

Pursuant to Article 139 of the Law on Alternative Investment Funds (RS Official Gazette No. 73/2019), General Manager of VISTA RICA AD, Alternative Investment Funds Management Company, on August 5th, 2024 adopts the following:

## **RULES OF OPEN-ENDED ALTERNATIVE INVESTMENT FUND SUBJECT TO PUBLIC OFFERING VISTA RICA INVEST**

### **GENERAL TERMS**

#### **Article 1**

These Rules of the Open-ended Alternative Investment Fund Subject to Public Offering VISTA RICA INVEST (hereinafter: the Fund), managed by the AIF Management Company VISTA RICA AD BELGRADE, 4 Heroja Milana Tepića St, ID no. 21962414 (hereinafter: Management Company) regulate:

1. activities performed by the Management Company, conditions and manner of their performance
2. activities outsourced by the Management Company, including specification of activities that can be outsourced, selection criteria used and control procedures applied by the Management Company to exercise continuous supervision over outsourced activities;
3. mutual relationships of the Management Company, the Fund, the depositary and Fund members;
4. the manner and conditions under which members of the management and employees of the Management Company can invest their assets in the Fund;
5. administrative and accounting procedures;
6. control measures and safeguards for data processing and storing;
7. internal control system;
8. procedures for avoiding conflicts of interest and measures to prevent the Management Company from using the Fund assets on its own account;
9. procedures for preventing abuse of insider information and measures in case of abuse;
10. the manner to ensure the employees and members of the Management Company and persons closely related to them act in compliance with safe and sound business practices in the sense of the law governing capital market, and in particular:
  - how they shall act when buying and selling investments units of the Fund managed by the Management Company,
  - how they shall act when buying and selling securities and other assets into which the assets of the Fund managed by the Management Company are invested,
11. other matters of importance for the operations of the Management Company.

## **I. ACTIVITIES PERFORMED BY THE MANAGEMENT COMPANY, CONDITIONS AND MANNER OF THEIR PERFORMANCE**

#### **Article 2**

The predominant activity of the Management Company is organizing and managing alternative investment funds.

In compliance with the Law on Classification of Activities, the Management Company performs the following activity:

- 6630 - Fund management activities

The Management Company performs tasks within its activity, under the conditions of organizational, personnel and technical capacities prescribed by law, in line with the degree of complexity, risk and volume of work, and in accordance with good business practices, business ethics and principles of corporate management.

### Article 3

Pursuant to the provisions of Article 9 of the Law on Alternatives Investment Funds (RS Official Gazette No. 73/2019, hereinafter: the Law), Fund management includes:

1. establishment of the Fund, management of the Fund's portfolio and risk management;
2. performance of the following administrative tasks and activities:
  - legal and accounting services related to the Fund management,
  - asset valuation,
  - Fund investment units value calculation,
  - compliance monitoring,
  - paying out income or profit,
  - issuance and purchase of investment units,
  - fulfilling contractual obligations (including issuing confirmations),
  - processing investor requests,
  - keeping records and the Register of holders of investment units in the Fund (hereinafter: Register of investment units),
  - publishing and notifying of investors
3. marketing, i.e. offering and distribution of the Fund investment units;
4. activities related to the Fund assets.

The Management Company may establish and manage several alternative investment funds.

### Article 4

In its operations, the Management Company shall observe the following principles, in particular:

1. **Principle of equality of Fund members** — all Fund members shall receive equal treatment, with differences being possible only in the economic sense relative to the number of investment units held by a member.
2. **Principle of protection of Fund members against misuse of insider information** — The Management Company has procedures in place to prevent employees of the Management Company and other related persons from misusing this information.
3. **Principle of professionalism** — in fulfilling their work obligations, employees of the Management Company shall exercise increased due care in a way that creates a positive image of the Management Company and the industry, as well as to keep themselves updated and improve their professional knowledge. This principle includes, in particular, rules relating to doing business with members, as well as continuous education of participants in business.
4. **Principle of reliability** — employees of the Management Company cannot communicate information about Fund members to third parties, except at the request of members and in other cases prescribed by the Law. Employees shall do business while ensuring adequate degree of reliability and integrity and contact with the public/members in a way that ensures honesty and fairness in business. This principle includes, in particular, observing the priority of the members' interests, protecting their assets, providing complete and timely information, as well as notifying them of any real and possible conflicts of interest to ensure a fair and objective business.
5. **Principle of lawfulness** — in their work, employees of the Management Company shall strictly observe all laws and by-laws governing the area of alternative investment funds, to which they were introduced before starting the job.

### Article 5

The Management Company may not have an interest in the capital and management of other legal entities, unless prescribed by the Law.

The Management Company can acquire investment units issued in accordance with the Law and the Law governing alternative investment funds.

The Management Company shall, since its foundation, continuously own capital pursuant to Articles 22 and 23 of the Law on Alternative Investment Funds.

## **II. ACTIVITIES THAT THE MANAGEMENT COMPANY MAY OUTSOURCE AND PROCEDURES OF CONTINUOUS SUPERVISION OVER OUTSOURCED ACTIVITIES**

### **Article 6**

The Management Company has outsourced the following activities:

- Consulting services
- IT services
- Business and technical services: marketing and public relations services, general and IT security, legal affairs, general affairs (archiving of documents, dispatch of mail).

Based on a written contract, the Management Company may outsource other activities it shall perform, provided that the Management Company:

- previously notifies the Securities Exchange Commission of the outsourced activities (or obtains consent for activities requiring it);
- provides measures for continuous supervision of such outsourced activities;
- states the activities and related persons performing those activities in the Fund Prospectus;
- fulfills other conditions prescribed by the Law and the relating SEC policy.

In the case of outsourcing, the Management Company is responsible for the performance of outsourced activities.

The Management Company shall be able to prove that the outsourced person is qualified and able to perform such activities, that it was selected with due care and that the Management Company can effectively monitor outsourced activities at any time, give further instructions to the outsourced person and terminate outsourcing with immediate effect.

The Management Company and the outsourced entity shall conclude a written contract. The contract shall stipulate that the third party shall enable the SEC to exercise supervision over outsourced activities.

## **III. MUTUAL RELATIONSHIPS OF THE MANAGEMENT COMPANY, THE FUND, THE DEPOSITARY AND FUND MEMBERS**

### **Article 7**

Fund members may be domestic and foreign natural persons and legal entities.

A same person may be a member of one or more funds organized and managed by the Management Company.

### **Article 8**

In the premises where it serves clients, the Management Company shall have the Prospectus, Rules for each alternative fund, as well as Key Investor Information displayed in a visible and accessible place. These documents shall be published on the official website of the Management Company.

Upon obtaining the consent of the SEC to any changes to the Fund's Rules, Key Information and Prospectus, the Management Company shall notify the Fund members before such changes take effect by publishing them on its website.

#### **Article 9**

The Management Company shall notify the Fund Members of all the circumstances significant for making a decision regarding joining the Fund and rights and obligations arising on that basis, such as amounts of fees and expenses to be paid by the Fund member to the Management Company in connection with that Fund, the risks of investing in the Fund, as well as other circumstances relevant for making such a decision.

#### **Article 10**

Upon joining the Fund, the future client shall deliver the necessary identification documents. Also, the Management Company shall perform the necessary checks in accordance with the Law on the Prevention of Money Laundering and the Financing of Terrorism.

#### **Article 11**

The Fund member shall be entitled to object to the work of the Management Company and funds it manages in free written form and the Management Company shall respond to such objection in writing within a reasonable period from the day of receipt thereof.

The Management Company website shall include the names of bodies, procedures and deadlines for acting upon objections to the work of the Management Company and distributors.

#### **Article 12**

The Fund assets are separated from the assets of the Management Company and the assets of depositaries with which the Management Company has a concluded contract.

The Fund assets do not belong to the Management Company, nor are considered part of the Management Company's assets, cannot be included in the liquidation or bankruptcy estate of the Management Company or depositaries, nor can it be the subject of enforced collection to settle claims against the Management Company and depositary. Fund assets are held and managed separately from the assets of the Management Company and the assets of depositaries.

Everything the Management Company acquires based on the rights of the Fund or based on transactions related to the assets of the Fund or acquired by the person authorized to manage the Fund as compensation for the right of the Fund shall also belong to the Fund and be considered its assets.

The Fund assets shall not be used for granting or taking loans for the benefit of third parties or as a collateral for third party loans.

The Management Company and persons closely related to it cannot conclude contracts with the Fund that could cause a conflict of interest, except as prescribed by the Law or bylaws of the Securities Exchange Commission.

#### **Article 13**

A depositary shall mean a credit institution that provides depositary services defined by the Law, and shall act with regard to the Fund assets only as ordered by the Management Company in compliance with the Law, Fund Rules and Prospectus.

The depositary of the Fund is Erste Bank a.d. Novi Sad.

Erste Bank a.d. Novi Sad holds a license to perform depositary services no. 5/0-11-1920/4-07 of April 27th, 2007, issued by the SEC.

