

**Registre de Commerce et des Sociétés**

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**«UBS (Lux) SICAV 2»**

Investment Company with variable capital

**33A, avenue J.F. Kennedy**

**L-1855 Luxembourg**

R.C.S. Luxembourg: **B109504**

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**ARTICLES OF INCORPORATION WITH EFFECT ON 20 JULY 2018**

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## **A. Company name, registered office, duration and object of the Company**

### **Article 1. - Company name**

There is a public limited company (“*société anonyme*”) qualifying as investment company with variable capital (“*société d’investissement à capital variable*” or “SICAV”) bearing the name “UBS (Lux) SICAV 2” (the “Company”).

### **Article 2. - Registered Office**

The Company’s registered office is in the City of Luxembourg in the Grand Duchy of Luxembourg. It may be transferred to any other place within inside the municipality of the Company's registered office or to any other place in the Grand Duchy of Luxembourg by a resolution of the board of directors of the Company (the “**Board of Directors**”) who will then be authorised to amend the articles of association of the Company (the “**Articles of Association**”) to reflect the completion of the transfer. Branches, subsidiaries or other offices may be set up in the Grand Duchy of Luxembourg or abroad by resolution of the Board of Directors.

If the Board of Directors determines that exceptional political or military events have taken place or are imminent, which could affect the Company’s normal course of business at its registered office or communications with offices or persons abroad, the registered office may be temporarily moved abroad until the exceptional circumstances have ceased to prevail; such provisional measures have no effect on the nationality of the Company; the Company remains a Luxembourg company.

### **Article 3. - Duration**

The Company is established for an unlimited duration.

### **Article 4. - Object of the Company**

The exclusive object of the Company is the investment in securities and all other legally permissible assets in accordance with the principle of risk diversification and with the objective of providing the shareholders with the income from the management of the Company’s assets. The Company may take any measures or carry out any transactions that it considers appropriate to achieving and promoting this purpose and will do this in the broadest possible sense in accordance with Part I of the Law of 17 December 2010 on undertakings for collective investment (the “**Law of 2010**”), as amended.

## **B. Capital, shares, net asset value**

### **Article 5. - Capital**

The capital of the Company is divided into fully paid-up no-par shares and is equivalent at all times to the value of the total net asset value defined in paragraph 7, pursuant to Article 10 of these Articles of Association (“**Total Net Assets Value**”).

Shares issued in accordance with Article 7 may, by resolution of the Board of Directors, be subdivided into various share classes.

The Board of Directors may issue share classes with specific characteristics within a Subfund, e.g. with (i) a specific distribution policy, such as distributing or accumulating shares or (ii) a specific commission structure in relation to issue and redemption or (iii) a specific commission structure in relation to investment or advisory fees or (iv) with various currencies of account, and with other specific characteristics as may be determined from time to time by the Board of Directors.

For each share class or for multiple share classes, the Board of Directors will form units of assets as Subfunds (“**Subfunds**”) as defined in Article 181 of the Law of 2010.

Cash inflows arising from the issue of units in Subfunds will be invested in securities and other legally permissible assets in accordance with the investment policy as laid down by the Board of Directors for each Subfund and in line with the investment restrictions laid down by the Law of 2010 or by resolution of the Board of Directors.

The minimum capital of the Company amounts to EUR 1,250,000 (one million two hundred and fifty thousand). This amount must be reached within six months of the date on which the supervisory authority grants approval to the Company.

In order to determine the capital of the Company, net assets, which are calculated in accordance with Article 10 of these Articles of Association and that are attributable to a Subfund, if not denominated in EUR, are converted into EUR, and the capital of the Company is equivalent at any time to the totality of net assets of all the Subfunds (“**Total Net Assets**”).

The Company may permit internal merging and/or joint management of assets from particular Subfunds in the interests of efficiency. In this case, assets from different Subfunds will be managed together. The assets under joint management are referred to as a “**Pool**”; pools are used exclusively for internal management purposes. Pools are not separate units and cannot be accessed directly by shareholders.

### **Pooling**

The Company may invest and manage all or part of the portfolio assets of two or more Subfunds (for this purpose called “**participating Subfunds**”) in the form of a pool. Such an asset pool is created by transferring cash and other assets (if these assets are in harmony with the investment policy of the

pool concerned) from each participating Subfund to the asset pool. The Company can then make further transfers to the individual asset pools. Assets up to the amount of its participation can also be transferred back to a participating Subfund.

The share of a participating Subfund in the respective asset pool is evaluated by reference to notional shares of the same value. When an asset pool is created, the Company shall specify the initial value of the notional units (in a currency that the Company considers appropriate) and allot to each participating Subfund notional units in the total value of the cash (or other assets) it has contributed. The value of the notional units will then be determined by dividing the net assets of the asset pool by the number of existing notional units.

If additional cash or assets are contributed to or withdrawn from an asset pool, the notional units assigned to the participating Subfund concerned increase or diminish by a number, which is determined by dividing the contributed or withdrawn cash amount or assets by the current value of the holding of the participating Subfund in the pool. If cash is contributed to the asset pool, for calculation purposes it is reduced by an amount that the Company considers appropriate in order to take account of any tax expenses as well as the closing charges and acquisition costs relating to the investment of the cash concerned. If cash is withdrawn, a corresponding deduction may be made in order to take account of any costs related to the disposal of securities or other assets of the asset pool.

Dividends, interest and other income-like distributions, which are obtained from the assets of an asset pool, are allocated to the asset pool concerned and thus lead to an increase in the respective net assets. If the Company is liquidated, the assets of an asset pool are allocated to the participating Subfund in proportion to their respective share in the asset pool.

### **Joint management**

To reduce the operating and management costs and at the same time to permit broader diversification of investments, the Company may decide to manage a part of or the entire assets of one or more Subfunds in combination with assets that belong to other Subfunds or to other undertakings for collective investment. In the following paragraphs, the term “**jointly managed entities**” refers to the Company and each of its Subfunds and all entities with or between which a joint management agreement would exist; the term “**jointly managed assets**” refers to the entire assets of these jointly managed entities which are managed according to the aforementioned agreement.

As part of the joint management agreement, the respective Portfolio Manager is entitled to make decisions on investments and sales of assets on a consolidated basis for the relevant jointly managed entities which have an influence on the composition of the portfolio of the Company and of its Subfunds. Each jointly managed entity holds a share in the jointly managed assets which is oriented to the share of its net assets in the aggregate value of the jointly managed assets. This proportionate

holding (for this purpose referred to as “**participation arrangement**”) applies to all investment categories which are held or acquired in the context of joint management. Decisions regarding investments and/or sales of investments have no effect on this participation arrangement, and further investments are allotted to the jointly managed entities in the same proportions. In the event of a sale of assets, these will be subtracted proportionately from the jointly managed assets held by the individual jointly managed entities.

In the case of new subscriptions for one of the jointly managed entities, the subscription proceeds are to be allocated to the jointly managed entities in accordance with the changed participation arrangement resulting from the increase in net assets of the jointly managed entity having benefited from the subscriptions. The level of the investments will be modified by the transfer of assets from the one jointly managed entity to the other, and thus adapted to suit the altered participation arrangement. Similarly, in the case of redemptions for one of the jointly managed entities, the necessary liquid funds shall be taken from the liquid funds of the jointly managed entities in accordance with the altered participation arrangement resulting from the reduction in net assets of the jointly managed entity which has been the subject of the redemptions, and in this case the particular level of all investments will be adjusted to suit the altered participation arrangement.

Shareholders are alerted to the fact that the joint management agreement may result in the composition of the assets of the particular Subfund being affected by events which concern other jointly managed entities, e.g. subscriptions and redemptions, unless the Company or one of the entities commissioned by the Company resort to special measures. If all other aspects are unchanged, subscriptions received by a unit under common management with the Subfund will therefore result in an increase in the cash reserve of this Subfund. Conversely, redemptions of a unit under common management with the Subfund will result in a reduction of the cash reserves of the Subfund. However, subscriptions and redemptions can be executed on the special account that is opened for each jointly managed entity outside the agreement and through which subscriptions and redemptions must pass. Because of the possibility of posting extensive subscriptions and redemptions to these special accounts, and the possibility that the Company or the entities commissioned by it may decide at any time to terminate the participation of the Subfund in the joint management agreement, the Subfund concerned may avoid having to rearrange its portfolio if this could adversely affect the interests of the Company, its Subfunds and its shareholders.

