

# M&G (Lux) Investment Funds 1

*Societe Anonyme*

*qualifying as an investment company with variable share capital  
(societe d'investissement à capital variable)*

Siege social: 49 Avenue J.F. Kennedy L-1855 Luxembourg, Grand  
Duchy of Luxembourg

Me Cosita DELVAUX - NUMBER:

INCORPORATION OF THE COMPANY OF 29 NOVEMBER 2016

In the year two thousand and sixteen, on the twenty-ninth day of  
November,

before us, Maitre Cosita Delvaux, notary residing in Luxembourg, Grand  
Duchy of Luxembourg,

There appeared:

M&G Limited, a Private Limited Company, governed by the laws of  
England, incorporated on 4 April 1972 under registration number 1048359, with  
registered office at Laurence Pountney Hill, EC4R OHH, London, United  
Kingdom (the Founding Shareholder),

here represented by Mrs Julia Bruzzese, lawyer, with professional  
address at 26A, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of  
Luxembourg, by virtue of a proxy given under private seal.

Said proxy, after having been signed *ne varietur* by the proxyholder of  
the Founding Shareholder and by the notary, will remain attached to the  
present deed to be registered with it.

The proxyholder of the Founding Shareholder requested the notary to  
record the incorporation of a public limited liability company (*tsociete anonyme*)  
whose articles of incorporation shall read as follows:

Four copie conforme à l'original



29 NOV 2016  
Me Cosita DELVAUX  
Notaire à Luxembourg

# ARTICLES OF INCORPORATION

## TITLE I

### NAME - REGISTERED OFFICE - DURATION - PURPOSE

#### **Article 1. - Name**

There exists among the existing Shareholders and those who may become owners of Shares in the future, a public limited company (*société anonyme*) qualifying as an investment company with variable share capital (*Société d'investissement à capital variable*) and multiple Funds under the name of "**M&G (Lux) Investment Funds 1**", which shall be governed by the part 1 of the UCI Law, the Company Law as well as by the present Articles of Incorporation.

#### **Article 2. - Registered Office**

- 2.1** The registered office of the Company is established in Luxembourg City, Grand-Duchy of Luxembourg. The registered office may be transferred in the Grand Duchy of Luxembourg by a resolution of the Board of Directors. The Board of Directors shall further have the right to set up branches, subsidiaries or other offices wherever deemed appropriate, whether in or outside the Grand Duchy of Luxembourg.
- 2.2** In the event that the Board of Directors determines that extraordinary political or military events have occurred or are imminent which would interfere with the normal activities of the Company at its registered office or with the ease of communication between such office and persons abroad, the registered office may be temporarily transferred abroad until the complete cessation of these abnormal circumstances; such provisional measures shall have no effect on the nationality of the Company which, notwithstanding such temporary transfer, shall remain a Luxembourg corporation.

#### **Article 3. - Duration**

The Company is established for an indefinite period of time. It may be dissolved at any time and with or without cause by a resolution of a general meeting of Shareholders adopted in the manner required for an amendment of these Articles of Incorporation.

#### **Article 4. - Object**

- 4.1 The exclusive object of the Company is to invest the funds available to it in transferable securities and/or other assets permitted by law, with the purpose of spreading investment risk and affording its Shareholders the results of the management of its assets.
- 4.2 The Company may take any measures and carry out any transaction which it may deem useful for the fulfilment and development of its purpose to the largest extent permitted under Part 1 of the Law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time (the "**UCI Law**").

#### **Article 5. - Definitions**

"**Articles of Incorporation**" means these articles of incorporation of the Company, as amended from time to time.

"**Board of Directors**" means the board of directors of the Company.

"**Business Day**" means as defined in the Prospectus.

"**Class(es)**" / "**Class(es) of Shares**" is a class of Shares of a Fund.

"**Company**" means M&G (Lux) Investment Funds 1 and may designate the Funds taken all together.

"**Company Law**" means the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time.

"**CSSF**" means the *Commission de Surveillance du Secteur Financier* (the Luxembourg supervisory authority of the financial sector).

"**Dealing Request Deadline**" as defined in the Prospectus.

"**Depository**" means any depository as defined under Article 29.1 hereof.

"**Director(s)**" means the member(s) of the Board of Directors.

"**EU**" means the European Union.

"**EUR**" or "**Euro**" means the legal currency of the European Monetary Union.

"**Fund**" means a specific portfolio of assets, held within the Company which is invested in accordance with a particular investment objective.

"**Ineligible Investor**" means any person qualified as ineligible investor under the context of Article 11 of these Articles of Incorporation.

"**Legal Entity**" means any legal entity appointed as member of the Board in accordance with Article 14.5 of these Articles of Incorporation.

"**Member State**" means a member state of the European Union. The states that are contracting parties to the agreement creating the European Economic

Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the European Union.

**"Net Asset Value per Share"** means in relation to each Class of Share of any Fund, the value per Share determined in accordance with the provisions set out in the section headed "Calculation of the Net Asset Value per Share" below.

**"OECD"** means the Organisation for Economic Co-operation and Development.

**"Prospectus"** means the document(s) whereby Shares in the Company are offered to investors and any supplemental or replacement documentation having similar effect, including any key investor information document.

**"RCS"** means the *Registre de Commerce et des Societes* (the Luxembourg Trade and Companies Register).

**"Regulated Market"** means a regulated market as defined in the EC Parliament and Council Directive 2004/39/EC dated 21 April 2004 on markets in financial instruments, as amended (**"Directive 2004/39/EC"**).

**"Share"** means each share within any Class of a Fund of the Company issued and outstanding from time to time.

**"Shareholder"** means a person recorded as a holder of Shares in the Company's register of shareholders.

**"UCI(s)"** means undertaking(s) for collective investment.

**"UCI Law"** means the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time.

**"UCITS Directive"** means EC Council Directive 2009/65/EC of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (**"UCITS"**), as amended from time to time.

**"U.S. Person"** as defined in the Prospectus.

**"Valuation Point"** means the point after the Dealing Request Deadline as of which the administrator determines the Net Asset Value per Share of each Fund, as may be determined by the Board of Directors and specified in the Prospectus for each Fund.

Words importing a masculine gender also include the feminine gender, words importing a singular also include the plural, and words importing persons or Shareholders also include corporations, partnerships associations and any other organised group of persons whether incorporated or not.

All references to time throughout these Articles of Incorporation shall be references to Luxembourg time, unless otherwise indicated.

## **Title II**

### **SHARE CAPITAL - SHARES - NET ASSET VALUE**

#### **Article 6. - Share Capital, Funds, Classes of Shares**

- 6.1** The share capital of the Company shall be represented by fully paid up Shares of no par value and shall at any time be equal to the total net assets of the Company calculated pursuant to Article 12 hereof. The share capital of the Company shall thus vary *ipso iure*, without any amendment to these Articles of Incorporation and without compliance with measures regarding publication and entry into the RCS. The minimum capital shall be as provided by the UCI Law (*i.e.* one million two hundred and fifty thousand Euro (EUR 1,250,000.-). Such minimum capital must be reached within a period of six (6) months after the date on which the Company has been authorised as a collective investment undertaking under the UCI Law.
- 6.2** The initial issued share capital of the Company is EUR 30,000 divided into 3.000 Shares of no par value.
- 6.3** The Board of Directors shall establish a portfolio of assets constituting a Fund within the meaning of Article 181 of the UCI Law for each Class of Shares or for two or more Classes of Shares in the manner described in Article 12.2 III hereof. Each portfolio of assets shall be invested for the exclusive benefit of the relevant Fund and each portfolio shall only be responsible for the obligations attributable to the relevant Fund.
- 6.4** The Shares of a Fund to be issued pursuant to Articles 7 and 8 hereof may, as the Board of Directors shall determine, be of different Classes. The proceeds of the issue of each Share shall be invested in transferable securities of any kind and any other assets permitted by the UCI Law and Luxembourg regulations pursuant to the investment policy determined by the Board of Directors for a Fund established in

respect of the relevant Shares, subject to the investment restrictions provided by the UCI Law and Luxembourg regulations or determined by the Board of Directors. The Board of Directors may, in the future, offer new Classes of Shares without approval of the Shareholders. Such new Classes of Shares may be issued on terms and conditions that differ from the existing Classes of Shares, including, without limitation, the amount of the management fee, if any, attributable to those Shares. In such a case, the Prospectus shall be updated accordingly. The Board of Directors may, at its discretion, decide to change the characteristics of any Class of Shares as described under Article 26.

