

VISA 2021/166738-5599-0-PC

L'apposition du visa ne peut en aucun cas servir

d'argument de publicité

Luxembourg, le 2021-12-16

Commission de Surveillance du Secteur Financier



# PROSPECTUS

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## AKBANK TURKISH SICAV

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Akbank TURKISH SICAV (the "Fund") is an investment company which offers investors a choice between several classes of shares (each a "Class") in a number of sub-funds (each a "Sub-Fund"). The Fund is organised as an investment company registered under Part I of the Law (as defined hereinafter).

December 2021

## IMPORTANT INFORMATION

The Directors of the Fund, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The shares of the Fund (the "Shares") are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The Shares may be listed on the Luxembourg Stock Exchange. The Directors of the Fund may decide to make an application to list the Shares on any other recognised stock exchange.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund.

The Fund is an open-ended investment company organised as a Société d'Investissement à Capital Variable (SICAV). The Fund is registered under Part I of the Law (as defined hereinafter). The above registrations do not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

Pursuant to data protection law applicable in Luxembourg (including, but not limited to, the Luxembourg Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, as amended from time to time) any personal data provided in connection with an investment in the Fund may be held on computer and processed by the Fund, the Management Company and the Registrar and Transfer Agent (each as defined in the section Definitions of this prospectus) and their affiliates (together hereafter the "Entities") as data processor or data controller, as appropriate. Personal data may be processed for the purposes of processing subscription and redemption orders, maintaining registers of shareholders and carrying out the services provided by the Entities as well as to comply with legal or regulatory obligations including, but not limited to, legal obligations under applicable company law, anti-

money laundering law and FATCA (Foreign Account Tax Compliance Act), common reporting standard ("CRS") or similar laws and regulations (e.g. at the OECD or European Union level).

Personal data shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors, accountants, investment managers, investment advisers, paying agents and subscription and redemption agents, distributors as well as permanent representatives in places of registration and any other agents of the Entities who may process the personal data for carrying out their services and complying with legal obligations as described above.

Investors are also informed that, as a matter of general practice, telephone conversations and instructions may be recorded as proof of a transaction or related communication. Such recordings will benefit from the same protection under Luxembourg law as the information contained in this application form and shall not be released to third parties, except in cases where the Fund or/and the Registrar and Transfer Agent are compelled or entitled by law or regulation to do so.

By subscribing for Shares, investors consent to the aforementioned processing of their personal data and in particular, the disclosure of their personal data to, and the processing of their personal data by the parties referred to above including affiliates situated in countries outside of the European Union which may not offer a similar level of protection as the one deriving from Luxembourg data protection law. Investors acknowledge that the transfer of their personal data to these parties may occur via, and/or their personal data may be processed by, parties in countries (such as, but not limited to, the United States) which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

Investors acknowledge and accept that failure to provide relevant personal data requested by the Fund, the Management Company and/or the Registrar and Transfer Agent in the course of their relationship with the Fund may prevent them from maintaining their holdings in the Fund and may be reported by the Fund, the Management Company and/or the Registrar and Transfer Agent to the relevant Luxembourg authorities.

Investors acknowledge and accept that the Fund, the Management Company or the Registrar and Transfer Agent will report any relevant information in relation to their investments in the Company to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law (as defined below), CRS at OECD and EU levels or equivalent Luxembourg legislation.

Investors may request access to, rectification of or deletion of any personal data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection law. Investors should address such requests to the Fund.

Reasonable measures have been taken to ensure confidentiality of the personal data transmitted within the Fund, the Management Company and the Registrar and Transfer Agent. However, due to the fact that the personal data is transferred electronically and made available outside of Luxembourg, the same level of

confidentiality and the same level of protection in relation to data protection law as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad.

The Fund will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to the investors' personal data, except in the case of wilful negligence or gross misconduct of the Fund.

The Shareholders have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete subject always to applicable legal minimum retention periods.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general Shareholders' meetings if the investor is registered himself and in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

**United States:** The Shares have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940 (the "Investment Company Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined in Regulation S under the Securities Act) except to certain qualified US institutions in reliance on certain exemptions from the registration requirements of the Securities Act and the Investment Company Act and with the consent of the Fund. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The Fund's Articles of Incorporation restrict the sale and transfer of Shares to US Persons and the Fund may repurchase Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to assure compliance with the Securities Act and the Investment Company Act (see under "SUBSCRIPTIONS" below).

**Generally:** The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

This Prospectus has been drafted in English. It may be translated into any other language the Directors may deem useful and such translations must only contain the information contained in this English version. In case of divergences between the English and the translated version, the English version shall prevail.

## DIRECTORY

**AKBANK TURKISH SICAV**  
**R.C.S. Luxembourg B 138.732**

### **Registered Office**

31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg

### **Board of Directors**

#### Chairman

- Mr Mehmet Ali Ersari, Executive Vice President, AK Asset Management, Istanbul

#### Directors

- Mr Emrah Ayranci, Executive Vice President, AK Asset Management, Istanbul
- Mr Alaattin Göktürk İşikpinar, Executive Vice President, AK Asset Management, Istanbul

### **Management Company**

Waystone Management Company (Lux) S.A., 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

### **Depository, Administrator, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent**

Citibank Europe plc, Luxembourg Branch, 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg

### **Investment Manager**

AK Asset Management Inc., Sabancı Center Akbank T.A.Ş. Hazine Binası Kat:1 34330 4. Levent – Beşiktaş İstanbul, Turkey

### **Auditor**

PricewaterhouseCoopers, *société coopérative*, 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg

### **Legal Advisers in Luxembourg**

Elvinger Hoss Prussen, *société anonyme*, 2, place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

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## DEFINITIONS

"Administrator"	Citibank Europe plc, Luxembourg Branch, acting as administrative agent of the Fund;
"Annex"	An annex to this Prospectus containing information with respect to a particular Sub-Fund;
"Akbank Group"	Akbank and its affiliates, subsidiaries and parent undertakings;
"Articles"	The Articles of Incorporation of the Fund as amended from time to time;
"Business Day"	Any day as defined per Sub-Fund in the relevant Annex;
"Classes"	Pursuant to the Articles, the Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different currency hedging techniques and/or subscription, conversion or redemption fees and management charges and/or distribution policies, minimum subscription or holding amount or any other specific feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund's Annex;
"CSSF"	Commission de Surveillance du Secteur Financier, the Luxembourg authority for the supervision of the financial sector;
"Depositary"	Citibank Europe plc, Luxembourg Branch, acting as depositary of the Fund;
"Directors"	The members of the board of directors of the Fund for the time being and any successors to such members as they may be appointed from time to time;
"Domiciliary Agent"	Citibank Europe plc, Luxembourg Branch, acting as domiciliary agent;
"EU"	European Union;
"EU Action Plan"	EU Action plan on Financing Sustainable Growth;
"Eligible Market"	A Regulated Market in an Eligible State;
"Eligible State"	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania;
"Fund"	Akbank TURKISH SICAV;
"Ineligible Applicant"	An ineligible applicant as described under "Subscriptions";

"Initial Offering Period"	The period determined by the Directors during which Shares are offered for subscription at a fixed price as specified in the relevant Annex;
"Institutional Investors"	An investor meeting the requirements to qualify as an institutional investor for the purposes of article 174 (2) of the Law.
"Investment Manager"	AK Asset Management Inc.;
"Law"	Luxembourg law of 17 December 2010 concerning undertakings for collective investment, as amended;
"Management Company"	Waystone Management Company (Lux) S.A.;
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex;
"Minimum Subscription Amount"	The minimum value of the first subscription of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex;
"Money market instruments"	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time;
"Net Asset Value"	The net asset value of the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles;
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class;
"OECD"	Organisation for Economic Co-operation and Development;
"Redemption Charge"	A charge not exceeding the percentage of the Redemption Price disclosed in the relevant Annex that may be applied to redemptions of Shares;
"Redemption Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Registrar and Transfer Agent"	Citibank Europe plc, Luxembourg Branch, acting as registrar and transfer agent;
"Regulated Market"	A market within the meaning of Article 4(1)14. of directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public;
"SFDR"	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector, as amended;
"SFTR"	Regulation (EU/2015/2365) on transparency of securities financing transactions and of reuse, as amended;

"Share"	A share of no par value of any Class in the Fund;
"Shareholder"	A person recorded as a holder of Shares in the Fund's register of shareholders;
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund;
"Subscription Charge"	A sales commission not exceeding 5% of the Subscription Price levied for the benefit of the Investment Manager and/or financial intermediaries. The Subscription Charge is to be considered as a maximum rate and the Investment Manager may decide at its discretion to waive this charge in whole or in part;
"Subscription Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Taxonomy Regulation"	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time;
"Transferable securities"	Shall mean: <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares,</li> <li>- bonds and other debt instruments,</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,</li> </ul> excluding techniques and instruments relating to transferable securities and money market instruments;
"UCITS"	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to Council Directive 2009/65/EC of the European Parliament and of the Council, as amended from time to time;
"other UCI"	An Undertaking for Collective Investment within the meaning of the first and second indents of Article 1(2) of Council Directive 2009/65/EC;
"United States"	The United States of America (including the States and the

District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;

"US Person"

A citizen or resident of the United States, a corporation, partnership or other entity created in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the 1933 Act;

"Valuation Day"

Any day as defined per Sub-Fund in the relevant Annex;

"1933 Act"

As defined on page 3 above;

"1940 Act"

As defined on page 3 above.

