

# NORDKINN

— ASSET MANAGEMENT —

## OFFERING MEMORANDUM

Nordkinn Fixed Income Macro Fund (EUR) C

# 1. GENERAL INFORMATION

*NOTE: This is a free translation of the Offering Memorandum of Nordkinn Fixed Income Macro Master Fund in Swedish. For any deviations, the Swedish version shall prevail.*

This Offering Memorandum has been prepared in accordance with the Swedish law (2013:561) on Alternative Investment Funds (Sw: Lagen om förvaltare av Alternativa Investeringsfonder, hereinafter "LAIF") and the Swedish Financial Supervisory Authority Directive (FFFS 2013:10) for alternative investment funds.

This Offering Memorandum refers to the Nordkinn Fixed Income Macro Fund (SEK) A (the "Fund"). The Fund is a Special Fund according to 1<sup>st</sup> Chapter, 11§, p.23, LAIF. The Fund is managed by Nordkinn Asset Management AB hereinafter referred to as the Manager or the Company. The Manager is under the supervision of the Swedish Financial Supervisory Authority ("FI").

Special Funds are not governed by the EU Directive for Mutual Funds and Fund Statutes are in general less restrictive. By FI, the Fund has been granted exemptions from some of the restrictions that apply to Mutual Funds. These are stated in the Fund Statutes, which are part of this Offering Memorandum.

The Fund's management differs from traditional fund management regarding both investment objectives and risk management, which are described in more detail under "Investment Objectives" in this Offering Memorandum.

The Offering Memorandum contains the following parts:

- 1) General information
- 2) Subscription and redemption of fund units
- 3) Investment Objectives
- 4) Sustainability Overview
- 5) Sustainability Information
- 6) Fund Statutes

## AIF-Manager

Name: Nordkinn Asset Management AB  
Company Registration Number: 556895-3375

## Date of incorporation

11 October 2012

## Legal structure

Swedish Private Limited Liability Company

## Share capital

SEK 1 250 000

## Registered office

Stockholm

## Board of Directors

### Peter Hansson, Chairman (independent)

Peter Hansson has an industry experience of more than 25 years. Mr. Hansson is former CEO of SPK Sparinstitutens Pensionskassa (the Pension Insurance Company for Swedish savings banks), a position he held from 2005 until 2018. Prior, he was CFO of SPK from 1993. In his capacity as CEO of SPK, he was engaged in Tjänstepensionsförbundet (Association for Swedish workplace pension schemes) as board member, chairman and its Swedish representative in PensionsEurope, which governs the interests of all national associations of funded pensions across Europe.

Besides Nordkinn, Mr. Hansson sits on the board of Första AP-fonden (AP1) and chairs the Investment Committee of Barncancerfonden (Swedish Childhood Cancer Fund).

Mr. Hansson studied Economics and Business Administration at Stockholm University.

Mr. Hansson has been chairman since June 2021 and board member since 2019.

### Tor Bechmann, Board Member (independent)

Tor Bechmann is an attorney-at-law and partner at Tenden Advokatfirma ANS in Norway. With 20+ year's industry experience, he is a specialist within M&A transactions and commercial law in particular. Before joining Tenden in 2005, he worked for law firm Wikborg, Rein & Co., the Oslo Stock Exchange and PWC in Oslo and London.

Mr. Bechmann holds a Master's Degree in Law from Oslo University in Norway from 1997.

Mr. Bechmann has been board member since June 2021 and was previously chairman of the Board since launch 2012.

### Eva Redhe, Board Member (independent)

Eva Redhe commenced her career at Investor AB in 1988. In 1994 she left to found Mercurius Financial Communications and in 2004 she became CEO and later Executive Chairman of Erik Penser Bank. Ms. Redhe has worked as board member or chairman in over 25 listed or private companies.

Besides Nordkinn, Ms. Redhe is member of the Boards of Axel Christiernsson International AB and Enphys Acquisition Corp, and is senior advisor for Bregal Milestone.

Ms. Redhe holds a Master's Degree in Economics and Business Administration from Stockholm School of Economics.

Ms. Redhe has been member of the Board since 2018.

### Emma Ihre, adjunct board member, Investor Ombudsman (independent)

Emma Ihre is Investor Ombudsman at Nordkinn and an independent adjunct board member representing the interests of Nordkinn's unitholders. She has been specialising in sustainability in the financial markets since 1998.

Ms Ihre is Head of Sustainability at Embracer Group. Between 2014 and 2021, she was Head of Sustainability at Mannheimer Swartling Advokatbyrå AB. Prior, she served as Head of Sustainable Business at the Swedish Ministry of Finance and was responsible for integrating sustainability into the governance of state-owned companies, as well as Head of Engagement at Ethis SRI Advisors.

Besides Nordkinn, Ms Ihre is member of the Board Sjunde AP-fonden AP7 (vice chair).

Ms. Ihre has a Bachelor's Degree in Economics and Business Administration from Stockholm University.

Ms. Ihre has been adjunct member of the Board since 2017.

### Erik Eidolf, CEO and Board Member

Erik Eidolf is one of the founding partners and CEO of Nordkinn. He has been engaged in the Hedge Fund industry since 1998.

Prior to Nordkinn Mr. Eidolf founded Harcourt Investment Consulting AG's Nordic business, with dual objective to cover research on locally based hedge funds as well as business development. Mr. Eidolf has been chairman of "UN's Principles for Responsible Investments Hedge Fund Working Group" for macro-funds and is member of the Sustainability Group for the Swedish Financial Analysts Association.

Mr. Eidolf holds a Master's Degree in Economics and Business Administration from Umeå University in Sweden.

He has been member of the Board since 2012.

### Tom Farmen, Board Member

Tom Farmen is one of the founding partners of Nordkinn and Head of Risk Allocations.

Prior to Nordkinn Dr. Farmen was Senior Portfolio Manager and Head of Cash Management at the Central Bank of Norway Foreign Exchange reserves. Dr. Farmen commenced his career at NBIM (Norges Bank Investment Management) in 2005 as fixed income portfolio manager. Dr. Farmen received a PhD in Corporate Finance (credit risk and investment strategies) from the Norwegian University of Science and Technology in 2006. He also holds a Bachelor's Degree in Finance from Strathclyde University in Scotland (1999), a MBA (International) from Griffith University in Australia (2000) and a Bachelor's Degree in Political Science from Oslo University (2013).

He has been member of the Board since 2012.

### AIF-Manager's Executives

Erik Eidolf, CEO

Ronny Eriksson, deputy CEO and Investment Manager

Tom Farmen, Head of Risk Allocation

Alexander Melsom, CEO Oslo Branch and Investment Manager

Anders Haller, Investment Manager

Bjørn Roger Wilhelmsen, Chief Economist and Investment Manager

### Auditor

Ernst & Young AB is Auditor for the AIF-Manager and the Fund. Auditor is the certified auditor Carl Rudin, partner at E&Y AB. The Auditor, among other duties, audits the accounts on which the annual report is based.

### The Manager manages the following funds

The Fund is part of a master feeder structure where the Fund is a feeder fund to the master fund Nordkinn Fixed Income Macro Master Fund. Other feeder funds in the structure are the following:

Nordkinn Fixed Income Macro Fund (SEK) A  
 Nordkinn Fixed Income Macro Fund (NOK) B  
 Nordkinn Fixed Income Macro Fund (SEK) D  
 Nordkinn Fixed Income Macro Fund (NOK) E  
 Nordkinn Fixed Income Macro Fund (EUR) F  
 Nordkinn Fixed Income Macro Fund (USD) G  
 Nordkinn Fixed Income Macro Fund (GBP) H  
 Nordkinn Fixed Income Macro Fund (SEK) I

All funds managed by the AIF-Manager listed above are domiciled in Sweden.

