fund divided by the total number of the issued fund units. The value of the Fund is calculated in Euro (€). The value is available on the website of the Fund Company ([www.jom.fi](http://www.jom.fi)), from the financial service Bloomberg and on the website of the mutual fund rating service Morningstar ([www.morningstar.fi](http://www.morningstar.fi)).

The value of the Fund's assets shall be established on the basis of their market value at 3 p.m. Finnish time (EET). The market value is the last transaction price before the aforementioned cut-off time. If the above-mentioned transaction price does not exist on the valuation date, the last available transaction price shall be used. If no reliable market value is available for the fund's assets, they shall be valued in accordance with the objective valuing principles of the Fund Company.

Accrued interest shall be added to the value of interest-bearing instruments. The value of the Fund's holdings in investment funds (UCITs or non-UCITs) shall be established on the basis of the last available value for the fund unit at 3 p.m. Finnish time (EET). The value for the Fund's assets in exchange traded funds (ETFs) shall be established in accordance with the aforementioned principles for other publicly traded securities.

The value of holdings in the Fund in foreign currency is converted into Euros according to the prevailing market exchange rates on the valuation date at 3 p.m. Finnish time (EET).

#### **7 § The Subscription and Redemption of Fund Units**

Fund units may be subscribed, redeemed or switched at the Fund Company and other companies that are mentioned in the fund prospectus and accepted by the board of the Fund Company. Units can normally be subscribed, redeemed or switched two (2) times per month: on the 15<sup>th</sup> day of the month, or the preceding banking day if the 15<sup>th</sup> day of the month is not a banking day in Finland, and on the last banking day of each month. The value of the Fund on the subscription and redemption day is the subscription and redemption value.

##### *Subscription*

The subscription requires that the subscriber has delivered adequate information of the subscription, subscriber and the identity of the subscriber to the Fund Company. A written subscription notification should be delivered to the Fund Company at least two (2) banking days before the subscription date. The subscription shall be executed with the Fund's value on the date of the subscription. The subscription amount must be on the Fund's account by 2 p.m. Finnish time (EET) on the subscription day. The aforementioned deadline is strictly binding, the only exception being a switch of fund units between funds managed by the Fund Company, in which case the Fund Company takes care of transferring the required cash amount between the two funds at the latest on the next banking day following the switching date. The Fund Company reserves the right to approve or reject paid subscriptions or subscription orders, if adequate information on the subscriber is not available. The Fund Company reserves the right to decide the minimum subscription amount.

##### *Redemption*

The fund units are redeemed by delivering the redemption form and the investment certificate, if such certificate has been issued to the investor, to the Fund Company by 2 p.m. Finnish time (EET) at least five (5) banking

days before the redemption date. The redemption form has to include the total value or the number fund units to be redeemed. The redemption shall be executed with the Fund's value on the date of the redemption. The amount redeemed subtracted by any redemption fees shall be paid to the client on the banking day following the redemption date as per the payment instructions given at the time of subscription.

The Fund Company deducts the redemption amount from the Fund's account. If the cash required for the redemption must be procured by selling securities, the Fund Company shall execute the sale of securities without undue delay, however at the latest within two (2) weeks of the request for redemption. In such case the redemption is executed at the value of the day on which the securities are sold. Redemption and switch orders shall be executed in the same order they are received and may be cancelled only with the permission of the Fund Company.

##### *Switching fund units*

The investor may switch fund units between two funds managed by the Fund Company. Switching fund units is treated as a combined subscription and redemption event executed on the same subscription and redemption date, provided that both funds are open for subscriptions and redemptions. If either of the funds is closed, the redemption is to be executed first and the moneys are transferred to the subscription account of the other fund and the subscription is executed on the next possible subscription date.