All references to a Class shall, where no Classes have been created within a Sub-Fund, be deemed to be references to the Sub-Fund.

In this Prospectus all references to "US Dollars", "USD" and "US\$" are to the currency of the United States and all references to "Euro" and "€" are to the Single European Currency.

## INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

### Investment Objectives and Policies

The main objective of each Sub-Fund will be to invest in sufficiently liquid transferable securities and other eligible assets in order to provide returns for investors. Under normal circumstances, the Sub-Funds will be fully invested in accordance with the investment policy set out in the relevant Annex. Part of a Sub-Fund's net assets can be held temporarily in liquidities, including money-market instruments having a residual maturity not exceeding twelve months and demand or time deposits.

The Fund may take any measures and carry out any operation, which it deems useful to the accomplishment and to the development of its object in the broadest sense within the context of the Law relating to undertakings for collective investment. It cannot however guarantee that it will achieve its objectives given financial market fluctuations and the other risks to which investments are exposed.

### Investment Restrictions

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions:

- I. (1) The Fund, for each Sub-Fund, may invest in:
  - a) transferable securities and money market instruments admitted to or dealt in on an Eligible Market;
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other UCI, whether situated in an EU Member State or not, provided that:
    - such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union law, and that cooperation between authorities is sufficiently ensured,

- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is situated in a non-Member State of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

and/or

- f) money market instruments other than those dealt in on an Eligible Market and referred to under "Definitions", if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the

EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or

- issued by an undertaking any securities of which are dealt in on Eligible Markets, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

II. The Fund may hold ancillary liquid assets.

III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.

(ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.

b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of its net assets.

- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, a state accepted by the Luxembourg supervisory authority (being at the date of this Prospectus OECD member states, Singapore, Brazil, Russia, Indonesia and South Africa) or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

- IV.
- a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V.
- a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- b) The Fund may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 10% of the money market instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members. The provisions of this paragraph V. are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

- VI. a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) c), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of UCITS or other UCI.
- b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by another company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or such other company may not charge subscription or redemption fees on account of the Fund's investments in the units of such UCITS or other UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the management company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 3.5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference

to all units issued by the UCITS or other UCI concerned, all compartments combined.

- VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans.
- b) The Fund may not grant loans to or act as guarantor on behalf of third parties. This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.
- c) The Fund may not carry out uncovered sales ("short sales") of transferable securities, money market instruments or other financial instruments.
- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business.
- e) The Fund may not acquire either precious metals or certificates representing them.
- IX. a) The Fund needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such

compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

### **RISK MANAGEMENT PROCEDURES**

The Management Company, on behalf of the Fund, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise provided for any Sub-Fund in the relevant Annex, the commitment approach is used to monitor the global exposure of each Sub-Fund.

### **DERIVATIVE INSTRUMENTS**

As specified in clause I. (1) e) above, the Fund may in respect of each Sub-Fund invest in financial derivative instruments.

The Fund shall ensure that the global exposure of each Sub-Fund relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. Each Sub-Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in clause VIII. a) above) so that it may not exceed 210% of any Sub-Fund's total net assets under any circumstances.

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

Each Sub-Fund may invest in financial derivative instruments within the limits laid down in paragraph III. e), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph III. a) to e). When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

The Sub-Funds may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the Law. Under no circumstances shall the use of these instruments and techniques cause a Sub-Fund to diverge from its investment policy.

Further information in relation to the collateral that may be received by a Sub-Fund will be disclosed in the relevant Annex for such Sub-Fund.

## **TECHNIQUES RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

### **General**

The Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for hedging and efficient portfolio management purposes within the conditions and limits provided by the CSSF circular 08/356 issued by the CSSF on 4 June 2008 (the "CSSF Circular 08/356") (as may be amended, supplemented or replaced), CSSF circular 14/592 regarding the ESMA Guidelines on ETFs and other UCITS issues (the "CSSF Circular 14/592") and any guidelines issued from time to time by the European Securities and Markets Authority ("ESMA").

If a Sub-Fund invests in total return swaps or in other financial derivative instruments with similar characteristics, information relating to the underlying assets and strategy and to the relevant counterparties shall be disclosed in the relevant Annex for such Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in substantial supplementary risks in comparison to the original risk profile described for each Sub-Fund.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

In particular, fees and costs may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary will be available in the annual report of the Fund.

The Fund does not engage in securities lending transactions and does not enter into repurchase agreements reverse repurchase agreements nor in the other transactions covered by SFTR. Should the Fund wish to enter into such transactions, the Prospectus would be amended accordingly.

### **CONFLICTS OF INTEREST**

The Investment Manager and other affiliated companies and the Management Company and other companies of the group of the Management Company may from time to time act as investment manager or adviser or as management company to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Investment Manager and other affiliates of the Akbank Group or the Management Company and other companies of the group of the Management Company may, in the course of their business, have potential conflicts of interest with the Fund.

The Directors of the Fund, the Management Company and/or the Investment Manager will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or the Investment Manager or any of their affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event that such a conflict arises, the directors of the Management Company and the directors of the Fund will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

### **SUSTAINABILITY-RELATED DISCLOSURES UNDER SFDR**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended, governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social and Governance ("ESG") and sustainability - related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors.

Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Please refer to the section "Risk Warnings" of the Prospectus for further details on the sustainability risks.

Sustainability risks are identified, managed and monitored through the Management Company's risk management procedure. The sustainability risks are integrated in the investment decision-making process of the Investment Manager as well as in the Management Company's sustainability risk policy.

The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, asset class and region. The assessment of the likely impact of sustainability risks on a Sub-Fund's return will therefore depend on the investment policy and the type of securities held in its portfolio. The sustainability risks that Sub-Funds with no ESG approach may be subject to are likely to have a material impact on the value of the Sub-Funds' investments in the medium to long term.

Unless otherwise provided in the relevant Annex for a particular Sub-Fund, the Sub-Funds do not promote environmental or social characteristics, and do not have as objective sustainable investment (as provided by Articles 8 or 9 of SFDR).

For the time being, except as may be otherwise disclosed at a later stage on its website and subject to amendment of this prospectus to disclose otherwise, the Management Company does not consider adverse impacts of investment decisions on sustainability factors. The main reason is actually the lack of information and data available to adequately assess such principal adverse impacts. When the Management Company will consider the adverse impacts of its investment decisions on sustainability factors, the related disclosure on its website will be updated accordingly.

Each Sub-Fund will bear the costs and expenses of compliance with the SFDR and any other applicable legislation of regulations related to the EU Action Plan, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports in addition to other matters that relate solely to marketing and regulatory matters. It is difficult to predict the full extent of the impact of the SFDR and EU Action Plan on the Fund and on each Sub-Fund. The Directors will reserve the right to adopt such arrangements as it deems necessary or desirable to comply with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan.

## **RISK WARNINGS**

### **General**

Investors should remember that the price of Shares of any of the Sub-Funds and any income from them may fall as well as rise and that investors may not get back the full amount invested. Past performance is not a guide to future performance and the Sub-Fund(s) should be regarded as medium to long-term investment(s). Where a purchase involves a foreign exchange transaction, it may be subject to the fluctuations of currency values. Exchange rates may also cause the value of underlying overseas investments to go down or up. The Investor should be aware that not all of the following risk warnings apply to all Funds.

### **Investment Objective**

There is no guarantee that the investment objectives of any of the Sub-Funds will be achieved. Shareholders should also be aware of the investment objectives of the Sub-Fund as these may state that the Sub-Funds may invest on a limited basis into areas not naturally associated with the name of the Sub-Fund. These other markets may act with more or less volatility than the core investment area and performance will be in part dependent on these investments. A Shareholder should ensure (prior to any investment being made) that he is satisfied with the risk profile of the overall objectives disclosed.

### **Holding Securities Overseas**

Securities held with a local correspondent or clearing/settlement system or securities correspondent ("Securities System") may not be as well protected as those held within Luxembourg. In particular, losses may be incurred as a consequence of the insolvency of the local correspondent or Securities System.

### **Emerging Markets**

In emerging markets, in which some of the Sub-Funds will invest, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. The following statements are intended to summarise some of these risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

### **Investing in High Yield Bonds**

High yield bonds are regarded as being predominately speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer

developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Fund may experience losses and incur costs.

### **FATCA related risks**

Although the Fund will attempt to satisfy any obligations imposed on it and to avoid the imposition of any FATCA penalty withholding, no assurance can be given that the Fund will be able to achieve this and/or satisfy such FATCA obligations. If the Fund becomes subject to a FATCA penalty withholding as a result of the FATCA regime, the value of the Shares held by Shareholders may suffer material losses.

### **Environmental risk**

The risk posed by the exposure to issuers that may potentially be causing or affected by environmental degradation and/or depletion of natural resources. Environmental risks may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, and loss of biodiversity or damages to ecosystems. Environmental risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

### **Physical Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change. Physical risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

### **Transition Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services. Transition risk may result to several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risk may negatively affect the value of investments by impairing assets or by increasing liabilities, capital expenditures, operating and financing costs.

