

# EVLI

## EVLI HANNIBAL

### Rules of the mutual fund

Valid from March 7, 2024

# EVLI

## § 1 The Fund

The name of the fund is Sijoitusrahasto Evli Hannibal (hereinafter “the Fund”) in Finnish, Placeringsfond Evli Hannibal in Swedish, and Mutual Fund Evli Hannibal in English. The Fund is compliant with the UCITS Directive.

## § 2 Fund management company

Evli Fund Management Company Ltd (hereinafter “the Management Company”) is responsible for the investment operations and management of the Fund. The Management Company represents the Fund in its own name, acts on behalf of the Fund in matters pertaining to the Fund, and exercises the rights pertaining to the assets in the Fund, subject to the constraints of the Act on Common Funds.

## § 3 Custodian

The custodian of the Fund’s assets is Skandinaviska Enskilda Banken AB (publ) Finland Branch (hereinafter “the Custodian”). The Custodian may use corporations specializing in custodianship and supervised by the Finnish Financial Supervisory Authority or a corresponding foreign supervisory authority to assist it in the performance of its duties.

## § 4 Agents

The Management Company may outsource its operations to be carried out by an agent. The key information document contains information on the extent to which the Management Company uses agents at any given time. The expenses of the above-mentioned agents are included in the management fee referred to in Section 8.

## § 5 Investment of the Fund’s assets and investment objectives

The Fund is an equity fund whose investment objective is to achieve the highest possible long-term increase in value for the fund unit with a reasonable risk tolerance. The mutual fund does not have a benchmark index.

### *Investment instruments*

The Fund’s assets may be invested in:

- 1) Equities and equity-linked securities such as convertible bonds, bonds with equity warrants and warrants, hereinafter collectively referred to as securities, that are traded on a regulated market as referred to in the Act on Trading in Financial Instruments or on any other regulated market that operates regularly, is recognized, and open to the public.
- 2) Equities whose terms of issuance specify that the securities will be made tradable within one year of their issuance in a trading system referred to above under point 1), provided that trading is very likely to begin by the expiration of said time.

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3) Money market instruments traded on a regulated market as referred to in the Act on Trading in Financial Instruments, or on another regulated market which operates regularly, is recognized, and open to the public.

4) Deposits with credit institutions, provided that the deposit is repayable on demand or is withdrawable and repayable within 12 months at the latest, and the credit institution is domiciled in an EEA State or, if the fiscal residence of the credit institution is in a non-EEA State, provided that the credit institution is subject in its home state to prudential regulation equivalent to those laid down in European Community law.

## *Investment restrictions*

The Fund invests its assets in the securities of European companies whose market value in relation to the company's financial situation is estimated to be as low as possible.

Not more than a total of 10 percent of the Fund's assets may be invested in the securities or money market instruments of the same issuer. Investments in the securities of any one issuer that exceed 5 percent of the Fund's assets may not exceed 40 percent in total. This restriction is not applied to deposits.

A maximum of 20 percent of the Fund's assets may be invested in deposits in any one credit institution.

The aggregate counterparty risk on the securities of the same issuer, money market instruments and deposits received by the entity in question may not exceed 20 percent of Fund's assets.

The Fund must have the cash resources necessary for its operation.

## **6 § Fund unit register and fund units**

The Management Company will keep a register of all the units in the Fund and it will register the transfers of unit ownership. The Fund only has growth units. The fund units are divided into fractions, with each unit divided into ten thousand (10,000) fractions of equal size.

The Management Company does not provide unit holders with certificates of participation.

## **§ 7 Determination and publication of the net asset value of the fund unit**

The net asset value of the Fund is calculated by deducting the Fund's debt from its assets. The net asset value of a unit is the value of the Fund divided by the number of fund units issued. The net asset value of the fund units will be expressed in euros.

The securities included in the Fund are valued at their market value, which is the last closing price on the valuation date in the public price-tracking system at the close of the market in question. If the above price is not available on the valuation date, the latest bid price is used.

Deposits are valued taking into account their principal and interest accrued on the principal.

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Money market instruments are valued according to published bid quotes through market information sources or, if no value is obtained for a money market instrument through such sources, the instrument is valued according to objective criteria as determined by the Management Company's Board of Directors.

If a market value is not available for a security or money market instrument (or if, in the opinion of the Management Company, the value differs significantly from the trading level on the day), it is valued on the basis of objective principles approved by the Management Company's Board of Directors.

