

VISIO COMPOUNDER FUND REGULATIONS

Finanssivalvonta (Finnish Financial Supervisory Authority) has approved the most recent amendments in fund regulations on the 9th of December 2019. These regulations are valid from 31st of December 2019.

1 § The Investment Fund

The name of the Fund is Sijoitusrahasto Visio Compounder (hereinafter “the Fund”) in Finnish, Placeringsfond Visio Compounder in Swedish and Mutual Fund Visio Compounder in English. The Fund is a UCITS fund under the UCITS Directive.

2 § The Fund Management Company

The Fund is managed by the UB Fund Management Company Ltd (hereinafter “Fund Management Company”). The Fund Management Company represents the Fund in its own name, operates for it in business concerning the Fund and uses the rights connected to the Fund assets.

3 § Use of agents

The Fund Management Company may outsource its operations to agents. The Fund prospectus tells when and where The Fund Management Company uses agents.

4 § Custodian

Skandinaviska Enskilda Banken AB (publ), Helsinki Branch (hereinafter “the Custodian”), acts as custodian for the Fund. The Custodian is responsible for its operations according to the Act on Investment Funds.

5 § Investing the Fund assets

The Fund’s objective is to achieve long-term value increase by diversifying the assets in compliance with the Finnish Mutual Funds Act and the Fund Regulations. The Fund is an equity fund that invests mainly to publicly listed equity securities and to other equity related securities globally.

The Fund analyses potential investments in a dual process. The first process is a quantitative screen that eliminates the Fund’s potential investment universe to a significantly lower number of companies. The second process is a qualitative analysis to investigate which companies have the best chance of remaining good investment for a very long time period. If the analysis concludes that it is not likely the Fund will refrain from investing. A substantial part of the analysis is to evaluate the sustainability of the company and its business model. A sustainable company is defined as a company that has a business model and governance culture in place that genuinely appreciates and advances the interests of all its stakeholders. If the sustainability aspect is not fully met the Fund will refrain from investing.

Fund assets can be invested on

1. Equities and equity-based instruments, such as convertible bonds, personnel options, subscription rights, depository receipts and warrants.

2. Standardized and non-standardized derivatives contracts whose underlying assets may be equities, equity indices and currency exchange rates or currencies. Investments will be made in derivatives in order to hedge the Fund’s portfolio and to enhance portfolio management. Currency and currency exchange rate derivatives may be used only to hedge against fluctuations in exchange rates and only in those currencies in which the Fund has investments. Derivative contracts may be bought and sold. The counterparty of a non-standardized derivatives contract may be a credit institution or investment services company domiciled in a member state of the European Economic Area. The Fund’s overall risk will not be increased using derivatives beyond a situation where all the Fund’s assets are invested in the equity markets. The combined risk of the Fund’s securities, money market instruments and derivatives contracts will be monitored daily based on related collateral and margin requirements and the delta ratio of the total exposure.

The securities mentioned in paragraphs 1 and 2 and standardized derivatives contracts are publicly traded in the exchanges or they are traded in other regulated, regularly operating, recognized and publicly open marketplace in Europe, Canada or the United States of America. The list of used marketplaces is available from the Fund Management Company.

3. On other securities in whose terms of issuance pledge to enforce the securities as tradable securities in above mentioned exchanges or marketplaces within one year after their issuance and the trading can, in all probability, start at latest after that period has expired.

4. On units, or shares in UCITS and/or other UCIs regulated in Finland or in another country domiciled in the European Economic Area.

5. On shares of alternative investment fund referred in Directive on Alternative Investment Fund Managers situated in EEA country or in third country, provided that

- these AIFs are authorized in accordance with legislation requiring that the organizations are subject to supervision deemed by the Finnish FSA as equivalent to that prescribed by EU legislation and that there is a sufficient guarantee of cooperation between the supervisory authorities;

- the level of protection guaranteed to unitholders, or shareholders in these AIFs is equivalent to that prescribed for unitholders, or shareholders in UCITS and, in particular, that the rules regarding the division of assets, borrowings, loans, and short-selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65;

- the activities of these AIFs are described in interim and annual reports enabling a valuation of the assets and liabilities, income and transactions for the period in question.