In order to switch fund units, the investor must fill out the fund switch form and deliver the form to the Fund Company by 2 p.m. Finnish time (EET) at least five (5) banking days before the intended subscription and redemption date. The form has to include the names of the funds to be redeemed from and subscribed to, as well as the number of fund units or the amount in Euro, which is to be switched from one fund to another. The redemption shall be executed with the redemption Fund's value on the date of the redemption, and the corresponding amount is subscribed to the other fund with the subscription Fund's value of the subscription date. A switching fee may be deducted for switching fund units.

The Fund Company deducts the redemption amount for the switch from the Fund's account. If the cash required for the switch must be procured by selling securities, the Fund Company shall execute the sale of securities without undue delay, however at the latest within two (2) weeks of the request for the fund unit switch. In such case the redemption for switching of fund units is executed with the redemption Fund's value of the day on which the securities are sold, and the subscription is executed on the next possible subscription date with subscription Fund's value on this subscription date in question. Redemption and switch orders shall be executed in the same order they are received and may be cancelled only by the permission of the Fund Company.

The Fund Company reserves the right to differ from the subscription, redemption and switching dates, depending on the prevailing market situation.

Fund units can be transferred to a third party. The new owner has to present documentation on the transfer of title, after which the ownership changes can be registered.

The Fund Company may temporarily interrupt redemption and with permission of the Financial Supervisory Authority FIN-FSA subscription of fund units, if

A market place that can be considered as a primary market considering the investment policy of the Fund is closed or the trade is restricted, or when reliable market information is not obtainable from the Fund's primary market or its integral parts.

The mutual interest of the fund unit holders so requires.

For other important reasons.

#### **8 § Payments to the Fund Company and the Custodian**

In remuneration for the fund management activities, the Fund Company will receive a subscription and redemption fee, a fixed management fee and a performance fee.

The subscription fee is a maximum of 1.5 % of the subscription amount. The redemption fee is a maximum of 1 % of the redeemed amount, or at

least 20 Euro. The fee for switching fund units is a maximum of 1 % of the switch amount, or at least 20 Euro.

The fixed management fee is a maximum of 1.5 % per annum of the value of the fund. The fee shall be calculated daily (percentage fee p.a. x number of days since the previous calculation day/365) on the Fund value on the previous calculation date, and shall be paid to the Fund Company monthly in arrears.

The performance fee is calculated on a monthly basis for the ongoing fiscal period. The Fund Company receives ten (10) percent of the return that exceeds the hurdle rate of five (5) percent per annum cumulatively. The performance fee is calculated and deducted from the daily value of the Fund after the deduction of the management fee and the custodian fee. The performance fee shall be paid to the Fund Company monthly in arrears.

The performance fee is calculated with a high-water mark rule for the ongoing and preceding fiscal period:

If less than 2 years have passed since the inception of the Fund, when the value of the Fund in the last banking day of the month is lower than the previous highest value of the Fund on the last banking day of the month, the performance fee is not paid until the difference has been compensated.

If the Fund has more than 2 years of performance history, the high-water mark is applied as follows: if the value of the Fund on the last banking day of the month is lower than the highest value of the Fund on the last banking day of the month of the ongoing or previous fiscal year, the performance fee is not paid until the difference has been compensated.

The Fund Company shall pay an annual fee to the Custodian for the safekeeping of the Fund's securities and for other lawfully entrusted duties.

#### **9 § The Use of Representatives**

The Fund Company may outsource its activities to representatives. The fund prospectus contains information on which activities the Fund Company uses representatives for at each time.

#### **10 § The Accounting Period of the Fund Company and Fund**

The accounting period of the Fund Company and the Fund shall be the calendar year.

#### **11 § The Meeting of Fund Unit Holders**

The Annual Ordinary General Meeting of fund unit holders (herein after referred to as "the Meeting") shall be held annually on a date determined by the board of the Fund Company no later than six months after the end of the accounting period. The Meeting shall be summoned by the board of the Fund Company. The invitation to the Meeting shall be delivered in writing by mail, or with unit holder's approval by e-mail, or as an announcement to be published in at least one (1) national newspaper published in Helsinki, Finland, at least two (2) weeks in advance.

