



The Fund Rules have been confirmed 23.6.2014 by the Financial Supervision Authority in Finland. Opening date of the Fund is 1.9.2005.

1 § Fund

The fund is called Sijoitusrahasto AJ Value Hedge, in English UCITS AJ Value Hedge (hereinafter Fund). The Fund is a mutual fund, as set in the Finnish Mutual Funds Act.

2 § Fund Management Company

The Fund is managed by AJ Fund Management Inc. (hereinafter Management Company). Management Company will represent the Fund in its own name, act on behalf of the Fund in issues relating to it, and use the rights pertaining to the assets in the Fund. Management Company may outsource some of its functions to external agents or representatives. In case some functions have been outsourced, these are specified in the Fund Prospectus. Expenses caused by outsourcing are included in the management fee defined in 11 §.

3 § Custodian

The custodian of the Fund will be Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, (hereinafter Custodian).

4 § Investment Objectives

The Fund is a so called Hedge Fund with an objective to provide long term appreciation of the fund units and absolute return in all market situations at a carefully considered risk level.

5 § Investment Policy

The fund will invest in equities, warrants and convertible bonds (hereinafter securities), subject to the constraints of the Mutual Funds Act, and money market instruments. Fund's assets may be invested globally, but are primarily invested in Finland and Sweden. A list of exchanges that are used is maintained by the Fund and it is available to public at the Management Company.

The Fund's assets must be invested in securities or money market instruments that are publicly traded on the official list of a securities exchange, or they are traded on another regulated market which operates regularly and is recognized and open to the public. Investments in securities or money market instruments of the same issuer must not exceed 20% of the Fund's net asset value. There must not be more than 40 % of the Fund's assets invested in securities or money market instruments of a same issuer exceeding 5% of the Fund's net asset value. The Fund's assets must always be invested in securities or money markets instruments of at least eight (8) issuers. Securities or money markets instruments that are not publicly listed must not exceed 10% of the Fund's net asset value. 0–100% of the Fund's assets may be invested in securities and 0–100% in bonds depending on market situation.

The Fund may invest in derivative contracts whose underlying assets may be shares, interest rates, indexes and currencies. The Fund may buy or sell derivatives that are publicly traded on an official list of a securities exchange, or they are traded on another regulated market which operates regularly and is recognized and open to the public, and OTC derivatives. The fund may enter into OTC derivative contracts with credit institutions or investment firms domiciled in the European Economic Area and whose financial stability is supervised in accordance with the principles specified in

EU legislation or entities domiciled in another OECD country (Australia, Canada, Japan, Mexico, New Zealand, South Korea, Switzerland, Turkey and the United States of America) and are subject to complying with regulations pertaining to their financial stability that are comparable to EU legislation. The Fund can buy and sell publicly listed companies' non-listed warrants and management options.

Counterparty risk relating to investments in OTC derivative contracts must not exceed 1/10 of the Fund's assets with any one counterparty if such counterparty is a credit institution in the European Economic Area or 1/20 of the Fund's assets in case of any other counterparty. The counterparty risk of any one counterparty, including securities, money market instruments, deposits and derivatives cannot exceed 20 % of the Fund's net asset value.

Call and put options can be bought or set and futures or forwards can be bought and sold even if the Fund does not have positions in the underlying securities or indexes. The Fund may enter into lending and repurchase agreements to any securities that are settled through a clearing house that meets the definition of the Finnish Act on Book-entry System and Settlement, or a corresponding foreign entity. If the settling is performed somewhere else, the counterparty of the agreement shall be an investment services firm or some other investment service provider defined in the Finnish Act on Investment Services and the terms and conditions of the agreement shall be standard and generally known. The aggregate amount of the lending agreements cannot exceed 25 % of the securities and money market investments of the Fund. The restriction does not apply to lending agreements, which can be terminated and whose securities can be immediately returned upon demand no later than on the following day. The aggregate amount of the repurchase agreements cannot exceed 10 % of the Fund's assets.

By investing in derivatives the Fund can increase Fund's total risk compared to a situation where all of the Fund's assets would be invested in the equity market. The Fund uses derivative contracts for investment purposes that include e.g.:

1. to promote efficient asset management by replacing direct investments in securities markets
2. hedging Fund's investments
3. taking positions that give a positive return in falling markets (negative delta)
4. hedging Fund's positions for currency risk
5. to gain absolute return with derivative strategies (such as closed box strategies)

Derivative risks are monitored daily on the basis of related collateral requirements and the delta ratio of the total exposure. The delta can vary between -0.75 and +1.75. Collateral for derivative, lending and repurchase contracts can be given from the Fund's assets so that the ownership right of the collateral securities is transferred to the



The Fund Rules have been confirmed 23.6.2014 by the Financial Supervision Authority in Finland. Opening date of the Fund is 1.9.2005.

holder of the collateral. These agreements can be concluded only with credit- and financial institutions and investment firms which are active participants in the market place and are subject to the supervision of a recognized regulatory authority and have sufficient creditworthiness.