If a change in the portfolio composition of the Company or of one or more of its Subfunds as a result of redemptions or payments of fees and expenses referring to another jointly managed entity (i.e. which cannot be counted as belonging to the Company or to the Subfund in question) might result in a violation of the investment restrictions applying to the Company or to the Subfund in question, the

relevant assets before implementing the change will be excluded from the agreement so that they are not affected by the resulting adjustments.

Jointly managed assets of Subfunds will only be managed in common with assets which are to be invested according to the same investment objective already applying to the jointly managed assets in order to ensure that investment decisions are reconcilable in all respects with the investment policy of the particular Subfund. Jointly managed assets may only be managed in common with assets for which the same Portfolio Manager is authorised to make decisions in investments and the sale of investments, and for which the Depositary also acts as a depositary so as to ensure that the Depositary is capable of performing its functions and responsibilities assumed in accordance with the Law of 2010 and the statutory requirements in all respects for the Company and its Subfunds. The Depositary must always keep the assets of the Company separate from those of the other jointly managed entities; this allows it to determine the assets of each individual Subfund accurately at any time. Since the investment policy of the jointly managed entities does not have to correspond exactly with that of the Subfunds, it is possible that their joint investment policy may be more restrictive than that of the Subfunds.

The Company may decide to terminate the joint management agreement at any time without giving prior notice.

Shareholders may enquire at any time at the Company's registered office as to the percentage of jointly managed assets and units with which there is a joint management agreement at the time of their enquiry.

The composition and percentages of jointly managed assets must be stated in the annual reports.

Joint management agreements with non-Luxembourg units are permissible if (i) the agreement in which the non-Luxembourg unit is involved is governed by Luxembourg law and Luxembourg jurisdiction or (ii) each jointly managed unit is equipped with such rights that no creditor and no insolvency or bankruptcy administrator of the non-Luxembourg unit has access to the assets or is authorised to freeze them.

#### **Article 6. - Shares**

Upon, decision of the Board of Directors the Company will issue shares. The Company will issue exclusively registered shares. A conversion of registered shares into bearer shares is not possible.

All registered shares of the Company shall be entered into the register of shares maintained by the Company or by one or more persons on behalf of the Company. This register of shares will contain the name of each holder of registered shares, his or her residence or another address agreed with the Company, the number of shares held by that person and the share numbers, and the Subfund and share

class of the shares. Any transfer or other legal disposition of a registered share must be entered into the register of shares.

The entry in the register of shares is documentation of the ownership of the registered shares. The Company shall determine whether a certificate will be issued for the entry, or whether the shareholder will receive written confirmation of shareholding.

Registered shares are transferred by handing over of the share certificate(s) (if any has/have been issued) to the Company together with other documents providing sufficient evidence of the transfer to the Company or through a declaration of transfer which is entered in the share register and signed and dated by the transferor or by persons authorised to do so. Any transfer of shares has to be reflected in the share register.

If a share is registered in the name of several persons, the first shareholder entered in the register is deemed to be empowered to act on behalf of all the other co-owners and is the only person entitled to receive notices on the part of the Company.

The Company is entitled to consider the person in whose name the shares are entered in the share register as the fully authorised owner. Within the framework of all measures affecting these shares, the Company may be obligated exclusively to the above-mentioned persons, but in no case to any third parties. It has the power to view all rights, interests or claims of persons other than those mentioned in sentence 1 as null and void in respect of these shares; this does not, however, exclude the right of a third party to demand the proper entry of a registered share or a change to such entry.

If a shareholder withholds his/her address, this will be noted in the share register and the registered office of the Company, or another address entered in the share register by the Company, will be deemed to be the address of that shareholder until such time as he/she provides the Company with another address. The shareholder may change the address entered in the share register at any time by means of written notification to the registered office of the Company or to an address determined from time to time by the Board of Directors.

If a shareholder can prove to the satisfaction of the Company that his share certificate(s), that has been issued in the context of the issue of registered shares, has/have been lost, stolen or destroyed, then, at his request, a duplicate share certificate may be issued under such conditions as the Company may determine, which, if provided for or permitted by law and as determined by the Company in taking into account such laws, may include provisions for guarantees, including but not restricted to a bond issued by an insurance company. When new share certificates are issued, on which it must be noted that they are duplicates, the original certificate(s) for which the new certificate(s) have been issued are cancelled. Any issued share certificate only reflects the legal status as indicated in the share register.

Share certificates, that have been issued in the context of the issue of registered shares, that are damaged, may be cancelled by the Company and exchanged for new certificates. The damaged certificates will be submitted to the Company and immediately cancelled.

The Company may, at its discretion, charge to the shareholder the costs of a duplicate or of a new share certificate and all expenses incurred by the Company in connection with the issue and registration thereof or in connection with the destruction of the original share certificate.

The Company may issue fractional shares. Fractional shares do not accord holders any voting rights but entitle them to participation in the income of the relevant Subfund or the relevant share class on a pro rata basis.

The Company may issue – in accordance with the legal provisions – non-voting shares if the Company is raising capital or through conversion of issued shares, upon an according decision by the Board of Directors in accordance with article 31 of these Articles of Association and the Law dated 10 August 1915 on commercial companies. The general meeting of the Company determines the maximum amount of non-voting shares to be issued or of issued shares to be converted into non-voting shares. At least one share in the Company may not be issued as a non-voting share.

The offer for conversion of issued shares into non-voting shares has to be made to all shareholders in proportion to the amount of capital held in the Company. The according right to subscribe may be exercised within a period to be determined by the Board of Directors, whereas such period may not exceed 30 days. The notification of such conversion as well as the subscription period for non-voting shares will be issued by means of a notice determining the subscription period which shall be published on the *Recueil électronique des sociétés et associations* and in one Luxembourg newspaper.

If only registered shares have been issued, the shareholders may be notified by registered letter without prejudice to other means of communication which need to be accepted individually by their addressees or have to be disclosed in the prospectus.

To the extent rights and / or obligations pertaining to holders of non-voting shares are impacted by a decision of the Board of Directors, such non-voting shares are exceptionally entitled to vote. The same applies in case of capital reductions or an anticipated dissolution of the Company. In such cases the provisions pertaining to the passing of resolutions by the general meeting under section D of these Articles of Association apply.

#### **Article 7. - Issue of shares**

The Board of Directors is fully authorised to issue new shares at any time, without granting existing shareholders the preferential subscription rights to the new shares.

New shares are issued on any business day laid down by the Board of Directors in accordance with the terms and conditions in the sales prospectus and will be processed on the valuation date



pursuant to Article 10. The issue price for a share is the net asset value per share calculated for each Subfund and each relevant share class pursuant to Article 10, or if new Subfunds, share classes are launched, then the initial subscription price set by the Board of Directors, plus any costs and commissions laid down by the Board of Directors for the Subfund and share class concerned. The issue price is payable within the time laid down by the Board of Directors of not more than eight days after the business day concerned. The Board of Directors may accept full or partial subscriptions in kind at its own discretion. In this case, the capital subscribed in kind must correspond with the investment policy and restrictions of the relevant Subfund. These investments will also be audited by the auditor of the Company. The associated costs will be charged to the investor.

The Board of Directors may limit the frequency of share issues for each Subfund and each share class; in particular the Board of Directors may resolve that shares only be issued within a particular time.

The Board of Directors reserves the right to wholly or partially reject any subscription application or to suspend the issue of shares in one or more or all of the Subfunds and share classes at any time and without prior notification. The Depositary will immediately refund payments on subscription applications that have not been executed.

If determination of the net asset value of a Subfund of the Company is suspended pursuant to Article 11, no shares in the affected Subfund will be issued for the duration of the suspension period.