### **Social Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damage to public health, data privacy breaches, or increased inequalities. Social risk may negatively affect the value of

investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

### **Governance Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflict of interest, reputational damages, increased liabilities or loss of investor confidence.

### **Specific Risk Factors in respect of the investments in Turkey**

#### **Political and Economic Risks**

- Economic and/or political, religious and/or social instability and changes in Turkish governmental policy could lead to legal, fiscal and regulatory changes or the reversal of legal/fiscal/regulatory/market reforms. Assets could be compulsorily acquired without adequate compensation.
- Turkey's external debt position could lead to the sudden imposition of taxes or exchange controls.
- High inflation can mean that businesses have difficulty obtaining working capital.

#### **Legal Environment**

- The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.
- Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be made aware of.
- Judicial independence and political neutrality cannot be guaranteed.
- State bodies and judges may not adhere to the requirements of the law and the relevant contract.
- There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.

#### **Accounting Practices**

- The companies listed and publicly opened on ISE, are controlled and regulated through regulations by the Turkish Capital Market Board and have to ensure high quality of accounting and disclosure standards. According to the international accounting standards (IAS), the companies open to the public are audited quarterly by the independent audit firms.

- Sub-Funds that may make use of derivatives, may face situations where such instruments may be subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.
- Most futures exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "day limits". During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract has increased or decreased to the limit point, positions can neither be taken nor liquidated. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Fund from promptly liquidating unfavourable positions and therefore, result in losses to the respective Sub-Fund and corresponding decrease in the Net Asset Value per Share.

### **Shareholder, Market and Settlement Risks**

- The Istanbul Stock Exchange (ISE) is experiencing a period of rapid growth and in many respects the standards of regulation may be less stringent than the stock exchanges of the EU Member States. The international accounting standards (IAS) are granted and enforced by the publicly opened companies on ISE. They are audited on quarterly terms by the independent audit firms. There are new legislations in the process of being adopted to implement the rules and regulations to EU Directives by the Turkish Capital Market Board.
- Turkish markets may be subject to substantially greater price volatility and lesser liquidity as a result of a high degree of concentration of market capitalization and trading volume in a small number of companies.
- A high proportion of the shares in a significant number of the higher capitalized quoted companies may be held by a small number of persons, which may limit liquidity.
- Lack of liquidity may adversely affect the value or ease of disposal of assets.
- The share register may not be properly maintained and the ownership interests may not be, or remain, fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.
- All ISE transactions are conducted on a cash basis and settlement must take place on the second business day following the trade. Most equity securities traded on the ISE are settled by the ISE Clearing House and entrusted in dematerialized form by the Depositary on the respective accounts of the Sub-Funds. The transactions are realized in accordance with the international clearing rules and principles. The methods of delivery or receive versus payment regarding the daily transactions are used to eliminate the settlement risks that will occur. With this system the cash and asset transactions are matched simultaneously. The most of the transactions related to the Sub-Funds are executed in organized markets and subject to low amount of settlement risks.

## **Currency Risk**

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in Turkey, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

## **BOARD OF DIRECTORS AND MANAGEMENT**

### Chairman

- Mr Mehmet Ali Ersari, Executive Vice President, AK Asset Management, Istanbul

### Directors

- Mr Emrah Ayranci, Executive Vice President, AK Asset Management, Istanbul
- Mr Alaattin Göktürk İşikpınar, Executive Vice President, AK Asset Management, Istanbul

The Directors are responsible for the overall management and control of the Fund. They will review the operations of the Fund and the Management Company.

## **MANAGEMENT COMPANY**

The Directors of the Fund have appointed Waystone Management Company (Lux) S.A. as the Management Company of the Fund to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing, investment management and advisory services in respect of all Sub-Funds. In respect of all Sub-Funds, the Management Company has delegated its investment management functions to AK Asset Management Inc.

The Management Company has delegated the administration functions to the Administrator and registrar and transfer functions to the Registrar and Transfer Agent.

The board of directors of the Management Company is composed as follows:

### Chairman

- Géry Daenick, Independent Management Consultant

### Members of the Board

- Martin Peter Vogel, CEO, Waystone Management Company (Lux) S.A.
- John Li How Cheong, Director, Independent Management Consultant

The Management Company has been formed following a partial demerger of MDO Services and a merger of MDO Services with MDO Management Company (the former legal denomination of

Waystone Management Company (Lux) S.A.) with effect as of 3 September 2013. The demerger and merger proposal was published in the official gazette of the Grand Duchy of Luxembourg Mémorial C, Recueil des Sociétés et Associations on 2 August 2013.

The Management Company is a company incorporated in Luxembourg as a *société anonyme* on 2 August 2013 for an undetermined period of time and the latest revision of the articles of association were published in the official gazette of the Grand Duchy of Luxembourg Mémorial C, Recueil des Sociétés et Associations (hereinafter referred to as "Mémorial") in Luxembourg on 14 April 2014. Its fully paid-up share capital amounts to EUR 1,700,000 as of the date of this Prospectus.

The Management Company is registered with the Luxembourg Trade and Companies Register under number B 96744 and is approved as a management company under Chapter 15 of the Law.

The Management Company shall also ensure compliance of the Fund with the investment restrictions and oversee the implementation of the Fund's strategies and investment policy.

The Management Company shall also send reports to the Directors on a periodic basis and inform each board member without delay of any non-compliance of the Fund with the investment restrictions.

The Management Company will receive periodic reports from the Investment Manager detailing the Fund's performance and analysing its investment portfolio. The Management Company will receive similar reports from the Fund's other services providers in relation to the services which they provide.

The Management Company also acts as management company for other investment funds. The names of these other funds will be published in the financial reports of the Fund.

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The remuneration policy sets out principles applicable to the remunerations of the senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- i. it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles;
- ii. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- iii. it is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of the Shareholders, and includes measures to avoid conflicts of interest;
- iv. fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is determined and reviewed at least on annual basis by a remuneration committee.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on <http://www.mdo-manco.com/remuneration-policy>, a paper copy will be made available free of charge upon request.

## **INVESTMENT MANAGER**

The Management Company has appointed AK Asset Management Inc. as investment manager of the Fund.

AK Asset Management Inc. was established in June 2000 in Turkey as a wholly owned subsidiary of Akbank, with 2 million TL paid in capital. AK Asset Management Inc., as one of the largest fund management companies in Turkey, provides asset management services for mutual funds, pension funds, high net-worth individuals and institutional clients.

The Investment Manager was appointed pursuant to an Investment Management Agreement with the Management Company and the Fund entered into as of 21 May 2008 (the "Investment Management Agreement") to provide day-to-day management of the Fund's investments, subject to the overall supervision and responsibility of the Management Company. The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company.

In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Fund are invested in a manner consistent with the Fund's and the Sub-Funds' investment restrictions and that cash belonging to the Fund and each Sub-Fund is invested in accordance with the guidelines laid down by the Directors and the Management Company.

According to the Investment Management Agreement, the Investment Manager may, with the prior approval of the Management Company, delegate to a third party all or a part of its management duties. Any new delegation shall be reflected in an updated Prospectus.

## **DEPOSITARY, ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT, DOMICILIARY AGENT AND LISTING AGENT**

### ***Introduction and key duties***

The Fund has, under the terms of the depositary agreement entered into with effect as of 13 October 2016 (the "Depositary Agreement"), engaged Citibank Europe plc, Luxembourg Branch (the "Depositary") as depositary of the Fund's assets. The Depositary shall also be responsible for the oversight of the Fund to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.

The key duties of the Depositary are to perform on behalf of the Fund the depositary duties referred to in the Law essentially consisting of:

- (i) monitoring and verifying the Fund's cash flows;
- (ii) safekeeping of the Fund's assets, including *inter alia* holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- (iii) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the Articles and applicable Luxembourg law, rules and regulations;
- (iv) ensuring that the value of the Shares is calculated in accordance with the Articles and applicable Luxembourg law, rules and regulations;
- (v) ensuring that in transactions involving Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (vi) ensuring that the Fund's income is applied in accordance with the Articles and applicable Luxembourg law, rules and regulations; and
- (vii) carrying out instructions from the Management Company unless they conflict with the Articles or applicable Luxembourg law, rules and regulations.

### ***Background of the Depositary, Paying Agent and Registrar and Transfer Agent***

Citibank Europe plc, Luxembourg branch, is the depositary of the Fund.

The Depositary is a public limited company domiciled in Ireland with registered number 132781 whose registered office is at 1 North Wall Quay, Dublin 1. The Depositary conducts its principal business in Luxembourg from its office at 31, Z.A.I. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg. Its Luxembourg branch was established on 28 August 2015 and is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 200204. Its Luxembourg branch is authorised to provide such services in accordance with the Luxembourg law of 5 April 1993 on the financial sector, as amended, and is specialised in fund custody and administration services.

The Depositary is authorised by the Central Bank of Ireland but in respect of its services as depositary in Luxembourg is regulated by the CSSF.

As paying agent, Citibank Europe plc, Luxembourg Branch is responsible for the payment of dividends (if any) to the Shareholders.