### Outsourced functions

#### Delegated functions

The AIF-Manager has entered into an agreement with PricewaterhouseCoopers AB for the provision of internal audit services.

The AIF-Manager has entered into an agreement with FCG Risk & Compliance AB, for the provision of compliance services.

The AIF-Manager has entered into an agreement with FCG Fonder AB for the provision of external risk management services.

The AIF-Manager has entered into an agreement with Wahlstedt & Partners AB, delegated to Wahlstedt Sageryd Financial Services AB, for the provision of fund administration services.

The AIF-Manager has entered into an agreement with Wahlstedt & Partners AB for the provision of fund valuation services.

### Potential conflict of interests related to outsourcing of functions

The Board of Directors investigates on an ongoing basis how conflict of interests shall be avoided and if such are detected, how they should be remedied.

The Board of Directors has identified a potential conflict of interest in that the AIF-Manager has outsourced both the fund administration and the valuation to Wahlstedt & Partners AB. As the two functions are performed by two separate divisions within Wahlstedt & Partners AB and the valuation thereby will be functionally separated from the fund administration services, it is the Board of Directors' assessment that the risk for a real conflict of interest to occur is very low. Further, the fund administration services do not include any form of decision influence with regards to portfolio management, valuation nor risk management in the manager or in the fund.

As there in summary does not exist any interaction between the divisions within Wahlstedt & Partners AB regarding the services (i.e. that the divisions are independent in relation to each other), the Board of Directors believe that the potential conflict of interests are dealt with and prevented effectively. The Board of Directors thereby makes the assessment that the fund's unitholders will not be negatively effected by the conditions surrounding the split functions performed by Wahlstedt & Partners AB.

### Global Custody & Depositary Services

The Custodian of the Fund is Skandinaviska Enskilda Banken AB (publ.) ("SEB" or "Custodian"). SEB keeper of the Fund's assets and must receive and store the assets that are part of the Fund. The Custodian shall, in accordance with Chapter 9, Sections 9-12 of LAIF, monitor the Fund's cash flows, receive and store the property included in the Fund, and execute and control the AIF-manager in certain respects. The Custodian shall compensate for damage caused to a unit holder should the Custodian violate the law LAIF or the fund statutes.

According to Swedish law, the Custodian is obliged and undertakes to keep the Fund's securities separate from the Custodian's own assets and securities that the Custodian holds on behalf of the Custodian's other customers. The Fund has a legally protected separation right to its securities kept in custody with the Custodian in the event that the Custodian should be declared bankrupt.

### Unit holder registry

On behalf of the AIF-Manager, Wahlstedt Sageryd Financial Services AB maintains the registry of all fund unitholders and their specific holdings in the funds.

The holdings of each unitholder is reported on a regular basis to the unitholder, at minimum in the form of semi-annual and annual statements.

### Derivatives and repurchase agreements

The AIF-manager has entered into agreements with a number of credit institutions that are under continuous supervision, with reference to financing, carrying out transactions, clearing, settlement, securities loans and tailor-made technical solutions.

Prior to approving trading counterparties, the AIF-manager conducts careful review of the counterparty's services, which is annually reassessed according to the rules of best order execution. The review is made on all counterparties. The AIF-manager requires that all counterparties have adopted "guidelines for best order execution in accordance with EU Directive 2014/65/EU (MiFIDII) and that these are applied in relation to the AIF-manager. In case of counterparties outside the EEA that are not covered by

the same legal obligations, the AIF-manager must still ensure that best execution can be guaranteed.

The Board of Directors continuously monitors how conflicts of interest can be avoided and, in the event that conflicts of interest are identified, how these should be handled. At present, the Board of Directors has not identified any potential conflicts of interest that may arise in relation to the trading counterparties.

### Discontinuation or transfer of business

Should the AIF-Manager get its license from FI withdrawn, enters into liquidation, becomes bankrupt or would cease management of the Fund, the AIF-Manager's activities shall temporarily be taken over by the Custodian. The Custodian may then transfer the fund management activities to another AIF-Manager authorised by FI. Otherwise, the Fund shall be liquidated, the assets shall be sold and the net proceeds shall be distributed to the unitholders. Public notice of this should be made in Post- och Inrikes Tidningar (the National Post Magazine) and be made available at the Custodian as well as at the AIF-Manager unless FI grants an exemption in the particular case.

### Changes in the fund statutes

Changes in the fund statutes may only occur following the formal decision by the AIF-Manager's Board of Directors and is always subject to approval by the Swedish FSA. Following such changes being approved, these shall be made publicly available at the AIF-Manager as well as at the Custodian, and in addition be published in other formats and media as instructed by the Swedish FSA. These changes may affect the Fund's characteristics, such as fees and risk profile.

### Tax rules

Tax rules for Swedish institutional and private investors are defined in the Swedish version of the Offering Memorandum. Tax rules for non-Swedish investors are subject to the tax rules of the domicile of the investor. Investors that are unsure about the tax implications are encouraged to seek advice from local tax expertise.

### Capital base to cover for lawsuits

To cover for the risks of lawsuits due to faults or negligence in the business that the AIF-Manager conducts in accordance with Chapter 3, 1 § LAIF, the AIF-Manager holds extra equity in its capital base.

### Limitation of liability

The AIF-Manager is not liable, nor the Custodian, for any damages resulting from Swedish or foreign enactment, Swedish or foreign government action, acts of war, strikes, blockades, boycotts,

lockouts or other similar circumstances. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if the AIF-Manager or the Custodian is subject to or take such action. Losses incurred in other cases shall not be reimbursed by the AIF-Manager nor the Custodian, if they have acted within normal diligence. The AIF-Manager and the Custodian shall under no circumstances be liable for indirect damage, unless the collateral damage has been caused by the AIF-Manager's or the Custodian's gross negligence. Nor shall the AIF-Manager or the Custodian be liable for any damage caused by unitholder or any other party violating law, ordinance, regulation or these fund statutes. Unitholders are hereby made aware that they are responsible for that the information and documentation that they provide to the AIF-Manager is correct and duly signed and that they immediately must inform the AIF-Manager of any changes regarding the information provided.

The AIF-Manager and the Custodian shall not be liable for any damage caused by - Swedish or foreign - regulated market or market, custodial, central securities depository, clearing organisation, or others providing similar services, nor of principal (outsourced function to third party) by the AIF-Manager or the Custodian. The same applies to damage caused by the above organizations or contractors becoming insolvent. The AIF-Manager and the Custodian shall not be liable for any damages incurred by the Fund, unitholders of the Fund or others as a result of the disposal restriction that may be imposed on the AIF-Manager or Custodian regarding financial instruments.

Should the AIF-Manager or the Custodian be hindered to fully or partially enforce action due to circumstances stated above, the action may be postponed until the obstacle is removed. If the AIF-Manager or the Custodian as a result of such a circumstance is prevented from executing or receiving payment, the AIF-Manager or the Custodian shall not be liable to pay penalty interest to the unitholder. Similar exemption from the obligation to pay interest exist also if the AIF-Manager under § 10 temporarily postpone the date of valuation, subscription and redemption of units.

The unitholder may in certain cases be entitled compensation rights, despite what is defined above, as defined under Chapter 8, 28-31 §§ and Chapter 9, 22 § LAIF.

### Annual reports and NAV

The AIF-Manager will create an annual report for the fund within four months after year-end. The annual report shall free of cost be submitted to unitholders that so request as well as being available at the AIF-Manager and the Custodian.

The NAV is published at the AIF-Manager's website, but can also be published through other media.