For purposes of the issue of new shares, the Board of Directors may transfer to any Director or officer of the Company or to any other authorised person the duty of accepting subscriptions, accepting payments and delivering shares.

#### **Article 8. - Redemption and conversion of shares**

Any shareholder in the Company may request that the Company redeem all or part of his shares in the Company on each business day specified in the sales documents. In such case, the Company will redeem the shares, taking into account any legal restrictions and subject to the suspension of redemption provided for in Article 11 of these Articles of Association. The shares to be redeemed by the Company will be cancelled.

Shareholders receive a redemption price calculated on the basis of the relevant net asset value in line with statutory regulations and the terms of these Articles of Association and in accordance with the terms and conditions laid down by the Board of Directors in the sales documents. A redemption application must be made irrevocably and in writing at the registered office of the Company in Luxembourg or at offices of a person (or institution) appointed by the Company. In the case of shares for which certificates have been issued, the share certificates must be submitted in due form with the

redemption application, providing sufficient evidence to the Company of the transfer or assignment of the shares for registered shares.

A commission in favour of the Company or the distributor may be deducted from the net asset value, together with a further amount to make up for the estimated costs and expenses that the Company could incur in realising the assets in the body of assets affected, in order to finance the redemption request (this commission, together with the estimate, may not amount to more than three per cent of the net asset value).

The redemption price must be paid in the currency in which the shares in the relevant Subfund are denominated or in another currency that may be laid down by the Board of Directors within a time to be laid down by the Board of Directors of not more than eight days after the business day specified in the sales documents or after the day when the share certificates and any other transfer documents reached the Company, depending which is the later date, irrespective of the terms and conditions in Article 11 of these Articles of Association.

In the event of an excessively large volume of redemption applications, the Company may decide to delay execution of redemption applications until the corresponding assets of the Company have been sold without unnecessary delay.

Upon approval of the concerned shareholder the Board of Directors may – with respect to the principle of equal treatment of the shareholders – realise redemption applications wholly or partly in kind through allocation of assets out of the respective portfolio of the Subfund which represent the net asset value of the shares to be redeemed, as further described in the Prospectus.

If the ratio of the value of a share class in relation to the net asset value of a Subfund has fallen below a certain value or has reached a value that has been defined by the Board of Directors as minimum value in order to manage economically and efficiently the respective Subfund, the Board of Directors may decide that all shares of such share class may be redeemed at a business day as determined by the Board of Directors against payment of the redemption price. Such redemption must not result in the shareholder of the concerned share class in the concerned Subfund bearing any additional costs or other financial damage; single swing pricing, as described in Article 10 of these Articles of Association may be applied, as the case may be.

Each shareholder may apply for the conversion of all or a part of his shares in a particular Subfund into shares in another Subfund at the net asset value determined for the Subfund concerned. Subject to the below provisions the provisions relating to redemption of shares apply. The net asset value may be adjusted for any costs incurred and by rounding up or down in accordance with the decision of the Board of Directors. Shares in a particular share class of a Subfund may not be converted into another share class of the same or of another Subfund unless the Board of Directors decided otherwise, which

will be described in the sales documents. The Board of Directors may, in respect of the number of conversion applications or for other reasons, impose restrictions and charge a fee for conversion to be laid down at its discretion in the interest of the Company.

#### **Article 9. - Restrictions**

The Company is entitled to take the measures described in greater detail in the sales documents in order to ensure that subscriptions, conversions or redemptions of shares in the Company do not involve any of the business practices known as market timing or late trading in respect of investments in the Company.

The Company may restrict the ownership of shares in the Company by any natural or legal person or Company if the Company considers that such ownership could harm the Company, or if it could be a violation of Luxembourg or foreign laws or regulations, or if it would subject the Company to foreign tax laws. For this purpose, the Company may:

a) refuse to issue shares or refuse to enter the transfer of shares in the share register if it has grounds for believing that such an entry or such a transfer leads or may lead to the legal or beneficial ownership of these shares passing to persons who are excluded from owning shares or who hold shares in a volume that exceeds a particular percentage of the Company's capital to be laid down by the Board of Directors at an appropriate time (“unauthorised persons”);

b) at any time require any person whose name is entered in the register of shares or who requests to register the transfer of shares in the register of shareholders to furnish the Company with any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such shares rests with an unauthorised person, or whether such registration will result in beneficial ownership of such shares by an unauthorised person; and

c) refuse to recognise the votes of an unauthorised person at a general meeting of the Company;

d) if the Company has grounds for believing that the beneficial owner of shares is an unauthorised person, either alone or together with other persons, force the redemption by the shareholder of all shares or those shares held by that shareholder on behalf of an unauthorised person, or if an unauthorised person is the economic owner of shares, force the redemption by the shareholder of all shares held by that person. This shall be done in the following manner:

(1) The Company presents the shareholder owning the shares, or the person who is listed in the share register as the holder of shares to be bought, a notice (hereinafter referred to as the “notification of purchase”) in which the shares to be bought are listed together with the method of calculating the purchase price and the name of the buyer.

Such notification will be sent by registered post to the last known address of the shareholder or to the address listed in the Company's books. The shareholder is then obligated to surrender the share certificate(s) listed in the notification of purchase to the Company.

Immediately upon close of business on the date designated in the notification of purchase, the shareholder's ownership of the shares designated in the notification of purchase shall end. For registered shares, the name of the shareholder will be deleted from the register of shareholders.

(2) The price to be paid for the shares (hereinafter referred to as the "purchase price") is the net asset value, namely that prevailing on the last day determined by the Board of Directors as the valuation date for the redemption of shares in the Company before the day the notice of purchase becomes effective. It may also be that prevailing on the day after surrender of the share certificate(s) listed in the notification of purchase. This value will be determined in accordance with Article 10 of these Articles of Association and after deduction of the charges provided for therein.

(3) The purchase price shall normally be made available to the previous owner of the shares in the currency determined by the Board of Directors for the payment of the redemption price of the shares. After final determination, this price will be deposited by the Company with a bank (mentioned in the notification of purchase) located in Luxembourg or abroad; it will be made available for payout to that owner against surrender of the share certificate mentioned in the notification of purchase together with any profit participation certificates that have not yet matured.

After the notification of purchase has been provided in accordance with the procedure outlined above, the previous owner no longer has any claim against the Company or the Company's assets related to these shares, with the exception of the right to repayment of the purchase price (without interest) from the bank mentioned against actual surrender of the share certificate(s) as described above. Amounts to which the shareholder is entitled in accordance with the provisions of this paragraph that are not claimed within a period of five years after the date indicated in the notification of purchase can then no longer be claimed and revert to the Company. The Board of Directors is authorised to take all necessary steps to complete the return of these amounts.

(4) The exercise of the powers by the Company in accordance with this Article may in no way be called into question or declared invalid because the ownership of shares was not sufficiently proven or that the ownership conditions did not correspond to the assumptions made by the Company on the date of the notification of purchase, provided that the Company exercised the above-named powers in good faith.

#### **Article 10.- Determination of the net asset value**

To determine the issue and redemption price, the net asset value of each share class of each Subfund will be periodically calculated by the Company no less than twice per month, pursuant to the

provisions of the sales prospectus of the Company. These Articles of Association will refer to any day when the net asset value is fixed as a “**valuation date**”.

The net asset value of each Subfund will be given in the currency of the Subfund concerned and related to a share in that Subfund and determined after the valuation has been carried out in accordance with the following principles on the respective valuation date (as specified in the sales prospectus) by dividing the assets relating to the corresponding Subfund less the liabilities allocated to that Subfund by the number of shares in circulation at the time of valuation in the Subfund in question at a time agreed on by the Board of Directors on the valuation date concerned. The net asset value per share may be rounded up or down to the next unit in the currency of the Subfund in question, as determined by the Board of Directors.

For Subfunds for which different share classes were issued, the net asset value per share is determined for each individual share class, as the case may be. In such cases, the net asset value of each Subfund that is attributable to a particular share class will be divided by the number of shares in that share class. The Board of Directors may resolve to round the net asset value up or down to the next amount in the currency concerned.