When converting the foreign-currency denominated values of the Fund's holdings into euros and when determining the Fund's net asset value, the Management Company will employ the average of the most recent publicly available buy and sell quotations issued by international foreign exchange banks or the daily currency rates published by the European or Swedish Central Bank.

The net asset value of the fund unit is calculated for each day on which deposit banks are generally open in Finland (banking day). The net asset value of the fund unit is available from the Management Company and it is published at [www.evli.com](http://www.evli.com).

## **§ 8 Subscription and redemption prices**

The subscription price of a fund unit is the net asset value of the fund unit calculated on the subscription date in accordance with Section 7. The subscription fee may not exceed 5 percent of the subscription price.

The redemption price of a fund unit is the net asset value of the fund unit calculated on the redemption date in accordance with Section 7. The redemption fee may not exceed EUR 20.

The minimum fee for the registration of a change of ownership of fund units is charged in accordance with the Management Company's current price list for service fees.

The amount of the subscription, redemption and switch fees is set by the Management Company's Board of Directors. The subscription, redemption and switch fees charged by the Management Company are published in the valid fund prospectus.

The Management Company may, by decision of its Board of Directors, waive the subscription and/or redemption fee and the registration fee for ownership in whole or in part for each individual subscription, redemption or transfer of ownership separately and for each subscription or redemption date or transfer of ownership date or subscription and redemption period or transfer of ownership period separately.

## **§ 9 Subscription, redemption and switch of fund units**

Fund units can be subscribed for and redeemed twice a month. The subscription and redemption dates are the 15th day of each calendar month and the last banking day of the calendar month. If the 15th is not a banking day, the subscription and redemption date is the preceding banking day. Subscribers of fund units must notify the Management Company in writing of their intention to subscribe for fund units and the amount of money to be used for the subscription no later than three

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(3) banking days before the subscription date. This notification of a subscription is binding. The Management Company reserves the right to decide on the minimum subscription amount. The subscription fee must be in the Fund's bank account by 2 p.m. on the subscription day.

The number of subscribed shares is calculated by dividing the subscription amount less any subscription fee by the net asset value of the fund unit. Subscription orders may be executed provided that the Management Company has been provided with appropriate and sufficient information on the subscription, the subscriber and the identity of the subscriber. The management company has the right to accept or reject the subscription order or subscription if the Management Company has not been provided with sufficient information to enable to carry out the subscription or if, in the opinion of the Management Company, there is no real need for the client relationship or if the client relationship is deemed to be detrimental to the interests or equality of other unit-holders or if the client relationship would unreasonably increase the administrative obligations imposed on the Management Company, such as the obligation to register or to take any other action which the Fund or the Management Company would not otherwise be obliged to take. A refusal may also be based on a subscription that is contrary to Finnish law or the law of another country or provisions approved pursuant to them.

When fund unit holders transfer their fund units, the Management Company will register the transfer in the fund unit register, provided that the transferee provides the Management Company with sufficient information about the transferee and the identity of the transferee and the transfer. The Management Company has the right to refuse registration on the same grounds as stated above for subscription orders.

Unit holders have the right to request redemption of their units. Fund units are redeemed by making a redemption request and delivering any written unit certificate issued to the Management Company. The redemption request and the unit certificate, if any, must be submitted to the Management Company no later than five (5) banking days before the redemption date. A redemption request may be cancelled only with the consent of the Management Company.

The unit redemption price will be paid to the bank account provided by the unit holder.

Payment is made on the banking day following the redemption date. If the Fund does not have sufficient cash to effect redemption on the redemption date, the fund will raise the assets to execute the redemption by selling the Fund's securities. The securities must be sold without undue delay, but no later than two weeks from the date of the redemption claim. The redemption will then be executed at the net asset value of the fund units on the date on which the securities are sold. The redemption is paid on the banking day following the day on which the proceeds from the sale of the securities are received.

For a special reason, the Financial Supervisory Authority may authorize the time limit for selling securities to be exceeded.

The Management Company may temporarily suspend the subscription and redemption of fund units if it is required in order to ensure the equality of fund unit holders, or due to some other overriding interest. Such situations include at least the following:

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- 1) The main market or a significant part of the market used by the Fund's investments is closed or trading on them is restricted. The above includes at least situations when at least half of the Fund's investments are not quoted or, in the opinion of the Management Company, cannot be valued in an acceptable manner taking into account the equality of unit holders or when otherwise required by the interests of unit holders.
- 2) The Fund has reached a size where subsequent investment in the underlying market would be contrary to the unit holder's interests.
- 3) The calculation of the Fund's value is prevented for any reason as referred to in Section 7 of these rules.