## 2. SUBSCRIPTION AND REDEMPTION OF FUND UNITS

### Subscription and redemption

Subscription (shareholder's subscription) and redemption (shareholder's redemption) can be made on the last banking day of each month ("Trading Day"). The fund shares are subscribed for in EUR. The minimum amount at initial subscription is 100,000 EUR, additional subscriptions, as principal rule, minimum EUR 10,000.

Swedish "Banking Day" is defined as day in Sweden that is not Sunday or public holiday, or which is equated with public holiday (such equal days are currently Saturday, Midsummer Eve, Christmas Eve and New Year's Eve).

The unitholder shall notify the AIF-Manager, or via a distributor appointed by the AIF-Manager, about the subscription and the subscription amount. Application for subscription must be made on a special form provided by the AIF-Manager, or on a different form if agreed with the AIF-Manager. The unitholder is responsible for ensuring that the form is duly signed, that the correct bank account number has been stated, that any other documentation required by the AIF-Manager at each time have been sent to the AIF-Manager or to the distributor appointed by the AIF-Manager, and that payment for the Fund's units has been paid to the Fund's subscription account.

Redemption requests must be made on a special form provided by the AIF-manager, or on a different form if agreed with the AIF-Manager. The unit holder is responsible for the application is duly signed, that the correct bank account number has been specified and that other documents that the AIF-Manager at any time may require has been delivered to the AIF-Manager or to a distributor assigned by the AIF-Manager.

Submissions of subscriptions and redemptions may not be limited nor revoked unless the AIF-Manager would allow such.

For redemptions, repayment of funds from the AIF-Manager to the unitholder will occur as soon as possible, but no later than ten Banking Days after the Trading Day. If funding of the redemption proceeds requires the AIF-Manager to sell financial instruments held by the Fund, such selling shall occur as soon as possible. Should such selling significantly harm the interests of the other unitholders, the AIF-Manager may after notification to FI postpone such sale.

The AIF-Manager is also able to temporarily postpone the Trading Day at subscription.

### Cut-off time for subscriptions and redemptions

Subscription notice shall be submitted to the AIF-Manager four Banking Days prior to the Trading Day, no later than 3pm (15.00) Central European Time. Payment for the units shall as a general rule be available on the Fund's bank account no later than four Banking Days prior to the Trading Day. Should a subscription notice arrive after the defined cut-off time, or if payment is not available on the Fund's accounts within the stipulated time, the AIF-Manager will execute such subscription notice at the subsequent Trading Day.

Redemption notice shall be submitted to the AIF-Manager four Banking Days prior to the Trading Day, no later than 3pm (15.00) Central European Time. Should a redemption notice arrive after the defined cut-off time, the AIF-Manager will execute redemption notice at the subsequent Trading Day.

### Subscription and redemption price

Subscriptions and redemptions are based on the NAV (Net Asset Value) of the Fund at the Trading Day. The NAV at the Trading Day is not known when the request for subscription and redemptions are provided to the AIF-Manager.

The AIF-Manager has the possibility to temporarily suspend the calculation of the subscription and redemption price.

### Other

The Net Asset Value of the fund is published on the AIF-Manager's homepage [www.nordkinnam.com](http://www.nordkinnam.com).

### Extraordinary circumstances

In the event of extraordinary circumstances that would result in an inability to sufficiently evaluate the Fund's assets and thereby not securing the unitholders equal rights, for example as a result of a market or several markets in which the Fund trades are fully or partially closed, the AIF-Manager may, upon notification to FI, postpone the date of the calculation and publication of the NAV, defer the Trading Day as well as the calculation of the subscription price or redemption price, until trading has been resumed.

## 3. INVESTMENT OBJECTIVE AND POLICY

### About the fund

Nordkinn Fixed Income Macro Fund (EUR) C is a so called feeder fund being traded in euro (EUR) and invests the Fund's assets in the special fund Nordkinn Fixed Income Master Fund (master fund), which is established in Sweden and is also managed by the AIF-Manager. The Fund shall, with exception for cash holdings related to the management of the Fund, be fully invested in the Nordkinn Fixed Income Macro Master Fund.

Nordkinn Fixed Income Macro Master Fund is an absolute return fund with the objective of creating and preserving value for its unitholders, to produce stable risk-adjusted returns regardless of the direction of the equity, fixed income, currency and commodity markets.

Through local expertise, specialisation and presence, the focus in the management of Fund is the Nordic capital markets, but the Fund also acts on other OECD markets. In the management of Fund, there is an emphasis on fixed income markets, but the Fund has also the ability to diversify risks through positions in the equity, currency and commodity markets. At least 50 percent of its value shall at all times be invested in fixed income related financial instruments.

In order to achieve its absolute return goal, the Fund has less investment restrictions than those of mutual funds, such as the ability to make more use of derivatives, leverage and short selling. This enables the Fund to exploit desirable risks, to neutralize undesirable risks, combining directional and non-directional positions and thereby effectively manage the Fund's overall risk exposure.

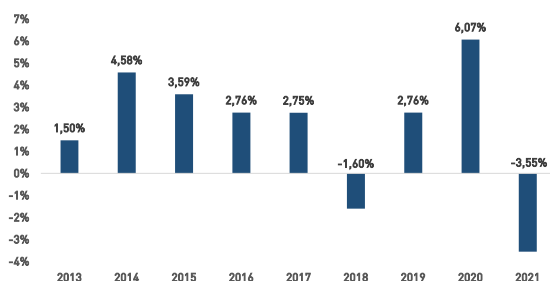
Information sharing, communication and transparency towards the unitholders of the Fund is central in the management of the Fund.

More information regarding the Nordkinn Fixed Income Macro Fund can be found in the fund's fact sheet (KIID) and offering memorandum which can be retrieved at [www.nordkinnam.se](http://www.nordkinnam.se).

### Past performance

The diagram shows past performance net of all fees since inception 1 July 2013.

Past performance is no guarantee for future returns which may vary.



### Typical investor

The Fund is aimed towards the general public and is in particular suitable for institutional investors and high net worth individuals.

### Risk assessment method

The Fund's overall exposure is calculated using an absolute Value at Risk-model (VaR) with a parametric calculation method. The risk in the Fund may not exceed 20 percent. The calculation uses a time horizon of one month (20 Banking Days), and a confidence interval of 99 percent. This can be expressed as the Fund's monthly results 1 month out of 100 is expected to result in a loss of 20 percent or more. Should VaR exceed 20 percent, the AIF-Manager must as soon as possible ensure that VaR is reduced back to below 20 percent.

### Risk profile

With the exception of investments in cash, as well as investments in derivatives for currency hedging, the intention is to be fully invested in the Nordkinn Fixed Income Macro Master Fund. This means that the risk level in the fund depends on different types of risks in the Nordkinn Fixed Income Macro Master Fund, which can affect the overall risk to varying degrees and at different times.

The AIF-Manager strives for the Fund's average level of risk utilisation, as measured by annualised standard deviation over a rolling twenty-four month period, to be 2 to 8 percent. It should be noted that the actual risk level may be exceeded or sub-seeded in unusual market conditions or extraordinary events.

The Fund's risk / reward indicator found in the Fund's fact sheet (KIID) is defined as risk category 3, which means a lower risk of changes in net asset value of the Fund.

The Fund invests primarily in derivative instruments, government bonds, covered bonds that generally are characterized by low risk, but also provide the possibility for higher returns. The indicator primarily reflects levels of appreciation and depreciation of the financial instruments that the Fund invests in.

The indicator in the Fund's fact sheet reflects the most important risks in the Fund, but not the following risks:

**Counterparty risks:** occurs if a counterparty fails to fulfil its obligations to the Fund, for example, by not paying an agreed amount or do not deliver the securities as agreed. The Fund uses CSA (Credit Support Annex) agreements in order to minimize the credit risk on the Fund's counterparties.

