

# FUND-SPECIFIC RULES FOR THE FIM FOREST NON-UCITS FUND



These rules for the FIM Forest Non-UCITS Fund are part of the prospectus of FIM Asset Management Ltd.

The Board of FIM Asset Management Ltd adopted the rules on 29 April 2021. The rules will be in effect as of 23 July 2021.

## 1§ NAME OF THE NON-UCITS FUND AND PURPOSE OF FUND OPERATIONS

The name of the non-UCITS fund is FIM Metsä Erikoissijoitusrahasto in Finnish, FIM Skog Specialplaceringsfond in Swedish, and FIM Forest Non-UCITS Fund in English (hereinafter "the Fund").

The Fund is a non-UCITS fund as defined in the Finnish Act on Alternative Investment Fund Managers, mainly investing in properties and real estate securities. It may deviate from the restrictions laid down in the Act on Common Funds concerning mutual funds in general, such as those concerning investments of the fund and the diversification of its assets, the time of value calculation, the frequency of subscriptions and the possibility to take out credit for investment operations.

The provisions of the Real Estate Funds Act concerning investment of the Fund's assets, valuation and assessment, and borrowing by the Fund are applied to the operations of the Fund, as applicable.

The purpose of the Fund's operations is to increase the value of fund units over the long term by investing the Fund's assets directly or indirectly in forest real estate properties and other forest-related investment objects in accordance with the legislation applicable to the Fund and what is stated subsequently in Section 17.

## 2§ MANAGEMENT COMPANY AND CUSTODIAN

The Fund is managed by FIM Asset Management Ltd (hereinafter 'the Management Company'), and the custodian of the Fund is Skandinaviska Enskilda Banken AB (publ), Helsinki branch. The Management Company represents the Fund in its own name, acts on its behalf in matters concerning the Fund and exercises rights related to the assets in the Fund.

## 3§ USE OF AN AGENT

The Management Company may outsource its operations to agents. The fund prospectuses specify to what extent the Management Company currently makes use of the services of agents.

## 4§ FUND UNIT REGISTER AND FUND UNITS

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

The Management Company's Board of Directors may decide that the Fund has fund unit classes that differ from each other in terms of when they are open as well as in terms of fee structure, currency and hedging methods. The Management Company's Board of Directors will decide on the issuance and terms of subscription of each fund unit class; these are stated in the fund prospectuses currently in force. 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 fund unit classes in use are stated in the fund prospectuses. Each fund unit class may only include growth units.

Each fund unit consists of 10,000 equal fractions. One fraction of a fund unit confers a right that corresponds to one fraction of a unit of the Fund's assets and returns on the assets.

## 5§ CALCULATION OF FUND VALUE

The value of the Fund is calculated on the 15th of March, June, September and December, or if that day is not a banking day, on the following banking day (hereinafter 'the Valuation Date') on the basis of the Fund's net asset value. The Fund value (NAV 'Net Asset Value') is calculated by deducting the Fund's liabilities from its assets. The value of the Fund is quoted in euro.

Forest real estate properties and forest real estate securities other than those subject to public trading owned by the Fund are valued at their market value for each quarter by a property valuer approved by the Finland Chamber of Commerce in compliance with good property valuing practice. Forest real estate properties located outside Finland and foreign forest real estate securities other than those subject to public trading are valued at their market value for each quarter by a property valuer approved by the Finland Chamber of Commerce or a similar foreign entity, or by another valuer that meets the competence criteria for property valuers laid down in the Finnish Real Estate Funds Act (1173/1997). A foreign valuer may also be a legal entity. At the time of acquisition, the market value of the forest property includes transfer tax or other similar foreign tax, which is depreciated as straight-line depreciation over five years. Transfer tax is depreciated at the rate of five per cent per quarter and the first depreciation is made in the quarter when the property is acquired. If the plan is to sell the property before five years, the remaining transfer tax is depreciated at the time of sale. The activation of the transfer tax results in the value of the fund unit being higher than it would be without it. Therefore, the activation reduces the number of fund units allocated to the unitholder in connection with the subscription and increases the sum obtained through redemption until the transfer tax has been fully depreciated on the balance sheet.