The Depositary has further accepted the appointment as Administration, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent to the Fund. In such capacity, Citibank Europe plc, Luxembourg Branch is responsible for calculating the Net Asset Value of the Fund and its relevant Sub-Funds or classes and maintaining the accounting records of the Fund, handling and processing all subscription, redemption and switching orders, for keeping the register of Shareholders and for mailing and publicising statements, reports and notices to Shareholders and for listing the Fund's Shares on the Luxembourg Stock Exchange. As domiciliary agent, Citibank Europe plc, Luxembourg branch, provides the registered office of the Fund as well as administrative, secretarial and certain tax services to the Fund. Citibank Europe plc, Luxembourg branch, shall in addition be responsible for the processing of the transfer of the redemption proceeds of the shares.

### ***Delegation and Conflicts of Interest***

Under the terms of the Depositary Agreement and in accordance with the Law, the Depositary has power to delegate certain of its safekeeping functions. As of the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Fund's assets to the delegates mentioned in Appendix 3.

In order to discharge its responsibility in this regard, the Depositary must exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise,

competence and standing appropriate to discharge the responsibilities concerned; maintain an appropriate level of supervision over the third party delegate to which safekeeping has been delegated; and make appropriate inquiries from time to time to confirm that the obligations of the third party delegate continue to be competently discharged.

The liability of the Depositary will not be affected by the fact that it has delegated to a third party certain of its safekeeping in respect of the Fund's assets.

Without prejudice to the section "Conflicts of Interest" below, from time to time actual or potential conflicts may arise between the Depositary and the delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Fund.

Included in the Depositary's conflict of interest policy are procedures to identify, manage and monitor on an on-going basis any actual or potential conflict of interest involving its delegates or sub-delegates.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favorable to the Fund than if the conflict or potential conflict had not existed.

### ***Conflicts of Interest***

Actual or potential conflicts of interest may also arise between the Fund, the Shareholders or the Management Company on the one hand and the Depositary on the other hand.

For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Fund or the Management Company. In particular, depositary and administration services are provided by the same legal entity, Citibank Europe plc, Luxembourg Branch. In practice, however, the depositary and administration lines of business are functionally and hierarchically separated and operate on an arm's length basis. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Fund, or may have other clients whose interests may conflict with those of the Fund, the Shareholders or the Management Company.

The Depositary and any of its affiliates may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Fund. This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the

investments of the Fund; provides broking services to the Fund and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Fund; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Fund; or earns profits from or has a financial or business interest in any of these activities.

The group-wide conflict of interest policy provides that Citi manages conflicts through various policies, procedures and/or processes, which may, depending upon the conflict, include prevention or avoidance of conflicts, or appropriate disclosures, establishing information barriers, restructuring transactions, products or processes, and/or changing compensation incentives.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

Up-to-date information on delegations and sub-delegations and related conflicts of interest may be requested from the Depositary by Shareholders.

### ***Termination of the Depositary Agreement***

The Depositary Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Fund shall with due observance of the applicable requirements of the Luxembourg CSSF and in accordance with applicable law, rules and regulations, appoint a successor depositary. The Depositary may not be replaced without the approval of the CSSF.

### ***Liability of the Depositary***

The Depositary is liable to the Fund or to the Shareholders for the loss by the Depositary or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Fund without undue delay. The Depositary is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary is also liable to the Fund or the Shareholders for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations. Shareholders may invoke the liability of the Depositary directly or indirectly through the Fund.

### ***Other provisions of the Depositary Agreement***

The Depositary Agreement is governed by the laws of Luxembourg and the courts of Luxembourg City shall have exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

### **AUDITOR**

PricewaterhouseCoopers, *société coopérative*, has been appointed as Auditor of the Fund.

### **POOLING**

The Directors may authorise the Investment Manager to invest and manage all or any part of the portfolios of assets established for two or more Sub-Funds (hereafter the "Participating Sub-Funds") on a pooled basis. Any such asset pool (an "Asset Pool") will be formed by transferring to it cash or other assets (subject to such other assets being appropriate with respect to the investment policy of the Asset Pool concerned) from each Participating Sub-Fund. The Investment Manager may, from time to time, make further transfers to the Asset Pool. Assets may also be transferred back to a Participating Sub-Fund up to the amount of the participation of the relevant Participating Sub-Fund.

The share of a Participating Sub-Fund in an Asset Pool is measured by reference to units of equal value in the Asset Pool. At the time of the formation of an Asset Pool, the Investment Manager shall determine the initial value of a unit (expressed in the currency considered to be appropriate by the Investment Manager), and will allocate to each Participating Sub-Fund units having an aggregate value equal to the amount of cash (or the value of the other assets) contributed. Thereafter, the value of a unit will be determined by dividing the net asset value of the Asset Pool by the number of existing units.

The entitlements of each Participating Sub-Fund to the Asset Pool apply to each and every line of investments of such Asset Pool.

When cash or supplemental assets are contributed to or withdrawn from an Asset Pool, the number of units of the relevant Participating Sub-Fund will be increased or reduced, as the case may be, by the number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a cash contribution is made, this contribution will, for the purpose of calculation, be reduced by an amount which the Directors

consider appropriate to reflect fiscal charges, dealing and purchase costs which may be incurred by investing the cash concerned; in case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the Asset Pool.

Dividends, interest and other income received and having their origin in securities or other assets belonging to an Asset Pool will be immediately allocated to the Participating Sub-Fund in proportion to their respective participation in the Asset Pool at the time of receipt. Upon dissolution of the Fund, the assets in an Asset Pool will (subject to the creditors' rights) be allocated to the Participating Sub-Funds in proportion to their respective participation in the Asset Pool.

## **SUBSCRIPTIONS**

Investors may subscribe for Shares in each Sub-Fund during an Initial Offering Period at the fixed price specified in the relevant Annex which may be increased by a Subscription Charge and thereafter as of each Valuation Day at the relevant Subscription Price which may be increased by a Subscription Charge.

For initial subscriptions, applicants should complete an Application Form (an "Application Form") and send it to the Registrar and Transfer Agent by mail or by facsimile, for subsequent subscriptions, applicants need only complete a subscription form.

Application Forms for initial purchases of Shares may be sent by post or fax to the Registrar and Transfer Agent in Luxembourg on any Business Day on the Application Form circulated with this Prospectus. In the case of faxed orders, these should be followed with the original Application Form by post.

Completed Application Forms or subscription forms must be received by the Registrar and Transfer Agent by no later than 1.00 p.m. (Luxembourg time) on the Valuation Day unless otherwise specified in the relevant Annex failing which the application will be treated as received on the next following Valuation Day. Subscription proceeds must be received on an account of the Fund in the reference currency of the relevant Class no later than the period of time specified in the relevant Annex.

The price per Share will be rounded upwards or downwards as the Directors may resolve. Fractions of Shares may be issued up to two decimal places. Rights attached to fractions of Shares are exercisable in proportion to the fraction of a Share held except that fractions of Shares do not confer any voting rights.

In exceptional circumstances, Shares may be subscribed against contributions in kind of Transferable securities and other assets considered acceptable by the Directors and compatible with the investment policy and the investment objective of the relevant Sub-Fund and will be

valued in a report drawn up by the auditors of the Fund in accordance with the requirements of Luxembourg law. The subscribing Shareholder shall bear the costs resulting from the subscription in kind (mainly costs relating to the drawing up of an auditor's report).

The Fund reserves the right to cancel an application if subscription monies are not received on an account of the Fund in cleared funds and in the reference currency of the relevant Class within the relevant time limit.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the currency of subscription or at the discretion of the applicant, at the risk and cost of the applicant.

Once completed subscriptions have been received by the Registrar and Transfer Agent they are irrevocable.

The Directors reserve the right from time to time, without notice, to resolve to close the Fund or a particular Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

#### Institutional Investors

As detailed in the relevant Annexes, the sale of Shares of certain Classes may be restricted to Institutional Investors. The Fund reserves the right to compulsorily redeem from any Shareholder who may not be considered an Institutional Investor all or part of Shares held by such Shareholder.

#### Ineligible Applicants

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the United States;
- (b) such issue or transfer will not require the Fund to register under the 1940 Act;
- (c) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of ERISA (US Employee Retirement Income Securities Act of 1974 (as amended)); and
- (d) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

Each applicant for and transferee of Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue, or the registration of any transfer, of Shares.

Subject as mentioned above, Shares are freely transferable. The Directors may, however, refuse to register a transfer which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares in a Sub-Fund valued at less than the minimum holding requirement.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the minimum holding requirement.

#### Form of Shares

All the Shares will be issued in registered form. Shareholders will receive a confirmation of their shareholding, but no formal share certificate will be issued.

#### Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be issued in the relevant Sub-Fund during any such period of suspension.

#### Anti-Money Laundering

The Fund has delegated to the Management Company the administration in respect of all the Sub-Funds. Pursuant to such delegation, the Management Company or its delegates will monitor the anti-money laundering procedures that have been put in place. In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to the

amended law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the Registrar and Transfer Agent must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Registrar and Transfer Agent, as delegate of the Fund, may require any other information that the Fund may require to comply with its legal and regulatory obligations, including but not limited to the CRS Law (as defined below).

