
Method of contribution for membership Year 2019

I. Different categories of ALFI members

(for more details see ALFI Articles of Association, Chapter 2 Members Art. 7 - Eligibility)

There are three categories that may become members of ALFI:

- a) **Member Funds**: Undertakings for Collective Investment and other investment vehicles, domiciled in Luxembourg,
- b) **Providers of Services** to the Luxembourg collective investment management industry, such as but not limited to central administrations, custodians, management companies, "PSF"... domiciled in Luxembourg
- c) **Associate members**, which are established in a foreign country and which have a link with a member funds or a Provider of Services (NB: there is no right to vote for this category).

II. Methods of contribution

The contributions are fixed both by ALFI members during the General Meetings and by ALFI Articles of Association (see *Chapter 8 Art 19- Annual contributions*).

According to the 2018 General Meeting, the annual contribution structure for 2019 is as follows:

- a **variable** contribution for **Member Funds** with a maximum of 110 000.- Euros by a single initiator and a minimum of 375.- Euros and a maximum of 36 000.- Euros per fund (see *III. Methodology of calculation*);

- a **fixed** contribution for **Providers of Services**, with a maximum set up at 10 000 Euros. The calculation of the contribution is based on the number of staff employed by the Provider of Services:

▪ <=10 employees	2 200.-	Euros
▪ 11 à 25 employees	2 750.-	Euros
▪ 26 à 50 employees	3 000.-	Euros
▪ 51 à 100 employees	3 400.-	Euros
▪ 101 à 200 employees	3 400.-	Euros
▪ 201 à 500 employees	4 000.-	Euros
▪ 501 à 750 employees	5 000.-	Euros
▪ 751 à 1000 employees	7 500.-	Euros
▪ >1000 employees	10 000.-	Euros

- a **fixed** contribution for **Associate Members** : 2 200.- Euros.

III. Methodology of calculation applied to Member Funds for the 2019 contribution following decisions taken by the 2018 General Meeting.

For all Member Funds, a variable contribution is applied and calculates as follows:

50 Euros per NAV - tranche of 25 million Euros as at 31 December 2018.
and 25 Euros per fund / sub-fund (in case of an umbrella fund).

with a minimum of 375 Euros and a maximum of 36000 Euros per fund.

NB:

- Please note that each initiated tranche of 25 million Euros under management is owed. Consequently, the total number of tranches will be rounded up to the nearest integer figure.
- In accordance with ALFI Articles, all parameters (assets under management and sub-funds) refer to 31/12/N-1

Example of calculation

Let's take the example of a fund we'll call "X". Let's say this fund has got 4 sub-funds and net assets of 100 million Euros as at 31 December 2018, the contribution 2019 will amount to:

1st Stage: Calculation following the basic formula

$(4 \text{ sub-funds} * 25 \text{ Euros} = 100 \text{ Euros}) + (100\,000\,000 / 25\,000\,000 = 4 \text{ tranches à } 50 \text{ Euros} = 200 \text{ Euros})$
= 300 Euros (theoretical amount)

2nd Stage: Checking if the rules of minimum (375 euros) or of maximum (36000 euros) should be applied:

As the theoretical amount is below than the minimum fixed by the General meeting, the minimum 375.- Euros will apply. The real contribution for 2019 year will therefore amount to 375.- euros.

If the theoretical amount would have been above 36 000.- Euros, the real contribution would be 36 000.- Euros, otherwise the real contribution for 2019 would be the theoretical amount.

IV. Voting rights

Each Member except Associate Members receives the right to vote at the ALFI General Meeting following the rule:

1 euro \Leftrightarrow 1 voix.