



**NORDKINN**

— ASSET MANAGEMENT —

Nordkinn Fixed Income Macro Fund (EUR) C

**OFFERING MEMORANDUM**



# 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) Act on Alternative Investment Funds (Sw: Lagen om förvaltare av alternativa Investeringsfonder, hereinafter "LAIF") – and the Swedish Financial Supervisory Authority Directive ("FFFS 2013:10") (hereinafter "FI").

This Offering Memorandum refers to the Nordkinn Fixed Income Macro Fund (EUR) C (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 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 policy 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 Objective and Policy
- 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

### Tor Bechmann, Board Chairman (independent)

Tor Bechmann is Chairman of Nordkinn Asset Management. He is an attorney-at-law and partner at Tenden Advokatfirma ANS in Norway. With 20+ years 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 Chairman since launch 2012.

### Christer Franzén, Board Member (independent)

Christer Franzén is an independent board member of Nordkinn. As Chief Investment Officer at Ericsson Pension Fund, his extensive asset management experience stems from having been active in the financial markets in Sweden and in the US since 1986.

Mr. Franzén holds a Bachelor's Degree in Economics and Business Administration from the University of Örebro in Sweden from 1985 and has also carried out financial studies at Southern Methodist University – Cox School of Business in Dallas US.

Mr. Franzén has been board member since launch 2012.

### Eva Redhe, Board Member (independent)

Eva Redhe is an independent board member of Nordkinn. Having worked with some 25 companies in board capacity in particular, her career is rooted in business experiences stretching over 30 years.

After joining Investor AB in 1988 she left to found Mercurius Financial Communications in 1994, lead a legal case at the European court of human rights in 2002, initiated the Skandia class action suit in 2003, and spent from 2004 four years as CEO and later Executive Chairman of Erik Penser Bank. From 2008 she has focused on board assignments and her private investments.

Besides Nordkinn, Ms. Redhe sits on the boards of ftrack AB (chair), Axel Christiernsson International AB and AP 1 (First Swedish National Pension Fund).

Ms. Redhe holds a Master's Degree in Economics and Business Administration from Stockholm School of Economics since 1988.

Ms. Redhe has been board member 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 investors. She has been specialising in sustainability in the financial markets since 1998.

Ms Ihre is since 2014 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 Ethix SRI Advisors.

Besides Nordkinn, Ms Ihre is board member of Global Compact Sweden, Smarta Samtal and AP7 (Seventh Swedish National Pension Fund).

Ms. Ihre has a Bachelor's Degree in Economics and Business Administration from Stockholm University from 1998.

Ms. Ihre has been adjunct board member 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 is chairman of "UN's Principles for Responsible Investments Hedge Fund Working Group" for macro-fund funds and 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 from 1999.

### 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, managing the most liquid part of the 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).

### Ronny Eriksson, Substitute Board Member

Ronny Eriksson is one of the founding partners of Nordkinn and Investment Manager.

Prior to Nordkinn Mr. Eriksson held various positions within Ericsson Treasury, where he most recently was a Senior Dealer with co-responsibility for managing the group treasury portfolio, including its FX-forward portfolio, with main focus on Nordic and G3 fixed income and FX.

Mr. Eriksson holds a Master's Degree in Economics and Business Administration from Umeå University in Sweden from 1999.

### 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 Company and the fund.

Principal auditor is the certified auditor Jesper Nilsson, 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 established 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.

### Custody

The Custodian for the funds is Skandinaviska Enskilda Banken AB (publ) ("SEB"). The Custodian is based in and has its head office in Stockholm. The Custodian's main business is to conduct banking business and financial services as well as business related to this.

Förvaringsinstitut för fonden är Skandinaviska Enskilda Banken AB (publ) ("SEB"). Förvaringsinstitutet har säte och huvudkontor i Stockholm. Förvaringsinstitutets huvudsakliga verksamhet består i att bedriva bankrörelse och finansiell verksamhet samt verksamhet som har ett naturligt samband därmed.

### 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.

### Prime Broker

SEB is the prime broker for the fund and the AIF-Manager has entered into an agreement with SEB regarding the services that SEB shall provide in its capacity as prime broker and Custodian. The fund's assets may be transferred to SEB and SEB may also dispose over some of the fund's assets in its capacity as Custodian.

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. As at current, the board of directors has not identified any potential conflict of interests that may come into effect regarding SEB in its capacity as prime broker.

### Discontinuation or transfer of business

Should the AIF-Manager get its license from the FSA withdrawn, enters into liquidation, becomes bankrupt or would cease management of the fund, the fund management activities shall temporarily be taken over by the Custodian. The Custodian may then transfer the fund management activities to another AIF-Manager authorized by the Swedish FSA. Otherwise, the fund shall be liquidated, the assets should 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 the Swedish FSA 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 law suits

To cover for the risks of law suits due to faults or negligence in the business that the AIF-Manager conducts in accordance with Chapter 3, 1 § LAIF, the AIF-Manager has extra capital 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 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, 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 "bank 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 Manager, or to the Distributor appointed by the Manager, about the subscription and the subscription amount. Applications for subscription must be made on a special form provided by the 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 Manager at each time have been sent to the Manager or to the Distributor appointed by the Manager, and that payment for the fund units has been paid to the fund's subscription account.