6. A maximum of 10% of the Fund's assets in other securities than those referred to in clauses 1-3 above.

7. On deposits in credit institutions provided, that the deposit is paid back when demanded, or it can be withdrawn, and it is due to be paid at latest during 12 months and the domicile of the credit institution is in a country belonging to the EEA or if the registered office of the credit institution is in a country outside the EEA provided that the credit institution is in its home country subject to provisions on the stability of operations that correspond to European Community legislation.

Investment restrictions:

- a) Maximum of 10% of the assets of the Fund in securities issued by the same issuer.
- b) The value of investments in securities issued by the same issuer in which the Fund invests more than 5% of its assets may not exceed 40% of the Fund's assets. This restriction does not apply to deposits and such non-standardized derivative contracts in which the counterparty is a credit institution as referred to in clause 4 of these rules.
- c) The risk exposure to a counterparty in non-standardized derivative contracts may not exceed 10% of the Fund's assets when the counterparty is a credit institution referred to in clause 4 of these rules. If the counterparty is not a credit institution, the counterparty credit risk may not exceed 5% of the Fund's assets.
- d) The counterparty risk due to an individual issuing institution can be maximum 20% of the Fund assets. The total counterparty risk includes the counterparty risk consisting of the securities of an individual issuing institution, money market instrument, deposits received by the issuing institution, non-standardized derivative instruments signed with the issuing institution and also the counterparty risk due to the transfer of rights of ownership concerning the given collaterals.
- e) When calculating the investment restrictions laid down in sub-clauses A–D, entities belonging to the same group according to Chapter 1, Section 6 of the Accounting Act are to be considered one entity. Notwithstanding the above, the Fund may invest up to 20% of its assets in securities issued by entities belonging to the same group.
- f) The Management Company may not acquire in the Fund's name more than 10% of the non-voting shares of the same issuer. The Management Company may acquire in the Fund's name a maximum of 25% of the units of one investment fund, another UCI or one AIF.
- g) The Fund may not exceed the statutory investment restrictions set forth in sub-clauses A-E above when investing its assets in derivative contracts. However, when the investment restrictions are applied, investments in derivative contracts where the underlying asset is an equity index are not considered. The composition of the index must be sufficiently diversified, and the index must reflect the performance of the market to which it refers with enough accuracy. In addition, sufficient information on the composition of the index and its performance must be available and generally accessible.
- h) The Fund may invest a maximum of 10% of its assets in units of other investment funds or UCIs as stated in clauses 4-5 above. The Fund may not invest its assets in such investment funds and UCIs, as referred to in clauses 4-5 above, that may according to their rules or statutes invest more than 10% of their assets in units of other investment funds or UCIs. When the Fund invests in units of investment funds or UCIs as referred to in clauses 4-5, the Fund may be charged a fixed annual management fee for these investments. The management fee may not exceed 5% of the value of the units. The Fund may invest in the units of such common funds or UCITS which are managed by the same management company. In that case the management company may not charge subscription or redemption fees.
- i) The Fund shall have the cash or cash equivalents needed for its operation. Maximum of 20% of the assets of the Fund in deposits in the same credit institution.
- j) To promote efficient asset management the Fund may enter into lending and repurchase agreements with respect to any securities and money market instruments held by it, provided that they are settled through a clearing house that meets the definition of applicable law, or a corresponding foreign entity. Lending and repurchase agreements containing generally accepted terms and conditions may also be concluded with domestic and foreign securities dealers who are subject to the supervision of a recognized regulatory authority. The total value of securities lent may not exceed 25% of the Fund's net asset value. This restriction does not apply to lending agreements that can be terminated and whose underlying securities can be immediately recovered upon demand

- k) The collateral claim of derivative instruments, repurchase agreements and loan agreements can be maximum 30% of the Fund value. The purchase value of combined premiums of purchase options must not exceed 20% of the market value.