Forest real estate properties and forest real estate securities shall also be valued when they are purchased and sold, and when fund subscriptions are paid for with property given as a subscription in kind, or when investments of the Fund are conveyed as a consideration for redemption.

As a rule, a statement of opinion issued by an external independent expert shall be used when determining the fair value of forest real estate properties included in the Fund. If no reliable market price based on forest property transactions is available, the value shall be determined using the valuation models used by the Fund where the discounted cash flows for the calculation period are taken into account. As a rule, the harvest value is used as the terminal value. In addition, other values of the forest property than those related to forestry can also be taken into account if they have a material effect on the valuation of the forest property concerned.

The market value of forest transactions in progress or jointly-owned forest participations is determined on the basis of the capital invested in the object concerned on the Valuation Date. Transfer tax is included in the market value. Forest properties for which only a down payment has been made, shall be valued at the amount of the down payment.

The quoted securities and standardised derivative contracts owned by the Fund shall be valued at market value, which is the official closing price given in a public price monitoring system at the closing time of the market place in question.

Money market instruments are valued at the last available buy quote of each Valuation Date. If no buy quote is available for a 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 when necessary according to the market situation.

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 to euro at the last reference rate published on the Valuation Date by the marketplace decided by the Management Company's Board of Directors. If the reference rate is unavailable, the latest transaction price on the Valuation Date will be used.

If no such price exists on the Valuation Date, the last available transaction price will be used, provided the price falls between the buy and sell quotes. If the last transaction price is higher than the sell quote or lower than the buy quote, either the buy or the sell quote is used, depending on which is closer to the last transaction price.

If no such price exists on the valuation date, the last available transaction price shall be used, provided the price falls 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 or UCITS are valued at the last available quote from the Valuation Date, which may also be an estimate given by the company responsible for the target fund's portfolio management or value calculation, based on the actual situation of the target fund portfolio.

Interest accrued by the date preceding the Valuation Date shall be added to deposits.

Forest properties, listed securities, money market instruments and derivative contracts for which no reliable market value is available are valued in accordance with objective criteria established by the Management Company's Board of Directors.

## 6§ CALCULATION OF FUND UNIT VALUE

The Management Company calculates the value of Fund units on the 15th of March, June, September and December, or if that day is not a banking day, on the following banking day ('the Valuation Date'). The value of a fund unit is available from the Management Company and on the website of the Management Company ([www.fim.com](http://www.fim.com)) within fifteen (15) banking days of the Valuation Date. The fund unit value is quoted in euro.

The fund unit value is the fund value ("NAV") divided by the number of fund units in circulation; however, deviating fee structures, hedging techniques and currency denomination of different unit classes, as well as the return paid on different unit series that change the relative share of the different unit classes and series of the Fund value, are taken into account in the value of different unit classes.

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If the value of a fund unit cannot be reliably determined due to an exceptionally unstable and unpredictable market situation or otherwise exceptional circumstances or for other weighty reasons, fund unit value calculation may be temporarily suspended to ensure the equal treatment of fund unitholders. Unit-holders shall be informed of such exceptional situations without undue delay, via the Management Company website ([www.fim.com](http://www.fim.com)) or by other means.

## 7§ ALLOCATION OF RETURN

The Annual General Meeting of the Management Company shall decide on the return to be allocated to the owners of yield units and the payment thereof. At least three-fourths (75%) of the profit of the Fund for the financial year, excluding unrealised changes in value, shall be allocated to all fund units in equal proportions. In deviation from the above, a proportion of the value of units on the last day of the financial period can be allocated to the unitholders as a unit-specific return; this proportion will be decided by the AGM of the Management Company.

