

Pursuant to the provisions of Article 77, paragraph 8 of the Law on Investment Funds (Official Gazette of FBH, 85/08), the Securities Commission of the Federation of Bosnia and Herzegovina, at its 234th session held on April 9, 2009, adopted the following

**Rulebook
on Investments of Closed-end Investment Funds with Public Offering in Real Estate**

Article 1

This Rulebook regulates the investment of closed-end investment funds with public offering in real estate (hereinafter: the real estate fund).

Article 2

- (1) The real estate fund may not be an investor, contractor not participate otherwise in the construction as referred to in regulation relating to construction.
- (2) The real estate fund may be a sole owner or an owner of real estate and hold pertinent rights as referred to in regulation on proprietary rights.
- (3) The real estate fund may invest only in real estate as defined by the provisions of Article 77, paragraph 3 of the Law on Investment Funds.

Article 3

- (1) The management company of a real estate fund may not perform any other operations other than operations set out in Article 23 of the Law on Investment Funds.
- (2) The costs and fees related to operation and management of a real estate fund must be in accordance with Articles 63 through 66 of the Law on Investment Funds.

Article 4

- (1) No more than 15% net asset value of a real estate fund may be invested in securities of an issuer.
- (2) No more than 10% net asset value of a real estate fund may be invested in real estate derivatives. Financial derivatives must be stated in the real estate fund prospectus, and the derivative issuer must obtain prior approval of the Securities Commission of the Federation of Bosnia and Herzegovina.
- (3) No more than 20% net asset value of a real estate fund may be invested in stakes or shares of other real estate fund.
- (4) A real estate fund may not own more than 25% voting shares of an issuer or more than 25% bonds of an issuance.

Article 5

These Rules shall come into force on the eighth day from the date of their publishing in the Official Gazette of the Federation of Bosnia and Herzegovina.