The depositary service contract with the Fund was entered into in Belgrade on December 6th, 2023

The Management Company may not acquire shares issued by the depositary.

The depositary shall perform the following activities for the Fund:

- 1) control;
- 2) monitoring the Fund's cash flow; and
- 3) safeguarding the Fund assets.

The depositary may provide services to several funds, provided it keeps separate asset accounts for each fund.

Depending on the type of assets in which the Fund invests, the depositary performs the following control activities for the Fund:

- 1) ensures that issuance, redemption, pay out of investment units is carried out in accordance with the Law, Rules and Prospectus of the Fund;
- 2) ensures that the net value of the Fund's assets and the price of the investment units is calculated in line with own accounting policies, valuation methodologies, the Law, the Rules and the Prospectus of the Fund;
- 3) fulfills the orders of the Management Company related to the transactions with financial instruments and other assets that constitute the Fund's portfolio, provided they are not contrary to this Law and the Rules and the Prospectus of the Fund;
- 4) ensures that all income and other rights arising from Fund assets transactions are paid into the Fund's account within usual deadlines;
- 5) ensures that the Fund's income is used in accordance with the Law and the Rules and the Prospectus of the Fund;
- 6) controls whether the Fund assets are invested in line with preset goals and the provisions of the Rules and the Prospectus of the Fund;
- 7) reports to the SEC and the Management Company on the implemented Fund's assets net value calculation control procedure;
- 8) reports to the SEC any major or severe violation of the Law and the depositary service contract by the Management Company.

The depositary shall ensure that the Fund's cash flows are monitored in an efficient manner, and primarily that all payments by Fund members are made for the purpose of investment unit issuance, and that all other Fund assets are registered in cash accounts opened in the name of the Management Company for the account of the Fund or in the name of the depositary for the account of the Fund.

Cash accounts referred to in the previous paragraph shall be kept in line with the principles of safeguarding assets of clients prescribed by the law governing the capital market, in the part stipulating safe and sound business practices, as well as keeping cash accounts.

The depositary shall keep the Fund assets in the following way:

- 1) for financial instruments that can be kept, the depositary shall:
  - a) register all financial instruments that can be registered in the financial instruments account opened in the depositary's records and all materialized financial instruments that have been physically delivered to the depositary,
  - b) ensure that all financial instruments that can be registered in the financial instruments account opened in the depositary's records are kept on separate accounts in the manner prescribed by the law governing the capital market, opened in the name of the Fund or in the name of the Management Company for the account of the Fund, so that Fund assets can be clearly identified at any time,
- 2) for other Fund assets, the depositary shall:
  - a) check and confirm that it is owned by the Fund, that is, the Management Company for the account of the Fund, based on information or documents delivered to the depositary by the Fund or the Management Company or based on information from publicly available registers and records and other external sources, if available, and
  - b) keep up-to-date records of the above assets.

The depositary shall regularly submit to the Management Company a complete list of the Fund assets, for each fund for which it provides depositary services, or accordingly enable the Management Company to have a continuous insight into the Fund's positions opened with the depositary.

The depositary shall report to the Management Company any important events occurring with issuers of securities and other financial instruments related to the Fund assets entrusted for custody and fulfill orders of the Management Company arising from important events.

The depositary cannot be a person closely related to the Management Company.

Erste Bank a.d. Novi Sad delegated custody of financial instruments abroad for the Fund to foreign custodian bank:  
Erste Group Bank AG  
1100 Wien, Am Belvedere 1  
Austria

All financial instruments issued abroad that constitute the Fund assets and can be registered in the financial instruments account shall be kept in a separate account opened at Erste Group Bank AG in the name of the Management Company, and for account of the Fund, so that Fund assets can be clearly identified at any time.

At the same time, these financial instruments are kept in the records of Erste Bank a. d. Novi Sad.

Financial instruments accounts are kept as prescribed by the law governing capital market in the part stipulating safe and sound business practices and financial instruments accounts keeping. Conflicts of interest may not arise from these activities.

#### **Article 14**

Alternative investment fund (AIF) VISTA RICA INVEST is an investment fund established in accordance with the Law on Alternative Investment Funds as an open-ended alternative investment fund subject to public offering that collects assets from investors with the intention of investing them in accordance with a predefined investment policy and in favor of those investors.

Open-ended AIF means a separate pool of assets without legal personality, organized and managed by the Management Company of alternative investment fund and in its own name and on behalf of AIF members, in compliance with the provisions of the Law, Rules and the prospectus of such AIF.

#### **Article 15**

The Fund assets belong entirely to the Fund members, in proportion to their share in the Fund net assets.

The Fund is established by the Management Company to collect of monetary assets from the Members with the aim of increasing the value of Fund assets by investing such collected assets.

#### **Article 16**

The right to vote based on the shares that constitute the Fund assets is exercised by a person authorized by internal policies of the Management Company managing the Fund.

#### **Article 17**

The main investment goals of the Fund are to maintain and increase the members' share value, which is achieved by investing in domestic and foreign financial markets.

The investment objective of the fund managed by the Management Company is detailed in the Fund's Prospectus.

#### **Article 18**

The Management Company manages the Fund assets in its own name, and for the joint account of Fund members, in compliance with the Law.

The Management Company can manage funds established for a fixed term or an indefinite period of time. VISTA RICA INVEST is an open-ended alternative investment fund subject to public offering.

The fund is organized for an indefinite period of time on December 8th, 2023, by registration into the Register of Alternative Investment Funds of the Securities Exchange Commission of the Republic of Serbia, Decision number: 2/5-151-2576/3-23.



### Article 19

Fund members are not entitled to request Fund dissolution.

The Fund is dissolved in case of:

- ▶ voluntary termination of the Management Company's activities, if the Fund management has not been transferred to another AIF management company;
- ▶ if the depositary ceases operating as a depositary, or if the SEC revokes the authorization to select a depositary, and the Management Company fails to act in accordance with Article 144 paragraph 2 of the Law or if the SEC rejects the request referred to in Article 174 paragraph 2 of the Law;
- ▶ if the Management Company's authorization to operate has been revoked or bankruptcy or winding-up has been initiated, and the Fund management has not been transferred to another management company in compliance with the provisions of the Law, i.e. when the Management Company is no longer able to manage the Fund;
- ▶ when the SEC orders the Management Company to dissolve AIF;
- ▶ in other cases, provided for by the Law, Rules and the Prospectus of the Fund.

All costs related to Fund dissolution and redemption of investment units shall be borne by the Management Company when the Fund is dissolved in the cases referred to in points 1) to 4) of the previous paragraph, and when this is not possible, by the Fund.

If the Fund has no assets and members for a period longer than 30 days, the Management Company shall make a decision on Fund dissolution without delay, simultaneously initiating and ending the dissolution procedure.

### Article 20

Assets of open-ended alternative investment fund subject to public offering VISTA RICA INVEST shall be invested in accordance with the investment policy specified in Prospectus of the Fund.

A Management Company managing an alternative investment fund subject to public offering shall provide, considering the investment strategy and goals of the alternative investment fund specified in the prospectus, appropriate degree of investment risk diversification.

Investment in shares in AIFs managed by the same Management Company shall be provided for in the prospectus of AIF subject to public offering.

AIF assets can be held in cash in a bank account, provided the bank has its registered office in the Republic of Serbia.

The Fund assets will be invested indirectly, by investing in investment funds, dominantly in financial instruments denominated in EUR and RSD. The target portfolio will include investment funds operating both in the Republic of Serbia and abroad.

A Management Company managing an alternative investment fund subject to a public offering shall provide, considering the investment strategy and goals of the alternative investment fund specified in the prospectus, appropriate degree of investment risk diversification.

