

**By-laws of Special common fund HCP Quant****12.2.2014**

(Please note: This is an unofficial translation of the official Finnish-language by-laws)

**1 § Common fund**

The name of the common fund is (in Finnish) Erikoissijoitusrahasto HCP Quant, (in Swedish) Specialplaceringsfonden HCP Quant and (in English) Non-UCITS HCP Quant (below the “Fund”).

The Fund is a special common fund (non-UCITS) as specified in the Finnish Act on Common Funds (29.1.1999/48) (below, the “Act”) that may depart from the restrictions of the Act, as stipulated in the directive, as to the diversification of the investments of the Fund, the publication of the value of the fund units and the subscription and redemption of fund units.

**2 § The management company**

The Fund is managed by Helsinki Capital Partners Fund Management Company Ltd (below the “Management Company”). The Management Company represents the Fund and acts on behalf of it in all matters relating thereto, as well as using its rights as to the assets in the Fund.

**3 § The use of outside agents**

The Management Company may outsource its operations to outside agents. The type and extent of use of outside agents is detailed in the simplified fund prospectus

**4 § The custodian of the Fund**

The custodian of the Fund is the Helsinki branch office of Skandinaviska Enskilda Banken AB (publ) (below, the “Custodian”).

**5 § Investing the assets of the Fund**

The Fund is an equity fund that invests in common stocks and stock-based instruments globally. Such stocks and stock-based instruments must be listed and publicly traded on a securities exchange or alternatively traded on some other regulated and systematically operating marketplace that is commonly recognized and open to the public. The Management Company maintains a list of markets used by the Fund. The list may be obtained from the Management Company.

The objective of the Fund is to achieve an investment return that exceeds the return of its benchmark index. The benchmark index of the Fund is Morgan Stanley Capital International (MSCI ACWI IMI SMID Value Gross Total Return) –equity index including dividends.

The maximum investment in the securities of any one issuer is 20 % of the assets of the Fund. The maximum number of such investments is two. The maximum size of the other investments is 10 % each of the assets of the Fund. Consequently, the assets of the Fund must be invested in the

securities of at least eight (8) different issuers. Securities refer to stocks, warrants and convertible bonds. The Fund does not invest in derivatives; consequently the aggregate risk of the Fund is at most the risk associated with being fully invested in common stocks. The risk-management policy of the Fund is described in more detail in the document “Risk-management policy”.

The objective of the Fund is to be invested in equities, however taking into account the required amount of cash funds to meet the demands when executing new investments or when fund-units are being redeemed.

For the purpose of cash-management, the Fund may use money-market instruments and bank deposits. The assets of the Fund may be invested in accounts in credit institutions that have their domiciles in countries belonging to the European Economic Area or in Australia, Japan, Canada, New-Zeeland, the United States or Switzerland. The deposits must be withdrawable and repayable upon notice, and they must expire to payment no later than within 12 months. No more than 50 % of the assets of the Fund may be invested in one single credit institution. The assets of the Fund may also be invested in money-market instruments that are being publicly traded on a securities exchange or alternatively traded on some other regulated and systematically operating marketplace operating within the European Economic Area that is commonly recognized and open to the public. The money-market instruments may be issued by corporations, sovereigns and other entities. The maximum investment in a money-market instrument of any one issuer is 20 % of the assets of the Fund. The maximum number of such investments is two. The maximum size of other such investments is 10 % each of the assets of the Fund.

## **6 § The fund-unit register and the fund-units**

The Management Company shall keep a fund-unit register of the fund-units of the Fund and it shall register all transfers of fund-units. The fund-units may be divided into fractions. One fund-unit is composed of one hundred (100) fractions of equal size. All fund-units are growth-units. Profits are re-invested according to the Fund’s rules.

The board of directors of the Management Company may decide to issue different fund-unit series with different management fee structures. The board of directors of the Management Company decides upon the minimum subscription of each respective fund-unit series and they are specified in the respective simplified fund prospectus in force.

One fund-unit entitles the unitholder to a share of the assets of the Fund that corresponds to the assets of the Fund divided by the respective number of fund-units issued.

The Management Company shall issue a certificate of participation of the fund-unit upon the request of a unitholder. A certificate of participation may be issued for several fund-units or fractions of fund-units and it may be drawn only to a designated unitholder. For the issuance and delivery of certificates of participation, the Management Company may charge the unitholder an administrative fee as specified in the respective simplified fund prospectus in force.

## **7 § The subscription, redemption and swapping of fund-units**

The subscriptions and redemptions of fund-units are carried out on the last banking day of each quarter (the subscription and redemption day). The subscription is carried out at the value of the

fund-unit established for the subscription day, provided that the Management Company has been provided with adequate and sufficient information to identify the subscriber. The subscription is made by returning the subscription form to the Management Company no later than two banking days before the intended subscription. A binding notice of subscription is made by transferring the subscription payment to the subscription account of the Fund so that the funds are on the account no later than 16.00 hours Finnish time on the subscription day. The subscriber must, in connection with the subscription, notify which fund is being subscribed. In this context “quarter” shall have the meaning of the quarter of a calendar year.