In case of delay or failure by an applicant to provide the documents required, the subscription request will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the Fund, the Management Company nor the Registrar and Transfer Agent have any liability for delays or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation. Shareholders may be asked to supply additional or updated identification documents from time to time pursuant to ongoing client due diligence obligations according to the relevant laws and regulations.

## **REDEMPTIONS**

Shares are redeemable at the option of the Shareholders. Shareholders should send a completed redemption request to the Registrar and Transfer Agent by mail or by facsimile. All redemption requests are to be received by the Registrar and Transfer Agent no later than 1.00 p.m. (Luxembourg time) on the Valuation Day, unless otherwise specified in the relevant Annex, failing which the redemption request will be treated as received on the next following Valuation Day and Shares will be redeemed based on the Redemption Price applicable on that Valuation Day.

If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received, then the Fund shall have the right to limit redemptions so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

In exceptional circumstances the Directors may request that a Shareholder accepts "redemption in kind" i.e. receives a portfolio of stock of equivalent value to the appropriate cash redemption

payment. In such circumstances the Shareholder must specifically accept the redemption in kind. He may always request a cash redemption payment in the reference currency of the Class. Where the Shareholder agrees to accept redemption in kind he will, as far as possible, receive a representative selection of the Class' holdings pro-rata to the number of Shares redeemed and the Directors will make sure that the remaining Shareholders do not suffer any loss therefrom. The value of the redemption in kind will be certified by a report drawn up by the auditors of the Fund in accordance with the requirements of Luxembourg law. However, where the redemption in kind exactly reflects the Shareholder's pro-rata share of investments, no auditor's report will be required. The redeeming Shareholder shall normally bear the costs resulting from the redemption in kind (mainly costs relating to the drawing up of an auditor's report, if any) unless the Directors consider that the redemption in kind is in the interest of the Fund or made to protect the interest of the Fund.

A redemption request, once given, is irrevocable. Shares redeemed by the Fund are cancelled.

Payment of redemption proceeds will be made no later than the period of time provided in the relevant Annex for a Sub-Fund. Payment will be made in the reference currency of the relevant Class by transfer to the bank account specified by the redeeming Shareholder to the Registrar and Transfer Agent.

### Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be redeemed in the relevant Sub-Fund during any such period of suspension.

### Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Fund also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable minimum holding requirement.

Shareholders are required to notify the Registrar and Transfer Agent immediately if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

When the Directors become aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 99 or such other number as the Directors may determine from time to time; (B) is holding Shares in breach of any

law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders including, but not limited to, a situation in which more than 25% of the Shares are owned by benefit plan investors; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either (i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary, the Administrator, Registrar and Transfer Agent, the Investment Manager and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

## **CONVERSIONS**

Subject to any prohibition of conversions contained in an Annex and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares. All conversion requests are to be received by the Registrar and Transfer Agent no later than 1.00 p.m. (Luxembourg time) on the Valuation Day, unless otherwise specified in the relevant Annex, failing which the conversion request will be treated as received on the next following Valuation Day and Shares will be converted based on the Conversion Price applicable on that Valuation Day. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Directors may decide not to accept the request for conversion of the Shares and the Shareholder would be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum

holding amount, the Shareholder may be deemed (if the Directors so decide) to have requested the conversion of all of his Shares.

The number of Shares issued upon conversion will be based upon the respective Net Asset Values of the two Classes concerned on the common Valuation Day for which the conversion request is accepted.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated on the next following Valuation Day of each of the two Classes concerned.

A conversion fee of up to 1% of the Net Asset Value of the Shares to be converted may be charged for the benefit of the intermediaries (i.e. distributors) having placed the Shares.

### Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be converted in the relevant Sub-Funds during any such period of suspension.

## **MARKET TIMING AND FREQUENT TRADING POLICY**

The Fund does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, conversions between or redemptions from the various classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Sub-Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Sub-Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

- The Management Company may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors

reserve the right to cause the Management Company to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers or frequent traders.

- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions below, under "Net Asset Value", cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

### **NET ASSET VALUE**

The Net Asset Value per Share of each Class will be determined and made available in its reference currency by the Administrator as at such time as the Directors shall determine as of each Valuation Day.

The Net Asset Value per Share as of any Valuation Day will be calculated to two decimal places in the reference currency of the relevant Class by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Class will be determined by deducting from the total value of the assets attributable to the relevant Class, all accrued debts and liabilities attributable to that Class.

To the extent feasible, expenses, fees and income will be accrued as of each Valuation Day.

Assets and liabilities of the Fund will be valued in accordance with the following principles:

- (a) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security shall be valued on the basis of the probable sales price which the Directors deem it is prudent to assume;
- (b) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security will be valued by the Directors on the basis of the probable sales price which the Directors deem it is prudent to assume;
- (c) Swaps are valued at their fair value based on the underlying securities (at close of business or intraday) as well as on the characteristics of the underlying commitments;

- (d) Shares or units in underlying open-ended investment funds shall be valued at their last available price;
- (e) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;
- (f) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Management Company has delegated to the Administrator the determination of the Net Asset Value and the Net Asset Value per Share.

The assets and liabilities of the Fund shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds pro-rata to the respective Net Asset Value of the Sub-Funds. The proportion of the total net assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid.

The rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of the

Shareholders in relation to that Sub-Fund and the rights of the creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

### **FEES AND EXPENSES**

The Management Company will receive a management company fee for the provision of its services. The management company fee, which is expressed as a percentage of the Net Asset Value, is specified in the relevant Annex. The Management Company may be reimbursed for reasonable out-of-pocket expenses relating to the services it provides.

The different Sub-Funds and Classes will incur an annual investment management fee payable to the Investment Manager, which reflects all expenses related to the investment management of the Sub-Funds and Classes. The investment management fee, which is expressed as a percentage of the Net Asset Value, is specified in the relevant Annex.

The fees and expenses to be paid to the Depositary are calculated on the basis set out in the relevant Annex. The Depositary will be reimbursed for reasonable out-of-pocket expenses relating to the services thereto.

The fees and expenses to be paid to the Administrator and Registrar and Transfer Agent, Domiciliary Agent and Listing Agent are calculated on the basis set out in the relevant Annex. The Administrator, the Registrar and Transfer Agent, Domiciliary Agent and Listing Agent will be reimbursed for reasonable out-of-pocket expenses relating to the services thereto.

The other costs charged to the Fund or to the different Sub-Funds or Classes include:

- the costs of establishing the Fund and the Sub-Funds. The costs of establishing the Fund amounted to approximately Euro 50,000. Where further Sub-Funds are created in the future, these Sub-Funds will bear, in principle, their own formation expenses. The establishment costs may, at the discretion of the Directors, be amortised on a straight line basis over 5 years from the date on which the Fund/Sub-Funds commenced business. The Directors may, in their absolute discretion, shorten the period over which such costs are amortised;
- the taxe d'abonnement as described in chapter "Taxation" hereafter;
- the fees and expenses for the services provided by the Management Company;
- the fees of directors, auditors and legal advisors, the costs of preparing, printing and distributing all prospectuses, memoranda, reports and other necessary documents concerning the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency and stock exchange, the costs of

- publishing prices and the operational expenses, and the cost of holding directors or shareholders' meetings; and
- any additional out-of-pocket expenses.

## **REPORTS AND FINANCIAL STATEMENTS**

The financial year of the Fund ends on 31 December in each year.

The audited annual reports and the unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in Euro, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

Copies of the annual and semi-annual reports and financial statements may be obtained free of charge from the registered office of the Fund.

## **DIVIDEND POLICY**

The dividend policy applicable for each Sub-Fund or Class is specified in the relevant Annex.

Within each Sub-Fund, there may be created different Classes of Shares which are entitled to regular dividend payments ("Distribution Shares") or with earnings reinvested ("Capitalisation Shares").

If a dividend is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class, normally by bank transfer to the address shown on the register of Shareholders, and in case of joint shareholding, to the first registered holder of the relevant Distribution Shares.

Dividend payments are restricted by law in that they may not reduce the net assets of the Fund below the required minimum determined by Luxembourg law.

In the event that a dividend is declared and remains unclaimed after a period of five years from the date of declaration, such dividend will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

However, no dividends will be distributed if their amount is below the amount of fifty Euro (50 EUR) or its equivalent in another currency or such other amount to be decided by the Directors. Such amount will automatically be reinvested.

## TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### I. Taxation of the Fund

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Fund is not subject to net wealth tax in Luxembourg.

A EUR 75 registration was paid upon incorporation and each time the Articles of the Fund are amended. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

The Fund is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax rate of 0.01% *per annum* is applicable to Luxembourg UCIs whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% *per annum* is applicable to individual compartments of UCIs with multiple compartments referred to in the Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more Institutional Investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) UCI, compartments and classes reserved for one or more Institutional Investors of Funds whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions (within the conditions set forth in article 175 (b) of the Law) and (iv) UCI, compartments and classes of funds qualifying as exchange traded funds tracking one or more indices (within the conditions of article 175 (e) of the Law).

## **Withholding tax**

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Fund are not subject to withholding tax in Luxembourg.