The Fund Management Company is allowed to take, in name of the Fund, temporarily credit for investment fund operations. The amount of credit shall correspond maximum 10% of the Fund assets.

The aggregate amount of the loan drawn down for investment fund operations and repurchase contracts may not exceed 10% of the Fund's assets.

6 § Fund unit register and Fund units

The Fund Management Company maintains a fund unit register of all Fund units, and registers Fund unit transfers. Fund units may be divided into fractions. One Fund unit consists of ten thousand (10,000) fractions of equal size.

The Board of Directors of the Fund Management Company may decide that the Fund shall have unit classes (Unit Class) differing from each other. Each Unit Class may have both accumulation and income units (Unit Type). Unitholders may convert an accumulation unit into an income unit and vice versa.

Unit Classes may differ from each other in terms of a management fee, quotation currency or index, inflation, interest rate, currency or other derivative hedging.

The Board of Directors of the Fund Management Company decides on the issue and subscription terms and conditions of each fund unit class or type that are available in the Fund Prospectus valid at any given time. The subscription terms and conditions may vary in terms of the subscription amount, investment horizon, distribution channel or geographical region.

7 § Subscription of fund units, redemption and exchange

Fund units are offered to be subscribed and redeemed in Fund Management Company and in other subscription locations decided by the Board of the Fund Management Company on each banking day. The value of the fund units is available for the public in the Fund Management Company on every banking day.

The subscriber of the Fund unit shall notify in writing to the Fund Management Company about his/her intention to subscribe Fund units and the amount of euros to be used for the subscription minimum on the intended subscription day before 1pm. The notification is binding. The subscription amount shall be on the Fund's account on the subscription day. The prerequisite of the subscription is that the Fund Management Company has received appropriate and sufficient information about the subscriber and his/her identity. The Fund Management Company has the right to reject the made subscription or subscription assignment, if the investor has not provided the necessary information needed for the subscription in time.

The subscription date is the banking day on which the subscription order has been received and registered by the Fund Management Company and the subscription amount is available for use by the Fund Management Company, no later than at 1pm Finnish time. The subscription price is the fund unit value calculated for the subscription date. If the subscription order is registered and/or the subscription amount arrives for use by the Fund Management Company after 1pm Finnish time, the subscription will be executed on the following banking day.

The number of fund units to be subscribed is calculated by dividing the subscription amount less any subscription fee by the fund unit value. If the subscription amount less the subscription fee is not equally divisible by the value of a fund unit and a fraction thereof, the number of fund units will be rounded downwards to the nearest fraction of a fund unit, and the difference will be added to the Fund's capital.

Fund units are redeemed by submitting an order and surrendering any unit certificates to the Fund Management Company. If the Fund Management Company does not need to sell investments to execute the redemption, then the redemption demand received and registered by the Fund Management Company no later than at 1pm Finnish time will be executed at the fund unit value calculated in the Fund Management Company for the same banking day. A redemption demand received and registered by the Fund Management Company after 1pm Finnish time will be executed at the fund unit value calculated for the following banking day. The redemption must take place immediately from the assets of the Fund. If the assets for the redemption have to be acquired by selling investments, the sale must take place without undue delay and no later than two weeks from when the redemption was demanded of the Fund Management Company. In this case, the redemption is executed at the fund unit value calculated for the day on which the assets from the sale of investments have been received. The Finnish Financial Supervisory Authority can grant permission for a special reason to exceed the deadline for selling the securities.

The proceeds of the redemption less any redemption fee will be paid to the fund unitholder's bank account not later than on the banking day following the redemption execution date.

If a fund unitholder switches fund units into fund units of another mutual fund administered by the Fund Management Company that is available for subscription at the same time and follows the same subscription and redemption practices, the redemption and subscription date is considered to be the banking day on which the switch order is received and registered in the Fund Management Company, no later than at 1pm Finnish time. A further requirement for this is that the mutual fund from which the switch to the other mutual fund is made has the liquid assets required for the switch. If this is not the case, a switch into another mutual fund administered by the Fund Management Company will be executed, also in terms of time, as a normal redemption of units in the held mutual fund and a subscription of units in the other mutual fund.