- 6.5** The Board of Directors, acting in the best interests of the Company, may decide, in the manner described in the Prospectus of the Company, that all or part of the assets of two or more Funds be co-managed.
- 6.6** For the purpose of determining the share capital of the Company, the net assets attributable to each Fund shall, if not expressed in EUR, be converted into EUR and the capital shall be the total aggregate of the net assets of each Fund.

#### **Article 7. - Form of Shares**

- 7.1** All Shares are in registered form (*actions nominatives*), fully subscribed and entirely paid up.
- 7.2** A register of Shareholders will be kept at the Company's registered office, where it will be available for inspection by any Shareholder. Such register shall set forth the name of each Shareholder, his/her/its residence or elected domicile, the number of Shares held by him/her/it, the amounts paid in on each Share, the transfer/subscription of Shares and the dates of such transfer/subscription as well as any security rights granted on the Shares from time to time. Each Shareholder will notify his/her/its address and any change thereof to the Company by registered mail. The Company may rely on the last address received from a Shareholder.

The inscription of the Shareholder's name in the register of Shareholders evidences his right of ownership on such registered Shares. The Company shall decide whether a certificate for such inscription shall be delivered to the Shareholder or whether the

Shareholder shall receive a written confirmation of his shareholding. Where a Share certificate is delivered to the Shareholder, the Share certificate shall be signed by two Directors. Such signatures shall be either manual, or printed, or in facsimile. The certificates will remain valid even if the list of authorised signatures of the Company is modified. However, one of such signatures may be made by a person duly authorised thereto by the Board of Directors; in the latter case, it shall be manual. The Company may issue temporary Share certificates in such form as the Board of Directors may determine.

- 7.3 Shareholders entitled to receive registered Shares shall provide the Company with an address to which all notices and announcements may be sent. Such address will also be entered into the register of Shareholders.

In the event that a Shareholder does not provide an address, the Company may permit a notice to this effect to be entered into the register of Shareholders and the Shareholder's address will be deemed to be at the registered office of the Company, or at such other address as may be so entered into by the Company from time to time, until another address shall be provided to the Company by such Shareholder. A Shareholder may, at any time, change his address as entered into the register of Shareholders by means of a written notification to the Company at its registered office, or at such other address as may be set by the Company from time to time.

- 7.4 If any Shareholder can prove to the satisfaction of the Company that his Share certificate has been mislaid, mutilated or destroyed, then, at his request, a duplicate Share certificate may be issued under such conditions and guarantees, including but not restricted to a bond issued by an insurance company, as the Company may determine. At the issuance of the new Share certificate, on which it shall be recorded that it is a duplicate, the original Share certificate in replacement of which the new one has been issued shall become void. Mutilated Share certificates may be cancelled by the Company and replaced by new certificates. The Company may, at its election, charge to the

Shareholder the costs of a duplicate or of a new Share certificate and all reasonable expenses incurred by the Company in connection with the issue and registration thereof or in connection with the annulment of the original Share certificate.

- 7.5** The Company recognises only one single owner per Share. If one or more Shares are jointly owned or if the ownership of such Share(s) is disputed, all persons claiming a right to such Share(s) have to appoint one single attorney to represent such Share(s) towards the Company. The failure to appoint such attorney implies a suspension of all rights attached to such Share(s).
- 7.6** The Company may decide to issue fractional Shares. Such fractional Shares shall not be entitled to vote, unless the number is so that they represent an entire Share in which case they confer a voting right, but shall be entitled to participate in the net assets attributable to the relevant Class of Shares on a pro rata basis.

**Article 8. - Issue of Shares**

- 8.1** Subject to the provisions of the UGI Law, the Board of Directors is authorised without limitation to issue an unlimited number of fully paid up Shares at any time without reserving to the existing Shareholders a preferential right to subscribe for the Shares to be issued.
- 8.2** The Board of Directors may impose restrictions on the frequency at which Shares shall be issued in any Fund. The Board of Directors may, in particular, decide that Shares of any Fund shall only be issued during one or more offering periods or at such other periodicity as provided for in the Prospectus. The Directors may determine, in their sole and absolute discretion, taking into account the best interests of investors, that subscriptions (whether in respect of a Fund or a particular Class) received during any relevant offering period are insufficient and, in such event, the amount paid on application will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.
- 8.3** Furthermore, the Board of Directors may impose restrictions in relation to the minimum amount of the aggregate Net Asset Value of Shares to be initially subscribed, the minimum amount of any additional



investments and the minimum of any holding of Shares.

- 8.4 Whenever the Company offers Shares for subscription, the price per Share at which such Shares are offered after the initial offer period as described in the Prospectus shall be the Net Asset Value per Share of the relevant Class as determined in compliance with Article 12 hereof as of such Valuation Point as may be determined in accordance with such policy as the Board of Directors may from time to time determine. Unless otherwise provided for in the Prospectus, such price may be increased by a percentage estimate of costs and expenses to be incurred by the Company when investing the proceeds of the issue and by applicable sales commissions, as approved from time to time by the Board of Directors.
- 8.5 The issue price per Share so determined shall be payable within a period as determined by the Board of Directors and disclosed in the Prospectus.
- 8.6 Where an applicant for Shares fails to pay settlement monies on subscription or to provide a completed application form for an initial application by the due date, the Board of Directors may cancel the allotment or, if applicable, redeem the Shares. If requested by a Shareholder, such redemption proceeds may be paid in currencies other than the designated currency of the relevant Share Class as determined by the distributor, acting in its discretion, from time to time. In either case, the applicant may be required to indemnify the Company against any and all losses, costs or expenses incurred (as conclusively determined by the Board of Directors in its discretion) directly or indirectly as a result of the applicant's failure to make timely settlement. In computing such loss, account shall be taken, where appropriate, of any movement in the price of the Shares concerned between allotment and cancellation or redemption and the costs incurred by the Company in taking proceedings against the applicant.
- 8.7 If the applicant fails to make timely settlement in respect of the allotment of a Share or Shares, the entity which shall have been appointed from time to time to act as distributor of the Shares of the Company may at its discretion take such steps as it sees fit to avoid, mitigate or make good any losses, costs or expenses incurred by the Company as

mentioned above including making payment of the due amount to the Company on the due date and shall be entitled to recover all costs and expenses (including interest) incurred directly or indirectly by the Company in seeking to recover such due debt and which is payable on demand.

- 8.8** No request for conversion or redemption of a Share shall be effective unless the price for such Share has been paid and any confirmation delivered in accordance with this Article.
- 8.9** The Board of Directors may delegate to any director, manager, officer or other duly authorised agent the power to accept subscriptions, to receive payment of the price of Shares to be issued and to deliver them. The Board of Directors may reject subscription requests in whole or in part at its full discretion.
- 8.10** The Company may agree to issue Shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, in particular the obligation, if applicable, to deliver a valuation report from the independent auditor of the Company ("*reviseur d'entreprises indépendant*"). The securities to be delivered by way of a contribution in kind must correspond to the investment policy and restrictions of the Fund to which they are contributed. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.
- 8.11** The Company may issue Shares within the framework of regular savings plans.

#### **Article 9. - Redemption of Shares**

- 9.1** Under the terms and procedures set forth by the Board of Directors in the Prospectus, and within the limits provided by law and these Articles of Incorporation, any Shareholder may request the redemption of all or part of his Shares in the Company.
- 9.2** Subject to the provisions of Article 13 hereof, the redemption price per Share shall be paid within such period as may be determined by the Board of Directors in its discretion from time to time but which shall not, in any event, exceed ten (10) Business Days from the relevant Dealing Request Deadline which next follows receipt of such redemption

request, provided that the Share certificates (if any) and such instruments for redemption as may be required by the Board of Directors have been received, and are in a form which is satisfactory to the Company. The payment proceeds of any redemption effected in relation to a prior subscription may be delayed for more than ten (10) Business Days to assure that the funds tendered for such subscription have cleared.