For Subfunds that predominantly invest in money market instruments in accordance with their investment policy, to safeguard against a dilution of Subfund income, the net assets shall be adjusted to the date customarily specified as the value date of payment of the issue or redemption price.

The net asset value of the Company is calculated by adding up the net asset values of the Subfunds.

The valuation of each Subfund and of each of the share classes comply with the following criteria:

**1. The assets of the Company include:**

- a) all cash holdings, including accrued interest;
- b) all outstanding receivables, including interest receivables on accounts and custody accounts, and income from securities that have been sold but not yet delivered;
- c) all securities, loan stock rights, money market papers, fund units, bonds, subscription rights, warrants, options and other financial instruments and other assets held by the Company or acquired for its account;
- d) all dividends and dividend claims, provided that it is possible to obtain sufficiently well established information on them and that the Company may make value adjustments in respect of price fluctuations arising from ex-dividend trading or similar practices;
- e) accrued interest on interest-bearing securities held by the Company provided that they are not included in the principal amount of the corresponding asset;
- f) organisational expenses of the Company that have not been written off;

- g) any other assets including prepaid expenses.

**These assets are valued in accordance with the following rules:**

a) Liquid funds - whether in the form of cash, bank deposits, bills of exchange and sight securities and receivables, prepaid expenses, cash dividends and declared or accrued interest that has not yet been received - are valued at their full value unless it is unlikely that this value will be fully paid or received, in which case their value is determined by taking into consideration a deduction that seems appropriate in order to portray their true value.

b) Securities, derivatives and other investments listed on a stock exchange are valued at the last-known market prices. If these securities, derivatives or other investments are listed on several stock exchanges, the latest available price on the stock exchange that represents the major market for these investments will apply.

In the case of securities, derivatives and other investments infrequently traded on a stock exchange and for which a secondary market among securities traders exists with pricing in line with the market, the Company may value these securities, derivatives and other investments based on these prices. Securities, derivatives and other investments that are not listed on a stock exchange but which are traded on another regulated market which is recognised, open to the public and functions in accordance with the regulations, are valued at the last available price on this market.

c) Securities and other investments that are not listed on a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, are valued by the Company according to other principles chosen by it in good faith on the basis of the likely sales prices.

d) Derivatives not listed at a stock exchange (OTC derivatives) are valued on the basis of independent pricing sources. In case only one independent pricing source of a derivative is available, the plausibility of the valuation obtained will be verified by means of calculation methods recognised by the Company and its auditors, based on the market value of the underlying instrument from which the derivative originates.

e) Units of other undertakings for collective investment in transferable securities (“UCITS”) and/or undertakings for collective investment (“UCI”) are valued at their last-known net asset value. Certain units or shares of other UCITS and/or UCI may be valued on the basis of an estimate of their value provided by permissible service providers that are independent of the Portfolio Manager or the Investment Advisor of the target funds (price estimate).

- f) (i) If the Subfund is a money market fund,

- money market instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. The valuation based on the curves refers to the interest rate and credit spread components. The following principles are applied in this

process: for each money market instrument, the interest rates nearest the residual maturity are interpolated. The interest rate calculated in this way is converted into a market price by adding a credit spread that reflects the underlying borrower. This credit spread is adjusted if there is a significant change in the credit rating of the borrower. Further details are disclosed in the prospectus of the Company.

- interest income earned by Subfunds between the order date concerned and the valuation date concerned is included in the valuation of the assets of the Subfund concerned. The asset value per share on a given valuation date therefore includes projected interest earnings.

(ii) For the other Subfunds that do not fall under the regulation in subsection f (i), the following regulation shall apply: For money market instruments, the valuation price will be gradually adjusted to the redemption price, based on the net acquisition price and retaining the ensuing yield. In the event of a significant change in market conditions, the basis for the valuation of the individual investments is brought into line with the new market yields.

g) Securities, derivatives, money market instruments, and other investments denominated in a currency other than the currency of account of the relevant Subfund and which are not hedged by means of currency transactions are valued at the middle currency rate known in Luxembourg or, if not available, on the most representative market for this currency.

h) Fixed-term deposits and fiduciary investments are valued at their nominal value plus accumulated interest.

i) The value of swaps is calculated by an external service provider and a second independent valuation is provided by another external service provider. The calculation is based on the net present value of all cash flows, both inflows and outflows. In some specific cases, internal calculations (based on models and market data made available from Bloomberg), and/or broker statement valuations may be used. The valuation methods depend on the respective security and are determined pursuant to the UBS Global Valuation Policy.

If, due to extraordinary circumstances or events, the above criteria are deemed impossible or inappropriate for accurately determining the value of the Subfunds concerned, the Company is entitled to apply, temporarily, other appropriate valuation principles – which it has determined in good faith and are generally accepted and verifiable by auditors – to the assets of the Company as a whole or of an individual Subfund.

In extraordinary circumstances, additional valuations can be carried out over the course of the day. These new valuations will then be authoritative for subsequent issues and redemptions of shares.

If the total subscriptions or redemptions affecting all the share classes of a Subfund on a single trading day come to a net capital inflow or outflow, the net asset value of the Subfund may be adjusted

for the trading day (so called “**Single Swing Pricing**”). The maximum adjustment may amount to a determined percentage of the net asset value (before the adjustment). Estimated transaction costs and tax charges that may be incurred by the Subfund as well as the estimated bid/offer spread of the assets in which the Fund invests may be taken into account. The adjustment leads to an increase in net asset value if the net movements result in a rise in all shares of the Subfund concerned. It results in a reduction of net asset value if the net movements bring about a fall in the shares. The Board of Directors can set a threshold value for each Subfund in the sales prospectus of the Company. This may consist in the net movement on a trading day in relation to the net Fund assets or to an absolute amount in the currency of the Subfund concerned. The net asset value would be adjusted only if this threshold were to be exceeded on a trading day.

The Company does not permit transactions, which could – at the Company’s discretion – impede the interests of the shareholders, such as “Market Timing” and “Late Trading”. The Company is entitled to refuse applications for conversion or subscription, if it is of the opinion, that such applications may be considered Market Timing or Late Trading. The Company may further take all measures that it deems necessary in order to protect the shareholders against such practices.

## **2. The liabilities of the Company include:**

- a) all loans, invoices and other mature claims;
- b) all known present and future payment obligations, including payment obligations on cash or non-cash assets from contractual liabilities due and fixed but not yet paid dividends of the Company;
- c) appropriate provisions for future tax payments and other provisions authorised and undertaken by the Board of Directors, and reserves set aside for other liabilities of the Company;
- d) all other liabilities of the Company. In determining the amount of such liabilities, the Company will consider any expenses to be paid comprising the costs of establishing the Company or fees to the management company of the Company (the “**Management Company**”), if applicable, the investment advisor, the portfolio manager(s), the Depositary, the domiciliation and administrative agent, the registrar and transfer agent, any paying agent, other distributors and permanent agents in countries where the shares are sold, and any other intermediaries of the Company. Also taken into consideration are bonuses and expenses of the Directors, insurance premiums, fees and expenses in connection with the registration of the Company with authorities and exchanges in Luxembourg and in any other country, fees for legal consulting and auditing, advertising expenses, printing expenses, reporting and publication expenses, including expenses for notices and price publication, expenses for the preparation and execution of printing and the distribution of the sales prospectuses, informational material, regular reports, expenses for the preparation and retention of withholding taxes, taxes, duties and similar charges, all other expenses related to daily management, including expenses for the purchase and sale of



assets, interest, banking fees, brokerage fees and expenses for physical or electronic messages and telephone expenses. The Company may set administrative and other costs of a regular, recurring nature in advance on the basis of estimated figures for annual or other periods and may add these together in equal instalments over such periods.