Redemption requests must be made on a special form provided by 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 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 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 unit-holders, the AIF-Manager may after notification to the Swedish FSA postpone such sale.

The 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 shares shall 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 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 the Swedish FSA, 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.

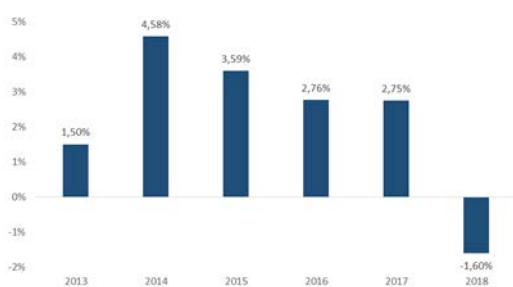
Information sharing, communication and transparency towards the unitholders of the Fund is central in the management of the Fund.

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 4 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:** arises if a portion of the Fund's assets is difficult to sell at a certain time or at a reasonable price. Liquidity risk is mitigated by the investment restrictions imposed by the Fund's risk mitigation systems. Repo facilities and credit lines are also included in the Fund's structure in order to ensure good liquidity in the Fund.

**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

Leverage is not applied in the Fund. However, leverage is applied in the master fund as part of the investment strategy to create return and make the fund management more effective.



## 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 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:	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 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 unit holders.

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. Unit holders thereby avoid to be charged from both the 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 in both funds 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 funds during any trade disruptions have been set by the manager.

## 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

For Nordkinn, sustainability is a cornerstone in our efforts to continuously improve our business. Key for us is that integration of sustainability remains business-specific, i.e. explicitly adds value in the management of both the Fund and the company, so that the work results in concrete value for our unitholders, the market we act upon, as well as for the society as a whole.

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)).

### 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 towards the company.

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. 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 the Company'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. With efforts to apply principles of proportionality, i.e.

steer our efforts to where we may impact most, we are inspired by the UN Sustainable Development Goals for 2030.

Our investable universe of instruments filters companies that are not considered to contribute to sustainable development, depending on how they operate as further described under the sustainability information section.

### Sustainability in the ownership

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 INFORMATION

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

- Sustainability aspects are taken into account in the management of the fund.
- Sustainability aspects are not taken into account in the management of the fund.

For Nordkinn, responsible sustainability spans widely over issues such as sustainable financial markets, the environment, social conditions, respect for human rights and counteracting corruption, and we are inspired, among other things, by the UN's Sustainable Development Goals for 2030.

### Sustainability aspects taken into account in the management of the fund

- Environmental aspects
- Social aspects
- Corporate governance aspects
- Other sustainability aspects

Methods used for the sustainability work

#### Positive screening

- Sustainability aspects are critical in the manager's choice of companies.

The fund has specific and explicit criteria for positive selection of companies, based on environmental, social and business ethics issues. An analysis of the companies' sustainability work is critical to the selection of the companies in the fund.

- The manager of the fund take sustainability issues into account.

Sustainability issues are taken into account in the context of corporate economic analyses and investment decisions and play a part, but not necessarily a crucial one, in determining which companies are selected for inclusion in the fund.

Other

- Other method of positive screening used by the fund

#### Negative screening

The fund does not invest in companies that are involved in the following products and services. A maximum of 5% of the turnover in the company in which the investment is made may entail operations attributable to the specified product or service.

Products and services

- Cluster bombs, landmines
- Chemical and biological weapons
- Nuclear weapons
- Alcohol
- Tobacco
- Commercial gambling operations
- Pornography
- Coal
- Uranium
- Arctic and deep sea drilling
- Oil sand

International norms

The fund avoids investing in companies involved in violations of international norms and conventions (at least the UN Global Compact and OECD guidelines for multinational companies) in relation to the environment, human rights, labour practices, and business ethics.

- Companies where the fund detects no willingness to change or where, in the opinion of the fund, the companies will fail to get to grips with the problems within an acceptable timeframe are excluded for investment purposes.

Nordkinn's comments: This approach applies to our investments in corporate-related investments.

Countries

- For sustainability reasons, the fund does not invest in companies involved in certain countries/interest-bearing securities issued by certain states.

Nordkinn's comments: Nordkinn does not invest in issues or currencies issued by countries with a corruption index below 50.

Other

- Other

The fund does not invest in instruments issued by companies that, through their main business (over 25% of sales), extract fossil fuels (oil, gas) or which, through their main activities (over 25% of sales) extract energy from fossil fuels (oil, gas).

#### The fund management company influences

The fund management company exercises its investor influence to influence companies on sustainability issues

- In-house investor influence

Nordkinn's comments: Nordkinn only invests in interest-bearing securities and currency and therefore cannot exercise ownership influence in order to influence companies. At the same time, in cases where we invest in company-related interest-bearing instruments, we have the ambition to run a bilateral corporate dialogue when we see opportunities for improvement and thereby influence in a more sustainable direction.

## 6. FUND STATUTES

*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 unit-holders 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

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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 unit-holders 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 4 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. 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. 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 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 down 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 November 18<sup>th</sup> 2016.*