

MFS INVESTMENT FUNDS

**A Luxembourg-registered open-ended
unincorporated mutual investment fund –
Undertaking for Collective Investment in
Transferable Securities**

Consolidated version of the

MANAGEMENT REGULATIONS

as of 23 May 2018

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MANAGEMENT REGULATIONS

These Management Regulations of the Open-ended unincorporated mutual investment fund – Undertaking for Collective Investment in Transferable Securities (*Fonds Commun de Placement – Organisme de Placement Collectif en Valeurs Mobilières*) MFS INVESTMENT FUNDS and any future amendments thereto, occurring in accordance with Article 14 below, shall govern the legal relationship among:

- i) the Management Company MFS INVESTMENT MANAGEMENT COMPANY (LUX) S.à r.l., a private limited company with its registered office in Luxembourg at 35, Boulevard du Prince Henri, L-1724, Luxembourg and registered with the Luxembourg Trade and Companies' Register under number R.C.S. Luxembourg B 76.467 (the “**Management Company**”);
- ii) the Depositary STATE STREET BANK LUXEMBOURG S.C.A., a corporate partnership limited by shares with its registered office in Luxembourg at 49, Avenue J.F. Kennedy and registered with the Luxembourg Trade and Companies' Register under number R.C.S. Luxembourg B 32.771 (the “**Depositary**”) and
- iii) the subscribers and holders of units (the “**Unitholders**”) who shall accept these Management Regulations by the acquisition of such units.

Article 1:

THE FUND

MFS INVESTMENT FUNDS (hereinafter the “**Fund**”) is an open-ended unincorporated mutual investment fund – Undertaking for Collective Investment in Transferable Securities

governed by Part I of the Luxembourg Law of 17 December 2010, as amended, relating to undertakings for collective investment, as amended from time to time (the “**2010 Law**”).

The sale of units in the Fund is limited to investors who are not "Prohibited Persons" (as defined below) and who meet eligibility requirements of the relevant Unit Class as set forth in the Sales Prospectus (“**Eligible Investors**”).

The Fund is divided in separate Sub-Funds, investing in securities and other permitted assets, the assets of which belong to the Unitholders of the relevant Sub-Fund. The Fund is managed in the interest of the Unitholders by the Management Company. The assets of the Fund shall be held by the Depositary and are separated from those of the Management Company.

The Fund itself has no legal personality and is structured as a co-ownership arrangement amongst all the Unitholders. The Sub-Funds are segregated, *i.e.*, the rights of the Unitholders of one Sub-Fund are separate from the rights of the Unitholders of the other Sub-Funds.

The Board of Managers of the Management Company may decide at any time to create new Sub-Funds corresponding to different portfolio of assets and to dissolve existing ones at any time.

The Board of Managers of the Management Company may decide to issue, within each Sub-Fund, different classes of units (each a “**Class**”) whose assets will be commonly invested but each Class having specific criteria which may notably take into account the specific tax profile of the relevant Unitholder(s), as well as other elements such as, but not limited to, (i) a specific sales and redemption charge structure and/or (ii) a specific management or advisory fee structure or Unitholders servicing or other fee structure and/or (iii) a different distribution policy and/or (iv) different types of targeted investors and/or (v) a hedging and/or currency policy and/or (vi) such other distinctive features as may be determined by the Management Company from time to time.

The Board of Managers of the Management Company may decide to reserve one or several Sub-Funds to one Eligible Investor.

Article 2:

THE MANAGEMENT COMPANY

The Fund shall be managed on behalf of the Unitholders by the Management Company, which has its registered office in Luxembourg.

The Management Company is vested with extensive powers, within the limitations of Article 4 below, in managing the Fund on behalf of the Unitholders, in particular it shall be entitled to buy, sell, subscribe for, exchange and receive any securities and to exercise all the rights directly or indirectly connected with the Fund's assets. The Board of Managers of the Management Company shall determine the investment policy of the Fund in accordance with the limitations set out in Article 4 below. The Board of Managers of the Management Company may, under its responsibility, avail itself of the services of Investment Managers or Advisors to whom may be delegated, with the powers of authorizing sub-delegation to third party or affiliated Investment Sub-Managers or Sub-Advisors, the power to invest and reinvest the assets of the Fund or any Sub-Fund or to carry out the day-to-day administration and management of the assets of any Sub-Fund in accordance with the investment policies and restrictions set forth in these Management Regulations, subject at all times to the control and supervision of the Board of Managers of the Management Company. The Board of Managers may also entrust the managers or employees of the Management Company with the day-to-day execution of the investment policy and the general management of the Fund's assets. The Management Company may, in general, call on information services, consultants and other services; any fees thus incurred shall be borne exclusively by the Management Company.

The remuneration of the Management Company, which includes the remuneration of the

Investment Manager and any potential Investment Sub-Managers, shall be up to 2% per annum of the average daily Net Asset Value of each Sub-Fund. This fee is accrued daily and paid monthly. The Management Company may waive any or all of its fee in respect of any Sub-Fund at its discretion.

The Management Company shall not be liable in the absence of bad faith, gross negligence, wilful misconduct or reckless disregard of its obligations under these Management Regulations. The Management Company shall be indemnified out of the Fund's assets (including attorneys' fees, damages, court costs, etc.) for any act or omission in connection with the carrying out of its obligations under these Management Regulations, unless the Management Company is found by a court to have acted with bad faith, gross negligence, wilful misconduct or reckless disregard of its obligations under these Management Regulations. The Management Company may consult with counsel and shall be fully protected when acting in reasonable reliance upon the advice of such counsel.

Article 3:

THE DEPOSITARY

The Management Company has appointed STATE STREET BANK LUXEMBOURG S.C.A., a corporate partnership limited by shares organized under Luxembourg law, with its registered office in Luxembourg, as Depositary.

