

These Fund Rules are effective as of 15.05.2018.

## **Trigon Baltic Fund Rules** (Hereinafter: “**Fund Rules**”)

### **1. General**

- 1.1 These Fund Rules set out the basis for the activities of the contractual investment fund Trigon Baltic Fund (hereinafter: “**Fund**”) and the relations of the unit-holders with the fund management company. The Fund Rules have been established pursuant to and in accordance with the applicable laws. If the Fund Rules are in conflict with the provisions of applicable laws, the provisions of the law shall be applied. In the case of discrepancies between the provisions of the Fund Rules, or in the case of misleading provisions, such provisions shall be interpreted in accordance with the best interests of the unit-holders of the Fund. The Fund Rules constitute an integral part of the prospectus for public offering of the Fund units (hereinafter: “**Prospectus**”).
- 1.2 Trigon Baltic Fund is a contractual investment fund founded in 27.04.2005. In Estonian the name of the Fund is *Trigon Balti Fond*. The Fund is situated at the registered address of the Management Company.
- 1.3 The Fund is a public open-ended investment fund and complies with the requirements of Directive 2009/65/EC of the European Parliament and of the Council (the “UCITS”) and the laws of the Republic of Estonia implementing such directive.

### **2. Fund management company**

- 2.1 The Fund is managed by AS Trigon Asset Management, register code 11339670, registered address: Pärnu mnt 18, Tallinn 10141, the Republic of Estonia (hereafter: “**Management Company**”).
- 2.2 The Management Company has the full right to possess, use and dispose the assets of the Fund, subject to and in accordance with investment policy and investment restrictions of the Fund. The Management Company conducts transactions with the assets of the Fund in its own name and for the account of the Fund, and thereby for the common account of all the unit-holders.
- 2.3 In addition to investment management, the Management Company shall perform all other activities related to the management of the Fund. For better performance of its functions, the Management Company is entitled to delegate its functions related to management of Fund to a third party, taking into account restrictions stipulated in the law. Delegation of its functions to a third party does not relieve the Management Company from its liability in relation to the management of the Fund. An overview of the functions delegated to third parties is provided in the Prospectus.
- 2.4 The Management Company shall manage the assets of the Fund segregated from its own assets, as well as from the assets of other persons or pools of assets (including investment funds) and shall act with due skill, care and competence as compatible with the professional standards in the asset management industry.
- 2.5 For safe-keeping of the Fund's assets and performing certain other functions relating thereto as provided in the applicable law, the Management Company shall enter into an agreement with a depositary. The Management Company shall file and process claims on behalf of the Fund or collectively the unitholders against the depositary or any third parties, if failure to file such claims could result in damage to the Fund, or thereby to the unit-holders. The Management Company is not required to file such claims if the Fund or the unit-holders have already filed the claims, or if the potential damage is small in scale (up to 1 000 EUR), or if costs relating to enforcing such claims would be disproportionate in relation to the amount of the claim. Information about the depositary and an overview of its functions and responsibilities is provided in the Prospectus.

### **3. The Fund's investment policy**

- 3.1 The objective of the Fund is long-term capital growth. In order to achieve this objective, the Management Company invests the Fund's assets in accordance with the principle of risk diversification in the Baltic financial markets or to issuers who have significant business interests in the Baltic States or whose activities are related to the Baltic States. Up to 40% of the market value of the assets of the Fund may be invested outside such region, without limiting the countries or issuers, in situations where the fund manager deems it to be practical, e.g. for the purpose of liquidity management, diversification of risks or in the case the fund manager sees no appropriate investment objects available in the region described above.

- 3.2 The Management Company invests at least 60% of the market value of the Fund's assets in equities or similar instruments. The Fund has the right to invest in other instruments, subject to the restrictions established in the Prospectus.
- 3.3 In performance of the investment management function, the Management Company shall adhere to the investment restrictions stipulated in the Prospectus, and as provided with the imperative provisions of applicable laws. The return on investments into the Fund is not guaranteed. The unit-holder may lose all of its investment into the Fund.
- 3.4 The Management Company implements an active investment strategy when investing the Fund's assets.
- 3.5 The investment policy of the Fund is not specialized by industry sector, asset classes or types of issuers. The allocation of the Fund's assets between different regions, sectors, asset classes and types of issuers shall be determined by the Management Company, subject to its best professional knowledge and experience, taking into consideration the interests of the Fund, and thereby also the collective interests of the unit-holders.