**3. The Company allocate the assets and liabilities to the Subfunds and the share classes, as follows:**

- a) If several share classes have been issued for a Subfund, all of the assets relating to each share class will be invested in accordance with the investment policy of that Subfund.
- b) The value of the shares issued in each share class will be allocated in the books of the Company to the Subfund of this share class; the portion of the share class to be issued in the net assets of the relevant Subfund will rise by this amount; receivables, liabilities, income and expenses allocable to this share class will be allocated in accordance with the provisions of this Article to this Subfund.
- c) Derivative assets will be allocated in the books of the Company to the same Subfund as the assets from which the related derivative assets have been derived and, with each revaluation of an asset, the increase or reduction in value allocated to the relevant Subfund.
- d) Liabilities in connection with an asset belonging to a particular Subfund resulting from action in connection with this Subfund will be allocated to this Subfund.
- e) If one of the Company's assets or liabilities cannot be allocated to a particular Subfund, such receivables or liabilities will be allocated to all of the Subfunds pro rata to the assets of the Subfunds, or on the basis of the net asset value of all share classes in the Subfund, in accordance with the determination made in good faith by the Board of Directors. The assets of a Subfund can be used to offset only the liabilities which the Subfund concerned has assumed.
- f) Distributions to the shareholders in a Subfund or a share class reduce the net asset value of this Subfund or of this share class by the amount of the distribution.

**4. The following provisions apply within the meaning of this Article:**

- a) Shares in the Company to be redeemed pursuant to Article 8 and 9 of these Articles of Association shall be considered to be existing shares in circulation until immediately after the valuation time on the corresponding valuation date as laid down by the Board of the Directors. From that date until the payment by the Company, the redemption price is recorded as a liability of the Company;
- b) Shares shall be considered to be issued from the valuation time on the corresponding valuation date as laid down by the Board of the Directors. From that date until receipt of payment, the issue price is recorded as a receivable of the Company;

c) Investment assets, cash and any other assets denominated in a currency other than the currency of the Subfund in question will be valued on the basis of the market and foreign exchange rates prevailing at the time of valuation.

d) If on a valuation date the Company enters into an agreement

- to acquire assets, the purchase price for such assets is recorded as a liability of the Company and the value of the acquired assets are presented in the assets of the Company;
- to sell assets, the sales price is presented in the assets of the Company and the value of the sold assets are removed from the assets of the Company.

If the precise value of the respective asset prices cannot be calculated on the corresponding valuation date, it must be estimated by the Company.

The net assets of the Company correspond at all times to the total net assets of the individual Subfunds.

The value of all assets and liabilities not expressed in the currency of the respective Subfund will be converted into the currency of the Subfund in question at an exchange rate determined in good faith by the Board of Directors on the corresponding valuation date or pursuant to a procedure determined in good faith by the Board of Directors. The Board of Directors may at its discretion allow the use of other valuation methods if it is of the view that such valuation better reflects the actual value of the assets of the Company.

**Article 11. - Temporary suspension of net asset value calculation and of the issue, redemption and conversion of shares**

The Company is authorised to suspend temporarily the calculation of the net asset value and the issue, redemption and conversion of the shares of each Subfund in the following circumstances:

- one or more stock exchanges or other markets which provide the basis for valuing a substantial portion of the net assets, or foreign exchange markets in whose currency the net asset value or a major part of the net assets is denominated, are closed other than for normal holidays or if dealings therein are suspended, or if these stock exchanges or markets are subject to restrictions or to major price fluctuations in the short term;
- events arising outside of the Company's or the Management Company's influence or areas of responsibility, which make an ordinary disposal of the Net Asset Value impossible, without adversely affecting the Shareholders' interests;
- disruptions in the communications network or any other reason make it impossible to calculate the value of a considerable part of the net assets;
- it is impossible for the Company, to reallocate funds for the purpose of payment of redemption request within the respective Subfund, or if a transfer of funds in connection with an

investment sale or purchase, or payments as a result of redemptions of shares is, in the opinion of the Board of Directors, not possible to the usual conversion rates;

- if political, economic, military or other circumstances outside the control of the Company makes the disposal of the assets of the Company impossible under normal conditions without seriously harming the interests of the shareholders;

- if, due to other reasons, the value of investments of a Subfund cannot be determined accurately or in a timely manner;

- if a convening notice to an extraordinary general meeting of Shareholders for the purpose of the liquidation of the Company has been issued;

- to the extent, that such suspension remains reasonable and justified for the Shareholder's protection, after the issuance of a convening notice to an extraordinary general meeting of Shareholders for the purpose of the merger of the Company or a Subfund, or after the publication of a resolution of the Board of Directors resolving upon the Merger one or several Subfunds;

- if restrictions on foreign exchange operations or other transfers of assets prevent the carrying out of the business for the Company's account; and

- vis-à-vis a feeder UCITS, when its master UCITS temporarily suspends, on its own initiative or at the request of its competent authorities, the redemption, the reimbursement or the subscription of its units; in such a case the suspension of the calculation of the net asset value at the level of the feeder UCITS will be for a duration identical to the duration of the suspension of the calculation of the net asset value at the level of the master UCITS.

A notice about the beginning and end of the suspension period will be published by the Board of Directors at the appropriate time.

### **C. Administration and supervision**

#### **Article 12. - The Board of Directors**

The Company is managed by a Board of Directors composed of not less than three members, who need not be shareholders of the Company. They are appointed by the general meeting for a maximum term of office of six years. The general meeting will also determine the number of members of the Board of Directors, their remuneration and their term of office. Members of the Board of Directors will be elected by a simple majority of the shareholders present or represented at the general meeting.

The general meeting may suspend or replace any of the members of the Board of Directors without giving any reason.

If the office of a member of the Board of Directors becomes free before the mandate has expired, the remaining members of the Board of Directors may temporarily co-opt a new member; the

shareholders will make a final decision on this at the general meeting immediately following the appointment.

### **Article 13. - Board meetings**

The Board of Directors shall elect a chairman and one or more deputy chairmen from among its members. It may appoint a secretary, who does not have to be a member of the Board of Directors, and who will record and keep the minutes of the meetings of the Board of Directors and the general meetings. The Board of Directors will meet upon convocation by the chairman or any two Directors, at the place indicated in the notice of meeting.

The chairman will chair the meetings of the Board of Directors and the general meetings. In his absence, the shareholders or the members of the Board of Directors may appoint by simple majority another member of the Board of Directors or, for general meetings, any other person as chairman.

The Board of Directors may appoint officers and a managing director as necessary for the operation and management of the Company. Such officers are not required to be shareholders or members of the Board of Directors. Unless otherwise stipulated by these Articles of Association, such officers shall have the powers conferred upon them by the Board of Directors.

Except in case of emergency, for which an explanation must be provided, notices of meetings of the Board of Directors must be made in writing at least twenty-four hours in advance.

The requirement for a written notice may be waived by consent via telegram, telex, fax or any similar means of communication. If there is a resolution by the Board of Directors indicating the time and place of meetings of the Board of Directors, no separate notification shall be necessary. Members of the Board of Directors may issue each other the power of representation for meetings of the Board of Directors in writing, by telegram, telex, fax or any similar means of communication. Multiple representation is permissible.

Participation in meetings of the Board of Directors via teleconference is permissible when it is ensured that all participants are able to communicate with each other; all participants will be considered present at such meetings.

The Board of Directors shall constitute a quorum when at least the majority of its members are present or represented, unless provided for otherwise by the Board of Directors.

Resolutions of the Board of Directors will be recorded in minutes signed by the chairman of the Board of Directors. They may serve as evidence in legal matters if they have been signed by the chairman of the Board of Directors or any two Directors.

Resolutions of the Board of Directors are taken by a simple majority vote of the Directors present or represented at such meeting. In the event of a tie, the Chairman's vote shall be decisive.

Resolutions in writing approved and signed by all Directors have the same effect as resolutions passed at the board meetings; each Director may approve such resolutions in writing, by telex, fax or any other similar means of communication. Any such approval will be confirmed in writing and the confirmation is to be entered into the minutes of the resolution.

#### **Article 14. - Powers of representation of the Board of Directors**

The Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the name of the Company in keeping with the object of the Company and in the framework of the investment policy as determined in Article 17.