The Management Company will notify the Finnish Financial Supervisory Authority and the fund unit holders of the suspension of subscriptions and redemptions without undue delay on the Management Company's website, for example.

The Management Company has the right to unilaterally redeem fund units without the mandate or consent of the unit holder if there is a compelling reason related to the unit holder, such as the failure to provide the Management Company with or of the unit holder to update the customer information provided by the unit holder, in which case the Management Company cannot, for example, meet client due diligence obligations, or where the Fund Company deems that there is no real need for the client relationship, or where the client relationship is considered to be detrimental to the interests or equality of other unit holders, or where the unit holder moves from Finland to another country, or the client relationship has been become in violation of Finnish or any other country's law or regulations, or which causes the Fund or the Management Company to be obliged to register, report or join a foreign entity which it would not otherwise be required to join, or to take any other action which the Fund or the Management Company would not otherwise be obliged to take. An important reason may also arise if a unit holder is placed on a sanctions list, and action in violation of the sanction would likely cause significant harm to the Management Company's operations or cause the Management Company to contravene laws or regulations applying to its operations.

Such redemptions will be carried out at the value on the date of the decision and no redemption fee will be charged. The redemption proceeds will be transferred to the contra account specified by the client. If the proceeds cannot be paid into the client's contra account, they will be deposited with the Regional State Administrative Agency of the unit holder's domicile. The Management Company will immediately inform the unit holder of the redemption and the reason for the redemption.

## **§ 10 Fees payable to the Management Company and the Custodian**

The Management Company will charge a management fee for its services that consists of a fixed and a performance-based component. The Management Company may deviate from the amount of the management fees (fixed and performance-related) charged, taking into consideration the client relationship as a whole, by decision of its Board of Directors.

The fixed management fee will not exceed 0.9 percent per annum of the value of the Fund. The amount of the fee will be calculated daily and is deducted from the Fund's net asset value as a debt to

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the Management Company. The Management Company will charge its fees monthly in arrears. The Management Company's Board may decide on a lower management fee. Information on the management fee charged at any given time is available in the valid fund prospectus.

The performance-based fee is determined in such a way that the Management Company receives ten (10) percent of the return that exceeds the reference return on the subscription and redemption date. The reference return is 3 percent per annum. The performance-based fee is calculated and deducted from the daily value of the Fund, less the fixed management and custodian fees, as a debt of the Fund to the Management Company. The Management Company will charge the fee monthly in arrears.

If the net asset value of the Fund on the subscription and redemption date falls below the previous historical highest value on the subscription and redemption date, plus an annual return of 3 percent accrued in the during this period, no performance-based fee will be paid until this loss has been compensated ('high water mark' principle).

A custody fee is paid to the Custodian from the assets of the Fund. The fee covers the Custodian's statutory duties.

Transaction fees charged by the Custodian, brokerage fees charged by brokers and other direct trading costs are paid directly from the Fund's assets. In addition to the above-mentioned costs, the Fund incurs costs for payment transactions (e.g. foreign payments, opening and maintaining bank accounts), negative interest rates charged by banks, repayment of withholding taxes and the regulatory requirements of the Funds' target markets (e.g. permits, flagging, certificates, authorizations, and translation and notarization of documents), which are charged to the Fund's assets.

## **§ 11 Remuneration**

A significant portion of the salary and the variable portions of salary of persons in the service of the Management Company to which the Management Company's incentive system must be applied under the Act on Common Funds must be paid as fund units of the mutual fund in question, or as other financial instruments that provide an equally effective incentive as fund units. To the extent that the Fund's portfolio management has been outsourced, the Management Company must ensure that the outsourcing partner complies with the corresponding remuneration regulation.

## **§ 12 Financial period of the Fund and the Management Company**

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

## **§ 13 Annual report and half year financial report**

The Management Company prepares an annual report and a half year financial report on the Fund. These shall be available at the Management Company: the annual report no later than three (3) months after the end of the financial period and the half year financial report no later than two (2) months after the end of the review period.

