

# FUND-SPECIFIC RULES OF THE FIM ROHTO BIOMED FUND



Fund rules consist of fund-specific rules and common rules in accordance with the UCITS directive on mutual funds.

These rules of the FIM Rohto BioMed Fund are part of the prospectus of FIM Asset Management Ltd.

The Finnish Financial Supervisory Authority has confirmed these rules on 14 January 2016 and they are in force as of 1 March 2016.

## 1 § NAME OF THE FUND

The name of the fund is FIM Rohto Energy Sijoitusrahasto, FIM Rohto Placeringsfond in Swedish, and FIM Rohto BioMed Fund in English (hereinafter "the Fund")

## 16 § INVESTMENT OF THE FUND'S ASSETS

The objective of the Fund's investment activities is to maximise the yield over a long term by diversifying the assets in accordance with the Act on Common Funds and the rules of the fund. The Fund invests its assets worldwide primarily in equities and equity-linked securities in the following sectors:

- A) Biotechnology;
- B) Food technology;
- C) Pharmacological sector and healthcare technology;
- D) Other closely related sectors.

The Fund's assets may be invested in:

- 1) Equities and equity-linked instruments such as convertible bonds, options, warrants, subscription rights, depository receipts, and covered warrants.

- 2) Derivative contracts whose underlying assets may be securities, deposits in credit institutions, derivative contracts, financial indices, foreign exchange rates or currencies. Currency derivatives may be used only for hedging currency risks.

The counterparty of an OTC derivatives contract may be an entity whose financial stability is supervised in accordance with the principles specified in EU legislation, or an entity subject to and complying with regulations pertaining to financial stability that are comparable to EU legislation. These are credit institutions, investment firms and insurance companies in the European Economic Area and credit institutions in other OECD countries. Counterparty risks relating to investments in OTC derivative contracts must not exceed 10% of the Fund's assets with any one counterparty if such counterparty is a credit institution referred to in section 4, or 5% of the Fund's assets in the case of any other counterparty.

- 3) Securities whose terms of issuance specify that they will become tradable within one year of issuance, provided that it is probable that trading will begin within a year.

The securities and derivative contracts referred to in items 1-3 (excluding OTC derivative contracts) are

subject to public trading on a stock exchange list or on another regulated, regularly functioning and recognised marketplace that is open to the public. A list of the marketplaces in use at any given time shall be available at the Management Company.

- 4) Deposits in credit institutions, provided that such deposits are repayable on demand or can be withdrawn and become payable within 12 months at the latest, and that such institution is domiciled in the European Economic Area or in a member state of the OECD. No more than 20% of the Fund's assets may be invested in deposits accepted by any one credit institution.
- 5) Units of mutual funds or UCITS that are authorised to operate in Finland or another member state of the European Economic Area and comply with the requirements of the UCITS directive based on the applicable laws of their domicile provided that, according to their rules or articles of association, they cannot invest more than 10% of their assets in the units of other mutual funds or UCITS. The management fee of the funds invested in must not exceed 5%, and the investments must not exceed 10% of the assets of the Fund.

The assets of the Fund may also be invested in the units of other mutual funds managed by the Management Company. The Management Company will charge a management fee on these investments as well, but none of the related subscription or redemption fees will be charged.

- 6) Securities and money market instruments other than those referred to in Paragraphs 1, 3 and 5, not exceeding 10% of the Fund's assets.

No more than 10% of the Fund's assets may be invested in the securities of any one issuer. The combined counterparty risk related to the securities of any one issuer along with any deposits accepted by it, or any OTC derivative contracts that expose the Fund to counterparty risk relating to said entity, may not exceed 20% of the Fund's assets.

Investments in the securities of any one issuer that exceed 5% of the Fund's assets may not exceed 40% of the Fund's assets. This limitation does not apply to investments in deposits, units of mutual funds or UCITS, or OTC derivative contracts whose counterparty is a credit institution referred to in section 4 above.