The Fund assets may be invested in:

1) transferable securities and/or money market instruments;

- (1) which are listed or traded on a regulated market, i.e. a multilateral trading platform (MTP) in the Republic and/or EU and EEA member state (hereinafter: member state), and
- (2) which are listed on the official listing of the stock exchange in a non-member state (hereinafter: third country) or which are traded on another regulated market in a third country that regularly operates, is recognized and open to public, provided that such investment is provided for in the prospectus of the AIF subject to public offering;

2) investment units of open investment funds subject to a public offering (hereinafter: UCITS fund);

3) investment units of UCITS funds and shares in other open-ended investment funds that meet the conditions from the Law on Alternative Investment Funds, which have received a license to operate in a member state or in a third country, under the following conditions:

- (1.) such investment funds have been granted a license to operate from the Securities Exchange Commission, i.e. the competent authority of a member state or competent authority of a third country cooperating with the SEC, which are subject to the same supervision as prescribed by the Law on Alternative Investment Funds,
- (2.) the level of protection of members of other investment funds is equal to the level of protection prescribed for UCITS fund members, in particular in the part related to separation of assets, borrowing, lending and sales of transferable securities and money market instruments without coverage,
- (3.) the operations of those investment funds are reported in semi-annual and annual reports, in order to allow valuation of assets and liabilities, profits and operations during the reporting period, and
- (4.) the prospectus, that is, the rules of the UCITS fund or other investment fund whose investment units or shares they intend to acquire, stipulate that up to 10% of their assets can be invested in investments units of another UCITS fund or shares of other investment funds

4) shares in AIFs subject to public offering that have been granted authorization to make offerings to retail investors by the SEC;

5) shares in AIF subject to public offering that have been granted authorization to operate, that is, authorization to make offerings to retail investors by the competent authority of a member state or a third country cooperating with the SEC, and which are subject to supervision that the SEC considers to be equal to that prescribed by the Law on Alternatives investment funds, and whose restrictions related to investment and borrowing are equal to or greater than the permitted investments and investment restrictions referred to in Article 6-15 of the Rulebook on Types of Alternative Investment Funds, under the following conditions:

- (1) the level of protection of members of such AIFs is the same or higher than the level of protection prescribed for AIFs referred to in point 4) of this paragraph, in particular in the part prescribed by the provisions of the Law on Alternative Investment Funds and by-laws of the SEC regarding the separation of assets, borrowing and lending,
- (2) the operations of such AIFs are reported in semi-annual and annual reports, in order to enable valuation of assets and liabilities, profits and operations during the reporting period, and
- (3) the rules, i.e. the prospectus of the AIF whose shares are invested in, stipulate that up to 15% of its net asset value can be invested in investment units, shares or stocks of an investment fund;

6) deposits with banks due within up to 12 months, provided the bank has its registered office in the Republic of Serbia or another EU member state, and if the bank has its registered office in a third country, provided it is subject to supervision the SEC considers to be equivalent to that prescribed by EU law;

7) derivative financial instruments traded on regulated markets referred to in point 1) of this paragraph or derivative financial instruments traded outside the regulated markets referred to in point 1) of this paragraph (hereinafter: OTC derivative financial instruments) under the following conditions:

- (1) the assets to which the derivative financial instrument refer consists of financial instruments covered in points 1) to 9) of this paragraph, financial indices, interest rates, exchange rates or currencies, in which AIF can invest in accordance with its investment objectives stated in the AIF's prospectus,
- (2) counterparties in transactions with OTC derivative financial instruments are institutions that are subject to prudential supervision and belong to the categories for which the SEC issued the authorization,
- (3) that the stated OTC derivative financial instruments are invested solely for the purpose of protecting the assets of the AIF or achieving investment goals, and
- (4) that the AIF prospectus envisages investment in such instruments and that the impact of such instruments on AIF risks is shown;

8) money market instruments that are not traded on the regulated markets referred to in point 1) of this paragraph, with issuance or issuer regulated for the purpose of protecting investors and savings deposits such that;

(1) were issued or are guaranteed by the Republic, the National Bank of Serbia, an autonomous province, a local unit self-government of the Republic, another member state or local and regional self-government unit or the central bank of other member state, the European Central Bank, the EU or the European Investment Bank, a third country or, in the event federal state, one of the members that make up the federation, or a public international body to which one or more member states belong, in accordance with regulations,



(2) were issued by a company whose securities are traded on the regulated markets referred to in point 1) of this paragraph, or

(3) were issued or are guaranteed by an entity subject to prudential supervision or an entity subject to supervision rules that are at least as strict as those prescribed by the Law on Alternative Investment Funds and the law governing open investment funds subject to public offering;

9) commodities traded on commodity exchanges;

10) real estate that meets the requirements of Article 184, paragraph 2 of the Law on Alternative Investment Funds;

11) recently issued transferable securities, with the corresponding application of the provisions of the law governing the establishment and operation of open-ended investment funds subject to public offering in the part related to permitted investments

The assets of VISTA RICA INVEST open-ended alternative investment fund subject to public offering will be invested subject to following restrictions:

1) up to 20% of the AIF asset value may be invested in transferable securities or money market instruments of a single issuer;

2) up to 50% of the AIF asset value may be invested in deposits with one bank referred to in Article 6, paragraph 1, point 6) of the Rulebook on Types of AIF, including the money in the accounts referred to in Article 181, paragraph 6 of the Law on Alternative Investment Funds;

3.) the AIF's exposure to counterparty risk in transactions with OTC derivative instruments may not exceed:

(1) 10% of the Fund asset value when the counterparty is a bank listed in Article 6, paragraph 1, point 6) of the Rulebook on Types of AIF

(2) 20% of the Fund asset value at the time of acquisition, subject to meeting the following conditions:

- the counterparty is a bank referred to in Article 6, paragraph 1, point 6) of the Rulebook on Types of AIF,
- it is the only OTC derivative instrument in the Fund,
- AIF cannot lose more than the amount paid during the initial acquisition of the derivative instrument,
- investing in a derivative instrument achieves a specific investment structure or strategy, such as a capital protected fund, and
- the possibility of investing in OTC derivative instruments with up to 20% of the Fund asset value is expressly provided for and all the risks arising from such an investment and the specific investment structure or strategy are described in the Prospectus, i.e. the Rules of the Fund,

(3) up to 5% of the Fund asset value when the counterparty is another legal entity;

4) notwithstanding the restrictions referred to in point 1 of this paragraph, up to 100% of the AIF asset value may be invested in transferable securities or money market instruments issued or guaranteed by the Republic, an autonomous province or a local self-government unit of the Republic, another member state or a local and regional self-government unit of a member state, a third country or a public international body to which one or more member states belong, in accordance with regulations;

5) notwithstanding the restrictions referred to in point 1 of this paragraph of the Prospectus, up to 50% of the AIF net asset value may be invested in covered bonds issued by banks with registered offices in the Republic or another member state that are subject to a special public supervision to protect investors in those bonds. Assets from the issuance of such bonds must be invested in compliance with a special law in assets that will enable the fulfillment of the obligations arising from the bonds by the maturity of the bonds and that, in the event of the issuer's default, would first be used for the payment of principal and accrued interest from those bonds.

- 6) up to 10% of the AIF asset value may be invested in commodities referred to in Article 6, paragraph 1 point 9 of the Rulebook on Types of Alternative Investment Funds;
- 7) up to 20% of the AIF asset value may be invested in real estate referred to in Article 6, paragraph 1 point 10 of the Rulebook on Types of Alternative Investment Funds;
- 8) the total value of borrowed assets referred to in paragraph 2 of this Article may not exceed 20% of the asset value.

The Management Company may borrow assets in its own name and on behalf of the Fund, with the aim of using such assets to redeem shares in the Fund, provided that the monetary assets available in the Fund's assets are not sufficient for such an aim.

In the case of a loan referred to in the previous paragraph, the total amount of obligations subject to repayment from the Fund's assets according to all agreements for loan, credit or other legal transactions equal to a loan in terms of their economic effects, may not exceed 10% of the Fund's asset value at the time of taking such loans.

To efficiently manage the portfolio, the Management Company may use, on behalf of the members of the Fund subject to public offering, techniques and instruments related to transferable securities, which techniques and instruments include, but are not limited to, repos and securities lending.

The provisions of the law governing the establishment and operation of open-ended investment funds subject to public offering and the regulations adopted based on that law apply accordingly to the techniques and instruments referred to the previous paragraph.

To prevent significant influence over the issuer, the Fund may acquire up to:

1. 10% of voting shares of a single issuer;
2. 15% of non-voting shares of a single issuer;
3. 15% of debt securities of a single issuer;
4. 30% of the share in the AIF of an individual investment fund referred to in Article 6, paragraph 1, point 2) to 5) of the Rulebook on Types of Alternative Investment Funds;
5. 15% of money market instruments of a single issuer;
6. the restrictions referred to in points 3 to 5 of this paragraph may be ignored at the time of acquisition if at that moment it is not possible to calculate the total number or value of instruments in circulation.

The restrictions referred to in the previous paragraph do not apply to transferable securities and money market instruments issued or guaranteed by the Republic, an autonomous province or a local self-government unit of the Republic, a member state, a local and regional self-government unit of a member state, a third country or a public international body to which one or more member states belong, in accordance with regulations.

The following restrictions apply to the Fund's investments in investment units, shares and stocks of investment funds:

- Up to 30% of the Fund's net asset value may be invested in investment units, shares or stocks of an investment fund referred to in Article 6, paragraph 1, points 2) to 5) of the Rulebook on Types of AIF, and up to 40% of an AIF subject to public offering asset value may be invested in shares in AIF of an investment fund referred to in Article 6, paragraph 1, point 4) and 5) of the Rulebook on Types of AIF.

Assets of the investment fund referred to in Article 6, paragraph 1, points 2) to 5) of the Rulebook on Types of AIF in which the Fund has invested is not included in the calculation of investment limits referred to in Article 7, paragraph 1 of the Rulebook on Types of AIF.

The Fund assets can be held in cash in a bank account provided the bank has its registered office in the Republic of Serbia.