## **II. Taxation of the Shareholders**

### **Luxembourg resident individuals**

Capital gains realised on the sale of the Shares by Luxembourg resident individuals investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the company.

Distributions made by the Fund will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0,5% (*impôt d'équilibrage budgétaire temporaire*) will be due by Luxembourg individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

### **Luxembourg resident corporate**

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 29.22% (in 2016 for entities having the registered office in Luxembourg-City) on capital gains realised upon disposal of the Shares and on the distributions received from the Fund.

Luxembourg corporate resident investors who benefit from a special tax regime, such as, for example, (i) UCI subject to the Law, (ii) specialized investment funds subject to the amended law of 13 February 2007 related to Specialised Investment Funds, or (ii) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth

management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) a UCI subject to the Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitization, (iii) an investment company governed by the amended law of 15 June 2004 on venture capital vehicles, (iv) a specialized investment fund subject to the amended law of 13 February 2007 related to specialised investment funds or (v) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### **Non Luxembourg residents**

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Fund and the Shares will not be subject to net wealth tax. The additional temporary income tax of 0.5% (*impôt d'équilibrage budgétaire temporaire*) will be also due by individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

### **III. Automatic Exchange of Information**

Following the development by the Organization for Economic Co-operation and Development ("OECD") of a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted on 9 December 2014 in order to implement the CRS among the Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 for the local tax authorities of the Member States of the European Union for the data relating to the calendar year 2016.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

The Fund will be responsible for the treatment of personal data collected in accordance with the CRS Law.

Accordingly, the Fund will require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (Administration des Contributions Directes), if such account is deemed a CRS reportable account under the CRS Law.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Fund reserves the right to refuse any application for Shares if the information provided does not satisfy the requirements under the CRS Law or if required information is missing.

Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

### General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

### FATCA

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial

institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund the Management Company, in its capacity as the Fund's management company, if applicable, may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;

- d) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund will be responsible for the treatment of personal data collected in accordance with the FATCA Law.

The Fund reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

## **GENERAL AND STATUTORY INFORMATION**

*The information in this section includes a summary of some of the provisions of the Articles of Incorporation and Material Contracts described below and is provided subject to the general provisions of each of such documents.*

### **1. The Fund**

The Fund was incorporated as an open-ended investment company (société d'investissement à capital variable – SICAV) with multiple compartments on 21 May 2008. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. The initial capital on incorporation was Euro 31,000. On incorporation all the shares representing the initial capital were subscribed for and were fully paid. A capital of Euro 1,250,000 must be reached within a period of six months following the authorisation of the Fund. The Fund has designated a management company subject to chapter 15 of the Law regarding undertakings for collective investment. The Articles of Incorporation were published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on 9 June 2008. The Articles of Incorporation are on file with the Registre de Commerce et des Sociétés of Luxembourg.

The Fund is designed to offer investors, within the same investment vehicle, a choice between several Sub-Funds, which are managed separately and are distinguished principally by their specific investment policy and/or by the currency in which they are denominated.

## 2. **Share Capital**

The capital of the Fund will always be equal to the value of its net assets. The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights and each share is entitled to one vote at all meetings of Shareholders.

## 3. **Temporary suspension of Net Asset Value calculations and of issues, redemption and conversion of Shares**

The Directors may suspend the determination of the Net Asset Value of Shares of any particular Class and hence the issue, redemption and conversion of Shares if, at any time, the Directors believe that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise during:

- (a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the relevant Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (b) the existence of any state of affairs which constitutes an emergency as a result of which the disposal or valuation of assets owned by the relevant Sub-Fund would be impracticable, not accurate or would seriously prejudice the interests of the shareholders of the Fund; or
- (c) any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or the current prices on any market or stock exchange; or
- (d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange.

No Shares will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is terminated. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing.

Notice of any such suspension will be published in the Luxemburger Wort if, in the opinion of the Directors, it is likely to exceed 5 Business Days and will be notified to all persons who have applied for, or requested the redemption or conversion of Shares. The Directors may also, at their discretion, decide to make a publication in newspapers of the countries in which the Fund's Shares are offered for sale to the public.

**4. Publication of Prices**

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Fund and any newspaper the Directors may determine from time to time.

**5. Meetings**

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg (or any other place indicated in the convening notice) on the last Friday of the month of May of each year at 11.30 or, if any such day is not a bank business day in Luxembourg, on the immediately preceding bank business day. Notices of all general meetings will be published in the Mémorial to the extent required by Luxembourg law and in such other newspapers as the Directors shall determine. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission, and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

Matters relating to a particular Sub-Fund, such as a vote on the payment of a dividend in relation to that Sub-Fund, may be decided by a vote at a meeting of the Shareholders of that Sub-Fund. Any change in the Articles of Incorporation affecting the rights of Shareholders of a particular Sub-Fund must be approved by a resolution both of all the Shareholders of the Fund and of the Shareholders of the Sub-Fund in question.

**6. Winding-Up**

The Fund may be wound up by decision of an extraordinary general meeting of the Shareholders. Such a meeting must be convened if the value of the net assets of the Fund falls below the respective levels of two-thirds or one quarter of the minimum capital prescribed by Luxembourg law. At any such meeting convened in such circumstances decisions to wind up the Fund will be taken in accordance with the requirements of the Law.

If the Fund is to be wound up, the winding-up will be carried out in accordance with the provisions of Luxembourg law which specify the steps to be taken to enable Shareholders to participate in distribution(s) on the winding-up and in this connection provides for the deposit in escrow at the Caisse de Consignation of any amounts which have not been claimed by Shareholders at the close of the winding-up. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg law.

## **7. Dissolution and Amalgamation of Sub-Funds**

Sub-Funds will be automatically dissolved at the end of their fixed term as may be provided for in the relevant Annex.

A Sub-Fund may also be dissolved by compulsory redemption of Shares of the Sub-Fund concerned, upon a decision of the Directors:

- (a) if the Net Asset Value of the Sub-Fund concerned has decreased below Euro 20 million or the equivalent in another currency, or
- (b) if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on investments of the Sub-Fund, or
- (c) in order to proceed to an economic rationalisation.

The Redemption Price will be the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated as of the Valuation Day at which such decision shall take effect.

The Fund shall serve a written notice to the holders of the relevant Shares prior to the effective date of the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Shareholders shall be notified in writing. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge prior to the effective date of the compulsory redemption, taking into account actual realisation prices of investments and realisation expenses.

Notwithstanding the powers conferred to the Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund may, upon proposal from the Directors, redeem all the Shares of such Sub-Fund and refund to the Shareholders the Net Asset

Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented if such decision does not result in the liquidation of the Fund.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited in escrow with the Luxembourg Caisse de Consignation on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

Under the circumstances provided under the first paragraph of this Section, the Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another Luxembourg undertaking for collective investment subject to Part I of the Law and to re-designate the Shares of the Sub-Fund concerned as Shares of another Sub-Fund or Luxembourg undertaking for collective investment (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be notified to the Shareholders concerned (and, in addition, the notification will contain information in relation to the Sub-Fund or Luxembourg undertaking for collective investment), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. In case of contribution to another undertaking for collective investment of the mutual fund type, the decision will be binding only on shareholders of the relevant Sub-Fund who expressly agree to the amalgamation.

## **8. Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

- (A) An Agreement dated as of 21 May 2008 between the Fund and the Management Company, pursuant to which the latter was appointed, subject to the overall control of the Directors, with responsibility on a day-to-day basis, for providing administration, marketing and investment management services in respect of all the Sub-Funds of the Fund.
- (B) An Agreement dated as of 21 May 2008 between the Fund, the Management Company and the Investment Manager pursuant to which the latter was appointed,

subject to the overall control of the Management Company, to manage the Fund's investments.

- (C) An Agreement dated with effect as of 13 October 2016 between the Fund and Citibank Europe plc, Luxembourg Branch pursuant to which the latter was appointed depositary of the assets of the Fund.
- (D) An Agreement dated as of 21 May 2008 between the Fund, the Management Company and Citibank International Limited, Luxembourg branch pursuant to which the latter was appointed as Administrator, Registrar and Transfer Agent and Domiciliary Agent of the Fund. This Agreement has been automatically transferred to Citibank Europe plc, Luxembourg Branch as from 1 January 2016.
- (E) An Agreement dated as of 21 May 2008 between the Fund and Citibank International Limited, Luxembourg branch pursuant to which the latter was appointed as Listing Agent of the Fund. This Agreement has been automatically transferred to Citibank Europe plc, Luxembourg Branch as from 1 January 2016.

Any of the above Agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Directors.

## **9. Documents available for inspection**

Copies of the following documents are available for inspection during business hours on each bank business day at the registered office of the Fund in Luxembourg:

- (1) the Articles of Incorporation of the Fund;
- (2) the Material Contracts referred to above.

Copies of the Articles of Incorporation, of the current Prospectus, key investor information documents ("KIIDs") and of the latest annual and semi-annual reports of the Fund may be obtained free of charge at the registered office of the Fund.