Regardless of other investments, the Fund's assets may be used to buy or sell derivatives at a maximum of 100% of the Fund's total risk calculated from

a situation in which all the assets of the Fund are invested in securities markets. The risk position of derivative contracts shall be monitored daily on the basis of the collateral requirement and the delta ratio of the exposure. The collateral requirement of derivative contracts may not exceed 30% of the value of the Fund.

The Fund may conclude securities lending contracts to a maximum of 25% of the value of the Fund's securities investments, provided that they are settled through a clearing house that meets the definition of applicable law, or a corresponding foreign entity. If the settlement takes place elsewhere, the counterparty of the contract must be a securities dealer referred to in the applicable law, and the terms and conditions must be typical of the market and generally known. The aforementioned restriction does not apply to lending contracts that may be called in and where it is possible to reclaim the securities involved on the next banking day at the latest.

The Management Company may borrow money in the name of the Fund for a short-term purpose related to fund operations, provided that it secures the consent of the Financial Supervision Authority and that such borrowings do not exceed 10% of the Fund's assets.

The Fund must always have the liquid assets necessary to ensure continuous operations.

## 17 § MAXIMUM FEES FOR THE MANAGEMENT COMPANY AND CUSTODIAN

As compensation for its operations, the Management Company shall receive a management fee that varies according to the unit class involved, the maximum being 2.0% of the value of the unit class. The amount of the fee shall be calculated specifically for each individual unit class on each valuation day, based on the value of the unit class on the previous valuation day (2%/number of banking days in year). The amount shall be deducted from the value of the fund unit class in conjunction with the value calculation, and the fee shall be paid to the Management Company monthly in arrears. The management fee includes the custody fee that the Management Company pays to the custodian.

Information on the fees applicable at any given time is available from the Management Company during its business hours or in the fund prospectuses.

*This document is a translation. The Finnish Financial Supervisory Authority has confirmed these rules in Finnish. If there are any discrepancies between the translation and the original Finnish document, the Finnish document shall prevail.*

# COMMON RULES OF UCITS IV COMPLIANT FUNDS MANAGED BY FIM ASSET MANAGEMENT LTD. (FIM FUNDS)



These rules are part of the fund prospectus of FIM Asset Management Ltd.

The Finnish Financial Supervisory Authority has confirmed these rules on 15 February 2019 and they are in force as of 10 May 2019.

## 2 § MANAGEMENT COMPANY AND CUSTODIAN

The Fund is managed by FIM Asset Management Ltd and the custodian of the Fund is Skandinaviska Enskilda Banken AB (publ) Helsinki Branch.

## 3 § USE OF AN AGENT

The Management Company may outsource its operations to agents. The fund prospectus specifies to what extent the Management Company currently makes use of the services offered by agents.

## 4 § FUND UNIT REGISTER AND FUND UNITS

The Management Company will keep a register of fund units and register transfers of ownership.

Each fund unit class may have both growth units (K units) and yield units (T units). The fund unit classes in use are stated in the Key Investor Information Document.

The Board of Directors of the Management Company will decide on the implementation of T units. The unit series in use are stated in the Key Investor Information Document. Each fund unit consists of 10,000 equal fractions.

The Fund may have unit classes that differ from each other on the grounds of management fee or currency of quotation, or index, inflation, interest, currency or other form of hedging. The Board of Directors of the Management Company will decide on the issuance and terms of subscription of each fund unit series and class; these are stated in the fund prospectus in force at any given time. The terms of subscription may vary according to subscription sum, length of investment, distribution channel, geographical region or the customer's relationship with the FIM group.

The Management Company shall issue an investment certificate at the request of the unitholder. The investment certificate may cover several fund units or fractions thereof, and may only be issued to a named unitholder.

The Management Company is entitled to charge the fund unit-holder a separate fee, specified in the then-current fund prospectus, for the provision and delivery of an investment certificate.