The return shall be paid to the unitholders of yield units based on information in the unitholder register on the date of the Annual General Meeting of the Management Company, at the latest one (1) month from the Annual General Meeting. The return will be paid to the bank account specified by the unitholder, unless otherwise agreed. The share of return may be paid in several parts according to the decision of the General Meeting; however, it will be at the latest during the calendar year following the year of determination of the share of return. Information on the General Meeting date is available at the Management Company during its opening hours. If the fund unitholder has not designated a bank account to which the return may be paid to the Management Company, the return will be transferred back to the ownership of the Fund after three years from the first payment date of the share of return.

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

Fund units may be subscribed (bought) through the Management Company and other subscription agents on the 15th of March, June, September and December, or if that day is not a banking day, on the following banking day. The Fund units may be redeemed (sold) and exchanged in the Management Company and in other subscription places decided by the Management Company on the 15th of June and December, or, if that day is not a banking day, on the following banking day. The Management Company shall calculate the value of Fund units to be used as the basis of unit subscriptions and redemptions on the 15th of March, June, September and December, or if that day is not a banking day, on the following banking day (hereinafter "the Subscription Date" and "the Redemption Date", respectively).

The Management Company's Board of Directors may decide what number and/or for what amount fund units must at least be subscribed or redeemed at a time.

### Subscription

The Subscription Dates of the Fund are the 15th of March, June, September and December, or if that day is not a banking day, on the following banking day. The Board of Directors of the Management Company may decide to temporarily deviate from the aforementioned restriction concerning the time of Fund subscriptions if this serves the purposes of

the Fund.

A subscription order for fund units shall be deemed to have been received when the Management Company has been provided with proper and sufficient information on the subscription, the person making the subscription and their identity. A subscription order received by the Management Company no later than on a Subscription Date before 4 p.m. (T+0) will be executed at the value (T+0) confirmed for the Subscription Date, provided the subscription amount is at the Management Company's disposal on that date. With the Management Company's permission, a subscription amount may be paid at the latest before the confirmation of the subscription. If the Management Company receives information on a subscription and the identity of the party making the subscription after 4:00 p.m. on the Subscription Date, the subscription date will be the following Subscription Date, and the subscription price will be the value calculated for the Subscription Date in question. A subscription order is binding and may only be cancelled with the Management Company's permission.

The Management Company is entitled to reject a submitted subscription or subscription order if the Management Company has not obtained sufficient information regarding the party making the subscription, 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. 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. 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.

The subscription amount may be paid either in cash to the Fund's bank account or paid in property given as a subscription in kind, separately approved by the Management Company's Board of Directors in each case. For the approval of the Board of Directors of the Management Company, the Management Company shall reserve the opportunity to inspect and assess the technical, economic and legal properties of the property given as a subscription in kind in the manner considered appropriate by the Management Company to ensure that property is suitable for the Fund's investment policy and objectives. Property given to the Fund as a subscription in kind shall be valued in compliance with the principles applicable to the valuation of the assets of the Fund referred to above in section 5. A subscription executed with property given as a subscription in kind shall be considered paid when the title to the property given as a subscription in kind has been transferred to the Fund.

If, during the ownership of the fund units, the holdings of a unitholder increase as a result of a new subscription or exchange of fund units, or if 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 for which the 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 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 fund unit may be transferred to a new holder. The new fund unitholder must provide the Management Company with sufficient evidence of the Adequate transfer and their identity, after which the holding will be registered in the register of fund unitholders.

### Redemption

The Fund's Redemption Dates are the 15th of June and December, or, if that day is not a banking day, the following banking day. Fund unitholders have the right to have their fund units redeemed by the Management Company. Correspondingly, the Management Company is obligated to redeem the fund unit in question.

A redemption order shall be deemed to have been received on the date when the Management Company has been provided with appropriate and sufficient information on the person making the redemption and their identity. If the redemption order is received no later than 4:00 p.m. on a Redemption Date, the redemption will be executed at the value of the following redemption date. If the Management Company receives information on a redemption and the identity of the party making the redemption after 4:00 p.m. on the Redemption Date, the redemption date will be the following Redemption Date, and the redemption price will be the value calculated for the Redemption Date in question.