Either the Management Company or the Depositary may terminate this contract at any time in writing upon ninety days' prior written notice. The Management Company may, however, only dismiss the Depositary when a new Depositary takes over the functions and responsibilities of the Depositary as laid down in these Management Regulations within 2 months from the date of having given notice. After its dismissal the Depositary must also guarantee to carry out its functions as long as it is necessary

for the transfer of the Fund's total assets to the new Depositary.

In the event of the Depositary giving notice, the Management Company shall be obliged to appoint a new Depositary to take over the functions and responsibilities of the Depositary in accordance with these Management Regulations. In this case the duties of the Depositary shall continue until the Fund's assets have been transferred to the new Depositary.

The Management Company has entrusted the custody of the Fund's assets to the Depositary.

The Depositary shall carry out all operations concerning the day-to-day administration of the assets of the Fund. The Fund's assets, *i.e.* all liquid assets, securities and other assets permitted by law, shall be held by the Depositary on behalf of the Unitholders of the respective Sub-Funds in separate accounts and deposits.

The Depositary may only draw on the Fund's assets or make payments to third parties for the Fund by order of the Management Company or its delegees and within the scope of these Management Regulations.

The Depositary shall also:

- a)** ensure that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with applicable law and these Management Regulations;
- b)** ensure that the value of the Units is calculated in accordance with applicable law and these Management Regulations;
- c)** carry out the instructions of the Management Company unless they conflict with applicable law or these Management Regulations;
- d)** ensure that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits;
- e)** ensure that the income of the Fund is applied in accordance with applicable law and these Management Regulations;

f) monitor the Fund's cash and cash flows; and

g) ensure the safe-keeping of the Fund's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

The Depositary pays out of the accounts of the Fund only such remuneration to the Management Company as are laid down in these Management Regulations.

In the context of their respective duties, the Management Company and the Depositary must act independently and solely in the interest of the Unitholders.

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 34(3)(a) of the 2010 Law to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Management Company or at the following internet site:

<http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a

large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, brokering, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;

(iv) may provide the same or similar services to other clients including competitors of the Fund;

(v) may be granted creditors' rights by the Fund which it may exercise.

The Fund may use an affiliate of the Depository to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depository or its affiliates.

Potential conflicts that may arise in the Depository's use of sub-custodians include four broad categories:

- (1) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depository may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- (2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and
- (4) sub-custodians may have market-based creditors' rights against client assets that they

have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Unitholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

In the event of a loss of a financial instrument held in custody, determined in accordance with the 2010 Law, and in particular Article 19 of the 2010 Law, the Depositary shall return financial instruments of identical type or the corresponding amount to the Management Company acting on behalf of the Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the 2010 Law.

In case of a loss of financial instruments held in custody, the Unitholders may invoke the liability of the Depositary directly or indirectly through the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the Unitholders.

The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the 2010 Law.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the, Depositary of its duties and obligations

Article 4:

**INVESTMENT POLICY
AND GUIDELINES OF THE
SUB-FUNDS**

Investment Policy

The Fund has been designed to offer Eligible Investors a selection of Eligible Assets (defined below), to provide Eligible Investors with active and professional management, to diversify investment risks and to satisfy the financial needs of Eligible Investors. In addition, the Fund has been designed to enable Eligible Investors to pursue separate investment objectives through each Sub-Fund. The Sub-Funds may, unless provided otherwise in the Sales Prospectus for a particular Sub-Fund, occasionally for temporary

purposes and under the conditions set forth in Article 50(2) of the 2010 Law, borrow up to a maximum of 10% of the value of the Sub-Fund. The Management Company shall invest the proceeds paid into each Sub-Fund for joint account of the Unitholders of such Sub-Funds in Eligible Assets in conformity with the principle of risk spreading. In addition, the Sub-Funds may accessorily, within the limits specified in the 2010 Law and the guidelines referred to hereunder, use derivative instruments.

Units may, as the Management Company shall determine, be of different Sub-Funds and the proceeds of the issue of units relating to each Sub-Fund shall be invested pursuant to this Article in Eligible Assets corresponding to such geographical areas, industry sectors or monetary zones and to such specific types of equity or debt securities as the Management Company shall determine from time to time.

The Management Company shall determine the denomination currency of each Sub-Fund.

In compliance with the requirements set forth in the 2010 Law and detailed in the Sales Prospectus, the investments of a Sub-Fund shall consist solely of the assets set forth in **Annex 1** hereto ("**Eligible Assets**"):

Investment Guidelines

I. The Fund and each Sub-Fund are authorised to employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that such techniques and instruments are in compliance with (i) the requirements set forth in the 2010 Law and regulations and regulatory interpretations thereunder and (ii) the Sales Prospectus. Subject to these limits, such techniques and instruments may be used for hedging purposes, for the purpose of efficient portfolio management or for investment purposes as described in the Sales Prospectus.

II. Unless provided otherwise in the Sales Prospectus for a particular Sub-Fund, each Sub-Fund may not invest more than 25% of its net

assets in securities of companies in emerging market countries.

Each Sub-Fund may not enter into securities lending transactions.

The Sub-Funds may from time to time enter into “*rémeré*” transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in a contractual agreement.

The Sub-Funds may only act as purchaser in “*rémeré*” transactions. Their involvement in such transactions is, however, subject to the following regulations:

- A Sub-Fund may not buy or sell securities using a “*rémeré*” transactions unless the counter-parties in such transactions are first class financial institutions specializing in this type of transaction.
- During the life of a “*rémeré*” purchase contract, a Sub-Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counter-party, or the repurchase term has expired.
- Where a Sub-Fund is exposed to repurchases, it must take care to ensure that the level of its exposure to “*rémeré*” purchase transactions is such that it is able, at all times, to meet its repurchase obligations.