The Fund may invest in open-end investment funds and AIFs managed by the same Management Company or another company with which the Management Company is related by joint management or control, or by a significant indirect or direct mutual ownership share in the investment of the Fund's assets, subject to the restrictions stipulated by the Law, by-laws of the SEC and the Fund's Prospectus and Rules.

The Fund's assets investment restriction may be exceeded when the Fund exercises preemptive rights or subscription rights arising from transferable securities or money market instruments that constitute part of its assets and when selling the Fund's assets to pay out a larger number of shares in the Fund.

If the limit is exceeded as a result of circumstances beyond the control of the Management Company, a change in the Fund's investment strategy or the exercise of subscription rights referred to in the previous paragraph, the Management Company is obligated to harmonize the Fund's investment with the public offering within six months from the date of the exceeding investment limit and make transactions with the Fund's assets primarily to harmonize the investment of the Fund's assets, while considering the interests of the Fund's members and striving to minimize possible losses.

#### **Article 21**

The Fund's investment units shall be registered with the Management Company/distributor in the manner and within the period specified in the public invitation.

The minimum assets to start the Fund's operations may not be less than EUR 200,000.00 (two hundred thousand euros) in dinar equivalent at the middle exchange rate of the National Bank of Serbia on the day of expiration of registration and payment deadline.

In the event that the assets are not collected in the amount and within the deadline referred to in paragraph 2 of this Article, the depositary shall return the collected assets within eight days in the currency in which were paid in.

#### **Article 22**

Initial Fund investment unit value is determined in the amount of EUR 100.00 as at the Fund organization day in dinar equivalent at the middle exchange rate of the National Bank of Serbia i.e. during the public call.

## **IV. INVESTMENT POLICY AND ACTIVITIES**

#### **Article 23**

The Management Company shall apply the investment policy of the Fund, which contains:

- the method of fulfilling the investment goal and the method of risk management;
- the largest and smallest portion of the Fund's assets that can be invested in individual securities;
- the largest portion of assets that can be held in the Fund's cash account; and
- the method of changing the investment policy.

#### **Article 24**

Investment activities performed by the Management Company for alternative funds it manages include, in particular:

- 1) financial analysis,
- 2) making investment decisions — with justification on the basis of which it is possible to determine that investment decisions are based on adequate analyses and that the Fund assets are invested in a timely manner, under the best possible conditions and in the best interest of the members,
- 3) records of orders for the purchase or sale of the Fund's assets (data about the time of issuing and fulfilling the order),
- 4) control mechanisms that ensure Fund's assets are invested in accordance with legal restrictions and investment policy,
- 5) investment risk management with the aim of ensuring maximum security of the Fund's assets with regard to the investment policy (types of securities, different issuers and their characteristics, the maximum allowed investment amount etc.)
- 6) the manner and conditions under which the Management Company borrows in the name and for the account of the Fund, in accordance with the Law and in the best interest of the members.

The Supervisory Board of the Management Company adopts decisions and other legal documents to define the investment policy and investment goal of the Fund.

## V. RISK MANAGEMENT

### Article 25

Investing fund's assets is limited by the provisions of the Law, the Prospectus, as well as these Rules.

A special organizational unit of the Management Company – Risk Management Office – performs activities of control of Fund asset investment compliance with the law, by-laws, internal policy, Prospectus and internal risk limits of each individual fund. In addition, limitations in terms of investments are defined within the information system used by the Management Company.

The Risk Management Office maintains and regularly updates the list of securities and other assets in which investment funds managed by the Management Company can be invested.

### Article 26

Društvo za upravljanje je dužno da uspostavi sveobuhvatan i efikasan sistem upravljanja rizicima za Društvo za upravljanje i alternativne fondove kojima upravlja, kao i da utvrdi prihvatljiv stepen rizika.

The Management Company shall put in place a comprehensive and efficient risk management system for the Management Company and alternative funds it manages, as well as to define the acceptable risk level.

In the risk management process, the Management Company shall define the risk profile for the Management Company and the alternative funds it manages, the contribution of individual positions to the overall risk profile of each alternative fund, which includes in particular an accurate and independent valuation of traded derivative financial instruments.

The Management Company shall update the risk management strategy at least once a year, and if necessary and when required by the conditions of the Management Company's business and Fund's investment policy.

The Management Company shall notify the SEC without delay of all relevant changes in established risk management strategies, as well as all relevant changes in risk exposure to and capital of the Management Company.

For each alternative fund it manages, the Management Company shall report to the SEC on the types of derivative financial instruments in the alternative fund portfolio, associated risks and applied risk measurement methodology relating to positions and transactions with those instruments.

### Article 27

The Management Company may, solely for the purpose of maintaining the necessary level of Fund liquidity, in its own name and on behalf of the Fund, borrow with a repayment term of up to 360 days, by concluding loan agreement or in other methods stipulated by the law.

The total borrowing referred to in the previous paragraph can amount up to 10% of the Fund's asset value. Taking foreign loans on behalf of the Fund is carried out in accordance with the law governing foreign exchange operations.

### Article 28

Apart from investment management, asset management and risk management, managing the Fund includes performing the following administrative tasks and activities:

- legal and accounting services in connection with Fund management,
- asset valuation,
- Fund investment units value calculation,
- monitoring compliance,
- paying out income or profit,
- issuance and repurchase of investment units,
- fulfilling contractual obligations (including issuing certificates),
- processing investor requests
- keeping records and the Register of holders of investment units in the Fund,
- publishing and notifying of investors
- marketing, i.e. offering and distributing investment units in the Fund;

## VI. FUND MEMBERSHIP

### Article 29

The Management Company maintains a Register of investment units and records any change in disposal thereof.

Investment units and the rights arising therefrom are acquired by registration in the register of investment units.

The investment contract is considered concluded when the investor submits to the Management Company a duly completed investment units purchase request (Subscription form) and a signed statement and makes payment to the Fund's account, and the Management Company does not refuse the conclusion of the contract within five working days from the date of request submission.

Upon conclusion of the investment contract and payment of funds by the investor, the Management Company shall register the same without delay in the Register of investments units, at which moment the client acquires the status of a Fund member.

Before joining the Fund, i.e. before signing the Subscription form, the client signs a statement confirming that

- he/she has received and fully understands the Fund's key information and in particular that he/she is familiar with the main risks of investing in the Fund;
- he/she is familiar with and fully understands the Fund Prospectus, as well as the amount of all fees and expenses charged;
- he/she is familiar with and fully understands the Fund Rules and activities performed by the Management Company based on the license.

With the same statement, the client confirms that he/she is not a person who cannot acquire investment units of the Fund in the sense of the Law and bylaws.

The Management Company shall obtain the necessary information when the Subscription form is signed, and shall perform the necessary checks in compliance with the Law on Prevention of Money Laundering and Financing of Terrorism.

A Fund member shall:

- Provide accurate and up-to-date data to the Management Company,
- Provide the Management Company with all the information relevant for membership in the Fund, i.e. withdrawing from the Fund, in accordance with the law governing prevention of money laundering and financing of terrorism,
- Pay fees and other costs as stipulated in the Fund's Prospectus,
- Inform the Management Company about the change of address and all relevant data important for keeping up-to-date records about the client, and at the latest within 14 days from the day of the change,
- other obligations arising from the Law, by-laws and the Prospectus.

### Article 30

A member of the Fund managed by the Management Company holding investment units in their individual account shall have the following rights:

- the right to a proportionate share in profit;
- the right to dispose of investment units;
- the right to redemption;
- the right to a proportionate part of the Fund assets in case of dissolution;
- other rights, in accordance with the Law.

The income the Fund generates from interest, dividends and capital gains are reinvested in the Fund. The Fund's income belongs entirely to the Fund's members, in proportion to their share in the Fund assets.

## VII. INVESTMENT UNIT

### Article 31

The investment unit is a proportional calculated share in the total Fund assets and changes with the change in the Fund net asset value.

The initial value of the investment unit was determined in the amount of EUR 100.00 on the day of Fund establishment, i.e. during the public call.

Investment units are purchased in cash, in the manner stipulated in the Fund's Prospectus.

The investment unit price consists of the Fund's assets net value per investment unit on the day of payment. The investment unit value is calculated as the Fund's assets net value divided by the number of investment units. Investment units of the Fund confer the same rights upon its Members.

The investment unit value is determined to five decimal places and published with two decimal places. Every working day the Management Company publishes on its website the investment unit value for the previous working day.

When acquiring investment units, the Management Company issues a certificate to the Fund member.

## **VIII. SUSPENSION OF ISSUANCE AND REDEMPTION OF INVESTMENT UNITS**

### **Article 32**

Issuance and redemption of investment units are suspended simultaneously.

- 1) when it is not possible to calculate the Fund's asset net value and the investment unit value due to the fact that:
  - a) by the end of day T + 1, the determined differences in the calculation have not been resolved, i.e. the observed errors have not been eliminated,
  - b) extraordinary events caused by force majeure occurred (Management Company or depositary information system failure, and technical and technological difficulties preventing determination of the Fund's assets net value and investment unit value or individual Fund's member shares, etc.).