**Liquidity risk:** defined as risk that arises when an asset cannot be sold or bought at the intended time without a major price impact, which is not reflected in the risk / return indicator. Underlying assets in the Master fund consist of financial instruments which by their nature are to be regarded as liquid, but may in extreme market conditions have a relatively low liquidity, and may then involve a risk that these will be difficult to sell or buy at a certain time to a satisfactory price.

**Operational risks:** are risks of losses due to e.g. system breakdowns, faults caused by human error or external events.

**Derivatives risks:** The Fund may use derivative instruments whose value depends on the value of underlying assets. Minor price fluctuations of these can result in large price movements in the derivative.

### Leverage

Financial leverage results from the use of various derivative instruments. In accordance with the fund statutes, the Fund may invest in derivative instruments in order to protect the value of the assets of the Fund. Investments in derivative instruments are used to currency hedge the value of the Fund as it is nominated in a currency other than the Master Fund. For historical actual leverage, see the Fund's annual reports and half-yearly reports.

Leverage is also applied in the master fund, as part of the investment strategy to create return and make the fund management more effective.

## Reporting of risk and liquidity management as well as financial leverage

The information will be provided in the annual and semi-annual reports for the fund.

## Securities financing transactions and total return swaps

The Fund does not have the possibility to use securities financing or total return swaps. On the other hand, securities financing is used in the Master Fund as part of the fund management.

## Fees

### Maximum fee

Below lists the maximum fee that the AIF-Manager may charge in accordance to the fund statutes for subscriptions and redemptions of units as well as for the fund management, including costs for custody, supervision and audit.

Subscription fee:	5%
Redemption fee:	0%
Management fee:	1%
Performance fee:	20%

### Applicable fees

Below lists the fees charged as at current, for subscriptions and redemptions of units as well as for the fund management, including costs for custody, supervision and audit

Subscription fee:	0%
Redemption fee:	0%
Management fee:	1%
Performance fee:	20%

The Fund will not be charged any fees relating to the Fund's investments in Nordkinn Fixed Income Macro Master Fund. Details are provided in the Fund's fact sheet (KIID) and Offering Memorandum.

Any transaction costs such as taxes, delivery and other costs in respect of the Fund's assets and the purchase and sale thereof, shall be borne by the Fund. In addition the Fund is indirectly charged the transaction costs in Nordkinn Fixed Income Macro Master Fund, such as brokerage fees, taxes, shipping and other costs in connection with the fund's assets and the purchase and sale thereof.

## Information exchange and coordination

The Board of Directors is responsible that the AIF-Manager fulfils the obligations arising out LAIF and regulations that regulate the AIF-Manager's activities. To ensure that the fund operations live up to this, the Board of Directors has established an appropriate organisation and internal rules to manage risk, and to manage and to control operations. The work of a well-functioning internal control includes the following elements:

- Clear division of responsibilities,
- Clear reporting lines,
- The principle of the "three lines of defence",
- Independent functions for compliance and risk management, and
- Outsourced internal audit function

The AIF-Manager's internal rules are applicable for all funds managed by the AIF-Manager. The internal rules include appropriate measures in order to identify and manage conflicts of interest, including potential conflicts of interest that may arise between the feeder funds and its unitholders.

The Master Fund does not burden the feeder funds with any fees, no subscription / redemption fees nor management / performance fees. The management of the Master Fund is thus free of charges. Fees are paid through the feeder funds. Unitholders thereby avoid being charged from both the Master Fund and the feeder fund.

Feeder funds are, with the exception of liquid assets necessary for the management of the feeder fund, fully invested in the Master Fund. Provided that the feeder funds are fully invested in the Master Fund, which is the goal, the result will be similar. Since there are fees charged in the feeder funds and the Master Fund is free of charge, the Net Asset Value will deviate between the Master Fund and the feeder funds.

Specific procedures for communication between feeder funds during any trade disruptions, have been set by the AIF-Manager.

## Tracking error

The Fund has an absolute return target, which means that the target is to achieve a positive return over time, regardless of how the financial markets develop. Thus, the Fund's return is not suitable for comparison against a specific benchmark. This means that so-called "tracking error", which is calculated against a benchmark, is not possible to calculate for the Fund.

## Equal treatment and legal consequences of an investment in the Fund

All unitholders of the Fund is treated equally as the units in the Fund are equal and have equal rights to the assets of the Fund.

The Fund falls under the Swedish jurisdiction and is subject to Swedish law. This means that the rules on recognition and enforcement of judgments in accordance with Regulation 2001/44 /EC on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Brussels I Regulation), the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the Lugano Convention), Regulation 1346/2000 / EC on insolvency proceedings (insolvency Regulation), the Convention between Denmark, Finland, Iceland, Norway and Sweden on Bankruptcy (Nordic bankruptcy Convention) or the New York Convention on the Recognition and enforcement of Foreign arbitral Awards (New York Convention) may be applicable.

## 4. SUSTAINABILITY OVERVIEW

*Following information is following the standard set by the Swedish Investment Fund Association for sustainability information.*

### Sustainability for Nordkinn

As an active manager, Nordkinn has a vested interest and a responsibility to ensure that the financial system remains sustainable and robust. By integration of sustainability across our business we seek to add value for our investors, our firm and the society around us.

The actual and potential effects of sustainability risks and opportunities for Nordkinn's business, strategy and investments are of central importance to us. The integration of sustainability in our investment process forms part of our risk management and our value creation over time.

Our conduct is based on our values, being characterised by a corporate culture rooted in respect and integrity, high work morale and robust responsibility. Three perspectives govern Nordkinn in the implementation of sustainability;

*The investor's perspective*, where we safeguard the interests of the unit owner through, among other things, an Investor Ombudsman as a member of the board,

*The perspective of investments*, where we take responsibility for the effects of the investments we make on behalf of our Funds, as well as,

*Society's perspective*, where we work for sustainability in our industry in particular, among other things through our involvement in UN PRI ([www.unpri.org](http://www.unpri.org)) and SBAI ([www.sbai.org](http://www.sbai.org)).

Nordkinn shall be an attractive employer with a healthy working environment characterised by openness, transparency and equality. We shall offer attractive terms for our staff which follow existing collective agreements and provide safe health care.

Nordkinn resumes full responsibility for the direct and indirect impact that our investments have or may have on society, in the markets and for the specific underlying entities that we finance.

### Investor Ombudsman

In an effort to protect the interests of each investor in the Fund, Nordkinn has appointed an Investor Ombudsman to its Board of Directors. The Investor Ombudsman's mission is to represent the interests of the Fund's unitholders versus the Fund as well as versus Nordkinn as the AIF-manager of the Fund. Emma Ihre holds this role and her mission is to represent the interests of the unitholders.

In order to ensure full access to information and allowing an undivided focus in guarding the investors' interests, the Investor Ombudsman is an adjunct member of the Board of Directors. This provides two-dimensional benefits: Firstly, being treated as a permanent member of the Board, the Investor Ombudsman gets full access and complete insight regarding how the Fund and Nordkinn's business is operated, including the ability to monitor ongoing issues like equal treatment and management of conflicts of interests, etc. Secondly, being an adjunct member of the Board, the Investor Ombudsman has no legal obligations protect the equity shareholders' interests in Nordkinn, which the other members of the Board have according to the Swedish law.

On 27 January 2017, after the completion of required background checks, the Swedish Financial Supervisory Authority approved Emma Ihre as an adjunct member of Nordkinn's Board, and Emma subsequently became Nordkinn's Investor Ombudsman, a role she

has held since. The Investor Ombudsman is formally also appointed as AIF-Manager's Complaints Officer.

