

## **MANDATUM AM SUOMI KIINTEISTÖT II (non-UCITS)**

### **RULES OF THE SPECIAL COMMON FUND 12.10.2021**

#### **§ 1 Fund and the objective of the Fund's investment activity**

The name of the special common fund in Finnish is Erikoissijoitusrahasto Mandatum AM Suomi Kiinteistöt II (the "Fund"). The name of the Fund in Swedish is Specialplaceringsfond Mandatum AM Finland Fastigheter II. The name of the Fund in English is Mandatum AM Finland Properties II (AIF, non-ucits).

The Fund is a special common fund within the meaning of the Act on Common Funds (*Sijoitusrahastolaki*) that primarily invests in real estate and real estate securities and may deviate from some of the rules and restrictions of the Act of Common Funds pertaining to common funds in general, such as restrictions concerning the Fund's investment objects, diversification of assets, valuation times, frequency of subscriptions and redemptions, and borrowing. The Fund is required to comply with the applicable provisions of the Act on Real-Estate Funds (*Kiinteistörahastolaki*) concerning the investment, valuation and appraisal of the Fund's assets as well as the Fund's borrowing.

The Fund is an alternative investment fund within the meaning of the Act on Alternative Investment Fund Managers (*Laki vaihtoehdotrahastojen hoitajista*).

The objective of the Fund's investment activity is to provide the Fund's unit-holders with the best possible long-term total return by investing the Fund's assets in accordance with the applicable laws and these rules.

#### **§ 2 Management Company and Custodian**

The Fund is managed by Mandatum AM AIFM Oy (the "Management Company"). The Management Company shall represent the Fund in its own name and shall act on its behalf in all matters concerning the Fund, and shall exercise the rights pertaining to the Fund's assets for an on behalf of the Fund.

The custodian of the Fund is OP Custody Ltd (the "Custodian"). For the purpose of managing its responsibilities, the Custodian may use entities specialised in custody services supervised by the Financial Supervisory Authority or similar foreign authority.

#### **§ 3 Use of agents**

The Management Company may outsource its operations to agents. The fund prospectus specifies to which extent the Management Company makes use of the services of agents at any given time.

#### **§ 4 GAV and NAV of the Fund**

The GAV (Gross Asset Value) of the Fund means the Fund's total assets. The Fund's total assets mean the total assets on the Fund's balance sheet, consisting of

- 1) the investments acquired with the equity invested by the Fund's unit-holders and with the other assets of the Fund;
- 2) the unrealised value development of the Fund;
- 3) the accrued receivables of the Fund; and
- 4) the investments acquired by the Fund with borrowed funds.

The NAV (Net Asset Value) of the Fund means the Fund's net assets. The Fund's net assets are calculated by deducting the Fund's liabilities from the Fund's total assets.

#### **§ 5 Investment of the Fund's assets**

The Fund invests its assets primarily in real estate securities pertaining to real estate property located in Finland and in direct real estate holdings, as well as in participations or shares in Finnish undertakings for collective investment in transferable securities (UCITS). The Fund seeks to achieve return from its real estate rental income and property value change.

The Fund may also use fixed income investments for cash management and as temporary investment.

The Fund may make fixed income investments either as direct investments or through common funds or special common funds or by making deposits with credit institutions.

Additionally, the Fund may also invest its assets in other investment objects as specified below in § 6 (Investment objects and restrictions on investment).

## **§ 6 Investment objects and restrictions on investments**

### **Investment objects**

The Fund's assets may be invested in:

- 1) Real estate properties located in Finland;
- 2) Real estate securities pertaining to real estate property located in Finland and other securities related to real estate property investments;
- 3) Securities issued by companies that are principally engaged in real estate investment activities and/or mainly manage investment funds, collective investment undertakings or alternative investment funds engaged in real estate investment activities, provided that the securities are traded in an EEA member state on a regulated market or on a multilateral trading facility or their terms of issuance contain a commitment to subject the securities to trading within one year of their issuance in the exchange system referred to in this sub-clause and trading can in all likelihood commence after the expiry of said period at the latest;
- 4) Deposits in credit institutions, provided that the deposit is repayable on demand or can be withdrawn and becomes payable within 12 months at the latest, and provided that the credit institution is domiciled in an EEA member state;
- 5) Bonds issued or guaranteed by European states, public corporations or other organisations, other interest-bearing securities and money market instruments that are traded in an EEA member state on a regulated market or on a multilateral trading facility;
- 6) Participations or shares in companies engaged in mutual real estate investment activities registered in Finland;
- 7) Units in investment funds and collective investment undertakings under the UCITS directive, which may be units of investment funds traded on stock exchanges (ETF);
- 8) Units in alternative investment funds (including special common funds within the meaning of the Act on Common Funds) domiciled in Finland, another EEA state or a third country, which may be units of investment funds traded on stock exchanges (ETF). Investment of the Fund's assets is subject to the condition that such an alternative investment fund or its manager is, under the legislation of its home state, subject to supervision that is in conformity with the legislation of the European Union, and the cooperation between the authority supervising it and the Financial Supervisory Authority has been sufficiently ensured;
- 9) Construction and real estate development activities;
- 10) The Fund may invest its assets in derivative contracts in order to hedge against market changes related to the Fund's borrowing, for example.

### **Restrictions on investments**

A minimum of 50% of the Fund's total assets (GAV) shall be invested in real estate and real estate securities referred to in sub-clauses 1) and 2) above. This restriction may be temporarily waived in connection with the establishment of the Fund, in connection with the subscriptions or redemptions of the Fund's fund units, for the purposes of sale or purchase of the investment objects referred to in sub-clauses 1) and 2) above, and whenever the Fund's assets cannot be invested in such investment objects in an appropriate and productive manner, taking into account the Fund's investment strategy.

A maximum of 50% of the Fund's total assets (GAV) may be invested in any single real estate property referred to in sub-clause 1) above or in the securities related to any single real estate property referred to in sub-clause 2) above. This restriction may be

temporarily waived in connection with the establishment of the Fund, in connection with the subscriptions or redemptions of the Fund's fund units, for the purposes of sale or purchase of the investment objects referred to in sub-clauses 1) and 2) above, and whenever the investment object in contravention of the restriction cannot be sold (in whole or in part) in an appropriate and economically viable manner, taking into account the interests of the Fund's unit-holders.

A maximum of 20% of the Fund's net assets (NAV) may be invested in the securities and money market instruments of any single issuer referred to in sub-clauses 3) and 5) above. Such investments exceeding 10% of the Fund's net assets (NAV) may amount to a maximum of 40% of the Fund's net assets (NAV).

A maximum of 50% of the Fund's net assets (NAV) may be invested in the securities and money market instruments of any single issuer referred to in sub-clauses 3) and 5) above and in the deposits received by the entity referred to in sub-clause 4) above.

A maximum of 50% of the Fund's net assets (NAV) may be invested in deposits within any single credit institution referred to in sub-clause 4) above.

A maximum of 50% of the Fund's net assets (NAV) may be invested in the units of any single investment fund or collective investment undertaking referred to in sub-clause 7) above.

A maximum of 20% of the Fund's net assets (NAV) may be invested in the units of any single alternative investment fund referred to in sub-clause 8) above.

The Fund's assets may not be invested in the units of an investment fund or collective investment undertaking referred to in sub-clause 7) above which, according to its rules, may invest more than 20% of its assets in the units of other investment funds, collective investment undertakings or alternative investment funds. The Fund's assets may only be invested in the units of an investment fund or collective investment undertaking referred to in sub-clause 7) above the value of which is fixed in the form of fixed fees of a maximum of 5% per annum.

The Fund's assets may not be invested in the units of an alternative investment fund referred to in sub-clause 8) above which, according to its rules, may invest more than 20% of its assets in the units of other investment funds, collective investment undertakings or alternative investment funds. The Fund's assets may only be invested in the units of an alternative investment fund referred to in sub-clause 8) above the value of which is fixed in the form of fixed fees of a maximum of 5% per annum.

The Fund may own a maximum of 100% of the units of any single investment fund or collective investment undertaking referred to in sub-clause 7) above.