If the limitations referred to in this Article 4, Investment Guidelines, sub-article II. are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must give transactions to remedy that situation top priority, taking due account of the interests of its Unitholders.

Article 5:

ISSUE OF UNITS

Units of each Sub-Fund shall be issued by the Management Company in Luxembourg after payment of the issue price to the Depositary.

Prior to investing in any of the Sub-Funds a unitholder must comply with such procedures as determined by the Management Company and set out in the Sales Prospectus regarding setting up an account with the transfer agent.

Units for each Sub-Fund shall be subscribed during the initial subscription period at a price such as determined for each Sub-Fund by the Management Company.

After the initial subscription period, the issue price is based on the Net Asset Value per unit calculated on the Valuation Date of receipt of the subscription by the Management Company or its agents provided such subscription application is received by the Management Company or its agents before a certain hour such as specified from time to time by the Management Company. If the request is received after that certain hour such as specified from time to time by the Management Company, the Net Asset Value to be considered shall be the Net Asset Value determined on the next following Valuation Date. The issue price shall be available for inspection at the registered office of the Management Company, the Depositary and the Distributor.

In addition to the issue price, there may be in some Sub-Funds an initial sales charge of up to 6,25% of the Net Asset Value per unit paid to the relevant Sub-Fund as described in the Sales Prospectus provided that the same fee schedule would apply to all unitholders subscribing on the same Valuation Date in the same Sub-Fund.

The Management Company may fix, from time to time, for each Sub-Fund minimum initial and/or subsequent subscription amounts.

Payment is to be effected not later than 3 business days after the relevant Valuation Date.

Units of the Fund may be purchased, subject to the relevant acceptance of the order, at the office of the Management Company. The units are transferred to the Eligible Investors immediately upon payment of the full purchase price.

The Management Company may, within the scope of its sales activities and at its discretion, cease issuing units, refuse purchase applications and suspend or limit the sale of units for specific periods or permanently to Eligible Investors in particular countries or areas. The Management Company may also at any time compulsorily redeem units held by Eligible Investors excluded from the acquisition or ownership of such Sub-Fund's units.

The Management Company may accept a payment in whole or in part in kind rather than in cash for units of a Sub-Fund provided that the assets to be accepted in kind meet the investment policy and restrictions of the relevant Sub-Fund. In such event, a report of the Fund's auditor will be established to value the contribution in kind, the expenses of which shall be borne by the subscriber which has chosen this method of payment.

Article 6:

UNIT OWNERSHIP

Units are available in registered form only.

No unit certificates will be issued in respect of the registered units; registered unit ownership will be evidenced by confirmation of ownership.

Unless provided otherwise in the Sales Prospectus for a particular Sub-Fund, fractions of units may be issued. In such case, registered units may be issued to the nearest 10,000th of a unit. Fractions of units will participate in the distribution of dividends and in the liquidation distribution.

Article 7:

NET ASSET VALUE

The Net Asset Value per unit in each Sub-Fund is calculated in the Base Currency of the relevant Sub-Fund.

The Net Asset Value of units of the Sub-Funds is determined by State Street Bank Luxembourg S.C.A. each day during which the banks in Luxembourg are open for normal banking business (other than days during a suspension of normal dealing) and the New York Stock Exchange is open for trading (the “**Valuation Date**”). This determination is made once each day and is based on the prices from the exchange which is normally the principal market on which a significant portion of the Sub-Funds’ investments are traded, by deducting the amount of a Sub-Fund’s liabilities from the value of its assets and dividing the difference by the number of its respective units outstanding. Assets in a Sub-Fund’s portfolio are valued on the basis of their market values or otherwise at their fair values, as described below. Any assets held in a particular Sub-Fund not expressed in that Sub-Fund’s Base Currency will be translated into the Base Currency on the basis of the current exchange rate for such currency determined by the Management Company at its discretion on the Valuation Date.

With respect to the classes of units of a specific currency, the Net Asset Value of each such class shall be expressed in the relevant currency, by translating the Net Asset Value in the applicable Base Currency calculated as described herein and converting that net asset value into the relevant currency at the relevant exchange rate on each Valuation Date.

The Net Asset Value of the Fund is at any time equal to the total of the Net Asset Values of the various Sub-Funds converted, as the case may be, into Euro at the rate of exchange on the relevant Valuation Date.

The Net Asset Value as well as the issue and redemption price are available at the

Management Company, the Depositary and the Distributor.

The value of the assets of units for each Sub-Fund is determined as follows

- 1) Equity securities and other equity instruments held by a Sub-Fund are valued at their market value when market quotations are readily available. Debt securities and other debt instruments held by a Sub-Fund are valued based on information furnished by an independent pricing service or readily available market quotations. When pricing-service information or market quotations are not readily available, equity and debt securities and instruments are priced at fair value as determined under the direction of the Management Company. For example, events reasonably determined to be significant may occur between the time that the market where a security or an instrument is principally traded closes and the Sub-Funds valuation time that may impact the value of securities or instruments traded on this market. In this case the Sub-Fund may utilise information from an external vendor or other sources to adjust closing market prices of such equity and debt securities and instruments to reflect what it believes to be the fair value of the securities and instruments as of the Sub-Fund's valuation time. Fair valuation of equity and debt securities and instruments may occur frequently based on an assessment that events which occur on a fairly regular basis are significant.
- 2) Money market instruments and certain short-term debt instruments are valued using the amortised cost method of valuation whereby such debt securities are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount rather than a current market value. In the case of a discount instrument, the value of the instrument, based on the net acquisition cost is gradually adjusted to the redemption price thereof while the investment return calculated on the net acquisition cost is kept constant. Certificates of deposit are valued at their market value.

