



Prospectus is completed by Fund rules.

**AJ Fund Management Inc.**

Non-UCITS AJ Value Hedge (hereinafter Fund) is managed by AJ Fund Management Inc. (Management Company). The Management Company operates under a license from the Ministry of Finance and is registered in Finland. The Fund operates according to the rules set by the Finnish Act on Mutual Funds and is supervised by the Financial Supervisory Authorities in Finland. AJ Fund Management Inc. is an independent Finnish company founded by Juha Rajakenttä, Antti Selenius and Annukka Pullola.

**AJ Fund Management Inc.**

Domicile	Helsinki
Incorporation date	14.05.2004
Business ID	1907746-2
Other funds under management	AJ Management Inc. does not manage other funds.
Board of Directors	Juha Rajakenttä, Chairman Annukka Pullola Matti Laamanen* and Moaffak Ahmmed*
Managing Director	Annukka Pullola
Capital	200 000 euro

\*Board member chosen by shareholders.

**Auditors**

Auditors for the Fund and Management Company are Johan Weckman, APA and PricewaterhouseCoopers, that named Tuomas Honkamäki, APA, as principal auditor. The shareholders will choose one auditor in the General Meeting.

**Custodian**

The Custodian of the Fund is Skandinaviska Enskilda Bank (publ Helsinki Branch).

Assets of the Management Company are totally separated from the assets of the Fund and the Custodian. Fund's assets cannot be used to cover debts of the Management Company or the Custodian.

**Agents used by Management Company**

Management Company may use external agents or representatives for management and advisory services for example accounting and information technology.

**Accounting Period**

The accounting period for the Fund is calendar year, closing day is 31.12.

**Primary Investment Principles of the Fund**

Primary principle of the Fund is a wide and diversified portfolio.

The Fund's objective is to benefit from the rise and fall of individual securities and indexes. The primary principles are:

1. The fund invests in undervalued securities
2. The Fund does not have a benchmark index.
3. The Fund's assets are widely diversified.
4. If the securities markets do not offer investments that are in line with the Fund's objectives, assets are held in cash or invested in fixed income instruments.

**Principal Risks of the Fund**

Fund's total value can fluctuate and capital is not guaranteed. Equity investments always involve fluctuations in the market value of the investment as a result of variation in share prices. Equity markets occasionally experience quite heavy fluctuations in share prices. However the impact of this movement is balanced over a time span of several years. In the long term, equities provide markedly higher returns than fixed income-based investments.

The fund seeks to minimize the risk related to equity markets by diversifying its investments among different countries, sectors and companies.

The fund's investments outside the euro zone bear also an exchange rate risk.

**Risk Management**

Risk management is of considerable importance to the Fund's investment activities. Objectives of the risk management are to secure that the Fund is managed according to the Fund rules and that the risk does not exceed the limits defined by the Management Company. Principles of risk management are defined by the Board of Directors. Risk limits are defined in the Fund rules. Risks are monitored daily and the position is tested regularly by the so called stress tests that indicate the effects of an unusual market situation to the position.

**The Fund's Portfolio Manager**

The fund's portfolio manager Juha Rajakenttä has over 20 years' experience of successful portfolio management. Principle element in the portfolio management is analytical research based on fundamentals.

**Subscription and Redemption of Shares**

Subscriptions and redemptions are exercised monthly on the last banking day of the month. Subscriptions can be made by paying the subscription amount to the Fund's account and by submitting subscription form properly filled to the Management Company one (1) banking day prior to the last banking day of the month by 5:00 p.m. Finnish time. The form can be submitted by mail or fax. Subscription forms are available at the Management Company or on



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the Internet site <http://www.ajfund.fi/en/subscriptions.html>. Minimum subscription amount is 200 euros.

Redemptions can be made by submitting the request in writing to the Management Company no later than seven (7) banking days prior to the last banking day of the month. The form can be submitted by mail or fax. A redemption request can be cancelled only with the consent of the Management Company.

According to Fund Rules 10 § the Management Company has the right to postpone redemption rights in special circumstances.

#### **Fees**

Management Company deducts a management fee and performance fee directly from the Fund's assets. The Management fee, that includes the custodian fee, is annually 1,5 % of the fund's net asset value. The Performance fee is no more than 12% of the Fund's return. The performance fee is calculated monthly by comparing the value of the fund on the last banking day of the month to the value of the last banking day of the previous month. From the net profit (profit after all costs), the fee that is no more than 12% is calculated. Management and performance fee is taken into account in the fund's return and it will not be charged separately. There is a subscription fee that does not exceed 3% and redemption fee that does not exceed 1%.

#### **Distribution of profits**

The Fund is a growth fund and it does not distribute profits. Profits are re-invested in accordance with the fund's investment strategy. Profits are realized in redemption of Fund units. Fund units shall be equally sized and they shall hold an equal right to the assets of the Fund relative to the amount of units owned.

#### **Fund Rules**

The Fund Rules are attached to this prospectus, the Fund rules have been confirmed 28.4.2009 by the Financial Supervisory Authority in Finland.

#### **Principles of Ownership Policy**

Ownership policy and investment decisions are mainly guided by the estimated return of the investment and protection of shareholders' interests at all situations. Target companies must operate according to law and statutes. Management Company values companies in which the leadership and management is in hands of personnel that holds the adequate professional skills and experience for their position.

Investments are diversified and as a result the Fund's ownership in all companies is very small. All investments are portfolio investments ownership rights are not exercised. The Fund attends general meetings only in special cases.

#### **General Meeting**

A General Meeting of the Fund's shareholders shall be held annually on a date determined by the Board of Directors of the Management Company no later than the end of April. The Annual General Meeting of the Fund's unit holders shall be convened by the Board of Directions of the Management Company. Registered unit holders will

receive notice of the meeting by mail at least two (2) weeks prior to the meeting at the address notified by them in the Fund's register. To be eligible for participation in the meeting, the shareholder must register with the Management Company no later than the registration date mentioned in the official invitation to the meeting.

*This is a translation of the original Finnish document which is binding.*

*Disclaimer regarding U.S. citizens and residents This fund is not available to any citizen of the United States of America irrespective of his/her place of residence or any resident of the United States of America irrespective of his/her citizenship, any partnership or corporation organised or existing under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust which is subject to United States tax regulations.*