The Fund may own a maximum of 100% of the units of any single alternative investment fund referred to in sub-clause 8) above.

In the event that Fund's assets are invested in the units of investment funds, collective investment undertakings or alternative investment funds referred to in sub-clauses 7) and 8) above, managed directly by, or on the commission of, the Management Company or other company to which the Management Company is linked through joint management or control or significant direct or indirect holding, the Management Company or other company may not charge a subscription or redemption fee on the Fund's investments in the units of these investment funds, collective investment undertakings or alternative investment funds.

A maximum of 20% of the Fund's net assets (NAV) may be invested in the construction and real estate development activities referred to in sub-clause 9).

#### **Other provisions**

The Fund must always have the liquid assets necessary to ensure continuous operations. The Management Company may, in the name of the Fund, raise a loan the amount of which may not exceed a half (1/2) of the Fund's total assets (GAV).

For a special reason, the Management Company may also, in the name of the Fund, raise a loan the amount of which may not exceed one third (1/3) of the Fund's total assets (GAV). Special reasons to consider include temporary financing needs that may relate, among other things, to the acquisition of real estate properties or real estate securities, financing arrangements related to real estate properties or real estate securities owned by the Fund or securing the liquidity of the Fund in connection with the redemption of Fund units.

For the avoidance of doubt, it is noted that the aggregate loan raised by the Management Company, in the name of the Fund, may not exceed a maximum of five sixths (5/6) of the Fund's total assets (GAV).

When compliance with the Fund's lending restrictions is monitored, the Fund's investments in securities which have not been paid in full, as well as the debts for the real estate securities owned by the Fund which are not paid in full, shall be included in the maximum amount of credit.

For a specific reason, the Fund may grant loan to a real estate company (housing cooperative or other real estate company) which the Fund fully owns. An example of such special reason are financing arrangements for the real estate company. The Fund may not grant loan to a third party. Real estate company shares or units or real estate mortgages owned by the Fund may be used as collateral for a loan granted by an external lender, regardless of whether or not the external loan has been granted to the Fund or to a real estate company owned by the Fund.

The Fund's assets may be pledged as collateral for loans raised by the Fund. For this purpose, the Fund's assets may, if necessary, be pledged in full amount.

#### **§ 7 Fund unit register and fund units**

The Management Company shall keep a register of fund units and shall register all changes in fund units. The fund units shall be divided in fractions so that one (1) fund unit comprises ten thousand (10,000) fractions of equal size. The Fund shall only have yield units. One fund unit entitles its holder to a portion of the Fund's assets pro rata to the total number of fund units.

The Board of Directors of the Management Company may decide to include in the Fund fund unit series ("Fund Unit Series") with different opening hours, subscription and redemption terms, fee and commission structures, currencies or hedging methods. The Board of Directors of the Management Company shall decide on the issuance of each Fund Unit Series and on the subscription and redemption terms, which shall be announced in the fund prospectus valid from time to time. The subscription terms may vary based on the subscription amount, investment time, distribution channel, geographic area or investor, or the total customer relationship of the other investors closely connected to him or her. The fund prospectuses specify the fund unit series that are in use.

The fund units or Fund Unit Series may be incorporated in a book entry system. The rights and obligations pertaining to the fund units or Fund Unit Series incorporated in a book entry system shall be subject to the Finnish Act on Book-Entry Accounts valid from time to time.

The Management Company shall issue a unit certificate at the unit-holder's request. The unit certificate may cover several units or fractions thereof, and may only be issued to an individual, entity or foundation registered in the unit register. The Management Company is entitled to charge the unit-holder a separate processing fee, stated in the fund prospectuses valid from time to time, for the issuance and delivery of the unit certificate. No unit certificate shall be issued on the fund units incorporated in a book-entry system.

#### **§ 8 Subscription of fund units**

Fund units are subscribed for by issuing a subscription assignment to the Management Company by using the Fund's subscription form or as otherwise indicated by the Board of Directors of the Management Company. The valid subscription places and more detailed subscription procedure are specified in the Fund's prospectus valid from time to time. The subscription assignment is binding on the unit-holder.