- 2) By order of the SEC in order to protect investor interests.

Issuance of investment units may be suspended also when investment unit redemption requests submitted in one day exceed 10% of the Fund's asset value, and the Fund is unable to fulfill such requests within the time limit prescribed by the law.

### **Article 33**

The Management Company shall be liable for damage caused:

- 1) by collecting assets based on the Prospectus and the key information containing inaccurate data, i.e. data that can create a false impression in terms of business policy, investment strategy, risk, the value of the Fund's assets, investment unit values and other facts related to the Fund's operations,
- 2) by failure to fulfill, i.e. improper or untimely fulfillment of requests for purchase/redemption of investment units in accordance with the regulations governing contracts and torts.

For damage caused by collecting assets based on the Prospectus and the key information containing data referred to in point 1 of paragraph 1 of this Article, other persons who participated in the preparation of the Prospectus and key information shall be jointly and severally liable if they knew, or due to the nature of the work they perform had to know, that data are deficient.

Clients shall be liable to the Management Company for damages incurred due to incorrect data and documents submitted to the Management Company in the event it is not accurate, and in accordance with the Law on Contracts and Torts.

### **Article 34**

A Fund member shall:

- Provide accurate and up-to-date data to the Management Company,
- Provide the Management Company with all the information relevant for membership in the Fund, i.e. withdrawing from the Fund, in accordance with the law governing prevention of money laundering and financing of terrorism,
- Pay fees and other costs as stipulated in the Fund's Prospectus,
- Inform the Management Company about the change of address and all relevant data important for keeping up-to-date records about the client, and at the latest within 14 days from the day of the change,
- other obligations arising from the Law, by-laws and the Prospectus.



## **IX. TAX TREATMENT OF THE SALE OF INVESTMENT UNITS AND TAX RELIEFS**

### **Article 35**

Taxation of ownership and transfer of ownership of Fund investment units or capital gains as the difference between the investment units acquisition price and the redemption price, is defined by the following tax regulations of the Republic of Serbia:

- Personal Income Tax Law
- Tax Procedure and Tax Administration Law
- Corporate Income Tax Law

In order to determine and pay tax on capital gains, after purchasing the investment units, a Fund member shall submit a tax return to the tax authority in whose territory he/she has a residence, in this case registered office for legal entities.

To taxpayers who invest in an alternative investment fund in the current calendar year, tax relief is granted for personal income tax for the current year — in the form of a tax credit. The tax relief will be determined the following year.

In accordance with the Personal Income Tax Law, Article. 89a, a taxpayer who invests in an alternative investment fund to acquire investment units is granted the right to a tax credit on account of the annual personal income tax in the amount of up to 50% of the investment made in the calendar year for which the tax is determined. The calculated tax relief may not exceed 50% of the determined tax obligation.

In order for the taxpayer to take full advantage of the tax relief, he/she needs to make an investment in the current calendar year for the obligation that will be determined the following year for the current year.

The right to a tax credit may only be exercised from fully paid-up cash contributions acquiring investment units of an alternative investment fund.

## **X. RELATIONSHIP BETWEEN MANAGEMENT COMPANY AND DEPOSITARIES**

### **Article 36**

In the performance of their duties and obligations provided for by the Law, the Depositary and the Company for management, they act with the care of a good expert, in accordance with the principal conscientiousness and honesty, independently and exclusively in the interest of the Fund and its members.

In connection with the Fund, the depositary may not carry out other activities that may lead to a conflict of interest between the Fund, its members or the Management Company and the depositary, unless depositary's activities are functionally and hierarchically separated from other activities that could lead to conflicts of interest and if potential conflicts of interest are effectively unrecognized, managed, monitored and announced to the Fund members.

The person who manages the depositary operations, employees and other persons engaged in other ways by the depositary may not be engaged in any way in the Management Company.

Members of the management, employees and other persons otherwise engaged in the Management Company may not be employed or engaged in any other way by the depositary.

The Fund's assets are maintained and managed by the depositary in a way that the Fund's assets and the depositary assets, i.e. the assets of other depositary clients, can clearly be separated at all times.

The Fund's assets maintained by the depositary in the name of the Fund or in the name of the Management Company, and on behalf of the Fund, are not owned by the depositary and do not belong to the depositary assets, cannot be included in the liquidation or bankruptcy estate of the depositary, nor can be used to settle the depositary obligations towards third parties.

In the case of revocation of the operating permit or a permit to depositary perform activity or initiation of bankruptcy or liquidation proceedings against the depositary, the Management Company shall immediately terminate the service contract with the depositary and obtain the prior consent of the SEC to enter into a contract with a new depositary.

A depositary whose consent to perform depositary activity or operating permit has been revoked, or against whom bankruptcy or liquidation proceedings have been initiated, shall immediately transfer the Fund assets to the depositary with which the Management Company concluded the contract.

The SEC may propose to the Management Company to a change of depositary if its operations significantly threaten the interests of Fund members.

In the case of insolvency of the depositary or a third party from Article 163 of the Law whom the depositary outsourced custody of assets, the Fund assets that are in custody with of the depositary does not classify as the bankruptcy or liquidation estate of the depositary or the third party, nor may be the subject of enforced collection in connection with claims against depositary or the third party.

## **XI. THE METHOD AND CONDITIONS UNDER WHICH THE MEMBERS OF THE MANAGEMENT AND EMPLOYEES OF THE MANAGEMENT COMPANY CAN INVEST THEIR ASSETS IN THE FUND**

### **Article 37**

During its operations, the Management Company shall put interests of their clients before their own interests and operate in a fair, honest and professional manner, to the best interests of their clients.

### **Article 38**

Members of the management and employees of the Management Company, as well as members of the management bodies and employees of a party closely related with the Management Company have equal opportunities to acquire the status of a Fund member and exercise all the rights and obligations arising from such membership with other persons who may be Fund members according to the Law.

### **Article 39**

Members of the management and employees of the Management Company may invest in investment funds managed by the Management Company provided that such investment is not contrary to the provisions of the law governing investment funds and capital market in terms of conflicts of interest, prohibition of the use of insider information, prohibition of manipulation and other activities contrary to business ethics and customs. In the event that the employees or members of the management of the Management Company wish to invest in a fund managed by the Management Company, he/she shall notify in writing, at the latest on the day of purchase of investment units, of the investment fund he/she will invest into, as well as the amount of the investment.

The Management Company shall keep special records on employee investments in investment funds it manages. All data and documentation about such said investments shall be kept separately from other data and documentation in the register at a specially designated place. Access to this record for the purposes of internal and external control is restricted and only given to the Director of the Company

## **XII. ADMINISTRATIVE AND ACCOUNTING PROCEDURES**

### **Article 40**

The Management Company has accounting procedures in its operations which ensure that:

- transactions for each fund managed by the Company are separately recorded so that claims and debts, that is assets and liabilities for each fund, can be clearly identified
- each transaction related to the Fund's assets is recorded,
- fees and expenses are charged in accordance with the Fund's Prospectus,
- financial statement of the Management Company and the funds it manages are compiled in accordance with the Law governing accounting and bylaws of the SEC.

Financial statement and external auditor's reports for the Management Company and the funds are compiled in accordance with the laws governing accounting and audit and policies of the SEC.

The Management Company shall prepare financial statements separately from its own reports for each fund it manages.

The Management Company shall keep business records and documentation on electronic media in accordance with the law governing accounting, and at least five years from the end of the fiscal year to which the documentation relates.

#### **Article 41**

In its operations, the Management Company has procedures for creating, processing, management and archiving of data and documentation containing:

- records of authorized persons who have access to databases with the level of authorization (possibility of entering, changing and using data),
- the criteria by which data is entered into the information system and their modification is prevented, as well as the conditions of use of such data (all the data with approved entry must be entered in the database and data on the persons who made and approved their entry must be provided).

#### **Article 42**

In its operations, the Management Company has technical procedures for the use and management of the information system that enables:

- determining the fund's assets net value, i.e. the investment unit net value
- compilation of individual Fund member account reports
- preventing the acquisition and purchase of investment units at cost different from the daily value of the unit

#### **Article 43**

The client acquires the status of a Fund member at the moment when, upon completing and signing the Subscription form, the assets that have been paid are converted into investment units.

The declaration and Subscription form are submitted before the first payment to the Fund. Each following purchase of investment units is made by payment of new cash through a payment order or a transfer order, i.e. a standing order indicating the reference number equal to the Subscription form number.

#### **Article 44**

The Management Company shall deliver a certificate of acquired or disposed investment units to a Fund member, upon their written request, within seven working days from the date of submission of request.

Certificate of acquired or disposed investment units shall contain:

- Date of investment unit acquisition or disposal;
- AIF name and office address;
- Management Company business name and office address
- The number of investment units in the Fund's assets for which the certificate is issued, payment amount, investment unit value, redemption fee amount;
- Name and surname/business name and ID of the investment unit holder;
- Place and date of certificate issuance and
- Signature of the Management Company authorized person.