#### 4. Fund units

- 4.1 The Fund unit (hereafter: "Unit") represents a unit-holder's share of the Fund's assets. The Unit is a dematerialized book-entry security.
- 4.2 Units are registered and maintained in an electronic Units registry (hereinafter: "Registry"). The title of, and rights and obligations arising from the Units are created or terminated with the relevant entry into the Registry. A unit-holder has the right to rely on such Registry entry for exercising his/her rights and performing his/her obligations arising from the Units in relation to third persons. Upon the unit-holder's request, the registrar shall issue a statement regarding the Units owned by the unit-holder. Processing of the Registry data shall be done electronically.
- 4.3 The Fund has four classes of Units:
  - Class 1: The name of the Unit is Trigon Baltic Fund A (*in Estonian: Trigon Balti Fond A*). The nominal value of a Unit is 6,39 euros.
  - Class 2: The name of the Unit is eQ Baltia. The nominal value of the Unit is 10 euros.
  - Class 3: The name of the Unit is Trigon Baltic Fund B (*in Estonian: Trigon Balti Fond B*). The nominal value of the Unit is 6.39 euros.
  - Class 4: The name of the Unit is Trigon Baltic Fund C (*in Estonian: Trigon Balti Fond C*). The nominal value of the Unit is 10 euros.

The different rights arising from the Units of different classes are specified in more detail in the Prospectus.

- 4.4 The reference currency for Units and for transactions with Units is euro.
- 4.5 A Unit is divisible. The fractions of Units that are created by dividing Units are rounded up to three decimal points. The following rules are applied for rounding: numbers NNN.NNN0 until NNN.NNN4 are rounded to NNN.NNN and numbers NNN.NNN5 to NNN.NNN9 are rounded to NNN.NN(N+1).

#### 5. Rights and obligations attached to the Units

- 5.1 Units of the same class grant equal rights to unit-holders on equal circumstances.
- 5.2 A unit-holder has the following rights:
  - a) to demand redemption of Units by the Management Company, subject to and in accordance with the Prospectus and the applicable laws;
  - b) to transfer his/her Units to third parties;
  - c) to convert his/her Units for a different class of the Units or for the units or shares of another funds managed by the Management Company, subject to the restrictions provided in the Prospectus;
  - d) to receive, pursuant to the Fund Rules, a share of the Fund's assets remaining after liquidation and of the Fund's income, based on the number of Units held by the unit-holder and the class of the Units;
  - e) to receive information about the activities of the Fund at least to the extent provided by the applicable laws;
  - f) to demand a document confirming his/her title to Units;
  - g) to exercise other rights as provided in the applicable laws or Fund Rules.
- 5.3 A Unit does not grant to unit-holder the right to participate in the investment management of the Fund. The Fund does not have a general meeting, and the unit-holders are not entitled to participate in the management of the Fund, including in relation to transactions with the Fund's assets, through the general meeting. A unit-holder may not demand the dissolution of Fund as the unit-holders' common pool of assets, nor the separation of the assets of the Fund that correspond to the value of his/her participation in the Fund.

- 5.4 No dividend, interest or other similar distributions are made from the Fund to unit-holders. The Fund's proceeds from investments are reinvested, and the unit-holder's return is reflected in the change of the Unit's net asset value. A unit-holder can realize its profits from investment into the fund upon redemption of the Unit.
- 5.5 A more detailed procedure for exercise of the rights arising from the Units is provided in the Prospectus.
- 5.6 A unit-holder must exercise the rights arising from Units in good faith and in accordance with applicable laws and the Fund Rules. Causing damage to other unit-holders, the Management Company, the depositary or to third persons shall not be the objective for exercising the rights arising from the Units.