Fund units can be subscribed for at least four times a year. The regular subscription days are the last days of March, June, September and December of each calendar year. The subscription assignment must be submitted either to the Management Company or to the subscription place specified by the Management Company on the subscription day no later than 18:00 (Finnish time), or on the banking day preceding the subscription day if the subscription day is not a banking day. If the subscription assignment is received after 18:00 (Finnish time), the subscription will be made on the following subscription day.

Notwithstanding the aforementioned, the Board of Directors of Management Company may decide that fund units may also be subscribed for at a time other than that mentioned above.

Notwithstanding the aforementioned, the subscription of a fund unit can be paid with property given as subscription in kind approved separately in each case by the Board of Directors of the Management Company. For the approval of its Board of Directors, the Management Company reserves the right to inspect and evaluate the technical, economic and legal characteristics of the property given as subscription in kind as it deems appropriate to ensure that the property given as subscription in kind is, to a sufficient extent, compatible with the Fund's investment strategy. The property given as subscription in kind transferred to the Fund shall be valued in accordance with the principles concerning the Fund's valuation.

Subscription paid with property given as subscription in kind is considered paid when the property given as subscription in kind has been transferred to the Fund's ownership.

The Management Company is entitled to reject a subscription assignment or postpone its execution if the subscriber cannot be identified in a reliable manner and the requirements imposed by existing legislation on identification are not met or the Management Company has not received adequate information to execute the subscription. The Management Company may also refuse to approve a subscription if there is a weighty reason for the refusal related to the customer or the customer's previous behaviour or if the Management Company deems that there is no real need for the customer relationship. The grounds for the refusal must be reported to the customer.

Execution of subscription assignments can be temporarily suspended or the amount of an individual subscription can be temporarily restricted if the equal treatment of the unitholders or other weighty interest so requires. Examples of such reasons include: a) the value of the fund unit cannot be reliably calculated, b) it is not viable from the point of view of the Fund's existing unit-holders to accept additional investments in the Fund, c) no investment objects in accordance with the Fund's investment policy are available on the market, or d) an exceptional event disrupts the operation of the financial or property market.

The Management Company reserves the right to decide on the minimum subscription amount.

The number of significant fund units shall be calculated by dividing the subscription amount deducted with the potential subscription fee by the fund unit value of the subscription day. In the event that the subscription amount less the potential subscription fee (or the value of the property given as subscription in kind transferred as compensation) is not evenly divisible by the value of the fund unit and its fraction, the number of units shall be rounded down to the nearest fraction, and the difference shall be added to the Fund's equity.

### **§ 9 Redemption and transfer of fund units**

Fund units are redeemed by issuing a redemption assignment to the Management Company by using the Fund's redemption form or as otherwise indicated by the Board of Directors of the Management Company and by surrendering the potential unit certificate to the Management Company.

The current redemption places and more detailed redemption procedure are specified in the fund prospectus.

Each calendar year has two redemption days. The redemption days are the last days of March and September of each calendar year. The redemption assignment shall be submitted either to the Management Company or to the redemption place no later than one month prior to the redemption day. If the redemption assignment is submitted and/or the potential unit certificate is surrendered after the abovementioned deadline, the redemption shall be processed on the redemption day following the redemption day concerned.

Redemption orders shall be executed in the order received and may only be revoked with the permission of the Management Company. However, the Management Company may decide that all redemptions submitted by the same redemption day will be executed simultaneously and will be paid, where necessary, in instalments pro rata to the redemption amounts.

If the Fund has sufficient cash funds to execute the redemption on the redemption day, the fund units shall be redeemed to the value of the redemption day and the redemption amount (less the potential redemption fee) shall be paid to the bank account indicated by the unit-holder without delay as soon as the value of the fund unit for that redemption day has been disclosed.

If the assets for executing the redemption must be acquired by realising the Fund's assets, the fund units shall be redeemed, insofar as the redemption assignment has not been executed, to the value of the nearest Valuation Date following the moment of realisation of the assets. The redemption amount less the potential redemption fee shall then be paid to the bank account indicated by the unit-holder without delay as soon as the value of the fund unit on the nearest Valuation Date following the time when the asset is sold has been disclosed in the manner referred to above.

