



# **SICAV**

## **ARTICLES OF INCORPORATION**

September 2001

*Text of original document / translated from French into English:*

In the year one thousand nine hundred ninety-seven, on the nineteenth of November, before us, Mr, Edmond Schroeder, public notary residing in Mersch, who will be the depositary of the present deed:

There appeared:

- 1) Banque Internationale à Luxembourg, S.A., with its registered office at 69, route d'Esch, L-1470 Luxembourg, duly represented by Mrs, Christiane LIST-BOES, employee, residing Rollingen/Mersch, by virtue of a proxy given in Luxembourg.
- 2) LIREPA S.A., with its registered office at 69, route d'Esch, L-1470 Luxembourg, duly represented by Mrs, Christiane LIST-BOES, employee, residing in Rollingen/Mersch, by virtue of a proxy given in Luxembourg.

The proxies given, signed *ne varietur* by all the appearing persons and the undersigned notary, shall remain annexed to this document to be filed with the registration authorities.

Such appearing parties, in the capacity in which they act, have requested the notary to state as follows the Articles of Incorporation (the Articles") of TÜRKISFUND (the "Corporation") which they form between themselves:

#### **ARTICLE ONE:**

There exists among the subscribers and all those who may become holders of shares hereafter issued, a corporation in the form of a "société anonyme" qualifying as a "société d'investissement à capital variable" under the name of "TÜRKISFUND" (The "Corporation").

#### **ARTICLE TWO:**

The Corporation is established for an unlimited period. The Corporation may be dissolved at any moment by a resolution of the shareholders adopted in the manner required for amendment of these Articles of Incorporation.

The board of directors is entitled to determine the period for which the Sub-Funds of the Corporation are established.

#### **ARTICLE THREE:**

The exclusive object of the Corporation is to place the funds available to it in transferable securities of any kind and other permitted assets, with the purpose of spreading investment risks and affording its shareholders the results of the management of its portfolios.

The Corporation may take any measures and carry out any operation which it may deem useful in the accomplishment and development of its purpose to the full extent permitted by the Luxembourg law of 30. March, 1988 regarding collective investment undertakings (the "law").

#### **ARTICLE FOUR:**

The registered office of the Corporation is established in Luxembourg City, in the Grand Duchy of Luxembourg. Branches or other offices may be established either in Luxembourg or abroad by resolution of the board of directors. The address of the registered office in Luxembourg City may be changed by resolution of the board of directors,

In the event that the board of directors determines that extraordinary social, political or military developments have occurred or are imminent that would interfere with the normal activities of the Corporation at its registered office, or with the ease of communication between such office and persons abroad, the registered office may be temporarily transferred abroad until the complete cessation of these abnormal circumstances; such temporarily measures shall have no effect on the nationality of the Corporation which, notwithstanding the temporarily transfer of its registered office, will remain a Luxembourg corporation.

#### **ARTICLE FIVE:**

The capital of the Corporation shall be represented by shares of no par value and shall at any time be equal to the total net assets of the Corporation as defined in Article twenty-three hereof.

The shares may, as the board of directors shall determine, belong to different classes and the proceeds of the issue of each class of shares shall be invested pursuant to Article three hereof in transferable securities or other permitted assets corresponding to such geographical areas, industrial sectors or monetary zones or such specific types of securities as the board of directors shall from time to time determine in respect of each class of shares. Each such class of shares shall constitute a "Sub-Fund" designated by a generic name.

Further, the shares of each Sub-Fund may, as the board of directors shall so determine, be issued in two sub-classes of shares being (a) shares entitling to dividends ("dividend shares"), and (b) shares not entitling to dividends ("capitalization shares"). Each such subclass of shares shall constitute a "Class".

The board of directors may create at any moment additional Sub-Funds and/or Classes, provided that the rights and duties of the shareholders of the existing Sub-Funds and/or Classes will not be modified by such creation.

The initial capital of the Corporation is DEM 70,000.- represented by 2.800 shares of the "TÜRKISFUND-Equities".

The minimum capital of the Corporation shall be the equivalent in EURO of fifty million Luxembourg francs (Flux. 50,000,000.-) and must be reached within six months following the date of registration of the Corporation in Luxembourg on the official list of collective investment undertakings.

The board of directors is authorized to issue further fully paid shares at any time for cash (or, subject to the conditions of the law and more particularly a special

audit report, contribution in kind of securities and other assets in compliance with the investment objectives and policy of the relevant Sub-Fund(s), all in accordance with Article twenty-one and twenty-two hereof) at a price based on the respective net asset value per share determined in accordance with Article twenty-three hereof, without reserving to the existing shareholders a preferential right to subscribe for the additional shares to be issued.

The board of directors may delegate to any duly authorized director or officer of the Corporation or to any other duly authorized person, the duty of accepting subscriptions and of delivering and receiving payment for such new shares.

For the purpose of determining the capital of the Corporation, the net assets attributable to each Sub-Fund shall, if not expressed in EURO, be converted into EURO and the capital shall be the total of the net assets of all the Sub-Funds. The consolidated capital of the Corporation is expressed in EURO.

The board of directors may decide to merge one or several Sub-Fund(s). The board of directors may also decide to liquidate one or several Sub-Fund(s) by cancellation of the relevant shares and refunding to the shareholders of such Sub-Fund(s) the full net asset value of the shares of such Sub-Fund(s).