The collateral requirement based on the derivative, lending and repurchase positions of the Fund may not exceed 50% of the Fund's net asset value. The total market value of the aggregate premiums of bought options may not exceed 30% of the Fund's market value. Loss of any one derivative position may not exceed 5% of the Fund's net asset value. In such case the position will be closed or part of the position will be closed. This excludes positions that have been covered (for example a sold future or forward contract has been covered by buying the underlying securities).

Currency derivatives may be used for hedging purposes or to promote efficient asset management and only in currencies to which the Fund is exposed through its investments. To promote efficient asset management the Fund may invest also in OTC currency derivative contracts. The collateral requirement based on currency future or forward contracts may not exceed 10% of the Fund's net asset value. The value of the currency forward contracts may not exceed the net asset value of the Fund at the time of the trade. The value and development of the Fund's forward contracts in the market are monitored daily.

With the permission from the Finnish Financial Supervisory Authority the Fund may take a temporary loan up to 10% of the Fund's assets for fund investment activities. The total amount of repurchase agreements may not exceed 10% of the Fund's assets.

Subject to the principle of risk diversification the Fund's assets may be invested in bonds and deposits with the following restrictions:

1. Investments in bonds of any one issue may not exceed 20% of the total value of the issued capital of the loan. Bond investments may not exceed 10% in any one issuer.
2. Subject to the principle of risk diversification, up to 100% of the Fund's assets may be invested in securities or money market instruments of a single issuer or underwriter when the issuer or underwriter is one of the following countries: Finland, Sweden, Denmark, Norway, Germany, Great Britain, France, Austria, Luxembourg, Ireland, Italy, Portugal, Spain, Greece, Netherlands or Belgium. If more than 35% of the Fund's assets are invested in the securities of the same issuer they must come from at least six (6) separate issues and no more than 30% of the Fund's assets may be invested in any one issue. The Fund must have an adequate cash reserve at all times.
3. Fund's assets can be invested in deposits at credit institutions, provided that such deposits are repayable upon demand or can be withdrawn and become payable within 12 months, and that such an institution is domiciled

in the member state of European Economic Area. Deposits in the same credit institution may not exceed 20% of the Fund's assets.

The Management Company may invest the Fund's assets in money market instruments that are not publicly traded in a market place referred to in the Mutual Funds Act, Section 69, Paragraph 1, Sub-paragraph 1 provided that their issue or issuer is covered by regulations on protecting investors and deposits, and provided that their:

1. Issuer or underwriter is the central, regional or local authority or central bank of a member state of the European Economic Area, the European Central Bank, the European Union or the European Investment Bank, a country not belonging to the European Economic Area, or a state of such a country, or an international public corporation at least one member of which is a member state of the European Economic Area; or
2. Issuer is an entity whose issued securities are traded in a market place referred to in the Finnish Mutual Funds Act 69 § subsection 1 paragraph 1; or
3. Issuer or the underwriter is an entity whose financial stability is supervised in accordance with the principles specified in EU legislation, or entity subject to and complying with regulations pertaining to financial stability that are comparable to EU legislation; or
4. Issuer is another entity that issues money market instruments, the investments of which are covered by investor protection corresponding to that specified in points 1, 2 or 3 above, and that the issuer's capital and reserves total no less than 10.000.000 euros and the issuer compiles and discloses its financial statements in accordance with Council Directive 78/660/EEC, or is an entity belonging to a Group in which there are one or more companies whose issued securities are subject to trading in a marketplace referred to in the Mutual Funds Act, Section 69, Paragraph 1, Sub-paragraph 1 and which issuer is specialized in Group financing or is an entity specialized in financing of such securitization instruments in which the liquidity limit of the credit institution is exploited.

6 § Return

The Fund is a growth fund and it does not pay out any profit. The profit will be reinvested as specified in the Fund rules.

7 § Fund units

Fund units are divided into fractions so that each unit is divided into a thousand (1000) equal parts. The Fund offers only growth units.

8 § The Net Asset Value of the Fund and Fund units

The net asset value of the Fund is calculated by adding the Fund's assets (securities, cash and other assets including the yield) and



The Fund Rules have been confirmed 23.6.2014 by the Financial Supervision Authority in Finland. Opening date of the Fund is 1.9.2005.

subtracting the Fund's debts (cumulative fees described in § 11 and other debts).