Notwithstanding the aforementioned, the Management Company and the unit-holder may agree upon the payment of the redemption differently. The Management Company and the unit-holder may agree that the fund units may alternatively be redeemed by giving the unit-holder a number of the Fund's investment objects that equals the redemption price. In making such agreement, the Management Company shall ensure that the interests of the other unit-holders are not compromised by the action ("redemption in kind").

In addition to the provisions laid down in the Act on Common Funds on the Management Company's obligations to suspend the redemptions of fund units, redemptions may be temporarily suspended if the equal treatment of the unit-holders or other weighty interest so requires in, for example, such exceptional circumstances where the value of the fund units cannot be reliably calculated, or an exceptional event disrupts the operation of the financial or property market. The Management Company may temporarily suspend the redemptions of fund units in the event where the Management Company would have to surrender the Fund's assets at price a significantly lower than their market value.

A unit-holder may transfer the fund unit further to another owner. The new unit-holder shall provide the Management Company with evidence of the acquisition as well as any other declarations required by the Management Company, after which the holding will be registered in the fund unit register (as referred to above in § 7) or in the book-entry system.

The Management Company may, on its own initiative, redeem the fund units of a unit-holder if there is a weighty reason attributable to the unit-holder. The aforementioned weighty reason related to the customer may be the moving of the unit-holder to a country outside the EEA, which would cause significant additional administrative obligations or costs to the Management Company, or the unit-holder (natural or legal person) being within the scope of such sanctions lists, which would most likely cause significant loss to the operations of the Management Company if acted against. The redemption will be carried out on the basis of the value of the Redemption date in accordance with the Fund rules that follows the decision date and no redemption fee will be charged. The unit-holder must be informed of the redemption and the grounds for the redemption without undue delay.

#### **§ 10 Pricing method used by the Fund affecting the value of the fund unit**

To promote long-term investments by unit-holders, the Fund uses a pricing method that compensates the trading costs of the Fund and promotes the equal treatment of unit-holders. In the pricing method, an amount is added to the value of the fund unit that equals the cost of acquisition of real estate property, evenly deferred and amortised over five years, or earlier if the real estate property is intended to be disposed of before five years have elapsed from its acquisition. Owing to the method, the value of the fund unit is greater than the value of the unit without the method, meaning that it reduces the number of fund units received by the unit-holder in the subscription and increases the redemption amount. The effect of the method on the value of the fund unit may not exceed 8.0%. More detailed information about the pricing method is available in the official prospectus valid from time to time.

#### **§ 11 Fees for assignments concerning fund units**

The Management Company shall charge a subscription fee of not more than 5% of the subscription amount for the subscription of a fund unit.

The Management Company reserves the right to waive the charging of the subscription fee, in whole or in part, separately for each individual subscription. The Management Company reserves the right to waive the charging of the subscription fee in whole or in part.

The Management Company may charge a redemption fee of not more than 5% of the value of the fund unit for the redemption of a fund unit. The redemption fee may be determined based on the duration of the fund unit holding. The Management Company reserves the right to waive the charging of the redemption fee, in whole or in part, separately for each individual redemption.

The subscription or redemption fee, or a part thereof, may be credited to the Fund. The Board of Directors of the Management Company shall confirm the applicable subscription and redemption fee, and the information on the subscription and redemption fees shall be announced in the fund prospectus valid from time to time and in the Key Investor Information Document.

#### **§ 12 Value of the Fund and the fund unit**

##### **Valuation Date**

In these rules, the Valuation Date refers to the date on which the value of the Fund and the fund unit is calculated.

The value of the Fund and the fund unit is calculated quarterly for the last days of March, June, September and December of each calendar year, as well as for the days during which the Fund's units may be subscribed for in accordance with these rules by a decision of the Board of Directors of the Management Company in addition to the aforementioned days ("Exceptional Subscription Day").

##### **Value of the Fund**

The value of the Fund is based on the Fund's net asset value (NAV), which is calculated by subtracting the Fund's liabilities from its total assets (GAV). The value of the Fund shall be published within twenty banking days from the Valuation Date. The value of the Fund shall be quoted in euros.