- 9.3 The redemption price shall be equal to the Net Asset Value per Share of the relevant Class, as determined in accordance with the provisions of Article 12 hereof, less such charges and commissions (if any) at the rate provided for in the Prospectus. Unless otherwise provided for in the Prospectus, such price may be decreased by a percentage estimate of costs and expenses to be incurred by the Company when disposing of assets in order to pay the redemption proceeds to redeeming Shareholders. Furthermore, the redemption price may be rounded up or down to no less than two (2) decimal places or such number of decimal places as the Board of Directors shall determine in its discretion.
- 9.4 If as a result of any request for redemption, the number or the aggregate Net Asset Value of the Shares held by any Shareholder would fall below the minimum subscription amount as set out in the Prospectus or such Net Asset Value as determined by the Board of Directors in its discretion from time to time, then the Company may decide that this request be treated as a request for redemption for the full balance of such Shareholder's holding of Shares.
- 9.5 The Board of Directors may decide to make compulsory the redemption of all the Shares held by a Shareholder, if the aggregate Net Asset Value of Shares held by such Shareholder falls below such value as determined by the Board of Directors in its discretion. The Shares may be redeemed compulsorily in accordance with Article 11 herein.
- 9.6 If on any given date, redemption requests pursuant to Article 9 hereof and conversion requests pursuant to Article 10 hereof, exceed a certain level determined by the Board of Directors (in its discretion) in relation to the number of Shares in issue of in a specific Fund or Class, the

Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred for a period and in a manner that the Board of Directors considers to be in the best interests of the Company. On the next Valuation Point, these redemption and conversion requests will be met in priority to later requests if necessary on a pro-rata basis among involved Shareholders. On the next Valuation Point following that period, these redemption and conversion requests will be met in priority to later requests.

**9;7** The Company shall have the right, if the Board of Directors so determines, at the request or with the express consent of the relevant Shareholder, to satisfy payment of the redemption price to any Shareholder in kind by allocating to the Shareholder investments from the portfolio of assets in such Class or Classes of Shares equal in value (as calculated in the manner described in Article 12) as of the Valuation Point on which the redemption price is determined to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders of the Class or Classes of Shares and the valuation used shall be confirmed by a special report of the auditor of the Company to the extent required by Luxembourg law. The costs of any such transfers shall be borne by the Shareholder requesting the redemption in kind or by such other third party as agreed by the Board of Directors in its sole and absolute determination.

**9.8** All redeemed Shares shall be cancelled. The Company has the power to redeem its own Shares at any time within the limitations of applicable law.

#### **Article 10. - Switching of Shares**

**10.1** Unless otherwise determined by the Board of Directors for certain Classes of Shares or Funds, any Shareholder is entitled to request a switch of whole or part of his Shares in one Fund into Shares of another Fund or in one Share Class into another Share Class of the same Fund, provided that the Board of Directors may: (i) at its absolute discretion reject any request for the switching of Shares in whole or in part: (ii) set

restrictions, terms and conditions as to the right to and frequency of switches between certain Funds and Share Classes; (iii) subject to the payment of such charges and commissions as the Board of Directors shall determine (unless otherwise provided for in the Prospectus).

- 10.2** The price for the switching of Shares shall be computed by reference to the respective Net Asset Values per Share of the two Funds or the two Share Classes concerned, determined as of the same Valuation Point.
- 10.3** If as a result of any request for a switch, the number or the aggregate Net Asset Value of the Shares held by any Shareholder in any Fund or Class of Shares would fall below such minimum number or value as determined by the Board of Directors, then the Company may decide that this request be treated as a request for a switch for the full balance of such Shareholder's holding of Shares in such Class or Fund.
- 10.4** The Shares which have been switched into Shares of another Fund or of another Share Class within the same Fund shall be cancelled.

**Article 11. - Transfers and Restrictions on Ownership of Shares**

- 11.1** The Shares are, as a rule, freely transferable in accordance with the provisions of the law and the Prospectus. When a Shareholder has outstanding obligations *vis-a-vis* the Company, by virtue of its subscription agreement or otherwise, Shares held by such Shareholder may only be transferred, pledged or assigned with the written consent from the Board of Directors, which consent shall not be unreasonably withheld in accordance with the provisions of the Prospectus.

Any transfer of registered Shares shall become effective towards the Company and third parties: (i) through the recording of a declaration of transfer into the register of Shares, signed and dated by the transferor and the transferee or their representatives; and (ii) upon notification of the transfer to, or upon the acceptance of the transfer by, the Company.

- 11.2** The Company may restrict or prevent the direct or indirect ownership of Shares in the Company by any natural person, or legal entity, if in the opinion of the Company such holding may be detrimental to the Company, the investment manager, the management company (if any) and the Shareholders, if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the

Company may become subject to laws other than those of the Grand-Duchy of Luxembourg (including but without limitation tax laws and any securities or investment or similar laws or governmental regulation of any country or territory which require registration of the Company), or if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such individual, firm, corporate body, partnership or other entity to be determined by the Board of directors being herein referred to as "**Ineligible Investor**"). Specifically, but without limitation, the Company may restrict the ownership of Shares in the Company by any U.S. Person.

**11.3** For such purposes the Company may:

11.3.1 decline to issue any Shares and decline to register any transfer of Shares where it appears to it that such registration or transfer would or might result in the legal or beneficial ownership of such Shares by an Ineligible Investor; and

11.3.2 at any time require any person whose name is entered in or any person seeking to register the transfer of Shares on the register of Shareholders, to furnish it with any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such Shareholder's Shares rests in any Ineligible Investor, or whether such entry in the register will result in the beneficial ownership of such Shares by any Ineligible Investor; and

11.3.3 decline to accept the vote of any Ineligible Investor at any meeting of Shareholders of the Company.

**11.4** Where it appears to the Company that: (i) any Ineligible Investor either alone or in conjunction with any other person is a beneficial owner of Shares; or that (ii) the aggregate Net Asset Value of Shares or the number of Shares held by a Shareholder falls below such value or number of Shares respectively as determined by the Board of Directors of the Company, or (iii) where in exceptional circumstances the Board of Directors determines that a compulsory redemption is in the interest of the other Shareholders, the Company may compulsorily redeem or

cause to be redeemed from any such Shareholder all Shares held by such Shareholder in the following manner:

11.4.1 The Company shall serve a notice (the "purchase notice") upon the Shareholder holding such Shares or appearing in the register of Shareholders as the owner of the Shares to be purchased, specifying the Shares to be purchased, the manner in which the purchase price will be calculated and the name of the purchaser;

11.4.2 Any such notice may be served upon such Shareholder by posting the same in a prepaid registered envelope addressed to such Shareholder at his last address known to or appearing in the books of the Company. The said Shareholder shall thereupon forthwith be obliged to deliver to the Company the Share certificate or certificates (if any) representing the Shares specified in the purchase notice;

11.4.3 Immediately after the close of business on the date specified in the purchase notice, such Shareholder shall cease to be the owner of the Shares specified in such notice and his name shall be removed from the register of Shareholders;

11.4.4 The price at which each such Share is to be purchased (the "purchase price") shall be an amount based on the Net Asset Value per Share of the relevant Class as of the Valuation Point next succeeding the date of the purchase notice or next succeeding the surrender of the Share certificate or certificates (if any) representing the Shares specified in such notice, all as determined by the Board of Directors, less any service charge provided therein;

11.4.5 Payment of the purchase price will be made available to the former owner of such Shares normally in the currency set by the Board of Directors for the payment of the redemption price of the Shares of the relevant Class and will be: (i) deposited for payment to such owner by the Company with a bank in Luxembourg or elsewhere~ or (ii) paid by a cheque sent to the last known address on the Company's books (as specified in the purchase notice) upon final determination of the purchase price

following surrender of the Share certificate or certificates (if any) specified in such notice and unmatured dividend coupons attached thereto;

11.4.6 Upon service of the purchase notice as aforesaid, such former owner shall have no further interest in such Shares or any of them, nor any claim against the Company or its assets in respect thereof, except the right to receive the purchase price (without interest) from such bank following effective surrender of the Share certificate or certificates (if any) as aforesaid. Any funds receivable by a Shareholder under this paragraph, but not collected within a period of five (5) years from the date specified in the purchase notice, may not thereafter be claimed and shall revert to the Fund relating to the relevant Class or Classes of Shares. The Board of Directors shall have power from time to time to take all steps necessary to perfect such reversion and to authorise such action on behalf of the Company;

11.4.7 The exercise by the Company of the power conferred by Article 11 hereof shall not be questioned or invalidated in any case, on the grounds that there was insufficient evidence of ownership of Shares by any person or that the true ownership of any Shares was otherwise than appeared to the Company at the date of any purchase notice, provided in such case the said powers were exercised by the Company in good faith.