In the Meeting, the fund unit holders shall:

- a. elect a chairman for the Meeting, who will in turn appoint a person to keep the minutes at the Meeting
- b. draw up and adopt a register of votes
- c. elect two (2) persons to scrutinize the minutes and two (2) persons to count votes
- d. attest the legitimacy of the meeting
- e. be presented with the annual financial report for the Fund Company and the Fund
- f. elect fund representative(s) to the board of the Fund Company as set out in the Fund Company bylaws and
- g. treat any other relevant matters

Each unit of the Fund shall be represented by one vote in the Meeting. A fund unit holder is not allowed to exercise the respective rights before his fund units have been registered. The right to attend the Meeting and the number of votes are determined by the prevailing state of the fund register 10 days before the Meeting. A decision in the Meeting shall be

**The FIN-FSA has last confirmed the fund rule on July 7,2017.**

the opinion, which has been supported by simple majority, or in the event of a tie, the opinion supported by the chairman of the Meeting.

In order to attend the Meeting, the fund unit holder must sign up with the Fund Company at the latest on the date specified in the invitation to the Meeting.

Other announcements to fund unit holders shall be delivered in writing by mail, or with the unit holder's approval by e-mail, or as an announcement to be published in at least one (1) national newspaper published in Helsinki, Finland.

An extraordinary meeting of the fund unit holders shall be held when considered justified by the board of the Fund Company, or if the auditors or holders of fund units holding at least one twentieth of all the issued fund units, so request in writing from the Fund Company, in order to deal with a specific matter.

#### **12 § The Delegation of Fund Unit Holders**

In the Meeting, fund unit holders of every fund managed by the Fund Company shall elect separately one representative to the common delegation of fund unit holders. The term of these representatives shall end at the end of the next Annual Ordinary General Meeting held after the election.

The representatives will hold a meeting and elect one auditor and one deputy auditor to the Fund Company, if the Finnish Act on Common Funds (Sijotusrahastolaki, 29.1.1999/48) so requires. They will also elect as many members to the board of the Fund Company as the Annual General Meeting of the Fund Company has decided. The result of the election shall be notified to the Fund Company within one (1) month of the delegation's meeting.

#### **13 § Fund Prospectus, Annual and Interim Reports**

The Fund Company publishes the fund prospectus of the Fund, the Key Investor Information Document (KIID), the biannual interim report and the annual report of the Fund in compliance with the Finnish Act on Common Funds. The Fund's and the Fund Company's annual report must be published within three months of the end of the accounting period. The biannual interim reports must be published within two months of the end of the interim reporting period. The above-mentioned documents are available at the Fund Company's internet site (www.jom.fi) or from the Fund Company by request.

#### **14 § Amending the Rules of the Fund**

The board of the Fund Company shall decide on any amendment to the rules of the Fund. Amendments must be ratified by the Finnish Financial Supervision Authority.

Amendments to the rules shall come into effect one month after the Finnish Financial Supervision Authority has given its confirmation and the fund unit holders have been informed of the amendment, unless otherwise instructed by the Finnish Financial Supervision Authority. The fund unit holders are considered to be informed on the fifth (5th) day after a written notice has been sent to them by post, or on the day that the notice has been published in a national newspaper published in Helsinki, Finland. After coming into effect, amendments to the rules shall apply to all unit holders.

#### **15 § Giving Out Information**

The Fund Company has the right to give out information of the unit holders in compliance with the legislation in force at each time.

#### **16 § Applicable Law**

Finnish law shall be applied to the operations of the Fund Company and the Fund.

#### **17 § Remuneration**

Should the Fund Company pay variable remuneration to a person who is in the scope of application of Chapter 4 b of the Finnish Act on Common Funds, at least 50 percent of such remuneration shall be paid as fund units in the funds managed by the Fund Company. Information about the Fund Company's remuneration policy is available in the Prospectus and the Key Investor Information Document.