#### **Article 45**

The Management Company shall redeem investment units by transferring assets to the account of the Fund member within seven working days from the date of submission of request by Fund member.

#### **Article 46**

Transfer of investment units to another person is possible with a transfer request original or lawfully certified documentation, such as enforceable inheritance decision, gift contract or sales contract, original or certified copy, that is, proof of legal succession (in accordance with the legal grounds for acquiring investment units of the Fund).

The investment unit holder shall be entitled to dispose of their investment units by transferring or encumbering then based on proper documentation which is the legal grounds for such disposal.

A member who acquires investment units on one of the aforementioned legal grounds shall fill out and sign the Subscription form and statement, alongside the transfer request, as well as submit the necessary identification document.

Upon submission of the documentation and written request, the Management Company will transfer ownership of investment units to the applicant within five working days.

#### **Article 47**

The Prospectus lists all the fees charged from the Fund members and from Fund assets.

The Management Company may charge entry and exit fees, encumbrance registration fee and ownership transfer fee from Fund members.

From the Fund assets, only the following can be charged:

- compensation to the Fund assets Management Company and related costs;
- costs of buying and selling securities;
- fees and expenses of the depositary;
- external audit costs and
- other costs in accordance with the SEC policy.

#### **Article 48**

The Management Company shall keep proper business records, business and other documentation in such a way that individual transaction flow can be checked.

The Management Company shall keep business records and documentation prescribed by the provisions of the law and relevant by-laws on electronic media in accordance with the law governing accounting, and at least five years from the end of the business year to which the documentation relates.

#### **Article 49**

A Fund member account shall be kept in the individual member accounts, where the Management Company records relevant data about the fund member, in accordance with the law and by-laws.

Fund account organized and managed by the Management Company shall be opened and kept with the depositary with which the Management Company has a concluded depositary service contract in accordance with the law.

The business records of the Management Company and funds shall be kept in accordance with laws governing accounting and by-laws of the SEC.

The Management Company shall keep business records and compile financial statements for the funds it manages separately from its own business records.

The Management Company shall provide external financial statement audit.

The Management Company shall keep the documentation and data recorded on electronic media relating to fund members in accordance with the laws governing accounting and auditing.

The Management Company shall disclose the balance and changes in assets, net assets and liabilities, as well as expenses and income and determine the results of the fund's operations in line with the content of individual accounts on the chart of accounts.

Balance and changes in assets, net assets and liabilities, income and expenses and determination of the results of the fund's operations shall be recorded on basic (three-digit) accounts prescribed in the chart of accounts, in accordance with International Accounting Standards and International Financial Reporting Standards.

The Fund fiscal year coincides with the calendar year.

#### **Article 50**

The Management Company shall submit to the Securities Exchange Commission and publish on its website:

- approved annual financial statements of the Management Company and external auditor report, by April 30th of the current for the previous year;
- approved annual financial statements for each fund it manages, by April 30th of the current for the previous year;
- approved external auditor reports of audit of annual financial statements for the funds it manages, by April 30th of the current for the previous year;

- approved half-yearly financial statements for funds it manages, by August 31st of the current year for the previous half-year; and
- Decision selecting external auditor for the audit of financial statements.

Along with the financial statements referred to in paragraph 1 of this Article, for the Fund, the Management Company shall deliver to the SEC and publish on its website:

- Report on the balance and changes of investment units and financial indicators,
- Report on the Fund's asset structure,
- Report on the investment structure,
- Report on realized gains (losses), and
- Report on unrealized gains (losses).

In addition to the above reports, the Management Company shall submit to the SEC:

- quarterly report for the previous quarter, by the 20th of the month in which the current quarter begins, which at least contains data on receivables and liabilities of the Management Company and the funds it manages,
- monthly reports on the Fund operations for the previous month, by the 20th of the month for the previous month, which at least contain analytical data on net value and asset structure and costs of the Fund in the given reporting period.
- monthly reports on the Management Company operations, by the 20th of the month for the previous month, which at least contain data on changes in terms of personnel capacity, capital calculation in the manner prescribed in the SEC policies and investments of assets in the given reporting period.

### **XIII. CONTROL MEASURES AND SAFEGUARDS FOR DATA PROCESSING AND STORING**

#### **Article 51**

The Management Company shall keep the electronic Register of investment units and shall ensure up-to-dateness and security of data in the individual account of each Member fund.

The Management Company's IT system is protected from unauthorized access to data by access control through user authorization.

The Management Company's IT system has a backup power supply independent from the standard power supply that enables the completion of all of started activities. Reliability of the IT system also implies regular data back-up and archiving for a period of 10 years in a safe location outside the business premises of the Management Company.

#### **Article 52**

The Management Company's IT system is organized in such a way that ensures accuracy and reliability in the collection, entry, processing, transmission and use of data at the disposal of the Management Company, i.e. in a way that ensures the following:

- data can only be entered into the IT system if such data entry is approved in the manner provided for in the policies of the Management Company;
- all data the entry of which is approved must be entered in the database;
- only authorized persons, about whom the Management Company keeps separate records, have access to databases and the possibility to enter, change and use data in line with the assigned authorizations;
- regular data accuracy check;
- extracts from the database bear the date and time of creation and be verified by authorized persons of the Management Company;
- IT system continuity is ensured by forming a secondary database;
- plans and procedures for IT system functioning in case of emergencies are defined by special procedures.

The Management Company has a contact e-mail office@vistarica.rs and e-mail server for storing official correspondence.

These measures protect the system against any intentional or unintentional damage and any internal or external attack or attempted break into the system, to ensure:

- smooth and continuous taking place of business processes,
- risk mitigation in business
- trust of employees, clients and partners of the Management Company,
- competitiveness and reputation of the Management Company.

To achieve these goals, the Company or a third party to whom the Company has outsourced security system related activities shall apply a wide range of measures based on following principles:

- the principle of risk management — the choice and level of application of measures is based on risk assessment;
- the need for risk prevention and elimination of the effects of risks, including all types extraordinary circumstances;
- the principle of comprehensive protection — measures are applied to all organizational, physical and technical-technological levels, as well as during of the entire ICT system life cycle;
- the principle of professionalism and good practice — measures are applied in accordance with professional and scientific knowledge and experiences in the field of information security;
- the principle of awareness and competence — all employees and externally engaged parties, who, with their actions, effectively or potentially impact information security are aware of the risks and have the appropriate knowledge and skills.

Employees of the Management Company shall access information and system resources only for performing regular business activities, as well as to timely notify the authorized person of all security incidents and issues. They shall also adhere to regulations related to use of computers, mobile devices and media as well as other regulations related to security of information system of a third party to whom the Company has outsourced its activities.

## **XIV. INTERNAL CONTROL SYSTEM**

### **Article 53**

The Management Company's internal control system includes a set of processes and procedures established for adequate risk control, monitoring of efficiency and effectiveness of the Management Company's operations, reliability of its financial and other information, and compliance with regulations, internal policies, standards and codes to ensure the stability of the Management Company's operations.

The internal control system in place in the Management Company is established in such a way as to provide reasonable assurance that the following objectives have been met:

- ensuring proper and efficient operations,
- compliance with the established Management Company management policy,
- maintaining asset integrity,
- preventing and detecting criminal acts and errors,
- continuous risk control in the Management Company's operations,
- compliance with all laws and bylaws and internal policies,
- accuracy and sequence of accounting records and
- timely compilation of reliable financial information.

The Management Company shall adjust i.e. change the internal control system according to planned and/or changed business conditions, as well as in line with changes in regulations.

### **Article 54**

The internal control system includes an adequate organizational structure, adequate control of activities and division of responsibilities. Organizational structure of the Management Company shall allow efficient performance of Management Company's activities and integration of internal control procedures in all Management Company's activities as follows:

- by educating organizational units that, by their size, competencies, organizational and qualification structure correspond to the scope and type of operations performed by the Management Company,
- by clearly defining the tasks, authorities and responsibilities of directors and others of employees of the Management Company, as well as the method of informing about their work and activities from their scope of responsibility,
- by distributing work to avoid possible conflicts and conflicts of interest,



- by establishing a system of responsibility harmonized with the activities performed and the significance of decisions made, in the manner that ensures effective control of business risks and
- by establishing appropriate coordination relationships between different organizational units.

The Management Company's internal control procedures are integrated into all activities of the Management Company at all organizational levels in a way that allows control of the Company's operations, control of the work of all internal organizational units and employees, compliance with laws and bylaws and internal policies, as well as the control of documents within the Management Company.