The redemption order must specify the number of fund units to be redeemed or the equivalent monetary value. Currently available redemption methods are indicated in the fund prospectus.

Before redemption, any investment certificates must be returned to the Management Company.

Redemption orders will be executed in their order of arrival. A redemption order may only be cancelled with the Management Company's permission.

Assets received from redemption shall be paid to a bank account designated by the fund unitholder no later than 15 banking days after the date on which the fund unit value was calculated for the Redemption Day in question (more detailed information on the calculation of fund unit value is indicated in Section 6). It is possible to agree otherwise on the payment with the customer.

If the means required for redemption must be procured by selling the Fund's assets, the sale will take place without any undue delay. When the assets from the sales have been obtained, the payment of the redemptions will take place within 15 banking days of the Fund's next Valuation Date.

The Management Company and the fund unitholder may agree that fund units may alternatively be redeemed by giving the unitholder the amount of investments according to Section 17 of the Fund's rules that corresponds to the redemption price in

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proportion to the unitholder's holding of the fund units of the Fund in question.

The Management Company may, on its own initiative, redeem the fund units of a fund unitholder if there is a weighty reason related to the fund unitholder. The reason must also be related to the fact that holdings in the Fund may give rise to obligations that the Management Company cannot be reasonably expected to fulfil.

One of the weighty reasons related to the fund unitholder may be that

- the unitholder moves outside the EEA area or lives outside the EEA area in a state that results in significant additional reporting or registration obligation or other measures for the Management Company that would otherwise not be required;
- the unitholder fails to provide or update information necessary for the Management Company to fulfil its statutory obligations;
- the holding of fund units would be illegal under the law of one of the countries that can be applied to this situation; or
- the unitholder is a United States person as defined in the Securities Act of 1933, Regulation S.

## Suspension of subscriptions and redemptions

The Management Company may temporarily suspend the subscription of fund units if, in the Management Company's view the equality or interests of the Fund's unitholders or another weighty reason particularly require it. Some of the reasons may be the following:

- 1) from the point of view of fund unitholders as owners of the Fund, it is not appropriate to receive additional investments in the Fund;
- 2) due to conditions prevailing in the real estate market, investment of the assets coming into the Fund from subscriptions has become more difficult;
- 3) the calculation of Fund value has been prevented or become more difficult due to a reason beyond the Management Company's control; or
- 4) some exceptional event disrupts the operation of the financial or real estate markets.

In addition to the provisions of the Act on Common Funds concerning the management company's duty to suspend the redemption of fund units, the Management Company may temporarily suspend the redemption of fund units if, in the Management Company's view, the equality or interests of the Fund's unitholders or another weighty reason particularly require it. Such reasons may consist of the following, for example:

- 1) the calculation of Fund value has been prevented or become more difficult due to a reason beyond the Management Company's control; or
- 2) some exceptional event disrupts the operation of the financial or real estate markets.

The Management Company may also temporarily suspend the redemption of fund units in a situation where the Management Company may have to sell the Fund's assets at a substantially lower price than their fair market value.

## 9 § FUND UNIT SUBSCRIPTION AND REDEMPTION FEES

The Management Company shall charge a subscription fee of no more than 10% of the

subscription amount and a redemption fee of no more than 5% of the value of a fund unit.

By a decision of the Management Company's Board of Directors, the subscription and redemption fee may be paid to the Fund in its entirety or in part. Information about any subscription and/or redemption fees to be paid to the Fund shall be available in the fund prospectus.

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.

The Management Company may add a potential financial tax and other possible taxes and tax-like charges to the fees charged.

Details of applicable fees are provided in the fund prospectus currently in force.