## 5 § VALUE OF THE FUND AND FUND UNIT

The value of the Fund shall be calculated for each banking day (valuation date) The value of the Fund shall be calculated by deducting the Fund's liabilities from its assets. The value of the Fund shall be quoted in euros.

If the values of fund units cannot be reliably determined, the Management Company may temporarily suspend the calculation of fund unit values to secure the equality of unitholders. Situations where value calculation may be suspended include an exceptionally unstable or unpredictable market situation, exceptional conditions, or situations justified for other weighty reasons.

The securities and standardised derivative contracts in the Fund are valued at their market value, which is the official closing price given in a public price monitoring system at the closing time of the market place.

Money market instruments are valued at the last available bid-quote of each valuation date. If no bid-quote is available for the money market instrument,

the instrument is valued at market value, which is the market rate of interest quoted on the valuation date that best corresponds to the remaining term to maturity of the money market instrument. A security-specific risk premium is added to the value. The premium is determined according to the time of purchase and is updated according to the market situation when necessary.

Security lending contracts are valued at the market value of the underlying securities. Accrued interest shall be added to fixed-income instruments.

Investments denominated in foreign currencies are converted into euros at the final reference rate published on the valuation date at the market place determined by the Board of Directors of the Management Company.

If no such reference rate exists on the valuation date, the last available transaction price shall be used, provided this is between the buying and selling quotations. If the last transaction price is higher than the selling quotation or lower than the buying quotation, either the buying or the selling quotation shall be used, depending on which is closer to the last transaction price.

Holdings in other mutual funds, non-UCITS or UCITS are valued at the final price published on the valuation date.

If no reliable market value is available for securities, money market instruments and derivative contracts, they shall be valued in accordance with objective criteria established by the Management Company's Board of Directors.

The value of a fund unit is the Fund's value divided by the number of units in circulation; however, the varying management fees for the specific unit classes will be taken into account in the determination of the value of each unit class. If the Management Company's Board of Directors has decided to introduce T units, due account will be taken of the return paid to T units when the value of T units is determined.

Fund units may be issued in currencies other than the euro. If fund units have been issued in currencies other than the euro, the value of the currency-denominated fund units shall be calculated using the same currency rates as in the calculation of Fund value. Currency-denominated fund units may be hedged against currency risk by using currency derivatives. The costs arising from hedging currency-denominated units and/or units containing derivative hedging as well as costs arising from currency exchange and gains or losses on hedging measures may be allocated only to these unit classes. Fund unit values are available at the Management Company and online.

## 6 § ALLOCATION OF RETURN

If the Management Company's Board of Directors has decided to introduce T units to the Fund, the Annual General Meeting of Shareholders of the Management Company shall decide on the return to be allocated to the holders of T units and the payment thereof. The return paid to T units shall be deducted from the fund capital calculated for T units.

The return will be paid to the holders of T units in accordance with the information on record in the register on the date of the Annual General Meeting

of Shareholders of the Management Company no later than one (1) month after said Annual General Meeting. The return will be paid to the bank account specified by the unitholder, unless otherwise agreed. Information about the Annual General Meeting is available at the Management Company during its business hours.

No return is paid on the K units in the Fund. Instead, the return accruing to the K units is added to the value of the K units and reinvested to increase their value.

## 7 § SUBSCRIPTION, REDEMPTION AND EXCHANGE OF FUND UNITS

The fund units may be subscribed for (bought), redeemed (sold) and exchanged on every banking day at the Management Company and in other subscription places determined by the Board of Directors of the Management Company. Subscription of fund units is not possible on banking days on which the calculation of fund unit value is temporarily suspended under 5 §.