#### **Article 55**

The Management Company has established, implements, regularly updates, evaluates and oversees effective and adequate:

- decision-making procedures and organizational structure that in a clear and documented manner defines the lines of responsibility and assigns functions and accountabilities,
- measures and procedures to ensure that the relevant persons of the Management Company are aware of the procedures that must be followed for proper fulfillment of their duties and responsibilities,
- internal control mechanisms intended to ensure compliance with the Law and regulations adopted on the basis of the Law, as well as with others relevant regulations and internal policies of the Management Company,
- measures and procedures for internal reporting and providing information at all relevant levels of the Management Company as well as for efficient information flow with all involved third parties,
- records of its business and internal organization, internal policies, as well as changes thereof,
- administrative and accounting procedures and the business record and financial statement production system, which ensures a true and fair presentation of the Management Company's financial position in accordance with all applicable accounting regulations,
- measures and procedures for monitoring and protecting the information system and the electronic data processing system,
- measures and procedures for continuous maintenance of information security, integrity and confidentiality and business continuity.

The Management Company has integrated internal control procedures into its daily activities at all organizational levels also through:

- control of the work of all organizational units of the Management Company including notification at all relevant levels (Management Company management and persons with special authorities and responsibilities);
- control of maintenance of risks from the Management Company operations within set limits and taking measures in case of exceeding such limits;
- control of business decision-making, and in particular control of compliance with set limits of authority;
- checking and harmonizing posting of business transactions, as well as their disclosure in accounting reports.

#### **Article 56**

When defining its organizational structure, the Management Company stipulated and precisely defined within its internal policies the roles and responsibilities of the Management Company management, all employees, including the persons holding control function in accordance with the provisions of the Law and regulations adopted on the basis of the Law.

Each employee of the Management Company as the first level control is responsible for:

- establishment of high moral standards in the performance of one's duties;
- full involvement in the implementation of the internal control procedure.

The Management Company ensures the independence of control functions, namely: Risk Management Office and Compliance and AML Control Office as second level control functions and internal auditor as third level control function.

Oversight over the performance of third parties to which the Management Company outsourced specific activities is also defined by internal policies as well as contract between the third party and the Management Company.

## **XV. EXTERNAL AUDIT AND CONTROL**

#### **Article 57**

External auditor of DZUAIF and the Fund that audits financial statements:

Revizorsko-konsultantska firma PKF DOO, Beograd  
5/III Palmira Toljarija, 11070 Novi Beograd,  
Reg. no. 08752524, TIN 102397694

Contract for external financial statement audit services for DZUAIF and the Fund managed by DZUAIF contract number 4/24 was concluded in Belgrade on January 15th, 2024.

#### **Article 58**

The Securities Exchange Commission exercises continuous supervision over the Management Company, the Fund, the depositary and legal entities offering investment units for sale.

The main objectives of supervision are to verify lawfulness, assess security and stability of operations of the subjects of supervision, in order to protect the interests of the members and the public interest, while preserving the financial system stability and confidence in the capital market.

## **XVI. PROCEDURES FOR AVOIDING CONFLICTS OF INTEREST AND MEASURES TO PREVENT THE MANAGEMENT COMPANY FROM USING THE FUND ASSETS ON ITS OWN ACCOUNT**

#### **Article 59**

The Management Company has put mechanisms, measures and procedures in place to identify and avoid conflicts of interest and in this sense takes all reasonable measures to avoid conflicts of interest during the performance of the Management Company activities in order to protect the interests of funds/members of funds.

The Management Company has adopted and regularly updates the Conflict of Interest, Insider Information and Personal Transaction Management Policy (hereinafter: Policy) to recognize and manage the risk of potential conflicts of interest, that is, to avoid it, prescribing the basic principles of action to be adhered to by the employees, managers and management of the Management Company, that is, activities that are contrary to or in conflict with duties of employees, as well as activities to avoid in order to avoid conflict with the interests of the Company and the interests of the members of the investment funds managed by the Company.

The main goals of the stated policy are as follows:

- establishment of high standards of business conduct for relevant persons and business transparency;
- identifying potential and/or existing conflicts of interest that may arise when managing investment funds;
- determining preventive measures and procedures for prevention or elimination of conflict of interest;
- regulating the conflict of interest resolution process in situations where it is not possible to apply preventive measures.

The conflict of interest management policy establishes that the conflict of interest means any situation that may arise during the performance of the fund management activities by the Management Company in which the interests of the Management Company and its relevant persons (e.g. heads, managers and employees) and of all persons closely related to them are contrary to or conflict with the client's interests, or the clients' interests are in conflict with each other.

During fund management by the Management Company, a conflict of interest may arise between:

- the interest of the Management Company, the relevant person and all persons closely related to them, on the one hand, and the interests of the Management Company's client (the fund managed by the Company), on the other hand;
- the interests of different Management Company's clients.
- The interests of the Fund and other investment funds/fund members (more specifically, Interests of the AIF or Members of that AIF and another AIF or members of another AIF, AIF or Members of that AIF and another client of the Management Company,

In principle, a conflict of interest is considered existing in situations where the Management Company, relevant persons and/or persons closely related to them, as a result provision of services or for other reasons:

- are likely to make a financial gain or avoid a financial loss to the detriment of the Fund or its investors;
- have an interest in the outcome of a service or activity provided to the Fund or to another client or transactions performed on behalf of the Fund or another client which differs from the interests of the Fund, the client or group of clients or another AIF relative to the interest of the AIF, the interest of one client relative to the interest another client or group of clients in the same AIF;

- have a financial or other motive to put the interest of another client or group of clients before the interests of the Fund;
- perform the same activities for the Fund and for another client or clients other than clients of the Fund;
- receive or will receive from a person other than client of the Fund an additional incentive in connection with joint portfolio management activities performed for the Fund in the form of cash, commodities or services other than the usual commission or fee for that service.

When defining a conflict of interest, the Management Company shall consider the Management Company's interests, including those arising from its belonging to a group or from the performance of services and activities, interests of client and obligations of the Management Company towards the Fund as well as the interest of two or more investment funds it manages.

While performing fund management activities, the Management Company and all relevant persons shall take care of circumstances that are a conflict of interests and refrain from situations in which there is doubt about the existence of a conflict of interest, or in case of learning or justified suspicion about a certain activity which could cause a conflict of interest.

To avoid conflicts of interest, it is foreseen that the Fund assets cannot be invested in securities and other financial instruments issued by the Management Company and persons closely related to them.

To avoid conflicts of interest between the Depositary, the Management Company and/or Fund and/or Fund member, no entity may act as a management company and as a depositary. In the sense of the above, the Depositary of the Management Company cannot be a person closely related to the Management Company.

#### **Article 60**

To ensure fair and efficient operations of the Management Company, employees shall adhere to the Law and bylaws in their activities, in accordance with safe and sound business practices, and observe the principles of code of ethics:

- Principle of lawfulness, i.e., to organize business in compliance with all laws and bylaws and policies. This principle also includes prohibition of performing activities that misuse privileged information.
- The principle of professionalism, i.e. to do business in a professional manner that creates a positive image of the Management Company and the industry, as well as to maintain and improve their professional knowledge. This principle includes, in particular, rules related to doing business with Fund members, as well as continuous education of participants in business.
- The principle of confidentiality, i.e. to ensure the confidentiality of data about Fund member in accordance with laws and bylaws and internal policies.
- The principle of reliability, honesty and fair treatment, i.e. do business while ensuring adequate degree of reliability and integrity and contact with the public/members in a way that ensures honesty and fairness in business. This principle includes, in particular, observing the priority of the members' interests, protecting their assets, providing complete and timely information, as well as notifying them of any real and possible conflicts of interest to ensure a fair and objective business

## **XVII. PROCEDURES FOR PREVENTING ABUSE OF INSIDER INFORMATION AND MEASURES IN CASE OF ABUSE**

#### **Article 61**

Insider information has the meaning defined by the law governing capital market.

Insider information is information that has the following characteristics:

- information on precisely determined facts,
- not published,
- directly or indirectly refer to one or more financial instrument issuers or to one or more financial instruments and
- if they were made public, they would probably have a significant impact on the price of those financial instruments or the price of related financial instruments.

Confidential Information – any confidential information relating to the operations of the Management Company, if relating to facts and circumstances that are not published, and is especially important from the organizational, economic, financial and strategic aspect, or is significant for the success of the Management Company's

operations and value of its financial instruments – even though it does not have all the characteristics of insider information, in terms of accuracy and potential impact on the price of financial instruments, but can be deemed as such considering it may cause a conflict of interest.

In connection with persons responsible for fulfilling the orders related to financial instruments, insider information is also information about precisely determined facts obtained from the client regarding client's future orders, relating directly or indirectly, and which, if they were published, would probably have a significant impact on financial instrument prices, the price of related contracts for commodities on the spot market or the price of related derivative financial instrument.

Information is considered precisely determined (precise):

- if indicating a series of circumstances that exist or can be reasonably expected to exist, that is, an event that occurred or can reasonably be expected to occur,
- when specific enough to enable conclusions about the impact of such series of circumstances or events on the prices of financial instruments/related derivative financial instrument.

Such likelihood of significant impact is considered to exist if a reasonable client/fund member would probably consider such information as part of the basis for making investment decisions.