The board of directors may also decide to merge one or several Sub-Fund(s) with one or several Sub-Fund(s) of another Luxembourg SICAV subject to part 1 of the law.

The board of directors is also empowered to take any of the above decisions in case of substantial unfavorable changes of the social, political or economical situation in countries where investments for the relevant Sub-Fund(s) are made, or shares of the relevant Sub-Fund(s) are distributed.

Notices of such decisions will be sent to the holders of registered shares by mail to their address in the Register of Shareholders. Holders of bearer shares will be informed by way of publication of the same notice in the newspapers selected by the board of directors, namely in the countries in which the shares are publicly offered.

In case of a merger with another Sub-Fund of the Corporation or with a Sub-Fund of another Luxembourg SICAV subject to part 1 of the law, shareholders of the Sub-Fund(s) to be merged may continue to ask for the redemption of their shares, this redemption being made without cost to the shareholders during a minimum period of one month beginning on the date of publication of the decision of merger. At the end of that period, all the remaining shareholders will be bound by the decision of merger.

In case of the liquidation of a Sub-Fund by decision of the board of directors, the shareholders of the Sub-Fund to be liquidated may continue to ask for the redemption of their shares until the effective date of the liquidation. For redemption made under these circumstances, the Corporation will apply a net asset value taking the liquidation fees into consideration and will not charge any other fees. The proceeds of liquidation not claimed by the shareholders entitled thereto as at the close of

the Corporation for a six months period and will thereafter be deposited with the Caisse de Consignations in Luxembourg.

The decision of merger of one or several Sub-Fund(s) with a Luxembourg collective investment undertaking organized under the form of a mutual fund (FCP) subject to part 1 of the law and the decision of merger of one or several Sub-Fund(s) with another foreign collective investment undertaking belong to the shareholders of the Sub-Fund(s) to be merged. Resolutions in that regard will be passed by the shareholders of the relevant Sub-Fund(s). Only the shareholders having voted for the merger will be bound by the decision of merger. The remaining shareholders will be considered as having asked for the redemption of their shares, this redemption being made without cost to the shareholders at the date of the decision of merger.

#### **ARTICLE SIX:**

For each Sub-Fund, the Corporation may elect to issue shares in registered and /or bearer form.

In the case of registered shares, unless a shareholder elects to obtain share certificates, he will receive instead a confirmation of his shareholding. If a shareholder requests the exchange of his certificates for certificates in another form, he will be charged the cost of such exchange.

If bearer shares are issued, certificates will be issued in such denominations as the board of directors shall decide. If a bearer shareholder requests the exchange of his certificates for certificates in other denominations, he will be charged the cost of such exchange. If a shareholder desires that more than one share certificate be issued for his shares, the cost of such additional certificates may be charged to such shareholder. Share certificates shall, in principle, be signed by two directors. Both such signatures may be either manual, or printed, or by facsimile. However, one of such signatures may be by a person delegated to this effect by the board of directors. In such latter case, it shall be manual. The Corporation may issue temporary share certificates in such form as the board of directors may from time to time determine.

Shares may be allotted only upon acceptance of the subscription and after receipt of the purchase price. The subscriber will, without delay, upon acceptance of the subscription and receipt of the purchase price by the Corporation, receive title to the shares purchased by him and upon application obtain delivery of definitive share certificates in bearer or registered form.

If it is decided to pay a dividend, it is paid to shareholders entitled thereto, in respect of registered shares, at their addresses in the Register of Shareholders and, in respect of bearer shares, upon presentation of the relevant dividend coupons.

All issued shares of the Corporation other than bearer shares shall be registered in the Register of Shareholders which shall be kept by the Corporation or by one or more persons designated therefor by the Corporation and such Register shall contain the name of each holder of registered shares, his residence or

elected domicile, the number of shares held by him and the amount paid in on each such share. Every transfer of a registered share shall be entered in the Register of Shareholders.

Transfer of bearer shares shall be effected by delivery of the relevant bearer share certificates with all unmatured coupons attached. Transfer of registered shares shall be effected (a) if share certificates have been issued, upon delivering the certificate or certificates representing such shares to the Corporation along with other instruments of transfer satisfactory to the Corporation, and (b) if no share certificates have been issued, by written declaration of transfer to be registered in the Register of Shareholders, dated and signed by the transferor and the transferee, or by persons holding suitable powers of attorney to act therefore.

Every register shareholder must provide the Corporation with an address to which all notices and announcements from the Corporation may be sent. Such address will also be entered in the Register of Shareholders. In the event that a registered shareholder does not provide such an address, the Corporation may permit a notice to this effect to be entered in the Register of Shareholders and the shareholder's address will be deemed to be at the registered office of the Corporation, or at such other address as may be so entered by the Corporation from time to time, until another address shall be provided to the Corporation by such shareholder. The shareholder may, at any time, change his address as entered in the Register of Shareholders by means of a written notification to the Corporation at its registered office, or at such other address as may be set by the Corporation from time to time.

If payment made by any subscriber results in the entitlement to a fraction of a share, the subscriber shall not be entitled to vote in respect of such fraction, but shall, to the extent the Corporation shall determine as to the calculation of fractions, be entitled to dividends and other distributions of a pro rata basis. In the case of bearer shares, only certificates evidencing full shares will be issued.