For further information about the work conducted by the Investor Ombudsman and her latest Annual Report please refer to <https://nordkinn.se/sustainability/investorombudsman>

### Sustainability in the investment process

Nordkinn resumes responsibility for the direct and indirect impact that we have on the capital markets, on individual companies and individual instruments in which we invest. For us, sustainability spans across issues such as sustainable financial markets, the environment, social conditions, respect for human rights and corruption. The Fund's investments shall seek to promote the UN Sustainable Development Goals for 2030, the Paris Accord and UN Global Compact.

As active manager, our ambition is to conduct active bilateral dialogue with issuers and companies through which we have exposure, and other cooperation partners, if and when we see potential to make an impact to improve transition. These dialogues include sustainability improvements such as climate risks and the transition to a fossil free society, as well as issues related to sustainable and robust financial markets.

Our sustainability policy also include elements in which we exclude exposure to businesses that work against sustainable development, depending on how they operate as further described under the "Sustainability related information" section.

### Sustainability in our ownership practices

Nordkinn does not invest in individual equities, which means that equity ownership measures in the form of e.g. voting at general meetings is not possible. But as a manager active in buying commercial papers with short duration within our liquidity management, our ambition is to conduct bilateral dialogues with companies, issuers and other market participants in cases where we see opportunity to make our impact for improvement.

### Resources and commitments for sustainability

In order to properly govern and to optimise our sustainability efforts, we have established a Sustainability Steering Committee. It organises directly under our Board of Directors, meets at least quarterly and consists of three independent sustainability experts together with three Nordkinn employees. We also use ISS Ethix, an independent advisor within sustainability, for delivery of sustainability data and analysis.

To more broadly promote responsible investment and sustainable social development, Nordkinn is strong advocate for UN PRI and Standards Board of Alternative Investments (SBAI). By signing UN PRI in 2017, Nordkinn commits to implement sustainability aspects according to six principles for sustainable investment, see also [www.unpri.org](http://www.unpri.org). Nordkinn is also since 2017 a signatory of SBAI and thus reports annually its compliance to SBAI's standards regarding transparency, integrity and sound corporate governance, see also [www.sbai.org](http://www.sbai.org).

For further details on the manager's sustainability work, please see [www.nordkinnam.se/responsibility](http://www.nordkinnam.se/responsibility).



## 5. SUSTAINABILITY RELATED INFORMATION

According to the regulation on sustainability-related information, SFDR, the fund is defined as an Article 8 fund. This is the sustainability-related information presented in accordance with the template defined in the technical standards for the SFDR.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

Yes
    No

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

### What environmental and/or social characteristics are promoted by this financial product?

- *The fund promotes among other characteristics, environmental or social characteristics the environmental goals in accordance with the EU Taxonomy and the Paris Agreement with a focus on climate change mitigation and the protection and restoration of biodiversity and ecosystems.*

- *The fund also promotes social characteristics with a focus on compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises. This includes unadjusted gender pay gap, board gender diversity, policies for anti-corruption and anti-bribery as well as anti-money laundering and anti-financing of terrorism.*

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

*The fund uses the following sustainability indicators*

- *Greenhouse gas emissions*
- *Companies with carbon emission reduction initiatives aimed at aligning with the Paris Agreement*
- *Exposure to companies active in the fossil fuel sector*
- *Share of non-renewable energy consumption and production*
- *Investee companies with activities negatively affecting biodiversity-sensitive areas*
- *Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises*
- *Unadjusted gender pay gap*
- *Board gender diversity*

- Investee companies involved in the manufacture or selling of controversial weapons
- Investee companies without any supplier code of conduct
- Lack of anti-corruption and anti-bribery policies
- Lack of money laundering and terrorist financing prevention policies

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The fund promotes environmental and social characteristics and, while it does not have a minimum proportion of sustainable investments, it does not have any objectives for sustainable investments.

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

In the case that the fund does do sustainable investments Nordkinn ensures that those investments are issued under green bond or social bond principles.

**How have the indicators for adverse impacts on sustainability factors been taken into account?**

Please see above.

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Please see above.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Does this financial product consider principal adverse impacts on sustainability factors?**



Yes, Nordkinn’s sustainability committee is responsible for continuously identifying and prioritizing negative consequences for sustainability factors, as well as keeping these choices and priorities up to date. The assessment is made of which sustainability factors have the greatest risk of occurring or cause a potential material negative impact should it occur. The assessment is also made around which factors are considered to have the greatest negative consequences with regard to the initiatives and sustainability goals that Nordkinn supports. The method is based on the principle of proportionality, based on the sectors and companies where investments are made.

Nordkinn’s sustainability committee has identified a number of activities and products that it believes can cause, contribute to or be directly linked to negative, material or potential material impact for sustainability factors and in which Nordkinn refrains from investing. These include businesses involved in or linked to;

- Fossil fuels (oil, gas, coal)
- Arctic and deep-sea drilling
- Oil sands
- Cluster bombs, landmines
- Chemical and biological weapons
- Nuclear weapons
- Alcohol
- Tobacco
- Commercial gaming operations
- Pornography
- Cannabis for non-medical use
- Breach of international norms
- Countries that do not meet level on corruption index

*Through data collection and analysis of the states, municipalities and companies to which the fund is exposed, possible negative consequences for sustainable development are assessed.*

*The information on main negative consequences is available in the annual report for the fund under the section "Information on main negative consequences for sustainability factors".*

No

### What investment strategy does this financial product follow?

*The fund has a global macro fixed income strategy with the objective of creating absolute returns with low correlation with traditional asset classes (equities and bonds). The fund's assets are invested in transferable securities, money market instruments, derivatives and in cash accounts with credit institutions. The fund also includes the cash and cash equivalents needed for the fund's management.*

*The fund invests in financial instruments with a focus on the Nordic capital markets and other OECD markets. At least 50 percent of the fund's assets must at all times be invested in fixed income related financial instruments. The fund's investment focus is otherwise not limited to any particular industry or financial instruments issued by a certain issuer or the like. The allocation between asset classes varies over time.*

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### ● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

*Nordkinn's overall objective is to promote environmental and social characteristics and limit sustainability-related risks without causing significant damage at the same time.*

*This means that Nordkinn, within environmental-related features, social features and corporate governance where Nordkinn considers it possible to influence in a positive direction, shall, through active dialogue, work to ensure that the states, municipalities and companies that Nordkinn is exposed to, have an ambitious sustainability strategy that promotes the sustainability goals and work to ensure that these include defined targets, strategy and resources for an adaptation to the sustainability goals, and that they measure and report their results in a qualitative, transparent and accessible way.*

*Regarding the consideration of negative consequences, Nordkinn shall, through data collection and analysis of states, municipalities and companies that Nordkinn is exposed to assess their possible negative consequences for sustainable development.*

*Nordkinn's strategy for value-creating sustainability work include:*

- *being integrated in the investment process*
- *carry out engagement dialogues*
- *limit sustainability risks by excluding certain sectors*
- *quantify targets that can be measured and followed up*
- *drive change, adjustment and management towards the quantified targets*

#### ● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

*The fund's environmental and/or social characteristics as well as the sustainability indicators described above apply to all the fund's investments.*

#### ● **What is the policy to assess good governance practices of the investee companies?**

*The work to assess good governance practices is covered by Nordkinn's "Policy for due diligence of sustainability risks". This policy includes, among other things, considerations such as the companies' approach to respect to sound management structures, employee relations, remuneration of staff, money laundering and tax compliance.*

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### What is the asset allocation planned for this financial product?