In accordance with the Capital Market Law, the Management Company adopted and regularly updates the Conflict of Interest, Insider Information and Personal Transaction Management Policy that put a system in place to prevent the misuse of insider information and will take measures in the event that such abuse occurs.

The above Management Company policy clearly defines the circle of relevant persons in the Management Company who own or can own an insider or confidential information as well as a general prohibition to use that information directly or indirectly during acquisition, disposal and attempted acquisition or disposal for one's own account or for the account of a third party of the financial instruments to which this information relates.

The above Management Company policy defines insider and confidential information management by introducing special measures preventing their abuse, so as to ensure that every person who has access to such information fulfills all prescribed obligations and is aware of the sanctions provided for cases of misuse or unauthorized dissemination of such information. To fulfill the above purpose, the Management Company:

- keeps and updates the Register of relevant persons with access to insider information (Insider list) in which all persons who have access to insider information are registered.
- continuously ensures the restriction of information flow between different organizational units of the Management Company through the organizational aspect, that is, by functional separation of organizational units, primarily those in charge of investment funds asset management and investment funds asset valuation, both among themselves and from others organizational units;
- establishes an organizational chart and procedures that should prevent:
  - that the Fund assets are managed by any person other than the portfolio manager of that Fund
  - that valuation of the Fund's assets and reconciliation of such data with the depository is performed by any person other than employees of valuation organizational unit.

prescribes and ensures compliance with the basic standards and principles relevant persons with access to insider information shall comply with, including increased due care in terms of insider and confidential information management and taking all necessary preventive measures to suppress unnecessary dissemination and misuse of insider information (e.g. avoiding conversations about insider and confidential information in places where there are persons who should not know such information; caution when using mobile and landline phones; avoiding leaving documents containing insider or confidential information in easily accessible places (open space, printers and photocopiers); removal of documents containing insider or confidential information which is no longer needed and for which there is no longer any retention obligation, using document destruction devices, etc.).

The relevant persons of the Management Company shall keep as a trade secret and shall not use, communicate and enable third parties to use the following data:

- About the Fund or the Management Company that could create a false presentation of the business of the company, that is, the investment fund;

- ▶ future activities and business plans of the Management Company;
- ▶ balance and turnover in the accounts of the Fund and its members;
- ▶ other data that are important for the Fund's operations, and which they have learned while performing activities of the Management Company.

## **XVIII. THE MANNER TO ENSURE THE EMPLOYEES AND MEMBERS OF THE MANAGEMENT COMPANY AND PERSONS CLOSELY RELATED TO THEM ACT IN COMPLIANCE WITH SAFE AND SOUND BUSINESS PRACTICES IN THE SENSE OF THE LAW GOVERNING CAPITAL MARKETS**

### **Article 62**

The Management Company shall observe the principal equality of clients in its operations. In performing its activities, the Management Company shall be guided solely by the interests of clients. The Management Company shall determine the way to ensure that the employees and the members of Management Company and persons closely related to them act in compliance with provisions of the law governing the capital markets on safe and sound business practices.

### **Article 63**

Members of the management and employees of the Management Company, as well as members of the management bodies and employees of a party closely related with the Management Company have equal opportunities to acquire the status of a Fund member and exercise all the rights and obligations arising from such membership with other persons who may be Fund members according to the Law.

Members of the management and employees of the Management Company may invest in investment funds managed by the Management Company provided that such investment is not contrary to the provisions of the law governing investment funds and capital market in terms of conflicts of interest, prohibition of the use of insider information, prohibition of manipulation and other activities contrary to business ethics and customs.

In the event that the employees of the Management Company wish to invest in an investment fund managed by the Management Company, he/she shall notify in writing, at the latest on the day of purchase of investment units, the Director of the Management Company and Head of the Compliance and AML Control Office, of the investment fund he/she will invest into, as well as the amount of the investment. The Director of the Management Company shall notify the Head of the Compliance and AML Control Office of his/her investment, and a member of the Supervisory Board shall notify the Director of the Management Company of his/her investment. Investments shall also be communicated to Head of the Compliance and AML Control Office for recording purposes.

The Management Company shall keep special records on employee investments in investment funds it manages. All data and documentation about such said investments shall be kept separately from other data and documentation in the register at a specially designated place. Access to this record for the purposes of internal and external control is restricted and only given to the Head and one employee of the Compliance and AML Control Office and the Director of the Company.

Moreover, employees and members of the Management Company, if they have knowledge that persons related to them buy and sell investment units of funds managed by the Company, shall immediately upon learning thereof notify the Compliance Control Office of the Management Company for recording purposes.

Employees and members of the management may not use the data they receive while performing their activities for the purpose of investing in funds managed by the Management Company.

The Management Company may not put its own interests and interests of the employees and management bodies of the Management Company, as well as the interests of the employees and management bodies of closely related persons before the interests of fund members.

The Compliance Control Office of the Management Company shall keep a Register of personal transactions of relevant persons and persons closely related to them.



## **XIX. OTHER MATTERS OF IMPORTANCE FOR THE OPERATIONS OF THE MANAGEMENT COMPANY**

### **Article 64**

The Management Company shall publish on its website [www.vistarica.rs](http://www.vistarica.rs) basic information about the Management Company, the Fund's Rules, working hours for clients, addresses and working hours of the contracted distributor, the Fund's Prospectus and Key Investor Information, the value of the Fund's investment units and Fund yield data, annual financial statements of the Management Company and of the Fund including the external auditor's report, half-yearly financial statements of the Fund and other relevant data.

The opening hours of the Management Company are on working days (Mon-Fri) from 9:00 a.m. to 5:00 p.m.

Exceptionally, the Director of the Company may prescribe other working hours in accordance with the law, of which members shall be informed via the Management Company website.

### **Article 65**

Employees, members of the management, persons who perform permanent or temporary jobs based on a special contract with the Management Company, as well as parties closely related to the Management Company and these persons, shall keep as a trade secret and shall not use, communicate and enable third parties to use any data and information obtained while performing their duties relating to the Management Company, the fund and the fund members, the disclosure of which to unauthorized persons would be contrary to the interests of the Management Company, the fund, and/or members.

In case of misuse of such data, the persons referred to in paragraph 1 of this article shall be liable to the Management Company for the resulting damage.

Exceptionally, data can be communicated and made available to third parties on occasion of supervision of operations, on the basis of a court order, order of the competent authority of the management, or by virtue of the Law.

### **Members objections and complaints**

#### **Article 66**

Clients/members of the Fund shall be entitled to objections (complaints) the Management Company shall act upon by examining all relevant information related to objection (complaint) and actively communicate with the complainant in a simple and understandable way. The Company shall respond to objections without unnecessary delay within 15 (fifteen) days. Exceptionally, when the response cannot be provided within the specified time, the Management Company shall notify the complainant about the reasons for the delay and state when the objection (complaint) will be responded to.

Objection (complaint) can be submitted in one of the following ways:

- e-mail to: [office@vistarica.rs](mailto:office@vistarica.rs).
- mail to: Vista Rica ad Beograd, Heroja Milana Tepića 4, 11000 Beograd;
- in person, when a written objection is filed in person at the Management Company's or authorized distributor's premises.

## **XX. DISPUTE RESOLUTION, JURISDICTION**

### **Article 67**

If the client is not satisfied with the Company's response to the complaint or the Company failed to respond to the complaint within 15 days from the day of receipt of the complaint, i.e. in within the specified deadline for responding to the complaint, the client is entitled to initiate the procedure of out-of-court settlement of the disputed case or to initiate a mediation procedure before another authority or person authorized for mediation.

If the Company and the user fail to solve possible disputes arising from the contractual relationship through friendly negotiations, they can bring the dispute before the court competent in the place of permanent or temporary residence or registered office of the defendant.



According to the Law on Resolving Conflicts of Law with the Regulations of Other Countries (SFRY Official Gazette no. 43/82 and 72/82 - corr, FRY Official Gazette no. 46/96 and RS Official Gazette no. 46/2006 - other law), a foreign court decision shall be equated with a court decision of the Federal Republic of Yugoslavia and shall produce legal effect in the Federal Republic Yugoslavia only if recognized by the court of the Federal Republic of Yugoslavia, i.e. the court Republic of Serbia.

For the recognition and enforcement of foreign court decisions and foreign arbitration decisions the court in whose territory the recognition/enforcement procedure should be carried out is locally competent.

## **XXI. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 68**

The Director of the Management Company shall pass a decision on adoption or a significant amendment to these Rules in the manner and according to the procedure established for their adoption.

### **Article 69**

If the aforementioned provisions are amended by virtue of laws and by-laws, the Management Company shall apply the law and by-law regulation. Such amendments shall be incorporated into these Rules within time limits and the manner provided by the Law and by-laws.

### **Article 70**

These Rules shall enter into force on the day of adoption, and shall take effect upon obtaining the consent of the SEC and publication on the Management Company website in accordance with the law.

In Belgrade, August 5th, 2024



Stanislava Petković, General Manager