The Corporation will recognize only one holder in respect of a share in the Corporation, save as otherwise agreed upon with the Corporation for any purpose. In the event of joint ownership or bare ownership and usufruct, the Corporation may suspend the exercise of any right deriving from the relevant share or shares until one person shall have been designated to represent the joint owners or bareowners and usufructuaries vis-à-vis the Corporation.

#### **ARTICLE SEVEN:**

If any shareholder can prove to the satisfaction of the Corporation that his share certificate has been mislaid or destroyed, then, at his request, a duplicate share certificate may be issued under such conditions and guarantees, including a bond delivered by an insurance company but without restriction thereto, as the Corporation may determine.

On the issue of the new share certificate, on which it shall be recorded that it is a duplicate, the original share

certificate in place of which the new one has been issued shall become void.

Mutilated or defaced share certificates may be exchanged for new ones by order of the Corporation. The mutilated or defaced certificates shall be delivered to the Corporation and shall be annulled immediately.

The Corporation may, at its election, charge the shareholder for the costs of a duplicate or of a new share certificate and all reasonable expenses undergone by the Corporation in connection with the issuance and registration thereof, or in connection with the annulment of the old share certificate.

#### **ARTICLE EIGHT:**

The board of directors may restrict or prevent the ownership of shares in the Corporation by any person, firm or corporate body, if it appears to the Corporation that such ownership results in a breach of law in Luxembourg or abroad, may make the Corporation subject to tax in a country other than the Grand Duchy of Luxembourg or may otherwise be detrimental to the Corporation,

More specifically, the Corporation may restrict or prevent the ownership of shares in the Corporation by any U.S. person", as defined hereafter.

For such purposes the Corporation may:

- a) decline to issue any share and decline to register any transfer of a share, where it appears to it that such registration or transfer would or might result in beneficial ownership of such share by a person who is precluded from holding shares in the Corporation,
- b) at any time require any person whose name is entered in, or any person seeking to register the transfer of shares on, the Register of Shareholders to furnish it with any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such shareholder's shares rests or will rest in a person who is precluded from holding shares in the Corporation,
- c) where it appears to the Corporation that any person, who is precluded from holding shares in the Corporation, either alone or in conjunction with any other person, is a beneficial owner of shares, compulsorily purchase from any such shareholder all shares held by such shareholder or where it appears to the Corporation that one or more persons are the owners of a proportion of the shares in the Corporation which would make the Corporation subject to tax or other regulations of jurisdictions other than Luxembourg, compulsorily redeem all or a proportion of the shares held by such shareholders, as may be necessary, in the following manner:
  - 1) The Corporation shall serve a notice (hereinafter called the 'purchase notice') upon the shareholder bearing such shares or appearing in the Register of Shareholders as the owner of the shares to be purchased, specifying the shares to be purchased as aforesaid, the price to be paid for such shares, and the place at which the

purchase price in respect of such shares is payable. Any such notice may be served upon such shareholder by posting the same in a prepaid registered envelope addressed to such shareholder at his last address known to or appearing in the books of the Corporation.

The said shareholder shall thereupon forthwith be obliged to deliver to the Corporation the share certificate or certificates, if any, representing the shares specified in the purchase notice. Immediately after the close of business on the date specified in the purchase notice, such shareholder shall cease to be the owner of the shares specified in such notice and, in the case of registered shares, his name shall be removed as the holder of such shares from the Register of Shareholders, and in the case of bearer shares, the certificate(s) representing such shares shall be cancelled in the books of the Corporation;

2) The price at which the shares specified in any purchase notice shall be purchased (herein called "the purchase price") shall be an amount equal to the relevant per share net asset value determined in accordance with Article twenty-three hereof, as at the date of the purchase notice;

3) Payment of the purchase price will be made to the owner of such shares in the reference currency of the Sub-Fund concerned, except during periods of exchange restrictions, and will be deposited by the Corporation with a bank in Luxembourg or elsewhere (as specified in the purchase notice ) for payment to such owner upon surrender of the share certificate or certificates, if issued, representing the shares specified in such notice.

Upon deposit of such price as aforesaid no person interested in the shares specified in such purchase notice shall have any further interest in such shares or any of them, or any claim against the Corporation or its assets in respect thereof, except the right of the shareholder appearing as the owner thereof to receive the price so deposited (without interest) from such bank upon effective surrender of the share certificate or certificates, if issued, as aforesaid;

4) The exercise by the Corporation of the powers conferred by this Article shall not be questioned or invalidated in any case, on the ground that there was insufficient evidence of ownership of shares by any person or that the true ownership of any shares was otherwise than appeared to the Corporation at the date of any purchase notice, provided that in such case the said powers were exercised by the Corporation in good faith and

d) decline to accept the vote of any person who is precluded from holding shares in the Corporation at any meeting of shareholders of the Corporation.

Whenever used in these Articles, the term "U.S. Person" shall mean any national, citizen or resident of the United States of America or of any so its territories or

possessions or areas subject to its jurisdiction or any person who is normally resident therein (including the estate of any such person or corporations or partnerships created or organized therein).

#### **ARTICLE NINE:**

Any regularly constituted meeting of the shareholders of the Corporation shall represent the entire body of shareholders of the Corporation. It shall have the broadest powers to order, carry out or ratify acts relating to the operations of the Corporation.