11.5 The Company reserves the right to require the Ineligible Investor to indemnify the Company against any losses, costs or expenses arising as a result of any compulsory redemption of Shares due to the Shares being held by, or for the benefit of, such Ineligible Investor. The Company may pay such losses, costs or expenses out of the proceeds of any compulsory redemption and/or redeem all or part of the Ineligible Investor's Shares in order to pay for such losses, costs or expenses.

## **Article 12. - Calculation of the Net Asset Value per Share**

12.1 The Net Asset Value per Share of each Share Class within each Fund shall be determined by the administrator under the supervision of the Directors and the management company, in accordance with the



requirements of these Articles of Incorporation. The Net Asset Value per Share of each Share Class within each Fund will be expressed in the reference currency of each Share Class, to the nearest four (4) decimal places, and shall be determined for each Fund as of the relevant Valuation Day by dividing (i) the Net Asset Value of the Fund attributable to that Share Class (being the total assets of the Fund attributable to that Share Class less the total liabilities of the Fund attributable to that Share Class) by (ii) the total number of Shares of that Share Class of the Fund outstanding, in accordance with the valuation rules set forth below. Shares of each Share Class in the Fund may perform differently, and each Fund (and Share Class if appropriate) will bear its own fees and expenses (to the extent specifically attributable to the Fund (or Share Class)).

**12.2** For a Share Class which is expressed in a currency other than the reference currency of the relevant Fund, the Net Asset Value per Share of that Share Class shall be the Net Asset Value per Share of the Share Class of that Fund calculated in the reference currency of the Fund and converted into the reference currency of the Share Class at the currency exchange rate (at the relevant Valuation Point) between the Fund reference currency and Share Class reference currency.

**12.3** In the event that a Fund hedges the foreign currency exposure of any of its Shares Classes expressed in a currency other than the reference currency of the relevant Fund (or any other types of exposure in accordance with the terms of the relevant Share Class), the costs and any benefit of such hedging will in each case be allocated solely to the relevant Class of Shares to which the hedging relates.

**12.4** The valuation of the Net Asset Value of each Fund shall be made in the following manner:

**I. The assets of the Company shall include:**

- 1) all cash on hand or on deposit, including any interest accrued thereon;
- 2) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- 3) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other debt instruments, investments and

- securities owned or contracted for by the Company;
- 4) all stock dividends, cash dividends and cash distributions receivable by the Company to the extent information thereon is reasonably available to the Company;
  - 5) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal amount of such securities;
  - 6) the primary expenses of the Company insofar as the same have not been written off;
  - 7) all other assets of any kind and nature including pre-paid expenses.

The valuation of assets of each Fund of the Company shall be calculated in the following manner:

- (A) Units or shares in a collective investment scheme: (i) if a single price for buying and selling units is quoted, at the most recent such price; (ii) if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price excludes any exit or redemption charge attributable thereto; or (iii) if in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or no recent price exists, at a value which, in the opinion of the Directors, is fair and reasonable.
- (B) Exchange traded derivative contracts (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; (ii) if separate buying or selling prices are quoted, at the average of the two prices; or (iii) if in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or no price exists, at a value which in the opinion of the Directors is fair and reasonable.
- (C) Over the counter ("OTC") derivatives shall be valued in accordance with the policies established by the Directors on a basis consistently applied for each different type of contract.
- (D) Any other transferable security or money market instrument: (i) if a single price for buying and selling the security is quoted, at that price; (ii) if separate buying or selling prices are quoted, at the average of the two prices; or (iii) if in the opinion of the Directors, the price obtained is

unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Directors, is fair and reasonable.

- (E) Assets other than those described in (A), (B), (C) and (D) above: at a value which, in the opinion of the Directors, represents a fair and reasonable mid-market price.
- (F) Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall normally be valued at their nominal values.

To the extent that the Board of Directors considers that it is in the best interests of the Company, given the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders in relation to the size of any Fund, an adjustment, as determined by the Board of Directors at its discretion, may be reflected in the Net Asset Value of the Fund for such sum as may represent the percentage estimate of costs and expenses which may be incurred by the relevant Fund under such conditions.

The Board of Directors may at its discretion permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with the good practice.

The Board of Directors has delegated to the administrator and has authorised the administrator to consult with the Company's investment manager in connection with the determination of Net Asset Value and the Net Asset Value per Share of each Class of each Fund.

**II. The liabilities of the Company shall include:**

- 1) all loans, bills and accounts payable;
- 2) all accrued or payable administrative expenses, including, but not limited to, investment advisory and management fees, Depositary and paying agent fees, administrator fees, listing fees, domiciliary and corporate agent fees, auditors' and legal fees;
- 3) all known liabilities, present and future, including all matured contractual obligation for payments of money or property, including the amount of any unpaid dividends declared by the Company where the Valuation Point falls on the record date for determination of the person entitled thereto or is subsequent thereto;

- 4) an appropriate provision for future taxes based on capital and income to the Valuation Point, as determined from time to time by the Company, and other reserves, if any, authorised and approved by the Board of Directors;
- 5) the formation expenses of the Company insofar as the same have not been written off; and
- 6) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares in the Company.

In determining the amount of such other liabilities, the Company shall take into account all expenses payable by the Company which shall comprise promotion, printing, reporting and publishing expenses, including the cost of advertising, preparing, translating and printing of prospectuses, explanatory memoranda, Company documentation or registration statements, annual and semi-annual reports, taxes or governmental charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone, facsimile and other electronic means of communication.

The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and may accrue the same in equal proportions over any such period. The Board of Directors, in its absolute discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset and / or liability of the Company.

### **III. The assets shall be allocated as follows:**

The Board of Directors shall establish a Fund in respect of each Class of Shares and may establish a Fund in respect of two or more Classes of Shares in the following manner:

- 1) if two or more Classes of Shares relate to one Fund, the assets attributable to such Classes shall be commonly invested pursuant to the specific investment policy of the Fund concerned. Within a Fund, Classes of Shares may be defined from time to time by the Board of Directors so as to correspond to: (i) a specific distribution policy, such as entitling to distributions ("distribution Shares") or not entitling to distributions ("capitalisation Shares"); and/or (ii) a specific sales and redemption charge structure; and/or (iii) a specific management or advisory fee

structure; and/or (iv) a specific assignment of distribution, Shareholder services or other fees; and/or (v) a specific type of investor; and/or (vi) a specific currency; and/or (vii) any other specific features applicable to one Class of Shares;

- 2) the proceeds to be received from the issue of Shares of a Class shall be applied in the books of the Company to the Fund corresponding to that Class of Shares, provided that if several Classes of Shares are outstanding in such Fund, the relevant amount shall increase the proportion of the net assets of such Fund attributable to the Class of Shares to be issued;
- 3) the assets and liabilities and the income and expenditure applied to a Fund shall be attributable to the Class or Classes of Shares corresponding to such Fund;
- 4) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the asset from which it was derived and on each revaluation of an asset, the increase or decrease in value shall be applied to the relevant Fund;
- 5) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such liability shall be allocated to the relevant Fund;
- 6) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability shall be allocated to all the Funds pro rata to the Net Asset Value of the relevant Classes of Shares or in such other manner as determined by the Board of Directors acting in good faith; and
- 7) upon the payment of distributions to the holders of any Class of Shares, the Net Asset Value of such Class of Shares shall be reduced by the amount of such distributions.

All valuation regulations and determinations shall be interpreted and made in accordance with recognized accounting standards, as may be determined by the Board of Directors.

In the absence of fraud, bad faith, gross negligence or manifest error, every decision in calculating the Net Asset Value taken by the Board of Directors or by any bank, company or other organisation which the Board of Directors may

appoint for the purpose of calculating the Net Asset Value, shall be final and binding on the Company and present, past or future Shareholders, subject to Article 12.1 hereof.