##### **Valuation of the Fund's assets**

The market value of real estate properties and real estate securities other than those traded on a regulated market or on a multilateral trading facility shall be estimated (at least) quarterly by a real estate appraiser approved by the Central Chamber of Commerce in compliance with a good real estate appraisal practice. Real estate properties and securities shall also be appraised by a real estate appraiser approved by the Central Chamber of Commerce when they are purchased and sold and when a subscription is paid with such property given as subscription in kind or when the Fund's investment objects are surrendered as consideration for a redemption. In the valuation of the fund, the valuation of such assets shall be based on the latest appraisal as referred to above.

Notwithstanding the aforementioned, the real estate properties and real estate securities referred to above may, for a special reason, be valued to a value other than that obtained in an appraisal carried out in the manner described above, subject to the provision that the valuation may not be lower than both the acquisition value and the value obtained in an appraisal carried out in the aforementioned manner, or higher than both the acquisition value and the value obtained in an appraisal carried out in the aforementioned manner. An example of a special reason is the valuation of real estate properties and real estate securities during the next 12 calendar months following their acquisition. If real estate properties or real estate securities are valued to a fair market value defined by a party other than a real estate appraiser, the Fund shall state the grounds for doing so in its report on operations or in the notes to its financial statements.

As far as securities traded on a regulated market or on a multilateral trading facility (including units in investment funds, collective investment undertakings and alternative investment funds as well as standardised derivative contracts traded on a regulated market) are concerned, the valuation shall be based on the last known official closing price on the Valuation Date at the close of the market. If the abovementioned closing price is unavailable, the market value shall be the latest average of the buying and selling quotation or, in the absence of a reliable average, the latest buying quotation.

As far as investment funds, collective investment undertakings and alternative investment funds that are not traded on a regulated market are concerned, the valuation shall be based on the latest value calculated for the Valuation Date or the day preceding the Valuation Date which has been announced or of which reliable information has been received prior to the publishing of the value of the Fund.

Money market instruments shall be valued at their market value based on the buying quotation obtained from the market information system at 18:00 Finnish time (valuation moment).

Deposits in credit institutions shall be valued at their nominal value. The calculated return on deposits shall be taken into account in the Fund's valuation in the manner determined by the Board of Directors of the Management Company.

The value of any currency-denominated assets shall be converted into euros using the exchange rates quoted by the European Central Bank for the Valuation Date. If no reliable market value is available for an investment object, the asset concerned shall be valued in accordance with the objective valuation principles confirmed by the Management Company's Board of Directors.

#### **Value of the fund unit**

The value of the fund unit shall be calculated by dividing the value of the Fund by the number of units issued, taking into account the relative proportions of units in different series of the total value of the Fund. The value of the fund unit shall be calculated and published within twenty banking days from the Valuation Date. Information on the value of the fund unit shall be available on the Management Company's website, from the Management Company and from all subscription locations.

If, due to an exceptionally unstable and unpredictable market situation or otherwise exceptional circumstances or some other weighty reason, the value of the fund unit cannot be reliably determined, the value of the unit can be left temporarily uncalculated to secure equality among the unit-holders. Such exceptional situation must be announced to the unit-holders without undue delay on, for example, the Management Company's website.

#### **§ 13 Compensation paid out of the Fund's assets**

##### **Management fee**

The Management Company shall charge a fixed management fee from the Fund's assets as compensation for managing the Fund. The total fixed management fee shall be not more than 1.75% of the Fund's total assets (GAV) per annum. The fees currently charged by the Management Company are announced in the prospectuses valid from time to time (fund prospectus and Key Investor Information Document).

The amount of the fixed management fee shall be calculated separately for each Valuation Date by dividing the product of the current management fee (%) of the Fund's total assets (GAV) and the amount of days the fee is payable (the time elapsed from the previous Valuation Date in days) by 365. The fixed management fee shall be charged out of the Fund's assets for each quarter so that the fee will be fully charged by the time the valuation has been completed in full.