8 § Assignment fees regarding fund units

The subscription price of the Fund unit is the value of the fund unit on the subscription day calculated as stated in § 10. The subscription fee, a maximum of 2%, is charged upon subscription.

The redemption price for the Fund unit is the value of the fund unit on the redemption day, calculated as stated in § 10. The redemption fee a maximum of 2% is charged upon redemption.

The Fund Management Company charges a registration fee, as stated in the service fee schedule, for registration of transfer of ownership of fund units. Service prices are available from the Fund Management Company.

9 § Restriction and suspension of Fund subscriptions and redemptions

The Management Company may temporarily suspend the subscription of fund units if it is in the best interests of the unit holders, if it is required in order to ensure equality, or due to some other especially important reason. The Management Company may temporarily suspend the subscription of fund units if 1) the Fund has reached such a size that additional investments in the target market or another mutual fund would be in contravention of the interests of unitholders, 2) the Fund's NAV calculation is prevented for some reason, or 3) due to disruptions in normal information transfer.

The Management Company may temporarily suspend the redemption of fund units if it is in the best interests of the unit holders, if it is required in order to ensure equality, or due to some other especially important reason. The Management Company may temporarily suspend the redemption of fund units if 1) the Fund's NAV calculation is prevented for some reason, or 2) due to disruptions in normal information transfer.

10 § Calculating the Fund's value

The Fund Management Company calculates the value of the Fund unit on every such day, when depository banks are generally open in Finland. The net asset value of the Fund will be the value of its assets less its liabilities.

Securities, money market instruments, Funds and derivatives belonging to the fund are valued to their market value, which is the last trading price at 14.00 Finnish time (GMT+2). Unless there is no such price available on the valuation day, the last available trading price is used, if it is between the bid-ask price at 14.00 o'clock on the valuation day. If the last trading price is not between the bid-ask prices at 14.00 on the valuation day, either the bid or ask price is used depending on, which one is closer to the last trading price. If there is no reliable market value available, the Fund Management Company can define the value objectively as the board of the Fund Management Company has defined, which is documented. Foreign currency tranches are converted to euros by using the prevailing exchange rates (spot) at 14.00 Finnish time (GMT+2), which are available from public price tracking systems. The Deposits are valued by adding the accumulated interest on the capital as the Board of the Fund Management Company has ordered. Loan and repurchase agreements are valued on the basis of the securities regarded in the agreements and on the basis of the market value of the money market instruments at the valuation time.

11 § Calculation of the Fund unit value

The Fund Management Company calculates the value of the Fund unit on every such day, when depository banks are generally open in Finland. The value of the fund unit is the value of the fund divided by the number of issued units. The value of the fund unit is calculated to four (4) decimal places.

The value of the fund unit is available from the Fund Management Company on every banking day.

12 § Compensations paid from the Fund's assets

Management fee

The Fund Management Company receives a compensation from the Fund's assets for the management of the Fund. The Fund Management Company receives an annual management fee that is maximum 1.50% of the Fund value. The fee is calculated daily (Fund value / 365 x management fee percentage) and it is deduced when the value of the fund is calculated. The fee is paid from the Fund assets monthly afterwards.

Custody fee

Custody fee is paid to the Fund's Custodian for safekeeping of the Fund's assets and other statutory tasks of the Custodian. The custody fee is deducted daily from the Fund's value. The fee is paid from the Fund assets monthly afterwards.

Other fees

In addition, other fees that are substantially related to investment activities can be paid from the Fund's assets. These costs may include, for example, investment research costs, transaction fees charged by the Custodian for transactional clearing transactions between transferring and / or recording of securities between registers maintained by various sub-custodians, and fees charged by a foreign sub-custodian related to third-party services, as well as essentially investment bank charges. Costs are paid according to the charge of an external service provider.