IV. For the purpose of this Article:

- 1) Shares of the Company to be redeemed under Article 9 hereof shall be treated as existing and taken into account until immediately after the time specified by the Board of Directors as of the Valuation Point on which such valuation is made and from such time and until paid by the Company the price therefore shall be deemed to be a liability of the Company;
- 2) Shares to be issued by the Company shall be treated as being in issue as from the time specified by the Board of Directors at the Valuation Point as of which such valuation is made and from such time and until received by the Company. The price therefore shall be deemed to be a debt due to the Company;
- 3) all investments, cash balances and other assets expressed in currencies other than the reference currency of the relevant Fund shall be valued after taking into account the rates of exchange as determined by the Board of Directors for determination of the Net Asset Value of Shares; and
- 4) where at any Valuation Point the Company has contracted to:
  - purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Company and the value of the asset to be acquired shall be shown as an asset of the Company;
  - sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Company and the asset to be delivered shall not be included in the assets of the Company,provided however, that if the exact value or nature of such consideration or such asset is not known as of such Valuation Point, then its value shall be estimated by the Company.

Dilution techniques may be used in order to adjust the net asset value, as more fully described in the Prospectus of the Company.

Article 13. - Frequency and Temporary Suspension of Calculation of Net Asset Value per Share, of Issue, Redemption and Switching of Shares

13.1 With respect to each Class of Shares, the Net Asset Value per Share

and the price for the issue, redemption and switching of Shares shall be calculated from time to time by the Company or any agent appointed thereto by the Company, at least twice a month at a frequency determined by the Board of Directors and determined in the Prospectus, such date or time of determination being the Valuation Point.

**13.2** The Company may suspend the determination of the Net Asset Value per Share of any particular Fund and the issue and redemption of its Shares to and from its Shareholders as well as the switching from and to Shares of each Fund:

13.2.1 during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Regulated Markets on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or

13.2.2 during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or

13.2.3 during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the price or value of any of the Company's investments of the relevant Fund; or

13.2.4 during the whole or any part of any period when for any other reason the price or value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained; or

13.2.5 during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or

- 13.2.6 following a possible decision to merge, liquidate or dissolve the Company or, if applicable, one or several Funds; or
- 13.2.7 following the suspension of the calculation of the net asset value per share/unit, the issue, redemption and/or the switching at the level of a master fund in which the Fund invests in its capacity as feeder fund of such master fund; or
- 13.2.8 if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or
- 13.2.9 if, in exceptional circumstances, the Directors determine that suspension of the determination of Net Asset Value is in the interest of Shareholders (or Shareholders in that Fund as appropriate).

- 13.3** Any such suspension shall be published, if appropriate, by the Company and may be notified to Shareholders having made an application for subscription, redemption or switching of Shares for which the calculation of the Net Asset Value has been suspended.
- 13.4** Such suspension as to any Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and switch of Shares of any other Fund if the assets within such other Fund are not affected to the same extent by the same circumstances.
- 13.5** Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share.

### **Title III**

#### **ADMINISTRATION AND SUPERVISION**

##### **Article 14. - Board of Directors**

- 14.1** The Company shall be managed by the Board of Directors composed of not less than three members, who need not be Shareholders of the Company. They shall be elected for a term not exceeding six years. The directors may be re-elected.
- 14.2** The Directors shall be elected by the Shareholders at a general meeting of Shareholders. The Directors shall be elected by the majority of the votes of the Shares validly cast at the general meeting and shall be



subject to the approval of the CSSF. The general meeting of Shareholders shall also determine the number of Directors, their remuneration and the term of their office.

- 14.3** Any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting.
- 14.4** In the event of a vacancy in the office of Director, the remaining Directors may temporarily fill such vacancy. The Shareholders shall take a final decision regarding such nomination at their next general meeting.
- 14.5** Where a Legal Entity is appointed as member of the Board of Directors, such Legal Entity must designate a natural person as permanent representative (*representante permanente*) who will represent such Legal Entity in accordance with Article 51 bis of the Company Law. Such individual is submitted to the same obligations than the other directors. Such individual may only be revoked upon appointment of a replacement individual.

#### **Article 15. - Board Meetings**

- 15.1** The Board of Directors shall choose from among its members a chairman and may choose one or more vice-chairman. The Board of Directors may also choose a secretary (who need not be a director) who shall write and keep the minutes of the meetings of the Board of Directors and of the Shareholders. Either the chairman or any two Directors may at any time summon a meeting of the Directors by notice in writing to every Director which notice shall set forth the general nature of the business to be considered and the place at which the meeting is to be convened.
- 15.2** Written notice of any meeting of the Board of Directors shall be given to all Directors at least twenty-four hours prior to the date set for such meeting, except in circumstances of an emergency, in which case the nature of such circumstances shall be set forth in the notice of meeting. This notice may be waived by consent in writing by mail, e-mail, telefax or any other similar means of communication, or when all Directors are present or represented at the meeting. Separate notice shall not be required for meetings held at times and places fixed in a resolution

adopted by the Board of Directors.

- 15.3** The chairman shall preside at the meetings of the Directors and of the Shareholders. In his absence, the Shareholders or the Directors shall decide by a majority vote that another Director, or in the case of a Shareholders' meeting, that any other person shall be in the chair of such meetings.
- 15.4** The Board of Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board of Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these Articles of Incorporation) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Board of Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
- 15.5** Any Director may act at any meeting by appointing in writing, by mail, e-mail or telefax or any other similar means of communication another director as his proxy. A Director may represent several of his colleagues.
- 15.6** The Directors may only act at duly convened meetings of the Board of Directors. The Directors may not bind the Company by their individual signatures, except if specifically authorised thereto by resolution of the Board of Directors.
- 15.7** The Board of Directors can deliberate or act validly at meetings of the Board of Directors only if at least the majority of the Directors, or any other number of Directors that the Board of Directors may determine, are present or represented.
- 15.8** Resolutions of the Board of Directors will be recorded in minutes signed by the chairman of the meeting. Copies of extracts of such minutes to be produced in judicial proceedings or elsewhere will be validly signed where they are signed by the chairman of the meeting or any two

Directors.

- 15.9** Resolutions are taken by a majority vote of the Directors present or represented. In the event that at any meeting the numbers of votes for or against a resolution are equal, the chairman of the meeting shall have a deciding vote.
- 15.10** Resolutions in writing approved and signed by all Directors shall have the same effect as resolutions voted at the Board of Directors' meetings. Each Director shall approve such resolution in writing, by mail, telefax or any other similar means of communication. Such approval shall be confirmed in writing and all documents shall form the record that proves that such decision has been taken.
- 15.11** Members of the Board of Directors or of any committee thereof may participate in a meeting of the Board of Directors or of such committee by means of conference telephone, videoconference, or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting=

**Article 16. - Powers of the Board of Directors**

- 16.1** The Board of Directors is vested with the broadest powers to perform all acts of disposition and administration within the Company's purpose, in compliance with the investment policies as determined in Article 19 hereof.
- 16.2** All powers not expressly reserved by law or by the present Articles of Incorporation to the general meeting of Shareholders are in the competence of the Board of Directors.

**Article 17. - Corporate Signature**

Vis-a-vis third parties, the Company is validly bound by the joint signatures of any two Directors or by the joint or single signature of any officer(s) of the Company or of any other person(s) to whom authority has been delegated by the Board of Directors.

**Article 18. - Delegation of Powers**

- 18.1** The Board of Directors may delegate its powers to conduct the daily management and affairs of the Company (including the right to act as

authorised signatory for the Company) and its powers to carry out acts in furtherance of the corporate policy and purpose to one or several physical persons or corporate entities, which need not be members of the Board of Directors, who shall have the powers determined by the Board of Directors and who may, if the Board of Directors so authorises, sub-delegate their powers.

- 18.2** In particular, the Company may appoint a management company established in Luxembourg or another Member State to serve as its designated management company in accordance with the UCI Law in order to provide investment management, administration and marketing services, subject to the overall control and responsibility of the Board of Directors, as more specifically detailed in a management company services agreement.
- 18.3** Furthermore, the Company or its designated management company, if applicable, may enter into an investment management agreement with an external investment manager, which shall supply the Company with recommendations and advice with respect to the Company's investment policy pursuant to Article 19 hereof and may, on a day-to-day basis and subject to the overall control and responsibility of the Board of Directors and the Company's designated management company, if applicable, have actual discretion to purchase and sell securities and other assets of the Company pursuant to the terms of a written agreement. The external investment manager may delegate its powers to a third party at its own cost.
- 18.4** The Board of Directors may also confer special powers of attorney by notarial or private proxy.