The subscription of fund units shall be executed, at a price confirmed for the same date, on the banking day when the subscription amount is at the Management Company's disposal, provided that the Management Company has, before 4 p.m. Finnish time, received accurate and sufficient information concerning the subscription, the party making the subscription and their identity. In funds with both yield and growth units, the subscription is regarded as a subscription for growth (K) units, unless otherwise specifically indicated by the investor. The Management Company has the right to reject an executed subscription or a subscription order in the event that sufficient information about the party making the subscription has not been provided or if the subscription or the subscription order does not fulfil the requirements set for subscriptions and subscription orders in the fund rules and the fund prospectus in force. The Management Company reserves the right to decide on the minimum subscription amount. If the subscription amount paid to the bank account of the Fund cannot be divided evenly by the value of a fund unit and its fraction, the number of units shall be rounded down to the nearest fraction, and the difference shall be added to the fund capital. A subscription order is binding and may only be cancelled with the Management Company's permission. The Management Company also has the right to reject an executed subscription or subscription order in the following situations: a breach of the agreement by the customer, a suspicion of malpractice, new subscriptions or subscription orders in exceptional situations with the Fund, or display of undesired investment behaviour by the customer.

After receiving a subscription order, the Management Company may also execute the subscription before the subscription price has been paid if the Management Company can ensure that the subscriber is able to pay the fee within the time limit usually complied in the market. This is possible only by agreeing on it in advance with the Management Company and on specific preconditions determined by the Management Company. If the Fund incurs damage or costs from the fact that the subscription fee has not been charged upon subscription, the Management Company shall be liable for any damage and costs arisen thereby.

If, during the ownership of the fund units, the holdings of a unitholder increase as a result of a new

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subscription or exchange of fund units, or the total holdings of the unitholder with the FIM group increase to exceed the minimum subscription amount required for another unit class, the Management Company will, at the unitholder's request, convert the holdings to apply to the unit class in respect of which new holdings satisfy the minimum subscription amount requirement. If, during the ownership of the fund units, the holdings of a unitholder decrease as a result of redemption or exchange of fund units, or the total holdings of the unitholder with the FIM group fall below the minimum subscription amount required for such individual unit class, the Management Company shall have the right to convert the holdings to apply to the unit class in respect of which the holdings satisfy the minimum subscription amount requirement.

A redemption order may be submitted either by phone, fax or the Internet or at the Management Company. Redemption orders received before 4:00 p.m. Finnish time will be executed at the value calculated for that day, provided the Fund has sufficient cash reserves for the redemption and the calculation of fund value has not been suspended. Redemption orders received after 4:00 p.m. Finnish time will be executed at the unit value calculated for the following banking day, provided the Fund has sufficient cash reserves for the redemption and the calculation of fund value has not been suspended. Before redemption, any investment certificates must be returned to the Management Company. The redemption order must specify the number of fund units to be redeemed or the equivalent monetary value.

If the means required for redemption must be procured by selling securities, the sale must be executed as soon as possible, at the latest within two weeks of the redemption order being submitted. The redemption will take place as soon as assets from the securities sales have been obtained. The redemption value of a fund unit is determined by the value on the redemption execution date. For a specific reason, the Finnish Financial Supervisory Authority may grant permission to exceed the time limit stated above. Redemption orders will be executed in their order of arrival. A redemption order is binding and may only be cancelled with the Management Company's permission.

Fund unitholders have the right to exchange all or part of their fund units for units in other funds managed by the Management Company, in which case the subscription date is deemed to be the date on which the Management Company receives the exchange order before 4.00 p.m. Finnish time, provided the Fund has sufficient cash reserves for the redemption and the calculation of fund value has not been suspended. If the Fund does not have sufficient cash reserves, what is stated above regarding redemptions will apply. Fund unitholders may also exchange their yield units for growth units within the Fund and vice versa.

A fund unit may be transferred to a new holder. The new fund unitholder must provide the Management Company with evidence of the transfer, after which the holding will be registered in the register of fund unitholders.

The Management Company may suspend the subscription of units if it is in the best interests of unitholders or justified for some other particularly weighty reason.

If the good of the unitholders so necessitates, the Management Company may temporarily suspend the redemption of units if the market that may be considered as the primary market, with due regard to the investment policy of the Fund, is closed for any other than a foreseeable reason, if trading on said market is restricted, if reliable market or price information is not available therefrom, or if there are disruptions to normal communications.