#### **ARTICLE TEN:**

The annual general meeting of shareholders shall be held, in accordance with Luxembourg law, in Luxembourg at the registered office of the Corporation, or at such other place in Luxembourg as may be specified in the notice of meeting, on the first Tuesday of the month of May in each year at 11.00 a.m. and for the first time in 1999. If such day is not a bank business day in Luxembourg, the annual general meeting shall be held on the next bank business day in Luxembourg. The annual general meeting may be held abroad if, in the absolute and final judgment of the board of directors, exceptional circumstances so require.

Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting.

#### **ARTICLE ELEVEN:**

The quorum and time required by law shall govern the notice for and conduct of the meetings of shareholders of the Corporation, unless otherwise provided herein.

Each share is entitled to one vote. A shareholder may act at any meeting of shareholders by appointing another person as his proxy in writing or by cable, telegraph, telex or facsimile transmission. A corporation may execute a form of proxy under the hand of a duly authorized officer.

Except as otherwise required by law or as otherwise provided herein, resolutions at a meeting of shareholders duly convened will be passed by a simple majority of those present or represented and voting.

Resolutions with respect to any Class or Sub-Fund will also be passed, unless otherwise required by law or otherwise provided herein, by a simple majority of the shareholders of the relevant Class or Sub-Fund present or represented and voting.

The board of directors may determine all other conditions that must be fulfilled by shareholders for them to take part in any meeting of shareholders.

#### **ARTICLE TWELVE:**

Shareholders will meet upon call by the board of directors. Notices setting forth the agenda shall be sent by mail at least eight days prior to the meeting to each shareholder at the shareholder's address in the Register of Shareholders.

To the extent required by law, notices shall, in addition, be published in the Memorial, Recueil des Sociétés et Associations, of Luxembourg, in a Luxembourg newspaper, and in such other newspapers as the board of directors may decide.

#### **ARTICLE THIRTEEN:**

The Corporation shall be managed by a board of directors composed of not less than three members, members of the board of directors need not be shareholders of the Corporation.

The directors shall be elected by the shareholders at their annual general meeting for a period ending at the next annual general meeting and until their successors are elected and qualify, provided, however, that a director may be removed with or without cause and/or replaced at any time by resolution adopted by the shareholders.

In the event of a vacancy in the office of director because of death, retirement or otherwise, the remaining directors may meet and may elect, by majority vote, a director to fill such vacancy until the next meeting of shareholders.

#### **ARTICLE FOURTEEN:**

The board of directors may choose from among its members a chairman, and may choose from among its members one or more vice-chairmen. It may also choose a secretary, who need not be a director, who shall be responsible for keeping the minutes of the meetings of the board of directors and of the shareholders. The board of directors shall meet upon call by the chairman, or any two directors, at the place indicated in the notice of meeting.

The chairman shall preside at all meetings of shareholders and the board of directors, but in his absence the shareholders or the board of directors may appoint another director and, in the absence of any director at a shareholders meeting, any other person as chairman pro tempore by vote of the majority present at any such meeting.

The board of directors from time to time may appoint the officers of the Corporation, including a general manager, a secretary, any assistant general managers, assistant secretaries or other officers considered necessary for the operation and management of the Corporation. Any such appointment may be revoked at any time by the board of directors. Officers need not be directors or shareholders of the Corporation. The officers appointed, unless otherwise stipulated in these Articles, shall only have the powers and duties given them by the board of directors.

Written notice of any meeting of the board of directors shall be given to all directors at least twenty-four hours in advance of the hour set for such meeting, except in circumstances of emergency, in which case the nature of such circumstances shall be set forth in the notice of meeting. This notice may be waived by the consent in writing or by cable, telegram, telex or facsimile transmission of each director. Separate notice shall not be required for individual meetings held at times and

places prescribed in a schedule previously adopted by resolution of the board of directors.

Any director may act at any meeting of the board of directors by appointing in writing or by cable, telegram, telex or facsimile transmission another director as his proxy.

The directors may only act at duly convened meetings of the board of directors. Directors may not bind the Corporation by their individual acts, except as specifically permitted by previous resolution of the board of directors.

The board of directors can deliberate or act validly only if at least the majority of the directors are present or represented at a meeting of the board of directors (which may be by way of a conference telephone call). Decisions shall be taken by a majority of the votes of the directors present or represented at such meeting. In the event that in any meeting the number of votes for and against a resolution shall be equal, the chairman shall have a casting vote. In the event of a conference telephone call, decisions validly taken by directors will thereafter appear on regular minutes.

Resolutions signed by all members of the board will be as valid and effectual as if passed at a meeting duly convened and held. Such signatures may appear on a single document or multiple copies of an identical resolution and may be evidenced by letters, cables, telegrams, telexes, facsimile transmissions or similar means. The date of the decisions contemplated by these resolutions shall be the latest signature date.

The board of directors may delegate its powers to conduct the daily management and affairs of the Corporation and its powers to carry out acts in furtherance of the corporate policy and purpose, to natural persons or corporate entities which need not be members of the board.

#### **ARTICLE FIFTEEN:**

The minutes of any meeting of the board of directors and of any general meeting of shareholders shall be signed by the chairman or, in his absence, by the chairman pro tempore who presided at such meeting.

Copies or extracts of such minutes which may be produced in judicial proceedings or otherwise shall be signed by such chairman, or by the secretary, or by any two directors.