All powers that are not expressly reserved by law or these Articles of Association to the general meeting of shareholders are in the competence of the Board of Directors.

#### **Article 15. - Signatory powers**

Vis-à-vis third parties, the Company is validly bound by the joint signatures of any two Directors or by the joint or single signature of any person(s) to whom powers of representation have been delegated by the Board of Directors.

#### **Article 16. - Transfer of powers of representation**

In conformity with the provisions of the Law of 10 August 1915 on commercial companies, as amended, the Board of Directors may delegate the day-to-day running of the Company and the powers to take action within the object of the Company to one or more individuals or legal entities.

Such persons or legal entities are not required to be members of the Board of Directors or shareholders. They act within the framework of the powers delegated to them. The transfer of the powers of representation described here may be revoked by the Board of Directors at any time.

#### **Article 17. - Investment policy**

The Board of Directors, based upon the principle of risk diversification, has the power to determine the investment policies and strategies of each Subfund of the Company and the course of conduct of the management and business affairs of the Company, provided that at all times the investment policy of the Company and each of its Subfunds complies with Part I of the 2010 Law, and any other laws and regulations with which it must comply with in order to qualify as UCITS under article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 ("Directive 2009/65/EC") or shall be adopted from time to time by resolutions of the Board of Directors and as shall be described in the Company's sales documents. Within those restrictions, the Board of Directors may decide that investments be made as follows:

##### **17.1 Permitted investments of the Company**

The Company's and each of its Subfunds' investments comprise only one or more of the following:

a) transferable securities and money market instruments that are listed or traded on a regulated market, as defined in Article 4 point 1 (14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;

b) transferable securities and money market instruments that are traded on another regulated market in a Member State which operates regularly and is recognised and open to the public. For the purpose of these Articles of Association, the term "Member State" refers to a Member State of the European Union, it being understood that the States that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to Member States of the European Union;

c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or traded on another regulated market in a non-Member State of the European Union which operates regularly and is recognised and open to the public, such stock exchange or market being located within any European, American, Asian, African, Australasian or Oceania country (hereinafter called "approved state");

d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under paragraphs a) to c) above and that such admission is secured within one year of issue;

e) units of UCITS authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of the first and second indent of Article 1(2), points a) and b) of Directive 2009/65/EC, whether or not established in a Member State, provided that:

(i) such other UCIs have been approved in accordance with a law subjecting them to supervision which is considered by the Luxembourg supervisory authority of the financial sector ("CSSF") as equivalent to that laid down in Community law, and that co-operation between authorities is sufficiently ensured.

(ii) the level of guaranteed protection for unitholders in such other UCIs is equivalent to the level of protection provided for the unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money-market instruments that are equivalent to the requirements of Directive 2009/65/EC;

(iii) the business operations of the other UCIs are reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income, transactions and operations during the reporting period;

(iv) no more than 10% of the UCITS or other UCIs whose acquisition is envisaged can, in accordance with their respective sales prospectus, management regulations or articles of association, be invested in aggregate in units of other UCITS or UCIs.

Each Subfund may also acquire shares of another Subfund subject to the provisions of Article 17.2, paragraph c) of these Articles of Association.

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in paragraphs a), b) and c) above and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:

(i) the underlying consists of instruments covered by paragraphs a) to h), financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to the investment objectives of its Subfund;

(ii) the counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and

(iii) the OTC derivatives are subject to reliable and verifiable valuation on a weekly basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company’s initiative;

h) money market instruments other than those dealt in on a regulated market as referred to in paragraphs a) to c) above and which fall under this Article 17.1, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these instruments are:

(i) issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

(ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above; or

(iii) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by Community law or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or

(iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount at least to ten million Euros (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

However, the Company and each of its Subfunds may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph a) to h) above.

Moreover, the Company and each of its Subfunds may hold liquid assets on an ancillary basis and may acquire movable and immovable property which is essential for the direct pursuit of its business.

## **17.2 Risk diversification and investment restrictions**

The Board of Directors shall, based upon the principle of spreading of risks, determine any restrictions which shall be applicable to the investments of the Company and its Subfunds, in accordance with Part I of the 2010 Law. In particular:

a) The Company may invest up to 100% of the assets of any Subfund, in accordance with the principle of risk-spreading, in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local public authorities, a non-Member State of the European Union or public international bodies of which one or more Member States of the European Union are members, which in principle includes the OECD, unless otherwise provided for in the sales document; provided that in such event, the Subfund concerned must hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of the total amount.

b) The Company may invest a maximum of 20% of the net assets of any Subfund in shares and/or debt securities issued by the same body when the aim of the investment policy of the relevant Subfund to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

(i) the composition of the index is sufficiently diversified;



- (ii) the index represents an adequate benchmark for the market to which it refers;
- (iii) it is published in an appropriate manner.

This 20% limit is raised to 35 % where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

c) Each Subfund may also subscribe for, acquire and/or hold shares issued or to be issued by one or more other Subfunds of the Company subject to additional requirements which may be specified in the sales documents, if:

- (i) the target Subfund does not, in turn, invest in the Subfund invested in this target Subfund; and
- (ii) no more than 10% of the assets of the target Subfunds whose acquisition is contemplated may, pursuant to their respective sales prospectus or articles of association, be invested in aggregate in units/shares of other UCITs or other collective investment undertakings; and
- (iii) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Subfund concerned; and
- (iv) in any event, for as long as these securities are held by the relevant Subfund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- (v) there is no duplication of management/subscription or redemption fees between those at the level of the Subfund having invested in the target Subfund, and this target Subfund.

d) Provided that they continue to observe the principles of diversification, newly established Subfund and merging Subfund may deviate from the specific risk diversification restrictions mentioned above for a period of six months after being approved by the authorities respectively after the effective date of the merger.

e) Provided the particular Subfund's investment policy does not specify otherwise, it may invest no more than 10% of its assets in other UCITS or UCIs or in other Subfunds of the Company.

f) All other investment restrictions are specified in the Company's sales documents.

In addition, the Company is authorised for each of its Subfund to employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down by the CSSF provided that such techniques and instruments are used for the purpose of efficient portfolio management. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in these Articles of Association as well as in the Company's sales documents and the 2010 Law. Under no circumstances shall these operations cause the Company to diverge, for any Subfund, from its investment objectives as

laid down, the case being for the relevant Subfund, in these Articles of Association or in the Company's sales documents.

### **17.3 Specific rules for Subfunds established as a master/feeder structure**

(i) A feeder UCITS is a UCITS, or a Subfund thereof, which has been approved to invest, by way of derogation from article 2, paragraph (2), first indent of the 2010 Law, at least 85% of its assets in units of another UCITS or Subfund thereof (hereafter referred to as the "master UCITS").

(ii) A feeder UCITS may hold up to 15% of its assets in one or more of the following:

a) ancillary liquid assets in accordance with Article 17.1 last paragraph of these Articles of Association;

b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 17.1 paragraph g) of these Articles of Association and Article 42, paragraphs (2) and (3) of the 2010 Law;

c) movable and immovable property which is essential for the direct pursuit of its business.

(iii) For the purposes of compliance with Article 42, paragraph (3) of the 2010 Law, the feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under Article 17.3 paragraph (ii) b) of these Articles of Association with:

a) either the master UCITS' actual exposure to financial derivative instruments in proportion to the feeder UCITS investment into the master UCITS;

b) or the master UCITS' potential maximum global exposure to financial derivative instruments provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder UCITS' investment into the master UCITS.

(iv) A master UCITS is a UCITS, or a Subfund thereof, which:

a) has, among its shareholders, at least one feeder UCITS;

b) is not itself a feeder UCITS; and

c) does not hold units of a feeder UCITS.

(v) If a master UCITS has at least two feeder UCITS as shareholders, article 2, paragraph (2), first indent and Article 3, second indent of the 2010 Law shall not apply.