## 10 § FINANCIAL YEAR

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

## 11 § MEETING OF FUND UNITHOLDERS

A General Meeting of Unitholders shall be held when the Management Company's Board of Directors considers it justified, or if the auditor, an independent member of the Board of Directors or holders of fund units representing at least 5% of the aggregate of fund units in circulation so require in writing in order to address a specific issue notified by them.

The Management Company is obliged to inform the fund unitholders about a request to convene a General Meeting of Unitholders or about a unitholder's other request to convene it has received as provided in this section 11. The Management Company may, for a justified reason, refuse to inform if it considers that there are no grounds for organising the meeting. The Management Company shall notify such refusal and the grounds for it to the fund unitholder who has submitted the request to convene the meeting.

The General Meeting of fund unitholders shall address at least the following matters:

- 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) address the matters stated in the request to convene.

The right to attend a meeting of fund unitholders and the number of votes at the meeting is determined on the basis of the register situation prevailing ten days before 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.

Each full fund unit in the Fund shall carry one vote at a General Meeting of fund unitholders. If the entire holding of a fund unit-holder in the Fund is less than one unit, the fund unit-holder shall, however, have one vote at the meeting. The opinion supported by more than half of the votes cast shall be the decision of the General Meeting of

fund unitholders. If votes fall even, the vote of the chairman shall resolve the matter.

If a General Meeting of fund unitholders is held for several funds simultaneously, one set of joint minutes may be prepared for the General Meetings of fund unitholders held simultaneously.

## 12 § 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 newspaper with nationwide circulation or sent by letter or, with the fund unitholder's consent, by e-mail or other electronic medium. The notice shall be published no earlier than four (4) weeks and no later than two (2) weeks prior to the meeting. The fund unitholder is considered to have received the notice of the meeting as defined in section 13. 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 fund unitholders by way of an advertisement published in at least one newspaper with nationwide circulation or at [www.s-pankki.fi](http://www.s-pankki.fi) and/or [www.fim.com](http://www.fim.com) or by post or, with the fund unitholder's consent, by e-mail or other electronic medium.

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

The fund prospectus, simplified fund prospectus and semi-annual and 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 months of the end of the financial period and the semi-annual report within two months of the end of the reporting period. Said documents shall be available at the Management Company during its business hours.

## 14 § 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 fund unit-holders have been informed of the amendment.

Amendments shall be deemed to have come to the attention of the fund unitholders within five days of mailing, or immediately on the date on which the notice is published in a daily newspaper with nationwide circulation, at [www.s-pankki.fi](http://www.s-pankki.fi) and/or [www.fim.com](http://www.fim.com) 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.

## 15 § DISCLOSURE OF INFORMATION

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

## 16 § REMUNERATION

A significant part of the fixed and variable components of the remuneration to the Management Company's employees, who are subject to the Management Company's remuneration system under the Act on Common Funds, shall be paid in fund

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units or in equivalent financial instruments that are as effective incentives as fund units.

## 17 § INVESTMENT OF THE FUND'S ASSETS

The objective of the Fund's investment activity is to increase the value of fund units over the long term by mainly investing its assets in forest real estate properties and other forest-related investment objects in Finland and other Member States of the European Economic Area. The Fund may also invest in forest properties elsewhere in Europe and outside Europe. The Fund's assets may also be invested in jointly-owned forest participations, other forest funds and forest companies' securities or otherwise indirectly in forest real estate properties. The Fund may use loan financing for its investments, whereby the aim is to increase the return on equity. The Fund may also own property that is only intended for realisation.

The Fund seeks returns from, for example, the sales of timber from the forest properties it owns. The Fund may also seek returns by improving the forest real estate properties it owns, by dividing them into plots, by having local plans prepared for them as well as by utilising the soil materials and possible recreation value of the properties.