#### **ARTICLE SIXTEEN:**

The board of directors shall, based upon the principle of spreading of risks, have power to determine the corporate and investment policy for the investments relating to each Sub-Fund and the course of conduct of the management and business affairs of the Corporation.

The board of directors shall also determine any restrictions which shall from time to time be applicable to the investments of the Corporation.

The board of directors may cause the assets of the Corporation to be invested in:

- (i) transferable securities admitted to official listing on a stock exchange in an Eligible State;
- (ii) transferable securities dealt in on another regulated market which operates regularly and is recognized and open to the public (a "Regulated Market") in an Eligible State; and /or
- (iii) recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange in an Eligible State or a Regulated Market which in such case qualifies as an Eligible Market and such admission is achieved within the period of one year of the issue.

For this purpose, an "Eligible State shall mean any member state of the Organization for Economic Cooperation and Development ("OECD"), and all other countries of North and South America, Africa, Europe, the Pacific Basin and Australasia and an "Eligible Market" shall mean an official stock exchange or a Regulated Market in such an Eligible State.

All such securities under (i), (ii) and (iii) above are hereby defined as "Eligible Transferable Securities".

Nevertheless, a Sub-Fund may invest in transferable securities which are not Eligible Transferable Securities or in debt instruments which, because of their characteristics being, inter alia, transferable, liquid assets having a value which can be accurately determined on each valuation day, are treated as equivalent to transferable securities, provided that the total of such debt instruments and of transferable securities other than Eligible Transferable Securities shall not exceed 10 % of the net assets of the Sub-Fund.

The Corporation may invest up to a maximum of 35 % of the net assets of any Sub-Fund in transferable securities issued or guaranteed by a member state of the European Union (a "Member State") its local authorities, by another Eligible State or by public international bodies of which one or more Member States are members.

The Corporation may further invest up to 100% of the net assets of any Sub-Fund in transferable securities issued or guaranteed by a Member State, by its local authorities. or by another member state of the OECD or by public international bodies of which one or more Member States are members, provided that the Corporation holds securities from at least six different issues and securities from any one issue do not account for more than 30 % of the total net assets of the relevant Sub-Fund.

The Corporation may invest the assets of each Sub-Fund in the share or units of another undertaking for collective investment in transferable securities within the meaning of the first and second indents of Article 1(2) of the EEC Directive 85/611 of 2011 December, 1985 ("UCITS"). In the case of a UCITS linked to the Corporation by common management or control or by a substantial direct or indirect holding (i) the UCITS must be one which, in accordance with its constitutional

documents, specializes in investment in specific geographical area or economic sector and (ii) no fees or costs on account of the transactions relating to the units in the UCITS may be charged by the Corporation.

#### **ARTICLE SEVENTEEN:**

No contract or other transaction between the Corporation and any other corporation or firm shall be affected or invalidated by the fact that any one or more of the directors or officers of the Corporation is interested in, or is a director, associate, officer or employee of such other corporation or firm.

Any director or officer of the Corporation who serves as a director, associate, officer or employee of any corporation or firm with which the Corporation shall contract or otherwise engage in business shall not, by reason of such affiliation with such other corporation or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event that any director or officer of the Corporation may have any personal interest in any transaction of the Corporation, such director or officer shall make known to the board of directors such personal interest and shall not consider or vote on any such transaction, and such transaction, and such director's or officer's interest therein, shall be reported to the next succeeding meeting of shareholders.

The term "personal interest", as used in the preceding sentence, shall not include any relationship with or interest in any matter, position or transaction involving ISBANK GmbH and its subsidiaries and associated companies or such other corporation or entity as may from time to time be determined by the board of directors on its discretion.

#### **ARTICLE EIGHTEEN:**

The Corporation may indemnify any director or officer, and his heirs, executors and administrators, against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Corporation or, at its request, of any other corporation of which the Corporation is a shareholder or creditor and form which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct: in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he may be entitled.

#### **ARTICLE NINETEEN:**

The Corporation will be bound by the joint signature of any two directors or by the individual signature of any director duly authorized or by the individual signature of any duly authorized officer of the Corporation or by the

individual signature of any other person to whom authority has been delegated by the board of directors.

#### **ARTICLE TWENTY:**

The operations of the Corporation and its financial situation including particularly its books shall be supervised by one or several auditors who shall satisfy the requirements of Luxembourg law as to honourableness and professional experience and who shall carry out the duties prescribed by the Luxembourg law of 3 01h March, 1988 regarding collective investment undertakings.

Such an auditor will be appointed by the shareholders at their annual general meeting and will act as such until being replaced by its successor.

#### **ARTICLE TWENTY-ONE:**

As is more especially prescribed hereinbelow, the Corporation has the power to redeem its own shares at any time within the sole limitations set forth by law.

Any shareholder may at any time request the redemption of all or part of his shares by the Corporation subject to such advance notice as the board of directors may determine. The redemption price shall be paid no later than 5 Luxembourg bank business days following the applicable valuation day and shall be equal to the relevant per share net asset value determined in accordance with the provisions of Article twenty-three hereof less a redemption fee, if any, as determined by the board of directors. Any such request must be filed by such shareholder in written form at the registered office of the Corporation in Luxembourg or with any other person or entity appointed by the Corporation as its agent for redemption of shares, together with the delivery of the certificate(s) (if issued) for such shares in proper form and accompanied by proper evidence of transfer or assignment.