## 8 § SUBSCRIPTION AND REDEMPTION PRICE OF FUND UNITS

The Management Company shall charge a subscription fee of no more than 5% of the subscription amount and a redemption fee of no more than 2% of the value of a fund unit.

All decisions on the amounts of the subscription, redemption and exchange fees, and the fee payable for registration of ownership shall be made by the Management Company's Board of Directors. Details of applicable fees are provided in the Key Investor Information Document currently in force.

## 9 § FINANCIAL YEAR

The financial year of the Fund and the Management Company is the calendar year.

## 10 § MEETING OF FUND UNITHOLDERS

The Annual General Meeting of Fund Unitholders shall be held annually before the end of April on a day determined by the Management Company's Board of Directors.

An Extraordinary General Meeting of Unitholders shall be held when the Management Company's Board of Directors considers it justified, or if the auditor or holders of fund units representing at least five (5) per cent of the aggregate of fund units in circulation so require in writing in order to address a specific issue notified by them.

The Annual General Meeting of fund unit-holders shall carry out at least the following:

- 1) elect a chairman for the meeting, who shall appoint an officer to take the minutes;
- 2) draw up and adopt a register of votes;
- 3) elect two (2) officers to examine the minutes and two (2) officers to count the votes;
- 4) confirm that the meeting has been legally convened and that a quorum is present;
- 5) present the Fund's annual report reviewed by the Management Company's Annual General Meeting of Shareholders;
- 6) appoint the representative(s) of fund unitholders to the Management Company's Board of Directors as provided in the Articles of Association of the Management Company;
- 7) elect the auditor(s) and their alternate(s) for the Management Company as provided in the Articles of Association of the Management Company;
- 8) address any other matters indicated in the notice of the meeting.

Each full fund unit shall carry one vote at a general meeting of fund unitholders. One joint document of

minutes can be drawn up for all meetings of fund unitholders held at the same time for all mutual funds and non-UCITS managed by the Management Company.

## 11 § NOTICE OF MEETING OF FUND UNITHOLDERS AND REGISTRATION

The general meetings of fund unitholders shall be called by the Management Company's Board of Directors. The notice of the meeting shall be published in at least one (1) newspaper with nationwide circulation. The notice shall be published no earlier than four (4) weeks and no later than two (2) weeks prior to the meeting.

In order to attend a meeting of fund unitholders, the holder of a fund unit must register in the manner specified in the notice of the meeting no later than on the date specified in the notice.

Other notices shall be served on the unitholders in writing or by way of an advertisement published in at least one newspaper with nationwide circulation.

## 12 § FUND PROSPECTUSES, ANNUAL REPORT AND SEMI-ANNUAL REPORTS

The fund prospectus, Key Investor Information Document, semi-annual report and the annual reports of the Fund and the Management Company shall be published as provided in the Mutual Funds Act.

The annual report of the Fund shall be published within three (3) months of the end of the financial period and the semi-annual report within two (2) months of the end of the reporting period.

Said documents shall be available at the Management Company during its business hours.

## 13 § AMENDMENT TO THE RULES

Any decisions on amendments to the Fund's rules shall be made by the Management Company's Board of Directors. Such amendments shall come into force one month after the Finnish Financial Supervisory Authority has confirmed the amendments and the fund unitholders have been informed of the amendments, unless otherwise required by the Financial Supervisory Authority.

Amendments shall be deemed to have come to the attention of the unitholders within five (5) days of mailing, or immediately on the date on which the notice is published in a daily newspaper with nationwide circulation, or on the date on which the notice is sent, with the unitholder's prior consent, by email or other electronic medium. Upon its entry into force, the amendment to the rules shall apply to all fund unitholders.

## 14 § DISCLOSURE OF INFORMATION

The Management Company shall have the right to disclose information concerning unitholders in compliance with the then-current legislation.

## 15 § APPLICABLE LAW

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

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