The Fund's assets are mainly invested in the following objects in compliance with the Act on the Managers of Alternative Investment Funds (162/2014) and the Real Estate Funds Act (1173/1997) as applicable:

- 1) Forest real estate properties and joint forests in the European Economic Area.
- 2) Unlisted real estate securities concerning forest real estate properties in the European Economic Area.
- 3) Quoted securities of companies mainly operating in the forest sector, such as shares and equity-linked instruments, such as convertible bonds, options, warrants, subscription rights, depositary receipts and covered warrants.
- 4) Euro-denominated bonds and other interest-bearing securities and money market instruments issued or guaranteed by European states, public sector entities or other entities as well as structured bonds.
- 5) 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 an EEA Member State or in another member state of the OECD.
- 6) Units of mutual funds or UCITS funds that are authorised to operate in Finland or another EEA Member State that comply with the requirements of the UCITS directive based on the applicable laws of their domicile and that are subject to public supervision in the European Economic Area.
- 7) Fund units of Finnish non-UCITS funds or units of other European and third country alternative investment funds that invest in forest operations.
- 8) Either directly or indirectly in the units, shares or other similar securities of European companies engaged in joint investment

activities (such as joint venture structures) that concern forest real estate investments or forest real estate financing.

- 9) Forest real estate properties and jointly owned forests outside the European Economic Area and real estate securities concerning such properties.
- 10) Forest development projects and forest improvement activities.
- 11) Standard and non-standard derivative contracts whose underlying assets may be securities, interest rates, money market instruments, 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 a non-standard 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.
- 12) Securities other than those referred to in paragraphs 1 to 11 above.

### Investment restrictions:

- a. At least three-fifths (60 per cent) of the Fund's gross asset value must at each time be invested in investments referred to above in paragraphs 1–2. The Fund may temporarily deviate from this requirement, for example, when the Fund is established and when it sells or acquires properties or real estate securities.
- b. The securities and money market instruments referred to in paragraphs 3 and 4 shall be subject to public trading on a stock exchange list of a stock exchange or on another regulated, regularly functioning and recognised market place that is open to the public in the European Economic Area or a member country of the OECD. A list of the marketplaces in use at any given time is available from the Management Company.
- c. No more than one fifth (20 per cent) of the Fund's gross asset value may be invested in the same issuer's securities or money market instruments referred to above in paragraphs 3, 4 and 8. Investments in securities or money market instruments from one issuer that exceed one tenth (10 per cent) of the Fund's gross asset value may comprise no more than two fifths (40 per cent) of the Fund's gross asset value. When the restrictions are calculated, entities belonging to the same group according to the Finnish Accounting Act shall be regarded as single entities.
- d. No more than four-tenths (40 per cent) of the Fund's assets (GAV) may be invested in deposits received by the same credit institution referred to in paragraph 5.
- e. No more than two-tenths (20 per cent) of the Fund's gross asset value in aggregate may be invested in units of an individual mutual fund or UCITS mentioned in paragraph 6.
- f. Investments referred to in paragraphs 6 to 7 may not exceed four-tenths (40 per cent) of the Fund's gross asset value in aggregate.

- g. No more than two-tenths (20 per cent) of the Fund's gross asset value in aggregate may be invested in units of an individual UCITS fund or another alternative investment fund mentioned in paragraph 7.
- h. Investments referred to in paragraph 8 must not exceed four-tenths (40 per cent) of the Fund's gross asset value in aggregate.
- i. Investments outside the European Economic Area referred to in paragraph 9 must not exceed one-fifth (20 per cent) of the Fund's gross asset value.
- j. No more than one-fifth (20 per cent) of the Fund's gross asset value may be invested in forest development projects and forest improvement activities referred to in paragraph 10.
- k. Counterparty risks relating to investments in non-standard derivative contracts referred to paragraph 11 must not exceed one tenth (10 per cent) of the Fund's gross asset value with any one counterparty if such a counterparty is a credit institution within the meaning of paragraph 5, or one twentieth (5 per cent) of the Fund's gross asset value in the case of any other counterparty.
- l. No more than 15% of the Fund's gross asset value may be invested in the securities referred to in paragraph 12.