## **6. Issuing and redeeming Units**

- 6.1 The issue and redemption of Units is performed on each banking day, unless the issue or redemption of the Units is suspended pursuant to and in accordance with the Prospectus and the applicable laws. Trigon Baltic Fund A Units are not issued since 06.04.2009.
- 6.2 Units are issued and redeemed on the basis of the net asset value of the Unit, determined in accordance with the Prospectus and the applicable legislation on the banking day following the day the transaction order is received.
- 6.3 The net asset value of particular class of Units is determined by deducting from the market value of securities and other rights of the Fund attributable to the particular class of Units that portion of the Fund's liabilities that is allocated to such class of Units. The Unit's net asset value is obtained by dividing the total net asset value of the particular Class of Units by the number of outstanding (i.e. issued and not redeemed at the time of calculation) Units of such class.
- 6.4 The Management Company is entitled to decline to accept the subscription orders, if this is deemed necessary to limit the size of the Fund in order to effectively implement the investment policy of the Fund.
- 6.5 Upon redemption the payments shall be made in the order that the redemption requests were submitted.
- 6.6 After submission of his/her subscription, redemption or conversion order, the unit-holder or investor is not allowed to cancel or change such order, unless this is permitted by the Management Company. The unit-holder shall exercise due care to ensure that all conditions necessary for the settlement of his/her transaction order are performed in a timely manner.
- 6.7 Specific details for Unit transactions, including the applicable cut-off times for submitting trade orders to the Management Company, are provided in the Prospectuses.
- 6.8 By making a declaration of intent for the acquisition of the Units, the investor agrees with the processing of his/her data (including personal data) in accordance with the Principles of Processing Customer Data of AS Trigon Asset Management, which is available on the web-page [www.trigoncapital.com](http://www.trigoncapital.com). The persons authorized by the Management Company to process the personal data (authorized processors) and their contact information is available at the location of the Management Company. The Management Company has the right to send notifications and reports about the Fund to the known postal or e-mail address of the unit-holder.

## **7. Fees and expenses paid by the Fund**

- 7.1 The Management Company is compensated for the performance of its management function on the account of the Fund. Depending on the class of the Unit, the Management Company may be entitled to a management fee and a performance fee. The management fee is calculated on the basis of the market value of the Fund's assets and is deducted from the market value of the Fund's assets on daily basis, and is paid monthly during the calendar month immediately following the accrual period. In case a performance fee is paid, the Management Company has the right to a portion of the increase of the net asset value of the respective class of the Unit that exceeds the highest historical net asset value of the respective unit (High Water Mark or "HWM") and the minimum yield (Preferred Return). For calculation of the performance fee, the frequency of calculating the HWM and the Preferred Return is provided in the Prospectuses. The performance fee shall be re-calculated daily, based on the 365-day year and is paid out monthly during the calendar month immediately following the accrual period, provided that the monthly performance allocated to the particular class of Units has been positive. Types of fees payable to the Management Company and their rates, as well as more detailed conditions for calculation thereof are stipulated in the Prospectus.

- 7.2 The Depositary is compensated for the services rendered on the account of the Fund. The rate of the depositary fee and terms of payment are set out in the Prospectus. Depositary fee is calculated on the basis of the market value of the Fund's assets and the fee is deducted from the market value of the Fund's assets on daily basis and is paid monthly during the calendar month immediately following the accrual period.
- 7.3 The Fund shall also pay other expenses related to management of the Fund, such as:
- a) fees for intermediaries, interest expenses, transaction and settlement costs and fees, costs related to borrowings;
  - b) the Fund's audit costs;
  - c) the Fund's administration costs (e.g. accounting, calculation of the net asset value);
  - d) costs relating to maintaining the Registry in accordance with the registrar's price list (incl. the service fees of the registrar for the reception and execution of purchase and redemption orders in relation to the Units);
  - e) the costs associated with the preparation, printing, translation and distribution of the Fund Rules, Prospectus and other Fund documentation;
  - f) levies, fees and expenses related to the registration of the Fund Rules or Prospectus, registration of the Fund's offer or otherwise related with other operations of the Fund;
  - g) supervisory fees and expenses related to the registration and marketing of the Fund in another country;
  - h) other costs directly related to the management of the Fund (including necessary legal fees).
- 7.4 Total fees and expenses paid by the Fund shall not exceed 30% of the weighted average market value of the Fund's assets per annum.
- 7.5 Subscription and redemption fees and all other costs directly related to the issue and redemption of the Units are borne by the unit-holder. Subscription and redemption fees for the same class of Units may vary based on the number, volume or the circumstances surrounding the subscription and redemption of Units. Subscription and redemption fees in force and their specifications are stipulated in the Prospectus. At the request of the person subscribing or redeeming the Units, the Management Company shall notify him/her of the amount of the subscription or redemption fee paid on his/her account by a letter, fax or e-mail. The basis for the calculation of the subscription and redemption fees are stipulated in the Prospectus.