##### **Performance-based fee**

Additionally, the Management Company may charge a maximum of 20% of the portion of the Fund's total return for the calendar year that exceeds the 6.0% annual benchmark return as a performance-based fee.

The Fund's total return is calculated as a percentage change in the value of the fund unit plus the year's profit sharing. The amount of the fee is calculated by multiplying the fee percentage by the Fund's average value at the valuation times of the year under review.

Return based fee may only be charged for the portion of the fund unit's value increase which exceeds the portion of the value of the previous return-based charge (the 'high-water-mark value'). The profit sharing prior to the current calendar year after said value will be deducted from the high-water-mark value.

The performance-based fee is reviewed at the valuation times on which occasion a provision for the fee will be made in the Fund's value where applicable. The fee, if any, will be charged annually in arrears.

Detailed information and description on the performance-based fee is presented in the fund prospectus valid from time to time.

### **Others expenses**

The Fund shall be responsible for all expenses related to the operations and management of the Fund, as well as all expenses related to investment activities and investment objects, including:

- i. any fees paid to the custodian for acting as a Custodian under the Act on Common Funds (*Sijoitusrahastolaki, 48/1999*) and the Act on Alternative Investment Fund Managers (*Laki vaihtoehtorahastojen hoitajista, 162/2014*) and for holding the Fund's assets and other actual costs incurred while attending to the Custodian's duties;
- ii. any taxes and regulatory charges related to the Fund's operations;
- iii. any financing expenses related to the Fund's operations;
- iv. the Fund's financial administration and auditing expenses;
- v. the collection costs related to the Fund's operations;
- vi. any liquidated damages, legal and similar costs related to the Fund's operations;
- vii. other direct expenses related to the operations and management of the Fund;
- viii. the expenses related to the surveying of potential investment objects, and the related investigations, audits and estimates, including the fees paid to external experts;
- ix. the transaction costs associated with the acquisition of investment objects (such as taxes, regulatory charges, transaction fees charged by the Custodian, commissions related to the acquisition of investment objects and other fees paid to external service providers), including the costs incurred from unrealised transactions;
- x. the transaction costs associated with the realisation of investment objects (such as taxes, regulatory charges, transaction fees charged by the Custodian, commissions related to the disposal of investment objects and other fees to be paid to external service providers), including costs incurred for unrealised transactions;
- xi. the fixed costs related to investment objects (such as taxes and regulatory charges of continuous nature and other costs of continuous nature related to the investment objects);
- xii. the servicing, repair and maintenance costs of the investment objects;
- xiii. other materials and services directly related to the maintenance of the investment objects;
- xiv. expenses related to construction and real estate development activities;
- xii. costs related to the leasing of real estate assets (such as marketing expenses and the fees paid to external service providers);
- xiii. services related to the valuation of investment objects (such as the fees paid to the real estate appraiser approved by the Central Chamber of Commerce referred to in § 11 of these rules);
- xv. other expenses essentially related to the Fund's investment activities and investment objects.

The expenses are specified more in detail in the fund prospectus valid from time to time.



In the event the subscription or redemption of a fund unit is paid in accordance with the clauses 8 and 9 of the Fund rules with property in kind, the Fund shall be responsible for the costs arising from inspecting and evaluating the property in kind following principles similar to those applicable to real estate trading.

#### **§ 14 Payment of distributions**

The Annual General Meeting of the Management Company shall decide on the potential distribution of yield to the unit-holders and its payment. The unit-holders shall be paid distributions pro rata to their holdings on an annual basis in the amount equal to at least three-fourths (3/4) of the Fund's profit for the financial year. Unrealised changes in value shall not be taken into account when the profit for the financial year is calculated. The distributions paid out shall be deducted from the fund's capital.

The yield shall be paid on the date determined by the Annual General Meeting of the Management Company to the unit-holders registered in the unit-holder register no later than within three months of the date of the Annual General Meeting of the Management Company. Unless the unit-holder specifically notifies the Management Company, the amount of the yield distribution (less any withholding tax and the subscription fee if applicable) shall be used for subscribing new fund units valued according to the fund unit value of the nearest Valuation Date following the yield distribution date. If the unit-holder so wishes, the yield distribution shall be paid to the bank account indicated by the unit-holder. Any unwithdrawn yield shall be re-entered in the Fund's assets when five years have elapsed from the moment the yield distribution could have been withdrawn.