*The fund invests in sovereigns, covered bonds, currencies, derivatives and corporate bonds and certificates. All investments made must meet the environmental and social characteristics promoted by the fund in accordance with the binding elements of the investment strategy.*



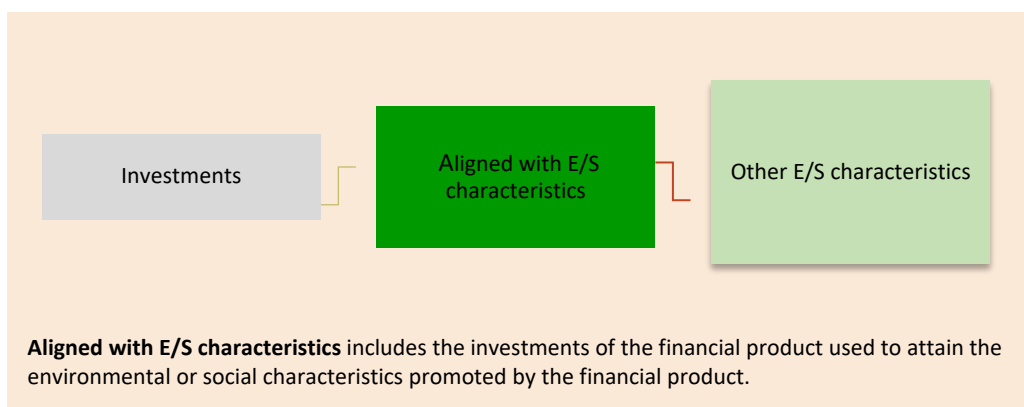
**Asset allocation** describes the share of investments in specific assets.

#### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Nordkinn generally believes that the sustainability policy should be applied in the same way regardless of whether the investment is made directly in a state, municipality or company or via a derivative.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The fund promotes environmental and social characteristics, at the same time it does not have a minimum share for sustainable investments and therefore does not have a minimum level compatible with the requirements of the EU taxonomy.

Graphs showing the minimum percentage of investments that are aligned with the EU Taxonomy is not applicable for the fund as it does not do sustainable investments.

**What is the minimum share of investments in transitional and enabling activities?**

The fund does not have a minimum share of investments in conversion activities and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund promotes environmental and social characteristics and while it does not have a minimum proportion of sustainable investments, it does not have a defined minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

**What is the minimum share of socially sustainable investments?**

The fund promotes environmental and social characteristics and while it does not have a minimum proportion of sustainable investments, it does not have a defined minimum share of social sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable as the fund does not do investments defined as “Other”.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No. The fund has an absolute return target and is not managed against a reference benchmark. No specific index has therefore been chosen as a reference benchmark

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Please see above.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

*Please see above.*

- *How does the designated index differ from a relevant broad market index?*

*Please see above.*

- *Where can the methodology used for the calculation of the designated index be found?*

*Please see above.*



*Where can I find more product specific information online?*

More product-specific information can be found on the website: [www.nordkinn.se](http://www.nordkinn.se)

## 6. FUND STATUES

*NOTE: This is a free translation of the Fund Statutes in Swedish. For any deviations, the Swedish version shall prevail.*

### § 1 The Fund's name and legal status

The Alternative Investment Fund's name is Nordkinn Fixed Income Macro Fund (EUR C) below the Fund. The Fund is a special fund under the Swedish law (2013:561) for alternative investment funds ("LAIF" – Lagen om Alternativa Investeringsfonder).

The Fund's assets are owned by the Fund's unit-holders collectively. Each unit represents an equal right to the assets of the Fund. The Fund may not acquire rights nor assume obligations. The AIF-manager listed in § 2 represents the unitholders in all matters relating to the Fund, decides on the assets included in the Fund and exercises the rights deriving from the assets. The Fund is aimed towards the general public and is in particular suitable for institutional investors and high net worth individuals.

The fund business is carried out according to these fund statutes, the Articles of Association of the AIF-manager, LAIF as well as other applicable laws and regulations.

### § 2 AIF- Manager

The Fund is managed by Nordkinn Asset Management AB, company registration number 556895-3375, below the AIF-manager.

### § 3 Custodian

The Custodian of the Fund's assets is Skandinaviska Enskilda Banken AB (publ), company registration number 502032-9081, below the Custodian.

The Custodian is responsible for overseeing the Fund's cash flows. The Custodian shall in particular ensure that all payments from the unit-holders has been received and that all the cash in the Fund has been recorded on the accounts opened in the Fund's name, or the trustee or custodian accounts held in the name of the Fund. The Custodian shall also receive and keep the Fund's assets in custody. The Custodian shall execute the instructions made by the AIF-manager regarding the Fund unless those instructions are in conflict to law, these fund statutes, articles of association or equivalent regulation, and ensure that:

- sale, issue, repurchase, redemption and cancellation of units or shares of the Fund are carried out according to law, these fund statutes, articles of association or equivalent regulation
- the value of the Fund's units is calculated in accordance with law, these fund statutes, articles of association or equivalent regulation
- compensations related to transactions involving the Fund's assets are paid into the Fund without delay, and
- the Fund's generated income is used in accordance with the law, these Fund statutes or articles of association or equivalent regulation.

### § 4 Characteristics of the Fund

The Fund is a so-called special feeder fund traded in Euro (EUR), which invest the Fund's assets in the special master fund Nordkinn Fixed Income Macro Master Fund (hereinafter "Master Fund", which in turn is also managed by the AIF-manager. The Master Fund is an absolute return fund with the goal of creating and preserving value for its unit-holders and thus show stable and risk-adjusted returns regardless of direction of the equity, fixed income, currency and commodity markets.

Through local expertise, specialization and presence, the focus in the management of the Master Fund is in the Nordic capital markets, but the Master Fund also acts in other OECD markets. In

**Nordkinn Fixed Income Macro Fond (EUR) C – latest updated December 2022**

the management of the Master Fund, emphasis is put on fixed income markets, but the Master Fund has also the ability to diversify risks across equity, currency and commodity markets. At least 50 percent of the Master Fund's assets shall at all times be invested in fixed income related financial instruments.

In order to achieve its absolute return objective, the Master Fund has less investment restrictions than those of mutual funds, such as the ability to a larger magnitude to make use of derivatives, leverage and short selling. This enables the Master Fund to exploit desirable risks, to neutralize undesirable risks, combining directional and non-directional positions to more effectively manage the Master Fund's overall risk exposures

Information sharing, communication and transparency towards the unitholders of the Fund is central in the management of the Fund.

### § 5 The Fund's investment philosophy

#### § 5.1 General

The Fund shall be managed in accordance with Chapter 5, Act (2004:46) on mutual funds ("LVF").

The Fund shall, except for investments in cash needed for the management of the Fund and investments in derivative instruments referred to in Chapter 5, 1 § third section and 12 § LVF to hedge the value of the assets in the fund, as a general rule be fully invested in the Master Fund. The Fund may invest in derivative instruments for efficient management and underlying assets of derivative instruments shall consist of exchange rates and foreign currencies.

Details on the Master Fund are stated in its Fact Sheet and Offering Memorandum.

#### § 5.2 The fund's deviations from those of mutual funds

Compared with investments in mutual funds, investments in the Fund differ from the following investment restrictions in LVF

- The Fund may, in deviation from Chapter 5, 16 § and 19 § first section 4 LVF, invest equal to 100 percent of its assets in the Master Fund.

#### § 5.3 Level of risk and risk measures

The Fund will, except for investments in cash equivalents and derivative financial instruments to hedge the value of the assets in the fund be fully invested in the Master fund and risk level of the Fund will follow the level of the Master Fund.