The Management Company has the right to reject the subscription if adequate and sufficient information to identify the subscriber has not been provided. The board of directors of the Management Company may decide the minimum amount or minimum sum offered for subscription and the minimum number of fund-units to be held by each unitholder. The number of fund-units subscribed is calculated by dividing the subscription sum, less the subscription fee, as applicable, with the value of one fund-unit on the subscription day.

The number of fund-units (as specified in § 6) subscribed is calculated to an accuracy of one per cent (1/100) of one fund-unit, and any divisional residual shall be added to the fund capital. Each subscriber shall receive a subscription receipt and, as specified in § 6 above, a certificate of participation that shall be delivered to the custodian appointed by the investor.

A unitholder has the right to demand that the Management Company redeems the fund-unit and the Management Company has a corresponding obligation to redeem the said fund-unit as specified in § 7. If a certificate of participation has been issued on the fund-unit, the certificate must be returned to the Management Company in connection with the redemption. Redemptions are carried out by returning the redemption form to the Management Company no later than the last banking day of the month proceeding the last banking day of the quarter. Redemptions are carried out on the redemption day, which is the last banking day of the quarter, to the value of the fund-unit established for the redemption day. The funds obtained in connection with the redemption, less the redemption fee, as applicable, are paid on the first banking day following the redemption day to the bank account provided by the client, unless otherwise agreed. In this context “quarter” shall have the meaning of the quarter of a calendar year.

The first subscription day of the Fund is 30.06.2014. The Fund takes subscription forms and subscription payments on the said day as specified regarding subscriptions above.

## **8 § The fees applicable to fund-unit transactions**

The Management Company charges a subscription fee amounting to no more than 1 per cent of the subscription sum and a redemption fee amounting to no more than 1 per cent of the value of the fund-unit being redeemed. The board of directors of the Management Company decides upon the size of the subscription, redemption and swapping fees and the fees charged for the registration of fund-units. More detailed information concerning applicable fees shall be specified in the respective simplified fund prospectus in force.

## **9 § Calculation of the value of the Fund**

The value of the Fund is calculated by subtracting the liabilities of the Fund from the assets of the Fund. The value of the Fund is reported in euros.

Securities held by the Fund, are valued at their respective market-values, which for this purpose shall be the official closing price no later than at 24.00 hours Finnish time.

If no such closing price is available for the valuation day, the last available trading quote shall be used, provided that it is between the buy and sell quote. If the last trading quote is higher than the selling quote or lower than the buying quote, the quote closer to the last trading quote shall be used.

If no reliable market-value is for the security is available, the security shall be valued using objective criteria as decided by the board of directors of the Management Company.

Deposits in credit institutions and cash reserves held by the Fund shall be valued with accrued interest included. As to debt instruments without any official closing price, the standard quote provided by the most reliable provider of market data, as judged by the board of directors of the Management Company, shall be used.

Currency-nominated assets held by the Fund shall as a rule be converted into euros using the average currency quotes at 24.00 hours Finnish time of the international currency banks reported by the public price monitoring system.

## **10 § Calculation of the value of the fund-unit**

The Management Company shall calculate the value of the fund-unit on each day that deposit banks as a rule are open in Finland. The Management Company shall publish the value of the fund-unit for the last banking day of each calendar month. Information regarding the value of the fund-units is available to the public at the Management Company. The value of one fund-unit is the value of the Fund divided by the number of fund-units outstanding.

## **11 § The accounting period of the Fund and the Management Company**

The accounting period of the Fund and the Management Company is the calendar year.

## **12 § The meeting of unitholders**

The general meeting of unitholders shall be held annually at the date set by the board of directors of the Management Company, however no later than by the end of April.

The extraordinary meeting of unitholders shall be held if the board of directors of the Management Company deems it necessary or at the written request of the auditor or of unitholders holding in aggregate at least one twentieth (1/20) of all outstanding fund-units.

At least the below matters shall be handled in the general meeting of unitholders:

1. the election of the chairman of the meeting, who calls a protocol-keeper to keep the minutes of the meeting;
2. the preparation and approval of the vote-list;
3. the election of two protocol controllers and two vote-counters;
4. the declaration of the meeting as legal and competent;
5. the presentation of the financial statements and the operating report of the Fund and the Management Company, as prepared by the general meeting;
6. the election of the representative of the unitholders as a member of the board of directors of the Management Company and the election of the auditor of the Management Company and his deputy, as stipulated in the by-laws of the Management Company;
7. the handling of the other matters specified in the summons to the meeting.

Each whole fund-unit carries one vote in the meeting of unitholders. If the aggregate holding of a unitholder is less than one whole fund-unit, the unitholder shall nevertheless have one vote. In the meeting of unitholders, matters are settled by a simple majority of votes. In elections, the candidate with the most votes is elected. In case of a tie, the chairman breaks the tie. However, in case of a tie on an election, the tie is broken by lottery.