Money market instruments

Money market instruments are valued at their valid market price at 18:20 Finnish time on a public quotation system.

Money market instruments that mature within 12 months are valued to Euribor rate of equal length.

Deposits

Fund's deposits are valued at the nominal value, taking into account accrued interest as defined by the Board of Directions of the Management Company.

Equities

Equities and equity linked securities and derivatives are valued at their respective markets' closing prices. In the absence of such the latest bid quotation will be used. If there is no relevant quotation or if the quotation is not representative of the fair value according to the Management Company, the evaluation will be made by the Management Company on the basis of objective criteria in accordance with guidelines established by the Board of Directors.

Derivatives

Derivatives are valued at their markets' closing prices. In the absence of such, the latest bid quotation will be used. If there is no relevant quotation or if the quotation is not representative of the fair value according to the Management Company, the evaluation will be made by the Management Company on the basis of objective criteria in accordance with guidelines established by the Board of Directors.

The Management Company will employ foreign exchange rates published daily by the European Central Bank in determining the Fund's net asset value. More specific guidelines for the valuation are given by the Board of Directors of the Management Company. The net asset value of the Fund units will be the net asset value of the Fund, calculated in the manner described above, divided by the number of units in circulation. The net asset value of the Fund is calculated on each Finnish banking day, when deposit banks are generally open, and is published weekly and always on the last banking day of a calendar month.

If the net asset value of a Fund unit cannot be defined due to exceptionally unstable or unpredictable market situation or otherwise exceptional circumstances or some other weighty reason, the calculation of the net asset value of a fund unit can temporarily be suspended to secure the equality of unit-holders. The Management Company shall notify this decision to the Finnish Financial Supervisory Authority without any delay.

The net asset value of the Fund unit is available to public at the Management Company. The value of all fund units are calculated and quoted in euros.

9 § The Subscription and Redemption Prices of Fund Units

The subscription price of a Fund unit is the net asset value of the Fund unit calculated according to 8 § for the subscription day. The redemption price of a Fund unit is the net asset value of the Fund unit calculated according to 8 § for the redemption day. The management company will charge a subscription fee of a maximum of 3% of the subscription price and the maximum of 1% of the redemption price. More specific information concerning aforementioned fees is available in the key investor information document valid from time to time.

10 § Subscription and Redemption of Fund Units

Fund units may be subscribed for and redeemed on the 15th day of each month, or on the preceding day, when the deposit banks are generally open in Finland and on the last day of each month, when the deposit banks are generally open in Finland. The specific dates of subscription and redemption days are presented in the fund prospectus valid from time to time. Subscriptions orders must be done in writing no later than one (1) banking day prior to the subscription date. More specific information concerning the subscription procedure is available in the fund prospectus valid from time to time. The subscription payment must be received in the bank account of the Fund on the subscription day by 17:00 (Finnish time). Board of Directors of the Management Company reserves the right to determine a minimum subscription amount at any time. Minimum subscription amount is published in the prospectus. Subscription transactions will be effected at the net asset value of the unit confirmed for the subscription day, provided that the Management Company has been provided with appropriate and sufficient information on the subscriber and the subscriber's identity. The Management Company has the right to reject a subscription only in the event that sufficient information for carrying out the subscription has not been provided.

Unit holders have the right to request redemption of their units on the 15th day of each month or on the preceding day, when the deposit banks are generally open in Finland and on the last day of each month, when the deposit banks are generally open in Finland. The order must be submitted in writing to the Management Company no later than five (5) banking days prior to the redemption day. More specific information concerning the redemption procedure is available in the fund prospectus valid from time to time.

Redemption order can be cancelled only with the consent of the Management Company. Fund units will be redeemed at the net asset value of the unit confirmed for the redemption day. Should the Fund need to acquire the assets for redemption transaction by selling assets of the Fund, this will take place without undue delay and no later than two (2) weeks after the making of the redemption order to the Management Company. The redemption transaction must be effected as soon as the proceeds have been received from selling the assets. The Fund may, for a special reason and by permission of the Financial Supervisory Authority, exceed the said two-week (2-week) time limit in order to execute a redemption transaction. Month refers to a calendar month.



The Fund Rules have been confirmed 23.6.2014 by the Financial Supervision Authority in Finland. Opening date of the Fund is 1.9.2005.

If the interest or equality of the unit holders so requires, the Management Company can temporarily suspend the subscriptions and redemptions of the fund units when the main market place of the Fund, or a major part of them, is closed or trading on the market is restricted or due to disruptions concerning normal communication.