The AIF-manager strives for the Master Fund's average level of risk, as measured by annualized standard deviation over a rolling twenty-four month period, to be 2 to 8 percent. It should be noted that the actual risk level may exceed or fall below at unusual market conditions or extraordinary events.

#### § 5.4 Value at Risk model

The Fund's aggregate exposure is calculated using an absolute Value at Risk-model (VaR) with a parametric calculation method. The risk in the Fund may not exceed 20 percent. The calculation uses a time horizon of one month (20 Banking Days), and a confidence interval of 99 percent. This can be expressed as the Fund's monthly results 1 month out of 100 is expected to result in a loss of 20 percent or more. Should VaR exceed 20 percent, the

AIF-manager must as soon as possible ensure that VaR is reduced back to below 20 percent.

## § 6 Markets

The Fund's investments in derivative instruments to hedge the value of the assets of the fund shall be traded on a regulated market, in accordance with Chapter 5, 3 § LVF, or traded directly with a counterparty pursuant to Chapter 5, 12 § second section LVF. The Fund's assets shall otherwise be fully invested in the Master Fund.

## § 7 Special Investment Policy

### § 7.1 In general

The Fund is a special feeder fund and has such an investment policy as referred to in Chapter 12, 14 § LAIF. The fund shall not include any such transferable securities and money market instruments referred to in Chapter 5, 5 § LVF.

### § 7.2 Derivatives

The fund can invest in derivatives (including OTC-derivatives) in order to protect the assets of the Fund.

## § 8 Valuation

### § 8.1 Valuation of the Fund's assets

The Fund's value is calculated from the Fund's assets by subtracting the liabilities of the Fund.

The Fund's assets comprise of:

- Financial instruments.
- Cash instruments.
- Accrued interest.
- Accrued dividends.
- Unsettled sales
- Other assets and accruals relating to the Fund.

The Fund's liabilities consist of:

- Compensation to the AIF-manager
- Remuneration of the Custodian.
- Unsettled purchases.
- Tax liabilities.
- Other liabilities related to the Fund.

The Fund's assets are valued at current market value.

The value on the Master Fund units will be based on the most recent valuation of the Master Fund.

The market value of listed investments is determined based on the closing price of holding on the balance sheet date. If the balance sheet date is not a trading day, the corresponding will be the last trading day prior to the closing date.

For OTC derivatives under Chapter 5, 12 §, second section LVF the market value means last traded price or, failing that, use the latest bid price. If such prices do not exist, the market value may be determined on an objective basis, for example through the use of any of the following methods in the order listed below:

- *Issue price*  
Valuation is obtained from the issuer. In parallel gathered price from Bloomberg. A comparison will be made between the issuer price and the price from Bloomberg. If pricing differs more than two percent a theoretical valuation from an established valuation method will be used, such as e.g. Black & Scholes. The valuation from e.g. Black & Scholes is then replacing the issuer price.

- *Market price from an active market for another financial instrument that is substantially similar.*

- *Black & Scholes*

If the market price can not be determined by any of the above alternatives, or if the valuation is obviously misleading, a theoretical valuation method established in the market, such as the Black & Scholes may be used to determine the market.

### § 8.2 Valuation of units

The value of a unit is the Fund's valuation divided by the number of outstanding units. In calculating the Net Asset Value, rounding of two decimal places occur (rounding upwards if the third decimal place is five or greater, otherwise downwards). The value of a unit is calculated the last Banking Day of each month ("Trading Day"). In this regard, the Fund has granted exemption from Chapter 4, § 10, fifth section LVF.

"Banking Day" means a day in Sweden that is not a Sunday or public holiday or the equivalent of a public holiday (such equivalent days is currently Saturdays, Midsummer Eve, Christmas Eve and New Year's Eve).

The AIF-manager has pursuant to § 10, the possibility to temporarily postpone the calculation and publication of the net asset value.

## § 9 Subscription and redemption of units

### § 9.1 Subscription and redemption

Subscription (unit-holder subscribing) and redemption (unit-holder redeeming) may occur every Trading Day (please refer to § 8 above for the definition of Trading Day). The Fund units are subscribed in Euro.

A unit-holder must notify the AIF-manager, or a company assigned by the AIF-manager, that a subscription shall occur and in what amount. Applications for subscription shall be made on a special form provided by the AIF-manager, or a different form if agreed with the Manager. The unit-holder is responsible for that the subscription document is duly detailed and signed, that the correct bank account number has been provided, that any other documents required by the AIF-manager has been submitted to the AIF-manager (or to a company assigned by the AIF-manager), and that funds have been transferred to the Fund's bank account. Minimum initial investment in the Fund are as a rule 100.000 Euro thereafter as a general rule at least 10.000 Euro.

Redemption requests shall be made on a special form provided by the AIF-manager, or a different form if agreed with the Manager. The unit-holder is responsible for that the redemption document is duly detailed and signed, that the correct bank account number has been provided, and that any other documents required by the AIF-manager has been submitted to the AIF-manager (or to a company assigned by the AIF-manager).

Submissions of subscriptions and redemptions may not be limited nor revoked unless the AIF-manager would allow such.

For redemptions, repayment of funds from the AIF-manager to the unit-holder will occur as soon as possible, but no later than ten Banking Days after the Trading Day. If funding of the redemption proceeds requires the AIF-manager to sell financial instruments held by the fund, such selling shall occur as soon as possible. Should such selling significantly harm the interests of the other unit-holders, the AIF-manager may after notification to the Swedish FSA postpone such sale as further stated in §10. The AIF-manager has according to details stated in § 10 in addition the possibility to temporarily suspend the Trading day for redemptions.

## § 9.2 Notice for subscription and redemption

Subscription notice shall be submitted to the AIF-manager four Banking Days prior to the Trading Day, no later than 3pm (15.00). Payment for the shares shall as a general rule be available on the Fund's bank account no later than four Banking Days prior to the Trading Day. Should a subscription notice arrive after the defined cut-off time, or if payment is not available on the Fund's accounts within the stipulated time, the AIF-manager will execute such subscription notice at the subsequent Trading Day.

Redemption notice shall be submitted to the AIF-manager four Banking Days prior to the Trading Day, no later than 3pm (15.00). Should a redemption notice arrive after the defined cut-off time, the AIF-manager will execute redemption notice at the subsequent Trading Day.

## § 9.3 The subscription and redemption price

Subscriptions and redemptions are based on the NAV (net asset value) of the fund at the Trading Day. The NAV at the Trading Day is not known when the request for subscription and redemptions are provided to the AIF-manager.

The AIF-manager has according to § 10 the possibility to temporarily suspend the calculation of the subscription and redemption price.

## § 9.4 Miscellaneous

The NAV is published at the AIF-manager's website, but can also be published through other media.

## § 10 Extraordinary circumstances

In the event of extraordinary circumstances that would result in an inability to sufficiently evaluate the Fund's assets and thereby not securing the unit-holders interests, for example as a result of the subscription or redemption of units in the Master Fund is subject to postponement or due to a market or several markets in which the fund trades are fully or partially closed, the AIF-manager may, upon notification to the FSA, postpone the date of the calculation and publication of the NAV (§ 8), defer the Trading Day as well as the calculation of the subscription price or redemption price (§ 9), until trading has resumed.

## § 11 Fees and costs

### § 11.1 Fees for subscription and redemption

For subscriptions of fund units the AIF-manager has the right to charge a fee of up to 5.00 per cent. The AIF-manager is not entitled to charge any fees for redemptions. The fee for subscription of units will be kept by the AIF-manager. Current fee for subscriptions is stated in the Offering Memorandum.