### **13 § The summons and registration to the meeting of unitholders**

The meeting of unitholder is summoned by the board of directors of the Management Company. The summons shall be sent by post to all unitholders to the address in the fund-unit register, no earlier than four weeks and no later than two weeks before the meeting. With the consent of the unitholder, the summons may be delivered by email or some other electronic form of communication.

In order to participate in the meeting of unitholders, the unitholder must register in the manner and no later than by the due date specified in the summons.

The unitholder does not have the right to exercise his rights in the meeting of the unitholders until his holding has been duly registered or until he has notified the Management Company of his acquisition and presented due documentation thereupon. The right to participate in, and the number of votes present at the meeting of unitholders, shall be determined as of the situation prevailing ten days before the meeting.

Other notices are delivered to unitholders registered in the fund-unit register in writing or, with the consent of the unitholder, by email or some other electronic form of communication.

### **14 § The fund prospectuses, the annual report and the semi-annual report**

The fund prospectus documents (key investor information document, the official fund prospectus) as well as the annual and semi-annual reports of the Fund and the Management Company shall be published as stipulated in the Act.

The annual reports of the Fund and the Management Company shall be published no later than three months as of the end of the accounting period. The semi-annual reports of the Fund and the Management Company shall be published no later than three months as of the end of the relevant

period. These documents shall be available free of charge from the Management Company at office hours.

## **15 § Amendments to the by-laws**

The board of directors of the Management Company decides upon amendments to the by-laws of the Fund. Any amendments must be approved by the Finnish Financial Supervisory Authority. Amendments to the by-laws enter into force one month after the approval of the amendment by the Finnish Financial Supervisory Authority and after the unitholders have been notified of the amendment, unless otherwise stipulated by the Finnish Financial Supervisory Authority. A unitholder shall be deemed to have been duly informed about the amendment on the fifth day as of the dispatchment of the notification by the post, or as of the publication of the notification in a national Finnish newspaper, or as of the dispatchment (with the consent of the unitholder) of the notification by email or some other electronic form of communication. Amendments that have entered into force shall apply to all unitholders.

## **16 § The discontinuing of subscriptions and redemptions**

The Management Company may, if it is in the interest of unitholders or for some other especially important cause, with the consent of the Finnish Financial Supervisory Authority, decide to discontinue the taking of subscriptions.

The Management Company may decide to temporarily discontinue the taking of redemptions if the marketplace that may be deemed as the main marketplace of the Fund is closed as a result of some unforeseeable cause or if trading on the said marketplace has been limited.

## **17 § Release of information**

The Management Company has the right to release information concerning unitholders in accordance with currently applicable legislation.

## **18 § Fees to be paid out of the assets of the Fund**

As compensation for its services, the Management Company shall receive a fixed management fee that shall be no more than 1 per cent annually of the value of the Fund. The fee is calculated daily (annual fee percentage/365) \* value of the Fund, and it is paid to the Management Company each calendar month in arrears. The fixed management fee is subtracted from the daily value of the fund-unit. The board of directors of the Management Company decides upon the exact size of the fixed management fee.

In addition to the fixed management fee, the Management Company shall, as compensation for its services, receive a performance fee that shall be no more than 10 % of the return of the Fund that exceeds the MSCI ACWI IMI SMID Value Gross Total Return benchmark index. The performance fee shall be charged only after quarters when the value of the Fund has increased. In quarters when the value of the Fund has decreased less than the value of the benchmark index no performance fee shall be charged.

The performance fee is calculated daily and it is paid on a quarterly basis. The performance fee is calculated by subtracting from the value of the Fund the value of the Fund on the last day of the previous quarter, and subtracting the capital gain of the benchmark index. The performance fee is 10 % of any capital gain thus calculated. The performance fee is calculated after the subtraction of the fixed fee and custodial fees. The board of directors of the Management Company decides upon the exact size of the performance fee. In order to avoid potential conflicts of interest the Fund does not apply a so-called “High Water Mark” –rule. However, the performance fee may not exceed 1 per cent of the value of the assets of the Fund on the day of calculating the performance fee. The performance fee may not be charged in full if it would lead to negative return for the said quarter. The performance fee may not be negative.

As remuneration for its custodial services, the Management Company shall pay the Custodian a monthly fee in accordance with the custody agreement in force between the Management Company and the Custodian. The fee shall be no more than 0,15 per cent annually of the value of the Fund. The fee is calculated daily (annual fee percentage/365) \* value of the Fund, and it is paid to the Custodian each calendar month in arrears. The board of directors of the Management Company decides upon the exact size of the custody fee. The custody fee is subtracted from the daily value of the fund-unit.

More detailed information on the applicable fees shall be specified in the respective fund prospectus documents (key investor information document, the official fund prospectus). The value of the fund-unit shall be publicized with the above fees and charges subtracted.

## **19 § Applicable law**

Finnish law shall be applied to the Fund and to the Management Company.