**Additional information which the Management Company must make available to investors in accordance with Luxembourg laws and regulations such as but not limited to Shareholder complaints handling procedures, conflict of interest rules, voting rights policy of the Management Company, etc. shall be available at [www.mdo-manco.com](http://www.mdo-manco.com).**

## **ANNEX 1: AKBANK TURKISH SICAV – Fixed Income**

### **Investment Objective and Policy**

The Sub-Fund's investment objective is to provide long-term capital appreciation by investing in bonds and t-bills issued by the Turkish government or a regional or local authority or a private sector company in Turkey denominated in any currency.

The Sub-Fund will invest at least 51% of its total assets in straight bonds, and a maximum 49% of its total assets in money market instruments and liquid assets.

To comply with the investment policy, the Sub-Fund may use financial derivative instruments for the purposes of hedging currency risks, interest rate risk and market risk. Moreover, the Sub-Fund may for a purpose other than hedging purchase and sell futures contracts and options as long as such investments do not breach the stated investment policy of the Sub-Fund.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Profile of the Typical Investor**

The Sub-Fund may be suitable for investors who are interested in investing in Turkish Fixed Income securities and who are comfortable with low-to-medium investment risk. Investors should consider the Sub-Fund as a long-term investment with an investment horizon of 2 to 3 years.

### **Reference Currency**

The reference currency of the Sub-Fund is the EUR.

### **Classes of Shares**

Class I Shares are available for subscription and are reserved to Institutional Investors. The minimum subscription amount is Euro 5.000,- for this Class whereas there is no minimum holding amount for this Class, unless the Directors resolve otherwise.

Class A Shares are available for subscription to all investors. The minimum subscription and minimum holding amounts are of Euro 50, unless the Directors resolve otherwise.

Class TL Shares are available for subscription to all investors. The reference currency for such Class TL Shares will be the TRY. The minimum subscription amount is of TRY 100.000,- and

the minimum holding and minimum subsequent subscription amounts are of TRY 25,000,-, unless the Directors resolve otherwise.

Class I Shares, Class TL Shares and Class A Shares are available as Distribution Shares and Accumulation Shares.

If the minimum holding requirement for a Class is not met any more after a redemption or conversion request the Fund may decide to ask the redemption of the remaining shares of the relevant Class of a given shareholder or may invite him to convert his shares of this Class in another Sub-Fund or class so as to comply with the holding requirement.

### **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated on each Business Day (a "Valuation Day").

### **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg and in Turkey, except for 24 and 31 December in each year.

### **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the Chapter on Subscriptions.

Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 1 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Subscription proceeds must be received by the Depositary on an account of the Fund no later than the fourth Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 1 p.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

A Subscription Charge, not exceeding 5% for Class A and Class TL Shares and 3% for Class I Shares of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Subscription Price, may be added for the purpose of compensating the Investment Manager and financial intermediaries who assist in placing the Shares. This charge is to be considered a maximum rate and the Investment Manager may decide at its discretion to waive this charge in whole or in part.

## **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 1 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 1 p.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

No redemption fee shall be charged.

Payment of redemption proceeds will normally be made within four Business Days after the relevant Valuation Day.

## **Dividend Policy**

The Directors do not intend to distribute dividends in relation to Accumulation Shares.

In relation to the Distribution Shares, annual dividends are declared in respect of such Distribution Shares at the Annual General Meeting of Shareholders. In addition, the Directors may declare interim dividends.

## **Fees**

### **Investment Management Fee**

As remuneration for its services, AK Asset Management Inc., acting as the Investment Manager will quarterly receive out of the assets of the Sub-Fund a fee up to 0,75% for Class I Shares, up to 1,00% for Class A Shares and for Class TL Shares, based upon the average total net assets of the Sub-Fund, payable quarterly in arrears.

### **Management Company Fee**

The Management Company will receive out of the assets of the Sub-Fund a fee up to 0.04% or a minimum of EUR 7,500 per annum based upon the average total net assets of the Sub-Fund, payable quarterly in arrears.

### **Depositary Fee**

The Depositary will receive for its custody functions (including global custody services) out of the assets of the Sub-Fund a fee up to 7.25 bps or a minimum of EUR 35,000 per annum based upon the average total net assets of the Sub-Fund, payable quarterly in arrears. For performing

investment compliance services, the Depositary will receive an annual fee of EUR 10,000, payable quarterly in arrears.

#### Administrator, Registrar and Transfer Agent Fee

The Administrator will, for its fund accounting and administration functions, receive out of the assets of the Sub-Fund a fee up to 0.04% or a minimum of EUR 40,000 per annum based upon the average total net assets of the Sub-Fund, and for its register and transfer agency functions a fee of a minimum of EUR 7,500 per annum, payable quarterly in arrears. For its domiciliary functions, the Administrator will receive out of the assets of the Sub-Fund a fee up to EUR 5,000 per annum payable out of the net assets of the Sub-Fund, payable quarterly in arrears.

#### Collateral

Considering the nature of the financial derivative instruments traded and the level of counterparty risk associated thereto, the Sub-Fund will currently not be receiving collateral. Should this no longer be the case, the prospectus will be amended accordingly.

## **ANNEX 2: AKBANK TURKISH SICAV – Equities**

### **Investment Objective and Policy**

The Sub-Fund's investment objective is to provide long term capital appreciation by investing at least 51% of its total assets in equities of issuers which have their registered office or a preponderant part of their business activities (meaning not less than 51%) in Turkey including state economic enterprises and which are listed on Istanbul Stock Exchange. The total amount of fixed income securities issued by Turkish republic, Turkish Government Treasury public local authorities or Turkish companies as well as Eurobonds may vary between 0 and 49% of the portfolio. The Sub-Fund may invest a maximum 49% of its total assets in money market instruments and liquid assets.

The Sub-Fund may invest in transferable securities issued by the Republic of Turkey via public offerings by Turkish Treasury Undersecretaries or Central Bank of Turkish Republic.

The Sub-Fund is actively managed in order to achieve the objective. Exposure to large, medium and small companies varies over time, reflecting the Investment Manager's views on where the greatest performance potential exists. Likewise, sector weightings tend to reflect the Investment Manager's view on individual stocks' performance potential rather than reflecting the sector breakdown of any particular index.

To comply with the investment policy, the Sub-Fund may use financial derivative instruments for the purposes of hedging currency risks, interest rate risk and market risk. Moreover, the Sub-Fund may for a purpose other than hedging purchase and sell futures contracts and options as long as such investments do not breach the stated investment policy of the Sub-Fund.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Profile of the Typical Investor**

The Sub-Fund may be suitable for investors seeking capital appreciation from investment in Turkish equities. Investors should consider the Sub-Fund as a long-term investment with an investment horizon of 3 to 5 years.

### **Reference Currency**

The reference currency of the Sub-Fund is the EUR.

## **Classes of Shares**

Class I Shares are available for subscription and are reserved to Institutional Investors. The minimum subscription amount is Euro 5.000,- for this Class whereas there is no minimum holding amount for this Class, unless the Directors resolve otherwise.

Class A Shares are available for subscription to all investors. The minimum subscription and minimum holding amounts are Euro 50, unless the Directors resolve otherwise.

Class TL Shares are available for subscription to all investors. The reference currency for such Class TL Shares will be the TRY. The minimum subscription amount is of TRY 100.000,-, and the minimum holding and minimum subsequent subscription amounts are of TRY 25.000,-, unless the Directors resolve otherwise.

Class I Shares, Class TL Shares and Class A Shares are available as Distribution Shares and Accumulation Shares.

If the minimum holding requirement for a Class is not met any more after a redemption or conversion request the Fund may decide to ask the redemption of the remaining shares of the relevant Class of a given shareholder or may invite him to convert his shares of this Class in another Sub-Fund or class so as to comply with the holding requirement.

## **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated on each Business Day (a "Valuation Day").

## **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg and in Turkey, except for 24 and 31 December in each year.

## **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the Chapter on Subscriptions.

Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 1 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Subscription proceeds must be received by the Depositary on an account of the Fund no later than the fourth Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 1 p.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day. A Subscription Charge, not exceeding 5% for Class A and Class TL Shares and 3% for Class I Shares of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Subscription Price, may be added for the purpose of compensating the Investment Manager and financial intermediaries who assist in placing the Shares. This charge is to be considered a maximum rate and the Investment Manager may decide at its discretion to waive this charge in whole or in part.

### **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 1 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 1 p.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share on the next Valuation Day.

No redemption fee shall be charged.

Payment of redemption proceeds will normally be made within four Business Days after the relevant Valuation Day.

### **Dividend Policy**

The Directors do not intend to distribute dividends in relation to Accumulation Shares.

In relation to the Distribution Shares, annual dividends are declared in respect of such Distribution Shares at the Annual General Meeting of Shareholders. In addition, the Directors may declare interim dividends.

### **Fees**

#### **Investment Management Fee**

As remuneration for its services, AK Asset Management Inc., acting as the Investment Manager will quarterly receive out of the assets of the Sub-Fund a fee up to 1,25% for Class I Shares, up to 1,50% for Class A Shares and for Class TL Shares, based upon the average total net assets of the Sub-Fund, payable quarterly in arrears.

#### Management Company Fee

The Management Company will receive out of the assets of the Sub-Fund a fee up to 0.04% or a minimum of EUR 7,500 per annum based upon the average total net assets of the Sub-Fund, payable quarterly in arrears.