Appropriate provisions will be made to account for the charges and fees levied on the Sub-Funds. For the assets which are not denominated in the currency in which the relevant Sub-Fund is denominated, the conversion shall be done on the basis of the current exchange rate for such currency in a jurisdiction determined from time to time by the Management Company on the Valuation Date.

In the event that it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, the Management Company shall be entitled to use other generally recognized valuation principles which can be examined by the auditor of the Fund, in order to reach a proper valuation of the total net assets of each Sub-Fund.

The percentage of the total Net Asset Value allocable to each Class of units of each Sub-Fund shall be determined, at the time of establishment of the Fund, by the ratio of the units issued in each Class to the total number of units issued, and shall be adjusted subsequently in connection with the distributions effected and the issue and redemption of units as follows:

- 1) On each occasion when a distribution, if any, is effected in respect of certain Classes of units the Net Asset Value of these units shall be reduced by the amount of the distribution (causing a reduction in the percentage of the total Net Asset Value allocable to such units) whereas the Net Asset Value of other Classes of units shall remain unchanged (causing an increase in the percentage of the total Net Asset Value allocable to such units);

- 2) On each occasion when units are issued or redeemed, the total Net Asset Value attributable to each Class of units shall be increased or reduced by the amount received or paid out.

In the absence of bad faith, gross negligence or manifest error, every decision taken by the Management Company or by a designee of the Management Company in calculating the Net Asset Value, shall be final and binding on the Fund and present, past and future unitholders. The result of each calculation of the Net Asset

Value shall be certified by a Manager or a duly authorized representative or a designee of the Management Company.

Swing Pricing. On any Valuation Date, the Board of Managers of the Management Company or its designee(s) may determine to apply an alternative Net Asset Value calculation method (to include such reasonable factors as it or its duly authorized designee sees fit) to the Net Asset Value. This method of valuation is intended to pass the estimated costs of underlying investment activity of a Sub-Fund to subscribing or redeeming Unitholders, and thus to protect the Sub-Fund's long-term Unitholders from costs associated with ongoing subscription and redemption activity, by adjusting the Net Asset Value per unit of the relevant unit. This alternative Net Asset Value calculation method may take account of trading spreads on a Sub-Fund's investments, the value of any duties and charges incurred as a result of trading and may include an allowance for market impact.

Article 8:

**SUSPENSION OF THE
VALUATION OF THE
TOTAL NET ASSETS AND OF THE
ISSUE, REDEMPTION AND
EXCHANGE OF UNITS**

The calculation of the Net Asset Value of the units of the Sub-Funds and the issue and redemption and exchange of the units of the Sub-Funds may be suspended in the following circumstances, in addition to any circumstances provided for by law:

- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed which is the principal market or stock exchange for a significant part of a Sub-Fund's investments, or in which trading is restricted or suspended;
- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of a Sub-Fund's assets, or it is

impossible to transfer money involved in the acquisition or disposition of investments at normal rates of exchange, or it is impossible fairly to determine the value of any assets in a Sub-Fund;

- during any breakdown in the means of communication normally employed in determining the price of a Sub-Fund's investments or the current prices on any market or stock exchange; and
- when, for any reason, the prices of any investment held by a Sub-Fund cannot be reasonably, promptly or accurately ascertained.

In addition, the issue and redemption and exchange of the units of the Sub-Funds may be suspended in the following circumstances:

- during any period when remittance of money which will or may be involved in the purchase or sale of any of a Sub-Fund's investments cannot, in the opinion of the Management Company, be effected at normal rates of exchange.

In case of massive redemption/exchange requests in a Sub-Fund on a Valuation Date, the Management Company may decide to delay the settlement of the redemption or of the exchange until it has sold the corresponding assets in the relevant Sub-Fund without unnecessary delays. These redemption exchange requests shall be met in priority to later requests.

The suspension of the calculation of the Net Asset Value and of the issue, redemption and exchange of units, as well as the termination of any such suspension, shall be notified in writing to the Eligible Investors. Any such suspension will be published in any newspaper(s) in which the Fund's Unit prices are generally published if, in the opinion of the Management Company, the suspension is likely to exceed one week.

Suspension of determination of the Net Asset Value of units of one Sub-Fund will not imply suspension in respect of other Sub-Funds unaffected by the relevant events.

Unitholders who have requested redemption or exchange of their units will be notified in writing of any such suspension of the right to require redemption or exchange of units and will be promptly notified upon termination of such suspension.

As soon as an event giving rise to liquidation occurs, no further issues, redemptions or exchange of units will be permitted. All units outstanding at the time of the occurrence of such event will participate in the Fund's liquidation distribution.

The Distributor reserves the right to refuse to accept, in its sole discretion, any subscription form. Sales will be suspended when the Management Company suspends the determination of Net Asset Value.

Article 9:

**REDEMPTION AND
CONVERSION OF UNITS**

Unitholders may irrevocably request at any time the Management Company to redeem all or part of their units. Such request shall be accompanied by the remittance of the unit certificates, when issued. Units redeemed by the Management Company shall be cancelled.

If a redemption request would result in a unitholder's investment in any Sub-Fund being less than a certain amount, such as determined from time to time by the Board of Managers of the Management Company, the Management Company may redeem the full unitholding in that Sub-Fund and pay the proceeds to the unitholders.

If the unitholder wishes to redeem all units and terminate its account it must comply with such procedures as regards notification as determined by the Management Company and set out in the Sales Prospectus.

Redemptions shall be effected on each Valuation Date on the basis of the Net Asset Value determined

on such Valuation Date, the redemption application being received at the latest before a certain hour such as specified from time to time by the Management Company or its agent. Redemption requests received by the Management Company or its agent for redemption of units after such time, as determined from time to time by the Management Company, on any relevant Valuation Date will be deemed to have been received on the next following Valuation Date.