13 § Distribution of the Fund's returns

The Annual General Meeting of the Management Company will decide on the dividends to be distributed annually to the holders of yield units, and the payment thereof. The percentage stated in a valid fund prospectus of the net asset value of a yield unit on the date of the Annual General Meeting of the Management Company is the minimum amount that will be distributed as dividends. The aim will be to distribute a return that is as stable as possible. The dividends distributed on yield units will be deducted from the capital of the Fund calculated for yield units.

The dividends will be paid to the holders of yield units in accordance with the information in the register on the date of the Annual General Meeting of the Management Company no later than one (1) month after the Annual General Meeting of the Management Company. The dividends will be paid to the bank account notified by the unit holder.

14 § Accounting period of the Fund and The Fund Management Company

The Fiscal year for both the Fund and the Fund Management Company is a calendar year.

15 § Meeting of the unitholders

A general meeting of unitholders must be held if the Fund Management Company's Board of Directors deems it necessary, or if the auditor, an independent member of the Board of Directors or unitholders accounting for at least one twentieth (1/20) of all Fund units outstanding request in writing that said meeting be held to deal with a particular matter.

The Fund Management Company is obliged to inform unitholders of an initiative submitted to it for convening a meeting, or of other meeting initiatives of unitholders, if the unitholder that proposes the convening of a meeting does not have the required minimum holding. Information on meeting initiatives shall be delivered to unitholders in the same way as notifications of amendments to the Fund's rules as referred to in §16 of these rules.

16 § Invitation and registering to the unitholders' meeting

The unitholders' meeting is summoned by the Board of Directors of the Fund Management Company. The summons to a meeting is sent to the unitholders minimum fourteen (14) days prior to the meeting by mail or at the consent of the unitholder, by e-mail. Alternatively, the invitation can be published in one national newspaper in Helsinki minimum fourteen days prior the meeting.

To be allowed to participate in the meeting, the fund unitholder shall register to the Fund Management Company at latest on the registration day mentioned in the summons of the meeting.

Use of voting rights requires that the unitholder is registered as a unitholder in the Fund Management Company register or she or he has reported his or her yield to the Fund Management Company and presented a clearance of it. The right to participate to the unitholders' meeting and number of votes in the meeting is defined on the situation prevailing situation ten days prior to the meeting.

Other notifications are given to the unitholders by sending letters to the address marked to the unitholder register or at the consent of the Fund unitholder by e-mail or by some other electronic communication method or by publishing a public announcement in one national newspaper in Helsinki.

17 § Fund brochures, annual report and semi-annual report

The Fund Management Company compiles a fund brochure, a Key Investor Information Document, an annual report and semi-annual of the fund. The annual report is available at latest three (3) months after the accounting period has finished and the semi-annual report is available at latest two (2) months after the review period has finished. These documents and the latest annual report of the Fund Management Company are available in the Fund Management Company during its opening hours.

18 § Amendments to the Fund regulations

Amendments to the Fund regulations are approved by the Board of Directors of the Fund Management Company. The amendments take effect one (1) month after the State Council has granted approval to the amendments and the amendments have been informed to the unitholders by e-mail or by some other electronic communication method or by publishing a public announcement in one national newspaper in Helsinki.

Amendments to the regulations apply to all unitholders. Unitholders are deemed to have been informed of the amendments after five (5) days from posting the mail or e-mail or newspaper publication of the notice.

19 § Notice to unitholders

The Management Company may inform unitholders by sending letters to the address marked to the unitholder register or at the consent of the Fund unitholder by e-mail or by some other electronic communication method or by publishing a public announcement in one national newspaper in Helsinki. The management Company may to some extent

20 § Disclosure of Information

The Fund Management Company has the right to disclose information on the Fund unitholders according to the valid legislation.

21 § Adapted legislation

Finnish legislation is adapted in the operations of the Fund Management Company and the Fund.

Should there be any discrepancies between the original Regulations (in Finnish) and this unofficial translation, the original Regulations shall prevail.