### **Article 18. - Investment advisers/investment managers**

The Board of Directors may, under its own supervision and responsibility, appoint one or more individuals or legal entities to be investment advisers and/or asset managers. The task of the investment adviser is to provide comprehensive support and recommendations to the Company when investing its assets. He does not have the power to make investment decisions or to make investments on his own. The investment manager is given the mandate to invest the Company's assets.

#### **Article 19. - Conflicts of interest**

The validity of agreements or other transactions between the Company and third parties are not affected by one or more Directors or of the managers having a position at the third party as a shareholder, a Director or an employee. In such a case, the Director or the employee of the Company is not prevented from voting on such a transaction or undertaking other business in the framework of such a transaction.

If a Director or an employee of the Company represents interests that are contrary to the interests of the Company, the Director or employee will abstain from voting on the transaction in question. The next general meeting will receive a report on this.

Interests as defined in this Article do not mean interests that affect the legal or business relationships with the investment advisor, the Depositary or other persons that may be determined by the Board of Directors.

#### **Article 20. - Compensation of the Board of Directors**

The remuneration of the members of the Board of Directors is laid down by the general meeting. It also includes expense and other costs incurred by the Directors in carrying out their activities, including any costs for legal actions, unless these costs arose through intentional or grossly negligent behaviour on the part of the Director.

#### **Article 21. - Auditors**

The annual financial statements of the Company and of the Subfunds will be audited by an auditor who will be appointed by the general meeting and whose fee will be charged to the Company's assets.

The auditor will perform all of the duties prescribed in the Law of 2010.

#### **D.- General meetings – Accounting year - Distributions**

#### **Article 22. - Rights of the general meeting**

The general meeting represents all of the shareholders as a whole, irrespective of the Subfund in which they are shareholders. Resolutions by the general meeting in matters of the Company as a whole are binding on all shareholders. The general meeting has all the powers required to order, execute or ratify any actions or legal transactions by the Company.

#### **Article 23. - Procedures for the general meeting**

The general meeting shall be convened by the Board of Directors.

As regards the following provisions related to the passing of resolutions and the quorum required in order to pass resolutions, such provisions shall not apply for holders of non-voting shares with the exception of resolutions, which affect the holders of non-voting shares in accordance with Article 6 of these Articles of Association.

It must be convened on the demand of shareholders holding at least one-tenth of the shares in issue.

The general meeting takes place within six (6) months following the end of the financial year at the registered office of the Company or at any place in the Grand Duchy of Luxembourg, as disclosed in the convening notice for such general meeting in accordance with Luxembourg law.

Additional, extraordinary general meetings may be held at locations and at times stated in the meeting invitations.

Invitations to general meetings will be announced to shareholders in accordance with the statutory regulations and, if appropriate, in additional newspapers to be laid down by the Board of Directors. With regard to registered shareholders, the invitations shall be sent to them 8 (eight) days before the meeting via mail, unless they have accepted to receive such information by another means of communication. Evidence that the invitation has been sent to the registered shareholders is not required.

The invitations to general meetings may provide that the quorum and majority of the general meeting be determined in accordance with the number of shares in circulation at midnight (Luxembourg time) on the fifth day before the general meeting (designated as the “**Registration Date**”). The rights of a shareholder to participate in a general meeting and to exercise the voting right of his shares, if applicable, are to be determined in accordance with the number of shares held by such shareholder on the registration date.

If all shareholders are present or represented and declare that they have been properly invited and advised about the agenda, a general meeting may be held without any additional announcements pursuant to the above provisions.

The Board of Directors may resolve upon all other requirements to be fulfilled by shareholders in order for them to participate in general meetings.

The matters to be handled at a general meeting of the shareholders are limited to the points on the agenda (which must include all elements required by law) and to questions related thereto.

With the exception of non-voting shares, if any have been issued, each full share entitles, irrespective of the related Subfund or share class, the holder to one vote pursuant to the provisions of Luxembourg law and the current Articles of Association. A shareholder may be represented at any meetings by appointing by written power-of-attorney a representative, who is not required to be a shareholder. The aforementioned and following provisions related to the passing of a resolution by the general meeting of the Company or its Subfunds apply to holders of non-voting shares only to the extent affected in accordance with Article 6 of these Articles of Association.

Decisions affecting the interests of all shareholders in the Company will be made at the general meeting while decisions affecting only the shareholders in a particular Subfund will be made at the general meeting of that Subfund.

Unless otherwise provided for by law or in the current Articles of Association, resolutions by the general meeting require a simple majority of the shareholders present or represented at the meeting.

#### **Article 24. - General meeting of the Subfunds**

The shareholders in a Subfund may hold general meetings at any time to decide matters relating exclusively to that Subfund.

As regards the following provisions related to the passing of resolutions and the quorum required in order to pass resolutions, such provisions shall not apply for holders of non-voting shares with the exception of resolutions, which affect the holders of non-voting shares in accordance with Article 6 of these Articles of Association.

The provisions in Article 23, paragraphs 1, 2, 6, 7, 8, and 9 apply accordingly to such general meetings.

With the exception of non-voting shares, if any have been issued, each full share is entitled to one vote, in accordance with Luxembourg law and these Articles of Association. The shareholders may be present in person at such meetings or be represented by appointing a representative by written power-of-attorney, who is not required to be a shareholder.

Unless otherwise provided for by law or in the current Articles of Association, resolutions by the general meeting require a simple majority of the shareholders present or represented at the meeting.

All resolutions by general meetings of the Company that change the rights of the shareholders in a particular Subfund in relation to the rights of shareholders in another Subfund will be submitted to the shareholders in this other Subfund pursuant to Article 450-4 of the Law of 10 August 1915 on commercial companies, as amended.

#### **Article 25. - Liquidation and merger of Subfunds; conversions of existing Subfunds in feeder UCITS and changes of the master UCITS**

##### **Liquidation**

The Board of Directors may, after announcing its intention to the shareholders of the corresponding Subfunds, liquidate one or more Subfunds if the total value of the net assets of a Subfund or of a share class within a Subfund falls below a value or does not reach a level that allows the Subfund to be managed in an economically reasonable way in the interests of its shareholders, or if the political or economic environment changes, or in the framework of a rationalisation.

Up to the date upon which the decision takes effect, shareholders retain the right free of charge, subject to the liquidation costs to be taken into account and subject to the guaranteed equal treatment of

shareholders, to request the redemption of their shares. The Board of Directors may however determine a different procedure in the interest of shareholders.

In accordance with the legal provisions, any assets of the Subfund that are not paid out following liquidation will be deposited at the “*Caisse de Consignation*” in Luxembourg in the name of their beneficiary.

Notwithstanding the powers of the Board of Directors, the general meeting of a Subfund can reduce the Company capital at the proposal of the Board of Directors by cancelling shares issued by said Subfund and refunding shareholders with the net asset value of their shares. The net asset value is calculated for the day on which the decision comes into force, taking into account the actual price realised on liquidating the Subfund’s assets and any costs arising from the liquidation. No quorum (minimum presence of shareholders covering the capital represented) is required for a decision of this type. The decision can be made with a simple majority of the shares present or represented at the general meeting.

Shareholders in the relevant Subfund will be informed of the decision by the general meeting of shareholders to withdraw the shares or of the decision of the Board of Directors to liquidate the Subfund by means of a publication in the *Recueil Electronique des Sociétés et Associations*. Furthermore, in accordance with the statutory regulations of the countries in which shares in the Company are sold, an announcement will then be made in the official publications of each individual country concerned, as appropriate.

In accordance with the legal provisions, the countervalue of the net asset value of shares liquidated which have not been presented by shareholders for redemption will be deposited at the “*Caisse de Consignation*” in Luxembourg until expiry of the limitation period.

In addition, if a master UCITS is liquidated, divided into two or more UCITS or merged with another UCITS, the feeder UCITS shall also be liquidated, unless the CSSF approves:

- a) the investment of at least 85 % of the assets of the feeder UCITS in units of another master UCITS; or
- b) the amendment of the articles of association of the feeder UCITS in order to enable it to convert into a Subfund which is not a feeder UCITS.