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

The calculation of the investment restrictions defined in this section is based on the share of each investment of the Fund's Gross Asset Value (GAV), unless otherwise stated.

The Fund's gross asset value means the total amount of assets on the Fund's balance sheet. These assets consist of investments acquired with the assets invested by fund unitholders in the Fund, the Fund's unrealised value development, the Fund's accrued income, and investments acquired for the Fund with loan financing.

### Opportunity to take out credit for the Fund's investment operations

The Management Company may, on behalf of the Fund and for the purpose of the Fund's investment operations and the management of its assets, take out an amount of credit that corresponds to no more than half (50 per cent) of the Fund's gross asset value (GAV).

For special reasons, the Management Company may, on the Fund's behalf, for the purpose of the Fund's operations, additionally take out an amount of credit that corresponds to no more than one-third (33.33 per cent) of the Fund's gross asset value. A special reason may only be a short-term, temporary need for financing in connection with, for example, the acquisition of forest properties or jointly-owned forest participations or forest property securities, changing financing arrangements concerning property already included in the Fund, or covering the need for liquidity in connection with the redemption of fund units.

Loan financing is calculated to include, for example, any bank loans taken out by the Fund for its investment operations, any overdraft facility in use by the Fund and any loan share possibly belonging to the forest properties owned by the Fund. When the limits for the loan financing of the Fund are calculated, the aggregate amount of all

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the aforementioned forms of credit and potential other forms of credit shall be taken into account as a whole. Credit may be taken out with both fixed interest and floating interest.

The Fund may pledge its assets as security for its credit. As necessary, the Fund's entire assets may be pledged as security for credit.

As part of its investment activities, the Fund may also grant credit, a shareholder loan or pledge collateral for a commitment of a third party if this is necessary to acquire, divest or develop an investment referred to in paragraph 8.

Due to the leverage, the Fund's highest possible investment rate is 200%.

More detailed information on the aforementioned fees is indicated in the fund prospectus currently in force.

## 19 § APPLICABLE LAW

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

*This document is a translation. If there are any discrepancies between the translation and the original Finnish document, the Finnish document shall prevail.*

## 18 § COMPENSATIONS PAID FROM THE FUND'S ASSETS

### Fixed management fee

The Management Company shall be paid a fixed management fee from the Fund's assets as compensation for the management of the Fund. The Management Company's Board of Directors will confirm the exact amount of the fixed management fee. The fee to the Fund's custodian is included in the fixed management fee charged from the Fund.

The fixed management fee shall be calculated in a unit class-specific manner based on the net asset value of the Fund (NAV) as follows:

The annual fee percentage divided by the actual number of days during the year multiplied by the number of days from the previous Valuation Date multiplied by the Fund's net asset value (NAV) for the previous Valuation Date.

The fixed management fee must total no more than 3 per cent of the value of the Fund (NAV) per year.

The Fund pays the fixed management fee to the Management Company in arrears during the month following each Valuation Date.

The fixed management fee has been deducted from the published value of the fund unit.

### Other costs charged from the Fund

In addition to the Fund's fixed management fee, all costs, expenses, liabilities and fees that are incurred from the Fund's activities, governance, financing, business operations or investments shall be charged from the Fund's assets (including the expenses related to the management and administration of forest assets, and the costs, expenses and fees of lawyers, auditors and other professional advisors related to the operations of the Fund). The Fund shall pay the transaction costs related to investments (including investments and exits prepared for but not realised) and exits therefrom, as well as fees, travel costs and other costs of experts and advisors that are related to the identification, assessment and negotiation of investments, potential or unrealised investments and the sales opportunities of investments and the implementation of investments or sales, and any other costs that otherwise shall be borne by the owner of comparable investments (including asset transfer taxes). The Fund shall pay the financing costs and other banking fees for loan-financed investments. If the Fund accepts property given as a subscription in kind, the Fund shall pay the related costs, such as the costs for valuing the property.