#### **Article 19. - Investment Policies and Restrictions**

- 19.1** The Board of Directors, based upon the principle of risk spreading, has the power to determine the investment policies and strategies to be applied in respect of each Fund and the course of conduct of the management and business affairs of the Company, within the restrictions as shall be set forth by the Board of Directors in compliance with applicable laws and regulations.
- 19.2** Within those restrictions, the Board of Directors may decide that

investments be made in:

19.2.1 transferable securities or money market instruments;

19.2.2 shares or units of other UCIs within the limits set forth in the Prospectus, including shares or units of a master fund qualified as a UCITS and shares issued by one or several other Funds of the Company, to the extent permitted and at the conditions stipulated below;

19.2.3 deposits with credit institutions, which are repayable on demand or have the right to be withdrawn and which are maturing in no more than twelve (12) months;

19.2.4 financial derivative instruments;

19.2.5 other assets to the extent permitted by the UCI Law.

Any Fund which acts as a feeder fund of a master fund shall invest at least eighty five (85) percent of its assets in shares/units of another UCITS or of a Fund of such UCITS, which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The feeder Fund may not invest more than fifteen (15) percent of its assets in one or more of the following:

a) ancillary liquid assets in accordance with Article 41 (2) of the UCI Law;

b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and article 42 (2) and (3) of the UCI Law;

c) movable and immovable property which is essential for the direct pursuit of the Company's business;

Any Fund which invests in securities issued by one or several other Fund (the Target Fund(s)) shall comply with the following conditions:

a) the Target Fund does not invest in the investing Fund;

b) not more than ten (10) percent of the assets of the Target Fund may be invested in other Funds;

c) the voting rights linked to the transferable- securities of the Target Fund are suspended during the period of investment;

d) in any event, for as long as these securities are held by the

Company, their value will not be taken into consideration for the calculation of the net asset value for the purposes of verifying the minimum threshold of the net assets imposed by the UGI Law; and

e) there is no duplication of management/subscription or repurchase fees between those at the level of the Fund having invested in the Target Fund and those of the Target Fund.

Further where the Board of Directors has decided that a Fund should be eligible for UCITS investors, the investment of such Fund in aggregate in shares or units of other UCIs or other UCITS as referred under (19.2.2) above shall be limited to ten (10) per cent.

- 19.3** The investment policy of the Company may replicate the composition of a financial index recognised by the Luxembourg supervisory authority.
- 19.4** The Company may in particular purchase the above mentioned assets on any Regulated Market of a state of Europe, being or not a Member State.
- 19.5** The Company may also invest in 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 a Regulated Market and that such admission be secured within one year of issue.
- 19.6** In accordance with the principle of risk spreading, the Company is authorised to invest up to 100% of the net assets attributable to each Fund in transferable securities or money market instruments issued or guaranteed by a Member State of the EU, by its local authorities, by any other Member State of the OECD, by certain non-Member States of the OECD (currently Brazil, Indonesia, Russia, India and South Africa) or by a public international body of which one or more Member State(s) of the EU are member(s) as set out in the Prospectus being provided that if the Company uses the possibility described above, it shall hold, on behalf of each relevant Fund, securities belonging to six different issues at least. If the Fund invests more than 35% of the net assets attributable to the Fund in the securities issued by a single issuer, such securities belonging to one issue cannot exceed 30% of the total net assets

attributable to that Fund.

- 19.7** The Board of Directors, acting in the best interest of the Company, may decide, in the manner described in the Prospectus, that: (i) all or part of the assets of the Company or of any Fund be co-managed on a segregated basis with other assets held by other investors, including other undertakings for collective investment and/or their sub-funds; or that (ii) all or part of the assets of two or more Funds of the Company be co-managed amongst themselves on a segregated or on a pooled basis.
- 19.8** Investments of each Fund of the Company may be made either directly or indirectly through wholly-owned subsidiaries, as the Board of Directors may from time to time decide and as described in the Prospectus. Reference in these Articles to "investments" and "assets" shall mean, as appropriate, either investments made and assets beneficially held directly or investments made and assets beneficially held indirectly through the aforesaid subsidiaries.
- 19.9** The Company is authorised to employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for hedging purposes, for the purpose of efficient portfolio management or for investment purposes.

**Article 20. - Conflict of Interest**

- 20.1** No contract or other transaction between the Company and any other company or firm (including the management company appointed by the Company and/or any external investment manager appointed by the Company or by the management company, as applicable) shall be affected or invalidated by the fact that any one or more of the Board of Directors or officers of the Company is interested in, or is a director, associate, officer or employee of, such other company or firm. Any Director or officer of the Company who is interested in, or serves as a director, officer or employee of any such company or firm with which the Company shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm, be prevented from considering and voting or acting upon any matters with respect to

such contract or other business.

- 20.2** In the event that any Directors or officers of the Company may have an interest in any transaction of the Company which conflicts with the interests of the Company, such Director or officer shall make known to the Board of Directors such conflict of interest and shall not consider or vote on any such transaction, and such transaction and such Director's or officer's interest therein shall be reported to the next succeeding general meeting of Shareholders.
- 20.3** Such conflict of interest as referred to in this Article, shall not include any relationship with or interest in any matter, position or transaction involving any affiliated or associated company of the management company or any external investment manager appointed by the Company or by the management company, as applicable, or such other person, company or entity as may from time to time be determined by the Board of Directors in its discretion.

**Article 21. - Indemnification of Directors**

Every Director, agent, auditor, or officer of the Company and his personal representatives (each an "**Indemnified Person**") shall be indemnified and secured harmless out of the assets of the relevant Fund(s) against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities ("**Losses**") incurred or sustained by him in or about the conduct of the Company business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including Losses incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company in any court whether in Luxembourg or elsewhere. No Indemnified Person shall be liable; (i) for the acts, receipts, neglects, defaults or omissions of any other Indemnified Person; or (ii) by reason of his having been joined in any receipt for money not received by him personally; or (iii) for any loss on account of defect of title to any property of the Company; or (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or (v) for any loss incurred through any bank, broker or other agent; or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto.



No indemnification shall be provided to any Indemnified Person: (i) against any liability to the Company or its Shareholders by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office; (ii) with respect to any matter as to which he shall have been finally adjudicated to have acted in bad faith and not in the interest of the Company; or (iii) in the event of a settlement, unless the settlement has been approved by a court of competent jurisdiction. The Company shall not indemnify an Indemnified Person in the event of claim resulting from legal proceedings among such Indemnified Persons.

The right of indemnification herein provided shall be severable, shall not affect any other rights to which any director or officer may now or hereafter be entitled, shall continue as to a person who has ceased to be such director or officer.

Expenses in connection with the preparation and representation of a defense of any claim, action, suit or proceeding of the character described in this Article shall be advanced by the Company prior to final disposition thereof upon receipt of any undertaking by or on behalf of the officer or director, to repay such amount if it is ultimately determined that he is not entitled to indemnification under this Article.

#### **Article 22. - Auditors**

**22.1** The Company shall have the accounting information contained in the annual report inspected by a Luxembourg approved statutory auditor (*t' reviseur d'entreprises agree*) appointed by the general meeting of Shareholders and remunerated by the Company.

**22.2** The auditor shall fulfil all duties prescribed by the UCI Law.

### **Title IV**

#### **GENERAL MEETINGS - ACCOUNTING YEAR - DISTRIBUTIONS**

#### **Article 23. - General meetings of Shareholders of the Company**

**23.1** The general meeting of Shareholders of the Company shall represent the entire body of Shareholders of the Company. Its resolutions shall be binding upon all the Shareholders regardless of the Class of Shares held by them. It shall have the broadest powers to order, carry out or ratify acts relating to the operations of the Company.

**23.2** The general meeting of Shareholders shall meet upon call by the Board

of Directors.