### § 11.2 Management fee (fixed fee)

Management fee is 1.00 percent of the Fund's value per year. The management fee is payable monthly in arrears at 1/12 percent per month, calculated from the value of the Fund on the Trading Day (before executions of subscriptions and redemptions). The fee covers the management of the fund and the costs of storage, supervision and audit.

### § 11.3 Performance fee

In addition to the management fee a performance fee is charged from the fund to the AIF-Manager. The performance fee amounts to 20 percent of the portion of the return that exceeds the so-called Hurdle Value.

The Hurdle Value is the highest Net Asset Value at which a performance fee last was charged by the fund, the so-called "High Water Mark", adjusted with the return of the so-called Hurdle Rate (see below) during the same period. In cases where the return of the Hurdle Rate during such a period is negative, the Hurdle Value is not adjusted. Instead the High Water Mark is used as the Hurdle Value.

If the Fund has not been entitled to charge any performance fee, the Net Asset Value at inception of the fund is used as High Water Mark.

The High Water Mark principle imply that in case the fund, over a period, is reaching a return below the previous Hurdle Value and then achieve a return that exceeds that previous Hurdle Value, there should be no performance fee payable until the previous period's underperformance relative to that Hurdle Value has been recovered.

As Hurdle Rate the fund applies the three-month German Bubills (Bubill 3M). Interest on German Bubills is defined as the average of closing prices of three month treasury bills, published on Bloomberg ( Bloomberg ticker: GETB1Index), the three last Banking Day of the current month.

The performance fee is calculated monthly on the Trading Day after the deduction of management fee and before subscriptions and redemptions are executed, and paid monthly in arrears. The model that applies regarding performance fee is collective. In the event that a Unitholder redeems its units when the Unitholder has an accumulated negative performance, the Unitholder will not be refunded with any previously paid performance fee.

The number of units and the size of the fee is rounded to two decimal places.

## § 11.4 Other Fees

The Fund will not be charged any fees for the management of Master Fund. Details are provided in the Fund's factsheet and Offering Memorandum.

Any transaction costs, such as taxes, delivery and other costs arising from the Fund's assets and the purchase and sale thereof, shall be borne by the Fund. In addition, the Fund is charged the transaction costs in the Master Fund, such as brokerage fees, taxes, shipping and other costs in connection with the Master Fund's assets and the purchase and sale thereof.

## § 12 Dividends

The Fund will, in general, not pay out any dividends. The AIF-manager may however decide on a dividend to the unit-holders, if it, according to the AIF-manager's assessment, is necessary in the common interest of the unit-holders. Dividends are then paid to the extent and on the day considered appropriate. For such dividends, the AIF-manager will, after any deductions for withholding tax, purchase new units on the unit-holder's behalf, based on the registered unit-holders of the Fund on the day in question. At the request of a unit-holder, the dividend - after any taxes - shall instead be paid in cash to the unit-holder. Such request shall be made to the AIF-manager by the date decided by the AIF-manager.

## § 13 The Fund's fiscal year

The fund's fiscal year is calendar year.

## § 14 Semi-annual and annual reports, and amendments to the fund statutes



The AIF-manager shall submit a semi-annual report for the fiscal first six months, within two months of the half-year-end and an annual report for the Fund within four months of the fiscal year. The reports will be sent free of charge to the unit-holders who so request and will be available at the AIF-manager and the Custodian. Changes in the fund statutes may only occur following the formal decision of the AIF-manager's Board of Directors and is always subject to the pre-approval by the FSA. Such changes shall be made publicly available at the AIF-manager as well as at the Custodian, and in addition published in other formats as may be instructed by the FSA.

## § 15 Pledging and transfer of units

Pledge units shall be notified in writing to the AIF-manager. The notification shall specify:

- Who the unit-holders and the pledgee is,
- Which units are covered by the pledge, and
- Any restrictions on the scope of the pledge.

Unit-holders will be notified in writing that the AIF-manager has made duly note of the pledge in the register of unit-holders. The pledge ends when the pledgee by written notice to the AIF-manager informs that the pledge shall cease and when the AIF-manager has removed the note of the pledge in the register of unit-holders.

Transfer of fund units requires that the AIF-manager approval of the transfer. Requests for transfer of units shall be made in writing to the AIF-manager. Registration of transfers of fund unit shall be signed by the unit-holder and shall state:

- Who the unit-holder is and to whom the units will be transferred,
- the unit-holder's individual registration number/corporate registration number
- Address,
- Phone number,
- VP account or custodian bank and account number;
- Bank account, and
- The purpose of the transfer.

## § 16 Limited liability

The AIF-manager is not liable, nor the Custodian, for any damages resulting from Swedish or foreign enactment, Swedish or foreign government action, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if the AIF-manager or the Custodian is subject to or take such action. Losses incurred in other cases shall not be reimbursed by the AIF-manager nor the Custodian, if they have acted within normal diligence. The AIF-manager and the Custodian shall under no circumstances be liable for indirect damage, unless the collateral damage has been caused by the AIF-manager's or the Custodian's gross negligence. Nor shall the AIF-manager or the Custodian be liable for any damage caused by unit-holder or any other party violating law, ordinance, regulation or these Fund statutes. Unit-holders are hereby made aware that they are responsible for that the information and documentation that they provide to the AIF-manager is correct and duly signed and that they immediately must inform the AIF-manager of any changes regarding the information provided.

The AIF-manager and the Custodian shall not be liable for any damage caused by - Swedish or foreign - regulated market or other markets, custodian, central securities depository, clearing organization, or others providing similar services, nor of principal (outsourced function to third party) by the AIF-manager or the Custodian. The same applies to damage caused by the above organizations or contractors becoming insolvent. The AIF-manager and the Custodian shall not be liable for any damages incurred by the Fund, unit-holders of the Fund or others, as a

result of the disposal restriction that may be imposed on the AIF-manager or Custodian regarding financial instruments.

Should the AIF-manager or the Custodian be hindered to fully or partially enforce action due to circumstances stated above, the action may be postponed until the obstacle is removed. If the AIF-manager or the Custodian as a result of such a circumstance is prevented from executing or receiving payment, the AIF-manager or the Custodian shall not be liable to pay penalty interest to the unit-holder. Similar exemption from the obligation to pay interest exist also if the AIF-manager under § 10 temporarily postpone the date of valuation, subscription and redemption of units.

The unit-holder may in certain cases be entitled compensation rights, despite what is defined above, as defined under Chapter 8, §§ 28-31 and Chapter 9, § 22 LAIF.

## § 17 Allowed investors

The Fund is aimed at the general public and units of the Fund may be subscribed by Swedish and foreign investors. The fact that the Fund is aimed at the general public does not mean that it is intended for those investors whose subscription of units in the Fund would be in conflict with the provisions of the Swedish or foreign law or regulation. Neither is the Fund aimed to such investors whose subscription or holding of units in the Fund involves the Fund or AIF-manager becoming obliged / required to take registration or other action by the Fund or the AIF-manager that they would not otherwise be obliged / required to take. The AIF-manager is entitled to refuse to subscribe to such investors referred to above in this paragraph. Unit-holders are also liable to notify the AIF-manager of any change of national citizenship.

The AIF-manager may redeem a unit-holder's units in the Fund - despite the unit-holder's dispute - if it should prove that the particular unit-holders has subscribed into the Fund in contravention of the provisions of the Swedish or foreign legislation or regulation, or the AIF-manager due to a unit-holder's subscription or holdings in the Fund will be required to take registration or other action to the Fund or the AIF-manager in which the Fund or the AIF-manager would not be obliged / required to take if the unit-holder would hold units in the Fund.

*These fund statutes were set by the AIF-manager's Board of Directors on March 19<sup>th</sup> 2021.*