11 § Fees payable to the Management Company and Custodian

A Management fee will be paid to The Management Company from the Fund's assets for managing the Fund. The Management fee payable is 1,5% per annum based on the net asset value of the Fund. The amount of the fee will be calculated daily and deducted from the Fund's net asset value as a debt of the Fund to the Management Company. The Management Company will charge its fees monthly in arrears. Management fee includes the fee paid to the Custodian. The Custodian fee does not exceed 0,15% per annum based on the Fund's daily net asset value. Additionally, a performance fee is paid to the Management Company that will be no more than 12% of the return of each month. Performance fee is calculated monthly on the last banking day of the month after the reduction of the management fee. Return is calculated by comparing the Fund's net asset value of the last banking day of the month to the net asset value of the previous month's last banking day; if there is profit no more than 12% of this is charged.

12 § Financial year of the Fund and the Management Company

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

13 § Prospectus, Annual Report and Semi-Annual Review

Fund prospectus and a key investor information document are published by the Management Company. The fund prospectus and the key investor information document are available at the Management Company and they will be mailed to unit-holders or prospective clients on request. The Management Company will prepare the annual report and semi-annual reports of the Fund. The annual report will be published within three (3) months of the end of the financial period of the Fund; the semi-annual reports will be published within two (2) months of the end of the financial period of the Fund. The annual and semi-annual reports of the Management Company will be made available. Copies of these documents will be sent to unit-holders upon request free of charge.

14 § Meetings of unit-holders

The Annual General Meeting of unit-holders will be held annually by the end of April at a date determined by the Board of Directors of the Management Company. An Extraordinary General Meeting of unit-holders will be held when the Board of Directions of the Management Company deems it necessary or if the Fund's auditors, or the unit-holders together holding at least one-twentieth (1/20) of all the units in circulation demand it in writing for the handling of a matter specified by them. The board of directors of the Management Company will convene a General Meeting of unit-holders. Notice of the meeting will be submitted by mail, at least two (2) weeks prior to the meeting, to registered unit-holders at the addresses notified by them to the unit register.

At least the following matters will be on the agenda of an Annual General Meeting:

1. Election of the chairman for the meeting.
2. Drawing up the register of votes.
3. Election of two (2) inspectors of the minutes as well as two (2) vote counters.
4. Confirmation that the meeting is legally convened and has the necessary quorum.
5. Presentation of the annual accounts and annual accounts of the Management Company and the Fund approved at the Annual General Meeting of the Management Company.
6. Election of, in accordance with the Articles of Association of the Management Company, the representatives of the unit-holders to the Board of Directors of the Management Company as well as the auditor and his deputy
7. Other matters mentioned in the notice to convene.

In order to attend a General Meeting of the unit-holders, a unit-holder must inform the Management Company of the intention to attend no later than on the date specified in the notice.

Other notices relating to the Fund will be submitted my mail to the registered unit-holders at the addresses notified by them to the unit register or by a notice published in at least one national newspaper published in Helsinki.

15 § Board Members and Auditor elected by the unit-holders

Unit-holders elect at least one third (1/3) of the Board of Directors of the Management Company and one auditor and his deputy. Election takes place at the Annual General Meeting of unit-holders. Management Company must be notified of the outcome of the election within one (1) month of the Annual General Meeting of the Management Company.

16 § Amendment of the Fund rules

The Board of Directors of the Management Company will decide on the amendment to the Fund rules and Financial Supervision Authority will confirm the amendment. The amended Fund rules that are available at the Management Company, will be brought to the knowledge of all unit-holders by mail. Notices will be sent to the address they have notified to the unit register. Unit-holders will be deemed to have been informed of the amendment on the fifth (5) day after a notification of the amendment of the rules has been sent. An amendment to the rules will be effective one (1) month after it has been brought to the knowledge of the unit-holders. If the Fund rules will be amended, the Fund will be merged, divided or responsibility for its management is transferred away from the Management Company, an extraordinary redemption date shall be decided upon by the Board of Directors of the Management



The Fund Rules have been confirmed 23.6.2014 by the Financial Supervision Authority in Finland. Opening date of the Fund is 1.9.2005.

Company and it will be brought to the knowledge of unit-holders in the way mentioned in the first (1) paragraph of this section. The use of redemption right must be notified at least seven (7) banking days prior to the extraordinary redemption date.

17 § Applicable Law

The Finnish law will be applied to the operations of the Management Company and the Fund.

This is a translation of the original Finnish document which is binding. The Finnish original document shall prevail in case of discrepancies between this translation and the original document.

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 organized 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 Unites States tax regulations.