- 23.3** It may also be called upon the request of Shareholders representing at least one tenth of the share capital of the Company.
- 23.4** The annual general meeting shall be held in accordance with Luxembourg law at the registered office of the Company or at a place specified in the notice of meeting.
- 23.5** Other meetings of Shareholders may be held at such places and times as may be specified in the respective notices of meeting.
- 23.6** The Board of Directors may convene a general meeting of Shareholders pursuant to a notice setting forth the agenda published to the extent and in the manner required by Luxembourg law and/or sent at least eight (8) days prior to the meeting to each registered Shareholder at the Shareholder's address in the register of Shareholders or at such other address indicated by the relevant Shareholder, such convening notice may be sent by means other than registered letters (such as emails). No evidence of the giving of such notice to registered Shareholders is required by the meeting. The agenda shall be prepared by the Board of Directors except in the instance where the meeting is called on the written demand of the Shareholders in which instance the Board of Directors may prepare a supplementary agenda.
- 23.7** If no publications are made, notices to Shareholders may be mailed by registered mail only.
- 23.8** If all Shareholders are present or represented and consider themselves as being duly convened and informed of the agenda, the general meeting may take place without notice of meeting.
- 23.9** The Board of Directors may determine all other conditions that must be fulfilled by Shareholders in order to attend any meeting of Shareholders.
- 23.11** The business transacted at any meeting of the Shareholders shall be limited to the matters contained in the agenda (which shall include all matters required by law) and business incidental to such matters.
- 23.12** Each Share of whatever Class is entitled to one vote, in compliance with Luxembourg law and these Articles of Incorporation. A Shareholder may act at any meeting of Shareholders by appointing another person as his proxy in writing, by mail or by facsimile transmission, who need

not be a Shareholder and who may be a Director.

**23.13** Shareholders taking part in a meeting through video conference or through other means of communication allowing their identification are deemed to be present for the computation of the quorums and votes. The means of communication used must allow all the persons taking part in the meeting to hear one another on a continuous basis and must allow an effective participation of all such persons in the meeting.

**23.14** Unless otherwise provided by law or herein, resolutions of the general meeting of Shareholders are passed by a simple majority vote of the Shareholders validly cast, regardless of the portion of capital represented. Abstentions and *nihilvotes* shall not be taken into account.

#### **Article 24. - General meetings of Shareholders of Funds or of Classes of Shares**

**24.1** The Shareholders of the Class or Classes issued in respect of any Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Fund.

**24.2** In addition, the Shareholders of any Class of Shares may hold, at any time, general meetings to decide on any matters which relate exclusively to such Class.

**24.3** The provisions of Article 23, paragraphs 2, 3, 7, 8, 9, 10 and 11, 13 shall apply to such general meetings of Shareholders.

**24.4** Each Share is entitled to one vote in compliance with Luxembourg law and these Articles of Incorporation. Shareholders may act either in person or by giving a proxy in writing, by mail or by facsimile transmission to another person who need not be a Shareholder and may be a Director.

**24.5** Unless otherwise provided for by law or herein, resolutions of the general meeting of Shareholders of a Fund or of a Class are passed by a simple majority vote of the Shareholders of the relevant Fund or Class present or represented.

**24.6** Any resolution of the general meeting of Shareholders of the Company, affecting the rights of the holders of Shares of any Class vis-a-vis the rights of the holders of Shares of any other Class or Classes, shall be subject to a resolution of the general meeting of Shareholders of such

Class or Classes in compliance with Article 68 of the law of 10 August 1915 on commercial companies, as amended.

**Article 25. - Closure of Funds and/or Classes**

**25.1** In the event that for any reason the value of the assets in any Fund or Class has decreased to an amount determined by the Board of Directors to be the minimum level for such Fund or Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Fund or Class concerned would have material adverse consequences on the investments of that Fund or if the Board of Directors otherwise consider the closure of the Fund and/or the Class to be in the best interest of the Shareholders, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Class or Classes issued in such Fund or the relevant Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), determined as of the Valuation Point at which such decision shall take effect and therefore close the relevant Fund or Class. The Company shall give a written notice to the Shareholders of the relevant Class or Classes of Shares one month prior to the date on which the compulsory redemption is to become effective, which will indicate the reasons for, and the procedure of such redemption operations. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Fund or Class will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

**25.2** Notwithstanding the powers conferred to the Board of Directors as described in the previous paragraph, the general meeting of Shareholders of any Fund or Class within any Fund may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class or Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation

Point at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

- 25.3** Assets which may not be distributed to the relevant beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the "*Caisse de Consignation*" on behalf of the persons entitled thereto.
- 25.4** All redeemed Shares shall be cancelled.
- 25.5** The liquidation of the last remaining Fund of the Company will result in the liquidation of the Company under the conditions of the UGI Law.

## **Article 26. - Mergers and divisions**

### *Merger of Funds*

- 26.1** In the event that for any reason the value of the total net assets the Company, in any Fund has not reached or has decreased to an amount determined by the Board of Directors to be the minimum level for the Company, such Fund to be operated in an economically efficient manner, or in case of a change in the political, economic or monetary situation or if the Board of Directors otherwise considers the closure of the Fund and/or a Class to be in the best interests of the Shareholders, the Board of Directors may decide to proceed with a merger (within the meaning of the UGI Law) of the assets of the Company, any Fund with those of (i) another existing Fund within the Company or another sub-fund within such other Luxembourg or foreign UCITS (the "new sub-fund"), or of (ii) another Luxembourg or foreign UCITS (the "new UCITS"), and to redesignate the Shares of the Company or the Fund concerned as Shares of the new UCITS or the new sub-fund, as applicable. In case the Company or the Fund concerned by the merger is the receiving UCITS (within the meaning of the UGI Law), the Board of Directors will decide on the effective date of the merger it has initiated. Such a merger shall be subject to the conditions and procedures imposed by the UGI Law, in particular concerning the merger project to be established by the Board of Directors and the information to be

provided to the Shareholders.

- 26.2** Notwithstanding the powers conferred to the Board of Directors as described in the previous paragraph, a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to any Fund with another Fund within the Company may be decided upon by a general meeting of the Shareholders of the Fund concerned for which there shall be no quorum requirements and which will decide upon such a merger by resolutions taken by simple majority vote of the Shareholders validly cast. The general meeting of the Shareholders of the Fund concerned will decide on the effective date of such a merger it has initiated within the Company, by resolution taken with no quorum requirement and adopted at a simple majority of the Shares present or represented at such meeting.
- 26.3** The Shareholders may also decide a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to the Company or any Fund with the assets of any new UCITS or new sub-fund within another UCITS. Such a merger and the decision on the effective date of such a merger shall require resolutions of the Shareholders of the Company or Fund concerned subject to the quorum and majority requirements referred to in Article 32 hereof, except when such a merger is to be implemented with a Luxembourg UCITS of the contractual type (*"fonds commun de placement"*), in which case resolutions shall be binding only on such shareholders who have voted in favour of such merger. If the merger is to be implemented with a Luxembourg UCITS of the contractual type (*"fonds commun de placement"*), Shareholders not having voted in favour of such merger will be considered as having requested the redemption of their Shares, except if they have given written instructions to the contrary to the Company. The assets which may not or are unable to be distributed to such Shareholders for whatever reasons will be deposited with the Depository for the period required by Luxembourg law; after such period, the assets will be deposited with the *"Caisse de Consignation"* on behalf of the persons entitled thereto.

**26.4** Where the Company (or any of its Funds, as the case may be) is the absorbed entity, which thus ceases to exist, irrespective of whether the merger is initiated by the Board of Directors or by the Shareholders, the general meeting of Shareholders of the Company (or of the relevant Fund, as the case may be) must decide the effective date of the merger. Such general meeting is subject to the quorum and majority requirements referred to in Article 32 hereof.

*Division of Funds*

**26.6** In the event that the Board of Directors determine that the division of two or more Funds is in the best interests of the Shareholders of the relevant Funds or of a change in the political, economic or monetary situation relating to the relevant Fund or as a matter of economic rationalisation, one Fund may be reorganised by means of a division into two or more Funds. The Company shall give a written notice to the Shareholders of the relevant Fund one month prior to the date on which such division is to become effective, which will indicate the reasons for and the procedure of such division. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Fund will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the division.

**26.7** Notwithstanding the powers conferred to the Board of Directors as described in the previous paragraph, the general meeting of Shareholders of any Fund may, upon a proposal from the Board of Directors, approve the division of the relevant Fund into two or more Funds. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

*Merger or division of Share Classes*

**26.8** In the same circumstances as described under Article 26.1 and 26.5, as applicable, the Board of Directors is entitled to reorganise Share Classes by changing their characteristics, so as to merge one or more

Share Classes with one or more other Share Classes of the same Fund or divide a Share Class into two or more different Share Classes of the same Fund. The Company shall give a written notice to the Shareholders of the relevant Share Class or Classes one month prior to the date on which such reorganisation is to become effective, which will indicate the reasons for and the procedure of such reorganisation. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Share Class or Classes will be entitled to request redemption or switch of their Shares without payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the reorganisation.