Without prejudice to specific national provisions regarding compulsory liquidation, the liquidation of a master UCITS shall take place no sooner than three months after the master UCITS has informed all of its share- or unitholders and the CSSF of the binding decision to liquidate.

**Mergers of the Company or of Subfunds with another UCITS or sub- funds thereof;**  
**Mergers of one more Subfunds**

**"Merger"** means an operation whereby:

a) one or more UCITS or Subfunds thereof, the "**merging UCITS**", on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or a Subfund thereof, the "**receiving UCITS**", in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares;

b) two or more UCITS or Subfunds thereof, the "**merging UCITS**", on being dissolved without going into liquidation, transfer all of their assets and liabilities to a UCITS which they form or a Subfund thereof, the "**receiving UCITS**", in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares;

c) one or more UCITS or Subfunds thereof, the "**merging UCITS**", which continue to exist until the liabilities have been discharged, transfer their net assets to another Subfund of the same UCITS, to a UCITS which they form or to another existing UCITS or a Subfund thereof, the "**receiving UCITS**".

Mergers can be performed in accordance with the form, modalities, and information requirements provided for by the 2010 Law; the legal consequences of mergers are governed by and described in the 2010 Law.

Under the same circumstances as provided in Article 25 "Liquidation" of these Articles of Association, the Board of Directors may decide to allocate the assets of any Subfund and/or share class to those of another existing Subfund and/or share class within the Company or to another Luxembourg undertaking for collective investment in transferable securities subject to Part I of the 2010 Law or to another Subfund and/or share class within such other undertaking for collective investment in transferable securities subject to Part I of the 2010 Law or, in accordance with the provisions of the 2010 Law, to a foreign undertaking for collective investment in transferable securities or Subfund and/or share class thereof (the "**new Subfund**") and to re-designate the shares of the relevant Subfund or share class concerned as shares of another Subfund and/or share class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Such decision will be published in the same manner as described in the first paragraph of this Article (and, in addition, the publication will contain information in relation to the new Subfund), thirty days before the date on which the merger becomes effective in order to enable shareholders to request redemption or conversion of their shares, free of charge, during such period.

Under the same circumstances as provided in Article 25 "Liquidation" of these Articles of Association, the Board of Directors may decide to reorganise a Subfund and/or share class by means of a division into two or more Subfunds and/or share class. Such decision will be published in the same manner as described in the first paragraph of this Article (and, in addition, the publication will contain

information about the two or more new Subfund) thirty days before the date on which the division becomes effective, in order to enable the shareholders to request redemption or conversion of their shares free of charge during such period.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, the reorganisation of Subfunds and/or share class within the Company (by way of a merger or division) may be decided upon by a general meeting of the shareholders of the relevant Subfund(s) and/or share class (i.e.: in the case of a merger, this decision shall be taken by the general meeting of the shareholders of the contributing Subfund and/or share class. For both mergers and divisions of Subfunds, or share class, there shall be no quorum requirements for such general meeting and it will decide upon such a merger or division by resolution taken with the simple majority of the shares present and/or represented, except when such a merger is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign-based undertaking for collective investment, in which case resolutions shall be binding only upon such shareholders who will have voted in favour of such amalgamation

Where a Subfund has been established as a master UCITS, no merger or division of shall become effective, unless the Subfund has provided all of its shareholders and the competent authorities of the home member state of the feeder-UCITS with the information required by law, by sixty days before the proposed effective date. Unless the competent authorities of the home member state of the feeder-UCITS have granted approval to continue to be a feeder-UCITS of the master UCITS resulting from the merger or division of the relevant Subfund, the relevant Subfund shall enable the feeder-UCITS to repurchase or redeem all shares in the relevant Subfund before the merger or division of the relevant Subfund becomes effective.

The shareholders of both the merging UCITS and the receiving UCITS have the right to request, without any charge other than those retained by the UCITS to meet disinvestment costs, the repurchase or redemption of their shares or, where possible, to convert them into shares in another UCITS with similar investment policy and managed by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding. This right shall become effective from the moment that the shareholders of the merging UCITS and those of the receiving UCITS have been informed of the proposed merger and shall cease to exist five working days before the date for calculating the exchange ratio.

The Company may temporarily suspend the subscription, repurchase or redemption of shares, provided that any such suspension is justified for the protection of the shareholders.

The entry into effect of the merger shall be made public through all appropriate means provided for by the competent authorities in the home member state of the receiving UCITS established in



Luxembourg and shall be notified to the competent authorities of the home member states of the receiving UCITS and the merging UCITS. A merger which has taken in accordance with the provisions of the 2010 Law cannot be declared null and void.

### **Conversions of existing Subfunds in feeder UCITS and changes of the master UCITS**

For conversions of existing Subfunds in feeder UCITS and a change of the master UCITS the shareholders must be provided with the information required by the 2010 Law within the periods of time prescribed by law. The shareholders are entitled to redeem their shares in the relevant Subfunds free of charge within thirty (30) days thereafter, irrespective of the costs of the redemption.

#### **Article 26. - Financial year**

The financial year begins each year on 1 November and ends on 31 October of the following year, except for the first financial year which begins on the day the Company is established and ends on 31 October 2005.

#### **Article 27. - Distributions**

The appropriation of annual income and all other distributions are determined by the general meeting upon the proposal of the Board of Directors and within the statutory restrictions.

The distribution of dividends or other distributions to shareholders in a Subfund or share class is subject to prior resolution by the shareholders in that Subfund.

The Board of Directors shall establish the currencies, locations and times for payout of the dividends established. An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

The Board of Directors is entitled to determine whether interim dividends are paid and whether distribution payments are suspended. At the proposal of the Company's Board of Directors, the general meeting may decide, in connection with the appropriation of net investment income and capital gains, to issue bonus shares.

### **E. Final provisions**

#### **Article 28. - Depositary**

To the extent required by law, the Company will enter into a custody agreement with a bank as defined by the law of 5 April 1993 on access to the financial sector and its supervision, as amended.

The Depositary assumes the obligations and responsibilities under the Law of 2010.

If the Depositary intends to withdraw, the Board of Directors will contract with another financial institutions to assume the function of Depositary within two months. Subsequently, the Directors will name that institution as the Depositary in the place of the withdrawing Depositary. The Directors are authorised to terminate the function of the Depositary, but they may not do so unless and until a new Depositary as defined in this Article has been appointed to assume its functions.

### **Article 29. - Dissolution of the Company**

The Company may be liquidated at any time by the general meeting under observance of the statutory regulations. This procedure corresponds to that established for amendments to the Articles of Association in Article 31.

If net assets fall below two-thirds of the minimum amount laid down in Article 5, the Board of Directors must submit the matter of the liquidation of the Company for resolution by the general meeting. This will decide the matter by simple majority of the shares represented at the general meeting.

The issue of the liquidation of the Company must moreover be submitted by the Board of Directors to the general meeting if net assets fall below one quarter of the minimum amount laid down in Article 5; in this case, the general meeting will decide without the requirements for a majority, and the liquidation may be decided by resolution of a quarter of the votes represented at the general meeting.

The general meeting must be called in such a manner that it is held within forty days from the time that the drop in net asset value below the level of two-thirds/one quarter of the statutory minimum amount was determined.

### **Article 30. - Processing**

One or more liquidators will be assigned the duties of processing the liquidation of the Company. The liquidators will be designated by the general meeting, which will also determine the scope of their responsibility and their remuneration. Natural or legal persons may be appointed as liquidators.

### **Article 31. - Amendments to the Articles of Association**

The Articles of Association may be expanded or otherwise amended by the general meeting. Amendments are subject to the quorum and majority requirements pursuant to the provisions of the Law of 10 August 1915 on commercial companies, as amended.

### **Article 32. - Applicable law**

Supplementing the regulations made in these Articles of Association, the Law of 10 August 1915 on commercial companies and the Law of 2010, each as amended, also apply.

**For updated Articles of Incorporation.  
Henri HELLINCKX,  
Notary residing in Luxembourg.  
Luxembourg, the 25<sup>th</sup> of July 2018.**