## **8. Amending the Fund Rules**

- 8.1 The management board of the Management Company may adopt a resolution to amend the Fund Rules, including the Fund's investment policy, as well as fees and expenses payable by the Fund.
- 8.2 The amendments to the Fund Rules shall be approved by the Financial Supervision Authority, unless (i) such amendments are solely due to amendments of applicable laws or where such amendments have no impact on the rights and obligations of the unit-holders, or such impact is beneficial to the unit-holders, and the amended Fund Rules shall be promptly submitted to the Financial Supervision Authority; or (ii) other exemptions as provided by laws are applicable.
- 8.3 Subsequent to the approval of the amendments by the Financial Supervisory Authority or submitting the amended Fund Rules to the Financial Supervision Authority, as applicable, the Management Company shall promptly publish a notice regarding amendments to the Fund Rules on its website.
- 8.4 The amendments to the Fund Rules shall take effect in one month after publishing the corresponding notice, unless a later date is prescribed by the notice.

## **9. Liquidation of the Fund**

- 9.1 The Fund shall be liquidated by the resolution of the supervisory board of the Management Company, or on other grounds provided by the applicable laws.
- 9.2 The Management Company shall apply from the Financial Supervision Authority a permit for the liquidation of the Fund. Promptly after such permit has been granted, the Management Company shall publish a notice concerning the liquidation of the Fund on its website.
- 9.3 The Fund shall be liquidated by the Management Company, the depositary or the liquidators appointed by the Financial Supervision Authority, pursuant to and in accordance with the Investment Funds Act.
- 9.4 As from the day following the publication of the liquidation notice, the issue and redemption of the Units shall be suspended.
- 9.5 Upon liquidation, the Management Company shall dispose of the Fund's assets as soon as possible and in accordance with the interests of the unit-holders, collect the debts of the Fund and satisfy the claims of the creditors of the Fund. Liquidation must be completed within six months from the publication of

the liquidation notice. With the consent of the Financial Supervisory Authority such term may be extended up to 18 months.

- 9.6 The costs of liquidation of the Fund may be compensated on the account of the Fund up to the maximum extent of two per cent of the net asset value of the Fund as at the day of its liquidation resolution, unless such resolution sets out the amount of and reasons for liquidation costs in excess of such threshold. The Management Company, or the entity who was the designated Management Company, shall be responsible for the actual liquidation costs and expenses exceeding the amount that can be compensated on the account of the Fund.
- 9.7 The Management Company shall distribute the assets remaining after the liquidation between the unit-holders according to the class, the number and the net asset value of the Units held by a unit-holder. The notice regarding the distribution of assets shall be published on the Management Company's website.

## **10. Liability**

- 10.1 The Management Company shall be liable for the damage caused to the Fund by its non-performance due to gross negligence or intent, subject to imperative provisions of the applicable laws. The non-performance of the Management Company shall be deemed to occur in the case of breach of its obligations arising from the applicable laws, its articles of association, the Fund's constituent documents or any secondary documents issued thereunder. The liability of the Management Company is limited to direct proprietary damage only, subject to the imperative provisions of the applicable laws.
- 10.2 If the Prospectus or key information document of the Fund contains information which is relevant for the purpose of evaluating the value of the Fund or the Units and such information proves to be wrong, the Management Company shall compensate the unit-holders for the damage caused, subject to the conditions and the procedure provided for in the applicable laws. The Management Company shall have the right to compensate such damage by redeeming the Unit(s) without any redemption fee at the price for which these Units were issued. Upon such redemption, the unit-holder shall be deemed as duly and fully compensated for any such damage caused, and the unit-holder has no further claims against the Management Company resulting from such wrongful information.
- 10.3 A unit-holder shall not be personally liable for the obligations of the Fund assumed by the Management Company for the account of the Fund, or for any claims the Management Company is entitled to submit against the Fund in accordance with the Fund Rules. The liability of a unit-holder for performance of such obligations is limited to its share of the Fund's assets.