Consequently, it depends on the development of the Net Asset Value if the redemption price is higher or lower throughout the duration of the respective Sub-Fund than the issue price paid by the investor.

Since provisions must be made for an adequate portion of liquid funds in the Fund's assets, in normal circumstances payment for redeemed units is effected immediately after the determination of the redemption price or no later than a maximum of 10 business days thereafter unless statutory or legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the Unitholder requesting the redemption is resident.

Any request must be filed by such Unitholder in irrevocable, written form at the registered office of the Management Company, or at the office of the person or entity designated by the Management Company as its agent for the redemption of units.

The Management Company may with the agreement of the Unitholder meet individual redemption requests, either in whole or in part, in kind pursuant to such terms and conditions as determined in the Fund's Sales Prospectus and provided that such redemption in kind does not affect the equal treatment between the Unitholders. The nature and type of assets to be transferred in any such case shall be determined by the Management Company on a fair and equitable basis. Unless an exemption is granted by the applicable regulator, a report of the Fund's auditor will be established to value the assets to

be transferred. The fiscal, redemption and other costs of any such transfers shall be borne by the Unitholder benefitting from the redemption in kind. Redemptions in kind shall only be realized if the Unitholder agrees therewith and under the condition that no Unitholder nor the Fund may suffer any damage resulting from such redemption in kind.

There shall be no conversion of units between Sub-Funds. However, an investor may exchange its units of a Sub-Fund for the units of another Sub-Fund or its units of a certain class for units of another class within the same Sub-Fund by redeeming the units it wishes to exchange and simultaneously purchasing units in the class or Sub-Fund in which it wants to invest. The Sales Prospectus can proscribe the exchange of units for certain categories of investors to whom restrictions shall apply as specified in Article 10 (5) below.

Article 10:

**RESTRICTION ON
OWNERSHIP OF UNITS**

The Management Company is permitted to discontinue temporarily, cease definitively or limit the issuance and transfer of units at any time to Eligible Investors established in certain countries and territories. The Management Company may reject at its discretion any subscription for units.

The Management Company may exclude certain investors ("**Prohibited Persons**") from the acquisition of units, if such action is necessary for the protection of the Unitholders and of the Fund (or specific Sub-Funds or Classes), as a whole, including where such investor's holding is likely to:

- i) result in a failure to meet the eligibility requirements of a Class, including if applicable and without limitation, being an institutional investor or not meeting the initial investment minimums;

ii) result in a breach of any applicable law or regulation, whether Luxembourg or foreign;

iii) cause the Fund to become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred had such person or entity not been a holder of units; or

iv) subject the Fund to additional registration requirements under any securities or investment or similar laws or requirements of any country or authority.

Specifically, without limitation, the Management Company may restrict or prevent the ownership of units in the Fund by any U.S. Person, as such term is defined in the Sales Prospectus.

For such purposes noted above, the Management Company may, without limitation:

A. decline to issue any units and decline to register any transfer of a unit, where it appears to it that such registry or transfer would or might result in legal or beneficial ownership of such units by a Prohibited Person; and

B. at any time require any person whose name is entered in, or any person seeking to register the transfer of units on the register of Unitholders, 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 Unitholder's units rests in a Prohibited Person, or whether such registry or will result in beneficial ownership of such units by a Prohibited Person; and

C. decline to accept the vote of any Prohibited Person at any meeting of Unitholders of the Fund;

D. where it appears to the Management Company that a beneficial owner of units is a Prohibited Person solely because such person does not meet eligibility requirements of a particular Class, direct a conversion of the ineligible holding

to the nearest Class for which the beneficial own is eligible (in the case there is no such Class, the Management Company may proceed according to Paragraph E. below); and

E. where it appears to the Management Company that any Prohibited Person (other than as described in Paragraph D. above) either alone or in conjunction with any other person is a beneficial owner of units, serve a notice directing such Unitholder to redeem his units and to provide to the Management Company evidence of the sale within a minimum period required by applicable law, but not less than thirty (30) days of the notice. If such Unitholder fails to comply with the direction, the Management Company may compulsorily redeem or cause to be redeemed from any such Unitholder all units held by such Unitholder in the manner set forth in **Annex 2** hereto.

The sale of units in the Fund is restricted to Eligible Investors and the Management Company will not permit the issuance of units to natural persons, companies or entities who may not be considered as Eligible Investors. Further, a Unitholder may not make, and the Management Company will not give effect to, any transfer of units which would result in a non-Eligible Investor becoming a unitholder in the Fund. The Management Company may, at its full discretion, refuse the issue of units or the transfer of units, if there is not sufficient evidence that the company or entity to which the units are sold or transferred is an Eligible Investor. In considering the qualification of a subscriber or a transferee as an Eligible Investor, the Management Company will have due regard to the guidelines or recommendations (if any) of the competent supervisory authorities. State Street Bank Luxembourg S.C.A., as Registrar and Transfer Agent of the Fund, will monitor any issue and transfer of units and refuse any such issue or transfer if it has not received reasonable evidence that the investor or transferee is an Eligible Investor. Eligible Investors must certify to the Management Company that their subscription is made on their own behalf.

The Management Company may reject at its discretion any application for units. The Management Company may prevent the ownership of units if it appears to the Management Company that ownership or transfer of units would result in a non-Eligible Investor owning units, in a breach of law or in a way which might otherwise be detrimental to the Fund.

A Sub-Fund may proscribe the exchange of units for certain investors, *e.g.* funds of funds.