#### Depositary Fee

The Depositary will receive for its custody functions (including global custody services) out of the assets of the Sub-Fund a fee up to 7.25 bps or a minimum of EUR 35,000 per annum based upon the average total net assets of the Sub-Fund, payable quarterly in arrears. For performing investment compliance services, the Depositary will receive an annual fee of EUR 10,000, payable quarterly in arrears.

#### Administrator, Registrar and Transfer Agent Fee

The Administrator will, for its fund accounting and administration functions, receive out of the assets of the Sub-Fund a fee up to 0.04% or a minimum of EUR 40,000 per annum based upon the average total net assets of the Sub-Fund, and for its register and transfer agency functions a fee of a minimum of EUR 7,500 per annum, payable quarterly in arrears. For its domiciliary functions, the Administrator will receive out of the assets of the Sub-Fund a fee up to EUR 5,000 per annum payable out of the net assets of the Sub-Fund, payable quarterly in arrears.

#### Collateral

Considering the nature of the financial derivative instruments traded and the level of counterparty risk associated thereto, the Sub-Fund will currently not be receiving collateral. Should this no longer be the case, the prospectus will be amended accordingly.

**ANNEX 3 – DELEGATES FOR THE PERFORMANCE OF THE DEPOSITARY'S  
SAFEKEEPING FUNCTIONS IN RESPECT OF CERTAIN OF THE FUND'S ASSETS**

Citi branches/subsidiaries	60
Third-party agents	41
ICSDs	2
N/A * Handled by Clearstream	2
N/A **Handled by Euroclear	1
<b>Total Markets</b>	<b>106</b>

Country	Sub-Custodian	Relationship Type
**Argentina	Not Applicable. Citibank is a direct member of Euroclear Bank s.a./n.v., which is an ICSD.	N/A
Australia	Citigroup Pty. Limited	Subsidiary
Austria	Citibank, N.A., Milan Branch	Branch
Bahrain	Citibank, N.A., Bahrain Branch	Branch
Bangladesh	Citibank, N.A., Bangladesh Branch	Branch
Belgium	Citibank Europe plc, UK Branch	Subsidiary
Benin	Standard Chartered Bank Cote d'Ivoire	Agent
Bermuda	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited	Agent
Bosnia-Herzegovina: The Federation of Bosnia and Herzegovina (Sarajevo)	UniCredit Bank d.d.	Agent
Bosnia-Herzegovina: The Republika of Srpska (Banja Luka)	UniCredit Bank d.d.	Agent
Botswana	Standard Chartered Bank of Botswana Limited	Agent
Brazil	Citibank, N.A., Brazilian Branch	Branch
Bulgaria	Citibank Europe plc, Bulgaria Branch	Subsidiary
Burkina Faso	Standard Chartered Bank Cote d'Ivoire	Agent
Canada	Citibank Canada	Subsidiary
Chile	Banco de Chile	Affiliate
China	Citibank, N.A., Hong Kong Branch (For China B shares)	Branch
China	Citibank (China) Co., Limited (For China A shares)	Subsidiary
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Subsidiary
Costa Rica	Banco Nacional de Costa Rica	Agent
Croatia	Privredna Banka Zagreb d.d.	Agent
Cyprus	Citibank Europe plc, Greece Branch	Subsidiary
Czech Republic	Citibank Europe plc, organizacni slozka	Subsidiary

Denmark	Nordea Bank Danmark A/S	Agent
Egypt	Citibank, N.A., Egypt	Branch
Estonia	Swedbank AS	Agent
Finland	Nordea Bank Finland Plc.	Agent
France	Citibank Europe plc, UK Branch	Subsidiary
Georgia	JSC Bank of Georgia	Agent
<b>Country</b>	<b>Sub-Custodian</b>	<b>Relationship Type</b>
Germany	Citigroup Global Markets Deutschland AG	Subsidiary
Ghana	Standard Chartered Bank of Ghana Limited	Agent
Greece	Citibank Europe plc, Greece Branch	Subsidiary
Guinea-Bissau	Standard Chartered Bank Cote d'Ivoire	Agent
Hong Kong	Citibank, N.A., Hong Kong Branch	Branch
Hungary	Citibank Europe plc, Hungarian Branch Office	Subsidiary
* Iceland	Not Applicable. Citibank is a direct member of Clearstream Banking, which is an ICSD.	N/A
India	Citibank, N.A., Mumbai Branch	Branch
Indonesia	Citibank, N.A., Jakarta Branch	Branch
Ireland	Citibank, N.A., London Branch	Branch
Israel	Citibank, N.A., Israel Branch	Branch
Italy	Citibank, N.A., Milan Branch	Branch
Ivory Coast	Standard Chartered Bank Cote d'Ivoire	Agent
Jamaica	Scotia Investments Jamaica Limited	Agent
Japan	Citibank Japan Limited	Subsidiary
Jordan	Standard Chartered Bank, Jordan Branch	Agent
Kazakhstan	Citibank Kazakhstan JSC	Subsidiary
Kenya	Standard Chartered Bank Kenya Limited	Agent
Korea	Citibank Korea Inc.	Subsidiary
Kuwait	Citibank, N.A., Kuwait Branch	Branch
Latvia	Swedbank AS acting through its agent, Swedbank AS	Agent
Lebanon	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited	Agent
Lithuania	Swedbank AS acting through its agent, "Swedbank" AB	Agent
Macedonia (Republic of Macedonia)	Raiffeisen Bank International AG	Agent
Malaysia	Citibank Berhad	Subsidiary
Mali	Standard Chartered Bank Cote d'Ivoire	Agent
*Malta	Not Applicable. Citibank is a direct member of Clearstream Banking, which is an ICSD.	N/A

Mauritius	The Hong Kong & Shanghai Banking Corporation Limited	Agent
Mexico	Banco Nacional de Mexico, S.A.	Citigroup Subsidiary
Morocco	Citibank Maghreb	Subsidiary
Namibia	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited	Agent
Netherlands	Citibank Europe plc, UK Branch	Subsidiary
New Zealand	Citibank, N.A., New Zealand Branch	Branch
Niger	Standard Chartered Bank Cote d'Ivoire	Agent
<b>Country</b>	<b>Sub-Custodian</b>	<b>Relationship Type</b>
Nigeria	Citibank Nigeria Limited	Subsidiary
Norway	DNB Bank ASA	Agent
Oman	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G.	Agent
Pakistan	Citibank, N.A., Karachi Branch	Branch
Palestine	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited	Agent
Panama	Citibank, N.A., Panama Branch	Branch
Peru	Citibank del Peru S.A	Subsidiary
Philippines	Citibank, N.A., Manila Branch	Branch
Poland	Bank Handlowy w Warszawie SA	Subsidiary
Portugal	Citibank Europe plc, sucursal em Portugal	Subsidiary
Qatar	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited	Agent
Romania	Citibank Europe plc, Dublin - Romania Branch	Subsidiary
Russia	AO Citibank	Subsidiary
Saudi Arabia	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd.	Agent
Senegal	Standard Chartered Bank Cote d'Ivoire	Agent
Serbia	UniCredit Bank Srbija a.d.	Agent
Singapore	Citibank, N.A., Singapore Branch	Branch
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky	Subsidiary
Slovenia	UniCredit Banka Slovenija d.d. Ljubljana.	Agent
South Africa	Citibank, N.A., South Africa	Branch
Spain	Citibank Europe plc, sucursal en Espana	Subsidiary
Sri Lanka	Citibank, N.A., Colombo Branch	Branch

Sweden	Citibank Europe plc, Sweden Branch	Subsidiary
Switzerland	Citibank, N.A., London Branch	Branch
Taiwan	Citibank Taiwan Limited	Subsidiary
Tanzania	Standard Bank of South Africa Ltd. acting through its affiliate, Stanbic Bank Tanzania Ltd.	Agent
Thailand	Citibank, N.A., Bangkok Branch	Branch
Togo	Standard Chartered Bank Cote d'Ivoire	Agent
Tunisia	Union Internationale de Banques	Agent
Turkey	Citibank, A.S.	Subsidiary
Uganda	Standard Chartered Bank of Uganda Limited	Agent
Ukraine	PJSC "Citibank"	Subsidiary
United Arab Emirates, ADX	Citibank, N.A., UAE	Branch
United Arab Emirates, DFM	Citibank, N.A., UAE	Branch
<b>Country</b>	<b>Sub-Custodian</b>	<b>Relationship Type</b>
United Arab Emirates,	Citibank, N.A., UAE	Branch
United Kingdom	Citibank, N.A., London Branch	Branch
United States	Citibank, N.A., New York Offices	Branch
Uruguay	Banco Itau Uruguay S.A.	Agent
Venezuela	Citibank, N.A., Venezuela Branch	Branch
Vietnam	Citibank, N.A., Hanoi Branch	Branch
Zambia	Standard Chartered Bank of Zambia Plc	Agent
Zimbabwe	Standard Bank of South Africa Ltd. acting through its affiliate Stanbic Bank Zimbabwe Ltd.	Agent

* Euroclear Bank s.a./n.v.	ICSD
* Clearstream Banking	ICSD

\* Citibank, as global custodian, is a direct member of Euroclear Bank and Clearstream, which are ICSD's and not sub-custodians.