#### **§ 15 Financial year**

The financial year of the Fund and the Management Company is the calendar year. The Board of Directors of the Management Company may decide that the Fund's first accounting period is shorter than one calendar year.

#### **§ 16 General meeting of unit-holders**

A meeting of unit-holders shall be held when the Board of Directors of the Management Company deems it necessary, or if the auditor or unit-holder(s) representing an aggregate of at least five per cent of all outstanding fund units so requests in writing in order to address a specific issue raised by him or her. The Management Company's Board of Directors shall convene the meeting no later than two (2) weeks and no earlier than four (4) weeks prior to the date of the meeting. The notice of the meeting shall be published in a national newspaper or served on the unit-holders by e-mail.

The meeting of unit-holders shall: a) elect a chairman of the meeting, who shall appoint a secretary for the meeting; b) draw up and adopt a register of votes; c) elect two examiners of the minutes and two vote counters; d) confirm that the meeting has been legally convened and that a quorum is present; and i) address matters indicated in the notice of the meeting.

The right to attend a unit-holders' meeting is reserved to those unit-holders who have registered with the Management Company no later than on the registration date indicated in the notice of the meeting. Each full fund unit shall carry one vote at a meeting of fund unit-holders. The fractions of a fund unit shall also carry voting rights pro rata to the holdings of such fractions. At a meeting of unit-holders, the opinion supported by more than half of the votes cast shall be adopted as the decision or, in the event of a tie, the opinion supported by the chairman. In elections, the individual who receives the highest number of votes shall be elected. In the event of a tie, the election shall be decided by drawing lots.

If the Management Company manages more than one mutual fund and special mutual fund, the meetings of the unit-holders may be held simultaneously and joint minutes of the meeting may be drawn

#### **§ 17 Important notices and releases**

As regards statutory disclosures, the requirements prescribed by the current legislation shall be complied with.

Other important notices and releases shall be published on the Management Company's website and (where appropriate) made available to the unit-holders (in the manner agreed upon with the unit-holders) by e-mail or post. If the announcement and release is considered very important, it can be additionally published in a national newspaper as well.

If the notice is served on the unit-holders by letter, the unit-holders shall be deemed to have been served on the fifth banking day from the date on which the letters were posted. If the notice is served on the unit-holders electronically, the unit-holders shall be deemed to have been served on the next banking day following the date on which the e-mail messages were sent. If the notice is served on the unit-holders by publishing a release concerning the notice in a national newspaper, the unit-holders shall be deemed to have been served on the date when the release was published.

#### **§ 18 Fund prospectus, Key Investor Information Document, semi-annual report and annual reports of the Fund and the Management Company**

The Fund's prospectus, the Key Investor Information Document, the annual reports of the Fund and the Management Company as well as other documents required by the regulation pertaining to the Fund shall be published in a commonly used file format on the Management Company's website. The aforementioned documents shall also be available at the Management Company. The Fund's annual report shall be published within three months of the end of the financial (or reporting) year.

#### **§ 19 Amendments to the rules of the Fund**

Decisions on any amendments to the Fund's rules shall be made by the Management Company's Board of Directors. The amended rules shall be sent to the Financial Supervisory Authority for information, and the amended rules shall take effect one month after the amendments have been brought to the knowledge of unit-holders in accordance with these Fund rules. Amendments shall be regarded as having come to the knowledge of the unit-holder within five days of being posted, or immediately on the date on which the notice is published in a national daily newspaper, or on the date on which the notice has been sent with the unit-holder's consent by e-mail or by another electronic medium. Upon its entry into force, the amendment to the rules shall apply to all unit-holders.

#### **§ 21 Disclosure of information**

The Management Company shall have the right to disclose information on unit-holders in accordance with the legislation valid at any given time.

#### **§ 22 Governing law**

The operations of the Management Company and the Fund shall be governed by the law of Finland.