Shares of the capital of the Corporation redeemed by the Corporation shall be cancelled.

The Corporation shall not be bound to redeem and convert on any valuation day more than 10 % of the number of shares of any Sub-Fund outstanding on such valuation day. Redemptions and conversions may accordingly be deferred by the Corporation and will then be dealt with on the next valuation day (but subject always to the foregoing limit). For this purpose, requests for redemption and conversion so deferred will be given priority to subsequently received requests.

Any request for redemption or conversion shall be irrevocable except in the event of suspension of redemptions and conversions pursuant to the related provisions of Article twenty-two hereof. In the absence of revocation, redemptions and conversions will occur on the next valuation day after the end of the suspension.

Subject to any limitation or provision contained in the sales documents any shareholder may request conversion of all or part of his shares corresponding to a particular Class and Sub-Fund into shares of another existing Class and/or Sub-Fund, based on the net asset value per share of the Sub-Funds and/or Classes

involved less a conversion fee, if any, as determined by the board of directors. The conversion formula is determined from time to time by the board of directors and disclosed in the current sales documents of the Corporation.

The board of directors may, from time to time, fix for any particular Class or Sub-Fund a minimum redemption or conversion amount. all as disclosed in the current sales documents of the Corporation.

The board of directors may also limit or even suppress the right of conversion for any particular Class and/or Sub-Fund.

#### **ARTICLE TWENTY-TWO:**

For the purpose of determining the issue, redemption and conversion price per share, the net asset value of shares shall be determined by the Corporation, or by any other person or entity appointed by the Corporation as its agent for this purpose, from time to time, but in no instance less than twice monthly. as the board of directors may determine (every such day for determination of net asset value being referred to herein as a "valuation day") provided that in any case where any valuation day would fall on a day observed as a holiday by banks in Luxembourg, such valuation day shall then be the net bank business day in Luxembourg.

If since the last valuation day there has been an material change in the quotations on the markets on which a substantial portion of the investments of the Corporation attributable to a particular Sub-Fund is dealt in or listed, the board of directors may, in order to safeguard the interests of the shareholders and the Corporation, cancel the first valuation and carry out a second valuation.

The Corporation may suspend the determination of the net asset value of shares of any particular Sub-Fund and the issue and redemption of the shares in such Sub-Fund as well as the conversion from and to shares of such Sub-Fund during

- a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of any Sub-Fund of the Corporation from time to time is quoted, is closed otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by any Sub-Fund of the Corporation would be impracticable;
- c) any breakdown in the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-Fund or the current prices or values on any market or stock exchange;
- d) any period when the Corporation is unable to repatriate funds for the purpose of making payments on the redemption of shares of any Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments

due on redemption of shares of any Sub-Fund cannot in opinion of the board of directors be effected at normal prices or rates of exchange;

- e) any period when the Corporation is being liquidated or as from the date on which notice is given of a meeting of shareholders at which a resolution to liquidate the Corporation is proposed.

Any such suspension shall be notified to shareholders requesting issue, redemption or conversion of shares by the Corporation at the time of the filing of their request for such issue, redemption or conversion, and shall be published by the Corporation (if in the opinion of the directors it is likely to exceed fourteen days).

Such suspension as to any Sub-Fund shall have no effect on the determination of the net asset value, the issue, redemptions and conversion of the shares of any other Sub-Fund if the circumstances referred to above do not exist in respect of the other Sub-Funds.

Pending issues, redemptions and/or conversions are taken into consideration on the next valuation day after the end of such suspension.

#### **ARTICLE TWENTY-THREE:**

The net asset value of shares of each Sub-Fund in the Corporation shall be calculated in the reference currency of the relevant Sub-Fund and expressed in such other currencies as the board of directors may decide (except that when there exists any state of affairs which, in the opinion of the board of directors, makes the determination in such currency either not reasonably practical or prejudicial to the shareholders, the net asset value may temporarily be determined in such other currency as the board of directors may determine) as a per share figure and shall be determined in respect of each valuation day by dividing the net assets of the Corporation corresponding to each Sub-Fund (being the value of the assets of the Corporation corresponding to such Sub-Fund less the liabilities attributable or such Sub-Fund) by the number of shares of the relevant Sub-Fund then outstanding.

A. The assets of the Corporation may include:

- a) all cash on hand or on deposit, including any interest accrued thereon;
- b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
- c) all bonds, time notes, shares, debenture stocks, subscription rights, warrants, options and other investments and securities owned or contracted for by the Corporation;
- d) all stock, stock dividends, cash dividends and cash distributions receivable by the Corporation (provided that the Corporation may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

- e) all interest accrued on any interest-bearing securities owned by the Corporation except to the extent that the same is included or reflected in the principal amount of such security;
- f) the preliminary expenses of the Corporation insofar as the same have not been written off; and
- g) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall, in principle, be determined as follows:

- 1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the board of directors may consider appropriate in such case to reflect the true value thereof.
- 2) The value of securities which are quoted or dealt in on any stock exchange shall be in respect of each security, the last known price, and where appropriate, the middle market price on the stock exchange which is normally the principal market for such security.
- 3) Securities dealt in on another regulated market are valued in a manner as near as possible to that described in the preceding sub-paragraph.
- 4) In the event that any of the securities held in any Sub-Fund's portfolio on the relevant valuation day are not quoted or dealt in on a stock exchange or another regulated market or, for any of the securities, no price quotation is available, or if the price as determined pursuant to subparagraphs 2) and/or 3) is not in the opinion of the board of directors representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith.
- 5) All other assets will be valued at their respective fair values as determined in good faith by the board of directors in accordance with generally accepted valuation principles and procedures.