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The annual report and half year financial report are sent free of charge to unit holders on request. The annual report and the half year financial report of the Management Company are available for viewing at the Management Company. The management company publishes on its website a half year report of each investment fund it manages and the latest annual report for each financial period.

## **§ 14 Fund prospectus and key information document**

The management company publishes a prospectus and a key information document about the Fund. The documents referred to above are available at the Management Company. The prospectus and the key information document will be sent free of charge to unit holders on request.

## **§ 15 Meeting of unit holders**

The Management Company does not hold regular meetings of unit holders. Such meetings are organized in accordance with the provisions of the Act on Common Funds. A meeting of unit holders must be held when the Board of Directors of the Management Company deems it necessary, or if the auditor, an independent member of the Board, or unit holders who together hold at least 5 percent of the units in issue demand it in writing for the handling of a matter specified by them. The Board of Directors of the Management Company must then convene the meeting without delay.

The Management Company shall inform the unit holders on its website and either by e-mail or by post of the proposal it has received to convene a meeting to compensate for the damage jointly suffered by unit holders as referred to in Chapter 26, section 9, of the Act on Common Funds, or inform them of any other proposal by a unit holder to convene a meeting, unless the unit holder requesting the meeting holds at least five percent of all outstanding units. For valid reasons, the Management Company is entitled to refuse to notify the other unit holders if there are no grounds to convene a meeting. The Management Company will inform the unit holder who proposed the meeting of its refusal and the reason for such refusal. A meeting will be convened without delay if the holders of units representing in aggregate at least 5 percent of the total number of outstanding units so request in writing for the purpose of dealing with a matter specified by them.

Each unit in the Fund entitles its holder to one (1) vote at a meeting of unit holders. A unit holder will not be entitled to use the rights of a unit holder at a meeting before the unit holder's fund units have been registered.

Unit holders must register with the Management Company no later than the registration date specified in the notice of the meeting to be entitled to attend the meeting. The right to attend and the number of votes held at a unit holders' meeting is determined in accordance with the situation prevailing ten (10) days before the unit holders' meeting. A unit holder may be represented by proxy and be assisted at a unit holders' meeting.

## **§ 16 Important announcements and notices**

Information provided under the law is subject to the law valid at any given time. Other important announcements and releases are published on the Management Company's website. The



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Management Company may, at its discretion, also make other important announcements available to unit holders in any other manner agreed with the unit holder.

In the case of an announcement and notice of great importance, the Management Company may, at its discretion, also publish the announcement in a national newspaper.

## **§ 17 Amendment of the Fund rules**

The Board of Directors of the Management Company decides on the amendment of the Fund rules. Amendments to the rules will enter into force one (1) month after the Finnish Financial Supervisory Authority has approved the amendment and the amendment has been brought to the attention of the unit holders, unless otherwise ordered by the Financial Supervisory Authority. Approved rule amendments will be kept available at the Management Company and the Custodian. Amendments to the rules apply to all unit holders and also to investments that were made before the amendment. Amendments of the rules will be brought to the attention of the Fund's unit holders by publishing a notice in a national newspaper or by letter, email or other electronic means of communication or by publishing it on the website of the Management Company.

If an amendment to the rules is brought to the unit holders' attention by letter, the unit holders are deemed to have been informed of the amendment to the rules on the fifth business day following the date on which the letters have been handed over to the postal service for delivery. If the amendment is brought to the attention of the unit holders by email or by publishing an amendment notice on the Management Company's website or in a national newspaper, the unit holders are deemed to have been informed of the amendment on the date of publication of the notice.

## **§ 18 Miscellaneous provisions**

If the Board of Directors of the Management Company has decided to amend the Fund's rules, transfer the management of the Fund, or merge or demerge the Fund, the unit holder have the right to demand the redemption of all or part of the units they hold before these measures are executed.

This deviates from what is laid down in Section 9 of these rules. The Board of Directors of the Management Company will decide on extraordinary redemption days, and the unit holders' will be notified of the decision in the manner provided for in Section 17. An intention to redemption right must be announced at least five (5) banking days before the extraordinary redemption.

## **§ 19 Disclosure of Information**

The Management Company will have the right to disclose information on unit holders in accordance with legislation valid at any given time.

## **§ 20 Applicable law**

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

The Financial Supervisory Authority approved these rules on January 12, 2024. These rules were originally prepared in Finnish. Should there be any inconsistency between the Finnish language document and the document in another language, the Finnish language document shall prevail.