Purchases should be made for investment purposes only. The Management Company reserves the right to restrict, reject or cancel without any prior notice, any purchase or exchange order, or compulsory redeem units which were acquired contrary to the provisions in this article at the applicable redemption price.

Article 11:

CHARGES OF THE FUND

The Fund shall bear the following expenses:

- all taxes which may be payable on the assets, income and expenses chargeable to the Fund, such as the *taxe d'abonnement*;
- standard brokerage fees and bank charges originating from the Fund's business transactions;
- all fees due to the Management Company, the Investment Manager, the Distributor, the Depository and its correspondents, the Administration Agent, Domiciliary, Corporate and Paying Agent, Registrar and Transfer Agent, the Administration Services Provider, the Fund's Auditor and the Legal Advisers to the Fund;
- all expenses connected with the supply of information to unitholders, in particular the cost of printing and distributing the annual report as well as any prospectuses;

- all expenses involving the registration and maintenance of the registration of the Fund with all governmental agencies and stock exchanges; and
- all tax transparency related expenses; and
- all expenses incurred in connection with its operation and its management.

All recurring expenses will be charged first against current income, then, should this not suffice, against realized capital gains, and, if necessary, against assets.

Expenses readily attributable to a particular Sub-Fund or Sub-Funds or Class will be paid by such Sub-Fund or Sub-Funds or Class, and expenses common to two or more Sub-Funds or Classes will be allocated pro-rata, based on an equitable allocation methodology such as respective net assets or the number of unitholder accounts.

The Fund's formation expenses and the expenses relating to the creation of new Sub-Funds will be amortized over a period not exceeding five years. Each Sub-Fund shall bear its own formation expenses which will be amortized over a period not exceeding five years.

For the purpose of the relations between the Unitholders, each Sub-Fund will be deemed to be a separate entity with, but not limited to, its own contribution, capital gains, losses, charges and expenses.

Article 12:

BUSINESS YEAR, AUDIT

The Fund's business year shall start on the first day of October and end on the last day of September each year. The annual statement of account of the Management Company shall be audited by the independent auditor of the Management Company and the Fund's annual report shall be audited by an independent auditor appointed by the Management Company.

The Fund's Annual Report incorporating audited financial statements is made available within four months after the end of the financial year. The Fund's Semi-annual Report incorporating unaudited financial statements is made available within two months after the end of the period. The Accounts of the Fund are maintained in Euro and comprise the accounts of each of the Sub-Funds.

To establish the balance sheet of the Fund which shall be expressed in Euro, the assets of each Sub-Fund shall be converted from its relevant currency into Euro.

Article 13:

DISTRIBUTION POLICY

The Management Company shall decide the distribution of dividends or the capitalisation of profits in respect of each Sub-Fund or Class.

When it is the intention of the Management Company to distribute income or assets to Unitholders in a particular Sub-Fund or Class, the Management Company may substantially distribute all of the income or assets attributable to such units, provided that the minimum net assets of the Fund does not fall below the equivalent of EUR 1,250,000.

Dividends may be paid upon a decision of the Management Company at its discretion, in relation to any of the Sub-Funds or Classes and as provided for in the Sales Prospectus for the various Sub-Funds or Classes.

Entitlements to distribution and sums not claimed within five years from the due date shall be forfeited and the corresponding assets shall be returned to the respective Sub-Fund or Class, as the case may be.

Article 14:

**AMENDMENTS TO THESE
MANAGEMENT REGULATIONS**

The Management Company may amend these Management Regulations in full or in part at any time in the interest of the Unitholders and with the consent of the Depositary.

Unless stated otherwise, future amendments will become effective on the day of their execution between the Management Company and the Depositary. A mention of the amendment of the Management Regulations and of their filing with the Register of Trade and Companies of Luxembourg will be published in the *Recueil électronique des sociétés et associations*, the Luxembourg central electronic platform.

Article 15:

NOTICES

Notices to Unitholders will be available at the Management Company's registered office and at the Depositary's registered office. They are also published in the *Recueil électronique des sociétés et associations*, if required by law.

The Net Asset Value of units and the issue and redemption price per unit shall be made known at the registered office of the Management Company and of the Depositary.

The audited annual report shall be made available to Unitholders within four months following the close of the accounting year, and the unaudited semi-annual report shall be made available within two months following the close of the period, at the registered offices of the Management Company, and of the Depositary as well as at the office of the Distributor. The liquidation of the Fund shall be published in the *Recueil électronique des sociétés et associations*. The dissolution of the Fund shall further be published in at least two newspapers with adequate

circulation one of which must be a Luxembourg newspaper.

Article 16:

**DURATION OF THE FUND –
DISSOLUTION OF THE FUND –
LIQUIDATION AND MERGER
OF SUB-FUNDS**

The Fund and the Sub-Funds have been established for an indefinite period.

Unitholders may not demand the division or dissolution of the Fund.

The Fund may be liquidated at any time by mutual agreement of the Management Company and the Depositary.

Furthermore, liquidation shall take place if required according to Article 22 and 24 of the 2010 Law. Notice must be given without delay by the Management Company or the Depositary in accordance with Article 15 of these Management Regulations. Notice of the event giving rise to liquidation shall be published without delay by the Management Company or the Depositary. The notice shall be published in the *Recueil électronique des sociétés et associations* and in at least two newspapers with adequate circulation one of which must be a Luxembourg newspaper. No units may be issued, redeemed or exchanged as soon as the event giving rise to liquidation occurs. The Management Company shall dispose of the Fund's assets in the best interest of the Unitholders and the Depositary shall distribute the net liquidation proceeds, after deduction of liquidation charges and expenses, to the Unitholders in proportion to their holdings, in accordance with the directions of the Management Company. Proceeds which cannot be distributed to the Unitholders at the close of liquidation shall be deposited with the *Caisse de Consignation* in Luxembourg until expiry of the prescription period.