The board of directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset.

The value of the assets denominated in currency other than the reference currency of the relevant Sub-Fund will be converted at the rates of exchange prevailing in Luxembourg at the time of the determination of the corresponding net asset value.

B. The liabilities of the Corporation may include:

- a) all loans, bills and accounts payable;
- b) all accrued or payable administrative fees and expenses (including but not limited to investment advisory fees, custodian fees and central administrative fees);
- c) all known liabilities, present and future, including all matured contractual obligations for payments of money, including the amount of any unpaid dividends declared by the Corporation where the valuation day falls on the record date for determination of the persons entitled thereto or is subsequent thereto;
- d) an appropriate provision for future taxes based on capital and income to the valuation day, as determined from time to time by the Corporation, and other reserves if any authorized and approved by the board of directors; and
- e) all other liabilities of the Corporation of whatsoever kind and nature except liabilities represented by shares in the Corporation. In determining the amount of such liabilities the Corporation shall take into account all expenses payable by the Corporation comprising formation expenses, fees and expenses payable to its investment advisers or investment managers, accountant, custodian, administrative, domiciliary, registrar and transfer agents, paying agents and permanent representatives in places of registration, any other agent employed by the Corporation, fees for legal and auditing services, stock exchange listing costs, promotional, printing, reporting and publishing expenses, including the costs of advertising or preparing and printing of certificates, prospectuses, explanatory memoranda or registration statements, financial reports, taxes or governmental charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges, brokerage and communication expenses.

The Corporation may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

C. The net assets of the corporation shall mean the assets of the Corporation as hereinabove defined less the liabilities as hereinabove defined, on the valuation day on which the net asset value of the shares is determined. The capital of the Corporation shall be at any time equal to the total net assets of the Corporation, comprising net assets of all Sub-Funds, the EURO being the base currency.

D. Allocation of assets and liabilities:

The board of directors shall establish a pool of assets for each Sub-Fund in the following manner:

- a) the proceeds from the issue of shares of each Sub-Fund shall be applied in the books of the Corporation to the Sub-Fund established for the relevant class of shares and the assets and liabilities and income and expenditure attributable

thereto shall be applied to such Sub-Fund, subject to the provisions of this Article;

- b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Corporation to the same Sub-Fund as the asset from which it was derived and on each revaluation of an asset, the increase or decreases in value shall be applied to the relevant Sub-Fund;
- c) where the Corporation incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund,
- d) in the case where any asset or liability of the Corporation cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated to all the Sub-Funds in equal parts or, if the amounts so require, pro rata to the value of the respective net assets of each Sub-Fund.
- e) upon the payment of dividends to the shareholders in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends.

The board of directors may reallocate any asset or liability previously allocated by them if in their opinion circumstances so require. The Corporation shall be considered as one single legal entity. With regard to the Corporation's creditors, each Sub-Fund shall be exclusively responsible for all debts, liabilities and obligations attributable to it.

E. In case where dividend shares and capitalization shares are issued in a Sub-Fund as provided in Article five hereof, the net asset value per share of each Class of shares of the relevant Sub-Fund is computed by dividing the net assets of the relevant Sub-Fund attributable to each Class by the number of shares of each Class then outstanding.

The percentage of net assets of the relevant Sub-Fund to be attributed to each Class of shares which has been initially the same as the percentage of the total number of shares represented by such class, changes pursuant to dividends or other distributions with respect to dividend shares in the following manner:

- a) at the time of any dividend or other distribution with respect to dividend shares, the net assets attributable to such Class shall be reduced by the amount of such dividend or other distribution (thus decreasing the percentage of net assets of the relevant Sub-Fund attributable to the dividend shares) and the net assets attributable to the capitalization shares shall remain the same (thus increasing the percentage of net assets of the relevant Sub-Fund attributable to the capitalization shares);
- b) at the time of any increase of the capital of the Corporation pursuant to the issue of new shares

of either Class, the net assets attributable to the corresponding Class shall be increased by the amount received with respect to such issue;

- c) at the time of redemption by the Corporation of shares of either Class, the net assets attributable to the corresponding Class shall be decreased by the amount paid for with respect to such redemption;
- d) at the time of conversion of shares of one Class into shares of the other Class, the net assets attributable to such Class shall be decreased by the net asset value of the shares converted and the net asset value attributable to the corresponding Class shall be increased by such amount.

F. For the purposes of this Article:

- a) shares of the Corporation to be redeemed shall be treated as existing and taken into account until immediately after the close of business on the valuation day referred to in this Article, and from such time and until paid the price therefore shall be deemed to be a liability of the Corporation;
- b) shares to be issued by the Corporation pursuant to subscription applications received shall be treated as being in issue as from the close of business on the valuation day referred to in this Article and such price, until received by the Corporation, shall be deemed to be a debt due to the Corporation;
- c) all investments, cash balances and other assets of the Corporation expressed otherwise than in EURO shall be valued after taking into account the market rate or rates of exchange in force in Luxembourg at the date for determination of the net asset value of shares; and
- d) effect shall be given on any valuation day to any purchases or sales of securities contracted for by the Corporation on such valuation day, to the extent practicable.