- 26.9** Notwithstanding the powers conferred to the Board of Directors as described in the previous paragraph, the general meeting of Shareholders of any Share Class may, upon a proposal from the Board of Directors, decide to reorganise Share Classes by changing their characteristics, so as to merge one or more Share Classes with one or more other Share Classes of the same Fund or divide a Share Class into two or more different Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

**Article 27. - Accounting Year**

The accounting year of the Company shall commence on 1 April of each year and terminates on 31 March of the same year.

**Article 28. - Distributions**

- 28.1** The general meeting of Shareholders of the Class or Classes issued in respect of any Fund shall, upon proposal from the Board of Directors and within the limits provided by law, determine how the results of such Fund shall be disposed of, and may from time to time declare, or authorise the Board of Directors to declare, distributions.
- 28.2** For any Class or Classes of Shares entitled to distributions, the Board of Directors may decide to pay interim dividends in the frequency and



amounts determined by the Board of Directors in compliance with the conditions set forth by law.

- 28.3** Payments of distributions to holders of registered Shares shall be made to such Shareholders at their addresses in the register of Shareholders.
- 28.4** Distributions may be paid in such currency and at such time and place that the Board of Directors shall in its discretion determine from time to time.
- 28.5** The Board of Directors may decide to distribute stock dividends in lieu of cash dividends upon such terms and conditions as may be set forth by the Board of Directors.
- 28.6** Any distribution that has not been claimed within five (5) years of its declaration shall be forfeited and revert to the Fund relating to the relevant Class or Classes of Shares.
- 28.7** No interest shall be payable by the Company on a dividend which has not been claimed by a Shareholder.
- 28.9** As the case may be, distributions may be adjusted according to an equalisation method, referred to in the Prospectus of the Company.

## **TITLE V**

### **FINAL PROVISIONS**

#### **Article 29. - Depositary**

- 29.1** The Company will appoint a Depositary which shall carry out the duties and responsibilities as set forth in and in accordance with the requirements of the part 1 of the UCI Law. In carrying out its functions as depositary, the depositary must act in the sole interest of the Shareholders.
- 29.2** The Depositary shall fulfil the duties and responsibilities as provided for by the UCI Law.
- 29.3** In the event that: (i) a third country requires that certain financial instruments shall be held in custody by a local entity and that: (ii) such local entities do not satisfy the delegation requirements under the UCI Law, the Company is expressly authorised to discharge in writing the Depositary from its liability with respect to the custody of such financial instruments to the extent that it has been instructed by the Depositary or, if appointed, the management company, to delegate the custody of

such financial instruments to such local entity. If the Depositary desires to retire, the Board of Directors shall use its best endeavours to find a successor depositary within two months of the effectiveness of such retirement. The Board of Directors may terminate the appointment of the Depositary but shall not remove the Depositary unless and until a successor depositary shall have been appointed to act in the place thereof.

**Article 30. - Dissolution of the Company**

- 30.1** The Company may at any time be dissolved by a resolution of the general meeting of Shareholders subject to applicable quorum and majority requirements.
- 30.2** Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 6 hereof, the question of the dissolution of the Company shall be referred to the general meeting of Shareholders by the Board of Directors. The general meeting of Shareholders, for which no quorum shall be required, shall decide by simple majority of the votes of the Shares represented at the meeting.
- 30.3** The question of the dissolution of the Company shall further be referred to the general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by Article 6 hereof; in such an event, the general meeting of Shareholders shall be held without any quorum requirements and the dissolution may be decided by Shareholders holding one quarter of the votes of the Shares represented at the meeting.
- 30.4** The general meeting of Shareholders must be convened so that it is held within a period of forty days from ascertainment that the net assets of the Company have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

**Article 31. - Liquidation**

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, appointed by the general meeting of Shareholders which shall determine their powers and their compensation.

**Article 32. - Amendments to the Articles of Incorporation**

These Articles of Incorporation may be amended by a general meeting of

Shareholders subject to the quorum and majority requirements provided by the law of 10 August 1915 on commercial companies, as amended from time to time.

**Article 33. - Applicable Law**

All matters not governed by these Articles of Incorporation shall be determined in accordance with the law of 10 August 1915 on commercial companies, as amended, and the UGI Law, as amended.

**TRANSITIONAL PROVISIONS**

The first accounting year begins on the date hereof and ends on 31 March 2017.

The first annual general meeting of shareholders shall be held in 2017.

Interim dividends may also be distributed during the Company's first financial year.

**SUBSCRIPTION AND PAYMENT**

The Articles of Incorporation having thus been established, the Founding Shareholder, represented as described above, hereby declares that it subscribes for all the 3.000 Shares representing the total subscribed share capital of the Company.

All these Shares have been fully paid up by the Founding Shareholder by a payment in cash, so that the amount of thirty thousand Euros (EUR 30,000. ) paid by the Founding Shareholder is from now on at the disposal of the Company, evidence of which has been given to the notary by means of a blocking certificate (*certificat de blocage*).

**STATEMENT - COSTS**

The notary declares that the conditions prescribed by Article 26 of the Company Law have been fulfilled and expressly bears witness to their fulfillment. Further, the notary executing this deed confirms that these Articles of Incorporation also comply with the provisions of Article 27 of the Company Law.

The expenses, costs, remunerations and charges in any form whatsoever, which shall be borne by the Company as a result of the present deed, are estimated at approximately three thousand Euro (EUR 3,000).

**RESOLUTIONS SHAREHOLDERS**

The Founding Shareholder, represented as described above,

representing the entire share capital of the Company, takes the following resolutions:

- (a) the number of Directors of the Company is set at 6 (six);
- (b) the following persons are appointed as Directors of the Company
  - **Laurence Mumford**, chairman of the Board of Directors, Retail Chief Operating Officer and MLRO, M&G Group, born on 10 April 1966 in London, United Kingdom, with professional address at Laurence Pountney Hill, London EC4R OHH, United Kingdom; and
  - **Philip Jelfs**, vice-chairman of the Board of Directors, Product Director, M&G Group, born on 17 February 1976 in Leamington Spa, United Kingdom, with professional address at Laurence Pountney Hill, London EC4R OHH, United Kingdom; and
  - **Yves Wagner**, independent director, born on 16 November 1958 in Luxembourg, Grand Duchy of Luxembourg, with professional address at the Directors' Office, 19 Rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg; and
  - **William Nott**, CEO, M&G Securities, born on 25 April 1962 in Sudbury, United Kingdom, with professional address at Laurence Pountney Hill, London EC4R OHH, United Kingdom; and
  - **Gary Cotton**, Chief Operating Officer, M&G Investment Management and M&G Alternatives Investment Management, born on 22 November 1969 in Nottingham, United Kingdom, with professional address at Laurence Pountney Hill, London EC4R OHH, United Kingdom; and
  - **Graham MacDowall**, Retail Finance Director, M&G Group, born on 1 October 1963 in Hornchurch, United Kingdom, with professional address at Laurence Pountney Hill, London EC4R OHH, United Kingdom.
- (c) The following person is appointed as independent auditor (*reviseur*

*d'entreprises agree*) until the annual general meeting of shareholders convened to approve the Company's annual accounts for the first financial year:

**Ernst and Young**, a *Societe Anonyme*, governed by the laws of Luxembourg, with registered office at 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the "*Registre du Commerce et des Societes*" under number 847771;

- (d) that the Board members are appointed until the annual general meeting of shareholders convened to approve the Company's annual accounts for the first financial year; and
- (e) that the address of the registered office of the Company is set at 49 Avenue J.F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg.

The notary, who understands and speaks English, hereby declares that, at the request of the Founding Shareholder, the present deed is worded in English.

Whereof the present notarial deed is drawn up in Luxembourg, on the day named at the beginning of this deed.

This deed having been read to the proxyholder of the Founding Shareholder, who is known to the notary by her surname, first name, civil status and residence, said proxyholder, together with the notary, signed the present deed.