A Sub-Fund may be terminated by resolution of the Board of Managers of the Management Company if the Net Asset Value of a Sub-Fund is below 4,500,000 Euro or its equivalent in any other currency or any other minimum amount specified in the Sales Prospectus for a particular Sub-Fund, or in the event of special circumstances beyond its control, such as political, economic and military emergencies, or if the Management Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund to operate in an economically efficient manner, and with due regard to the best interests of unitholders, that a Sub-Fund should be terminated. In such events, the assets of the Sub-Fund will be realised, the liabilities discharged and the net proceeds of realization distributed to unitholders in the proportion to their holding of units in that Sub-Fund. In such event, notice of the termination of the Sub-Fund will be given in writing to registered unitholders. No units shall be issued, redeemed or exchanged after the date of the decision to liquidate a Sub-Fund. Any amounts not claimed by any unitholder shall be deposited at the close of liquidation with the Depositary during a period of 6 (six) months' period; any remaining amount after these 6 months will be deposited in escrow with the Caisse de Consignation.

A Sub-Fund may be merged with another Sub-Fund by resolution of the Board of Managers of the Management Company if the value of its net assets is below 4,500,000 Euro or its equivalent in any other currency or in the event of special circumstances beyond its control, such as political economic and military emergencies or if the Management Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund to operate in an economically efficient manner, and with due regard to the best interests of unitholders, that a Sub-Fund should be merged. In such events, notice of the merger will be given in writing to registered unitholders. Each unitholder of the relevant Sub-Fund shall be given the possibility, within a period of one month as of the date of the notification, to request the repurchase or the

exchange of its units, free of any charge. At the expiry of this (1) one month's period any unitholder which did not request the repurchase or the exchange of its units, shall be bound by the decision relating to the merger.

A Sub-Fund may be contributed to a sub-fund of another UCITS by resolution of the Board of Managers of the Management Company in the event of special circumstances beyond its control such as political, economic or military emergencies or if the Management Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund to operate in an economically efficient manner, and with due regard to the best interests of the unitholders, that a Sub-Fund should be contributed to such UCITS sub-fund. In such events, notice will be given in writing to registered unitholders. Each unitholder of the relevant Sub-Fund shall be given the possibility within a period to be determined by the Management Company, but not being less than one month, and notified to the unitholders to request, free of any charge, the repurchase or the exchange of its units. At the close of such period, the contribution shall be binding for all unitholders who did not request a redemption or a exchange. When a Sub-Fund is contributed to a sub-fund of another UCITS, the valuation of the Sub-Fund's assets shall be verified by the auditor of the Fund who shall issue a written report at the time of the contribution.

A Sub-Fund may be contributed to a foreign UCITS only when the relevant Sub-Fund's unitholders have unanimously approved the contribution on the condition that only the unitholders who have approved such contribution are effectively transferred to that foreign UCITS.

Article 17:

EXPIRY OF CLAIMS

Unitholders' claims against the Management Company or the Depositary shall cease to be

valid 5 years after the date of the occurrence giving rise to the claim.

Article 18:

**APPLICABLE LAW,
JURISDICTION AND
LANGUAGE OF REFERENCE**

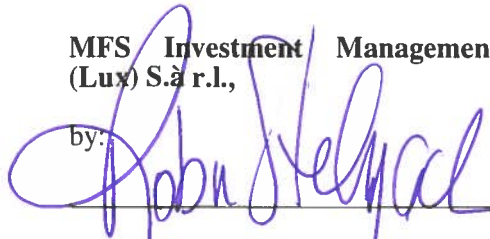
These Management Regulations are governed by Luxembourg law.

The District Court of Luxembourg shall have jurisdiction over any disputes between the Unitholders, the Management Company and the Depositary, and Luxembourg law shall apply. The Management Company and the Depositary nevertheless submit themselves and the Fund to the jurisdiction of any country in which units are offered and sold, in respect of claims by Unitholders solicited in the respective country.

The English-language version of these Management Regulations shall be binding; the Management Company and the Depositary nevertheless admit the use of translations approved by them, into the languages of countries in which units are offered and sold, and these shall be binding in respect of such units sold to investors in those countries.

Done in three originals, in Luxembourg, on
23 May 2018 to be effective on
23 May 2018.

**MFS Investment Management Company
(Lux) S.à r.l.,**

by: 

Name: Robin A. Stelmach

Title: Manager

by:



Name: David M. Mace Jr.

Title: Manager

State Street Bank Luxembourg S.C.A.,

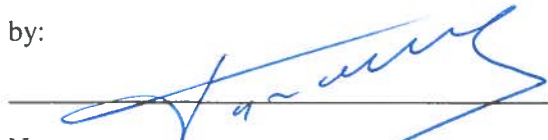
by:



Name: Naomi Yamamoto
Vice President

Title: State Street Bank Luxembourg S.C.A.

by:



Name: Fabrice Fagnart
Senior Vice President

Eligible Assets

"**Eligible Assets**" consist of the following:

- a) "**Transferable Securities**" (meaning (i) shares in companies and other securities equivalent to shares in companies ("shares"), (ii) bonds and other forms of securities debt ("debt securities"), and/or (iii) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange) and "**Money Market Instruments**" (meaning instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time) admitted to or dealt in on a Regulated Market (meaning a regulated market as defined in the EU Parliament and Council Directive 2004/39/EC dated 21 April 2004 on markets in financial instruments, as amended ("Directive 2004/39/EC"));
- b) Transferable Securities and Money Market Instruments dealt in on another market in an EU Member State which is regulated, operates regularly and is recognized and open to the public;
- c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a country in Europe (other than an E.U. Member State), North- and South America, Asia, Australia, New Zealand or Africa or dealt in on another market in one of these countries or regions which is regulated, operates regularly and is recognized and open to the public;
- d) Recently issued issues of transferable securities and of money market instruments, provided that:
 - the terms of issue include an undertaking that applications will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognized and open to the public in a country in Europe (including an E.U. Member State), North- and South America, Asia, Australia, New Zealand or Africa;
 - such admission is scheduled to be secured within a year of issue.
- e) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 paragraph (2), points (a) and (b) of Directive 2009/65/EC, as amended, should they be situated in a EU Member State or not, provided that:
 - such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended, restated or superseded,

- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period, and
- no more than 10% of the UCITS' or the other UCIs' assets, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs;

A Fund may, to the widest extent permitted by and under the conditions set forth in applicable Luxembourg laws and regulations, but in accordance with the provisions set forth in the Sales Prospectus, subscribe, acquire and/or hold shares to be issued by one or more Sub-Funds of the Fund. In such case and subject to conditions set forth in applicable Luxembourg laws and regulations, the voting rights, if any, attaching to these shares are suspended for as long as they are held by the Sub-Fund concerned. In addition and as long as these shares are held by a Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for purposes of verifying the minimum threshold of net assets imposed by the 2010 Law.

No Sub-Fund will in principle invest more than ten percent (10%) of its assets in UCIs unless otherwise provided in the Sales Prospectus.

- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt over-the-counter ("OTC derivatives"), provided that:
 - the underlying consists of instruments covered by Article 41(1) of the 2010 Law (as amended, restated or superseded), financial indices, interest rates, foreign exchange rates or currencies or other securities or instruments permitted under the 2010 Law and/or applicable laws and regulations, in which the Fund may invest according to its investment objectives,
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- h) money market instruments other than those dealt in on a regulated market, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
 - issued or guaranteed by a central, regional or local authority or central bank of a EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in the case of a Federal State by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking any securities of which are dealt in on regulated markets referred to in (a), (b) or (c) hereinabove, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h), and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million (or such other amount as provided by the 2010 Law) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC (as amended, restated or superseded), is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line; and
- i) any other instrument permitted under Luxembourg law up to the investment limitations permitted under Luxembourg law; the investment limitations for the instruments identified above should be those permitted under Luxembourg law.

In accordance with the Law and as described in the Sales Prospectus, the Board of Managers may decide that investments of the Fund or a Sub-Fund be made with the aim of replicating the composition of a certain stock or debt securities index which is recognized by the CSSF on the basis that it is sufficiently diversified, that it represents an adequate benchmark for the market to which it refers, and it is published in an appropriate manner.

In accordance with the Law and as described in the Sales Prospectus, the Fund is authorized to invest up to one-hundred percent (100%) of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued or guaranteed by (i) an EU Member State or its local authorities, (ii) a non-EU Member State as disclosed in the Sales Prospectus (including, but not limited to, OECD Member States, Group of Twenty Member States or the Republic of Singapore), or (iii) public international bodies of which one or more EU Member States are members, on the condition that the respective Sub-Fund's net assets are diversified on a minimum of six separate issues, and each issue may not account for more than thirty percent (30%) of the total Net Asset Value of the Sub-Fund.

Compulsory Redemption Procedure

- (1) The Management Company shall serve a second notice (the "purchase notice") upon the Unitholder holding such units or appearing in the register of Unitholders as the owner of the units to be purchased, specifying the units to be purchased as aforesaid, the manner in which the purchase price will be calculated and the name of the purchaser. Any such notice may be addressed to such Unitholder at his last address known to or appearing in the books of the Management Company. The said Unitholder shall thereupon forthwith be obliged to deliver to the Management Company the share certificate or certificates representing the units specified in the purchase notice.

Immediately after the close of business on the date specified in the purchase notice, such Unitholder shall cease to be the owner of the units specified in such notice and, in the case of registered units, his name shall be removed from the register of Unitholders, and in the case of bearer units, the certificate or certificates representing such units shall be cancelled.

- (2) The price at which each such unit is to be purchased (the "purchase price") shall be an amount based on the Net Asset Value per share of the relevant Class as at the Valuation Date specified by the Board of the Management Company for the redemption of units in the Fund next preceding the date of the purchase notice or next succeeding the surrender of the unit certificate or certificates representing the units specified in such notice, whichever is lower, all as determined in accordance with Article 7 hereof, less any applicable service charge.
- (3) Payment of the purchase price will be made available to the former owner of such units normally in the currency fixed by the Board of the Management Company for the payment of the redemption price of the units of the relevant Class and will be deposited for payment to such owner by the Management Company with a bank in Luxembourg or elsewhere (as specified in the purchase notice) upon final determination of the purchase price following surrender of the unit certificate or certificates specified in such notice. Upon service of the purchase notice as aforesaid such former owner shall have no further interest in such units or any of them, nor any claim against the Management Company or the Fund or its assets in respect thereof, except the right to receive the purchase price (without interest) from such bank following effective surrender of the unit certificate or certificates as aforesaid. Any funds receivable by a Unitholder 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, in the discretion of the Board of the Management Company, revert to the Fund relating to the relevant Class or Classes of units or otherwise be deposited at the *Caisse de Consignation* in Luxembourg, where they will be held at the disposal of the Unitholders entitled thereto for such minimum period required by applicable law. The Board of the Management Company shall have power from time to time to take all steps necessary to perfect such reversion and to authorize such action on behalf of the Fund.
- (4) The exercise by the Management Company of the power conferred hereby shall not be questioned or invalidated in any case, on the ground that there was insufficient evidence of ownership of units by any person or that the true ownership of any units was otherwise than appeared to the Management Company at the date of any purchase notice, provided in such case the said powers were exercised by the Management Company in good faith.