#### **ARTICLE TWENTY-FOUR:**

Whenever the Corporation shall offer shares of any Sub-Fund for subscription, the price per share at which such shares shall be offered and sold shall be the relevant per share Net Asset Value as hereinabove defined plus, as the case may be, such sales fee as the sales documents may provide. Any remuneration to agents active in the placing of the shares shall be paid out of such fees. The price so determined shall be payable within the time period established by the board of directors but not later than 5 Luxembourg bank business days following the applicable valuation day.

#### **ARTICLE TWENTY-FIVE:**

The financial year of the Corporation shall begin on the first day of January in each year and shall terminate on the last day of December of the same year.

#### **ARTICLE TWENTY-SIX:**

For each Sub-Fund and with respect to dividend shares, the general meeting of shareholders may, upon the proposal of the board of directors and within the limits provided by law, resolve a distribution of dividends to such shareholders.

The board of directors may also declare interim dividends with respects to dividend shares.

Any resolution of a general meeting of shareholders deciding whether or not dividends are to be distributed to shareholders of any Sub-Fund entitled thereto shall, in addition, be subject to a prior vote of the shareholders of the relevant Class, as far as these shareholders are present or represented, deciding at the relevant Class, as far as these shareholders are present or represented, deciding at the quorum and majority requirements provided by Article eleven hereabove.

No dividends shall be paid on capitalization shares. The holders of capitalization shares participate equally in the results of the Corporation, their related part staying invested in the Corporation and remaining credited to the capitalization shares.

#### **ARTICLE TWENTY-SEVEN:**

In the event of a dissolution of the Corporation, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of shareholders effecting such dissolution and which shall determine their powers and their compensation.

The operations of liquidation will be carried out pursuant to the Luxembourg law of 30. March, 1988 regarding collective investment undertakings.

The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidators to the holders of shares of each Sub-Fund in proportion to their holding in the respective Sub-Fund(s).

#### **ARTICLE TWENTY-EIGHT:**

These Articles of Incorporation may be amended from time to time by a general meeting of shareholders, subject to the quorum and voting requirements provided by the laws of Luxembourg.

Any amendment affecting the rights of the holders of shares of any Class or Sub-Fund vis-à-vis those of any other Class or Sub-Fund shall be subject, further, to the said quorum and majority requirements in respect of each such Class or Sub-Fund as far as the shareholders of this Class or Sub-Fund are present or represented.

#### **ARTICLE TWENTY-NINE:**

All matters not governed by these Articles of Incorporation shall be determined in accordance with the Luxembourg law of 10. August, 1915 on commercial companies and amendments thereto and the Luxembourg law of 30. March, 1988 regarding collective investment undertakings.

## SUBSCRIPTION AND PAYMENT

The subscribers have subscribed for the number of shares and have paid in cash the amounts as mentioned hereinafter:

<b>Shareholders</b>	<b>subscribed capital</b>	<b>number of shares of TÜRKISFUND-Equities</b>
1) Banque Internationale à Luxembourg S.A. (prenamed)	DM 69,975.00	2,799
2) LIREPA S.A. (prenamed)	DM 25.00	1
Total:	<u>DM 70,000.00</u>	<u>2,800</u>

Proof of all such payments has been given as specifically stated to the undersigned notary. For the purpose of registration the capital is estimated at DM 70.000.-.

### EXPENSES

The expenses, costs, remunerations or charges in any form whatsoever which shall be borne by the Corporation as a result of its formation are estimated at approximately Flux 250,000.-.

### STATEMENTS

The undersigned notary states that the conditions provided for in Article twenty-six of the Luxembourg law of 10. August, 1915 on commercial companies have been observed.

**GENERAL MEETING OF SHAREHOLDERS:**

The above named persons, representing the entire subscribed capital and considering themselves as having received due notice, have immediately proceeded to an extraordinary general meeting.

Having first verified that it was regularly constituted, they have passed the following resolutions by unanimous vote.

**FIRST RESOLUTION:**

The following persons are appointed directors:

Haluk L. SOMERSAN  
General Direktor und Vorsitzender Geschäftsführer  
İŞBANK GmbH, Frankfurt

İbrahim HIZLIKAN  
Head of Capital Markets Department  
TÜRKİYE İŞ BANKASI A.Ş., İstanbul

Dr. Gürman TEVFIK  
Group Manager of Capital Markets Department  
TÜRKİYE İŞ BANKASI A.Ş., İstanbul

Klaus SCHREIBER  
Geschäftsführer  
İŞBANK GmbH, Frankfurt

Francois DRAZIDIK  
Fodé de Pouvoir  
Banque Internationale á Luxembourg, Luxembourg

Their mandate shall lapse on the date of the annual general meeting in 1999.

**SECOND RESOLUTION:**

The registered office of the Corporation is fixed at:

69, route d'Esch, Luxembourg.

**THIRD RESOLUTION:**

The following firm is appointed auditors:

Deloitte & Touche Luxembourg 21  
rue Glesener, L-1631 Luxembourg.

Their mandate shall lapse on the date of the annual general meeting in 1999.