



## OFFERING MEMORANDUM

Nordkinn Fixed Income Macro Master Fund

# 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.

The Offering Memorandum contains the following parts:

- 1) General information regarding Nordkinn Asset Management and management of Nordkinn's funds
- 2) Subscription and redemption of fund units in Nordkinn Fixed Income Macro Master Fund
- 3) Investment Objectives for Nordkinn Fixed Income Macro Master Fund
- 4) Sustainability Overview for Nordkinn Asset Management and its funds
- 5) Fund Statutes for Nordkinn Fixed Income Macro Master Fund
- 6) Annex with sustainability-related information presented in accordance with the Regulation (EU) 2020/852

This Offering Memorandum refers to the Nordkinn Fixed Income Macro Master Fund (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.

## 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 Law firm Wiersholm AS in Norway. With over 25 year's industry experience, he is a specialist within M&A transactions and commercial law in particular. Before joining Wiersholm, he worked for the law firms Tenden and Wikborg, Rein & Co., as well as 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.

### Karin Söderqvist Lindoff, Board Member (independent), Investor Ombudsman

With over 35 years of leadership experience in the asset management industry, Mrs. Söderqvist Lindoff brings extensive industry experience, particularly in private wealth management to the board. Her distinguished career includes serving as Head of Private Banking and Structured Finance Sweden at Carnegie Investment Bank, Deputy Head of Private Banking at Swedbank, and holding various senior leadership positions at SEB, most recently as Head of Private Clients Sweden. Earlier in her career, she also served as a Desk Officer at the Ministry of Finance.

In addition to Nordkinn, Mrs. Söderqvist Lindoff is a board member of Länsförsäkringar Södermanland. She earned a Bachelor's degree in Statistics from Stockholm University in 1989.

Mrs. Söderqvist Lindoff has been serving as a board member since July 2023.

### Leif Lindahl, Board Member (independent)

With over 35 years of experience in leadership positions within capital markets, Leif has deep expertise in fixed income markets and risk management in particular. Leif's previous roles include Head of Global Fixed Income, Co-Head of Global Fixed Income, Head of Markets Sweden, Head of Markets New York at institutions such as SEB, Nordea, Danske Bank, RBS, and Barclays. In addition to his role at Nordkinn, Leif is a Senior Advisor for BearingPoint and EQL Global. Leif holds a Bachelor's Degree in Economics from Stockholm University, earned in 1989.

Leif has been a board member since June 2024.

### 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.

## AIF-Manager's Executives

Erik Eidolf, CEO

Ronny Eriksson, deputy CEO and Investment Manager

Alexander Melsom, Head of Portfolio Risk Management 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 a master fund part of a master feeder structure. The feeder funds investing in Nordkinn Fixed Income Macro Master Fund are:

Nordkinn Fixed Income Macro Fund (SEK) A  
 Nordkinn Fixed Income Macro Fund (NOK) B  
 Nordkinn Fixed Income Macro Fund (EUR) C  
 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 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 generates annual reports for the fund within four months after year-end as well as semi-annual reports within two months after half-year-end. The reports are available at the AIF-Manager website as well as at the Custodian.

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

## 2. SUBSCRIPTION AND REDEMPTION

### Subscription and redemption

Subscription (unitholder's subscription) and redemption (unitholder's redemption) can be made on the last banking day of each month ("Trading Day"). Only the feeder funds, listed in General Information, may subscribe to the Fund.

Swedish "Banking Day" is defined as day in Sweden which is not Sunday or public holiday, or which is equivalent to a public holiday (such equivalent days are currently Saturdays, Midsummer Eve, Christmas Eve and New Year's Eve), and a day on which banks in Sweden are normally open for business.

The unitholder shall notify the Manager about a subscription or redemption and the subscription amount. Submissions of subscriptions and redemptions may not be limited nor revoked unless the AIF-Manager would allow such.

Applications for subscription and redemption 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.

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 the Swedish FSA 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 two Banking Days prior to the Trading Day, no later than 3pm (15.00) Central European Time. Payment for the units 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 STRATEGY

#### About the Fund

Nordkinn Fixed Income Macro Master Fund is an absolute return fund with the objective of generating maximum absolute risk-adjusted returns for its unitholders, thereby delivering 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 the 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.com](http://www.nordkinnam.com).

#### Past performance

For previous results, reference is made to the monthly reporting for each feeder fund, as these represent the net return for unitholders.

#### Typical investor

The Fund is a master fund in a Master-Feeder Structure and is only open for subscriptions via the feeder funds listed in General Information.

#### 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

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 agreements (Credit Support Annex) to manage counterparty risk in OTC derivatives trading. The CSA agreement governs how and when collateral is to be posted between the Fund and its counterparties.

The Fund also uses GMRA agreements (Global Master Repurchase Agreement) to manage counterparty risk in repurchase agreement (repo) transactions. These agreements clarify that the transaction constitutes a true sale with a binding repurchase obligation, which is critical in cases such as insolvency (to protect ownership rights to the collateral), as well as for accounting and risk management purposes. They also regulate collateral and margin requirements.

Additionally, counterparty risk is reduced by clearing the majority of derivative contracts through central counterparties.

**Liquidity risk:** describes the risk that an asset cannot be sold or purchased at a given time or without a significant impact on price.

The underlying assets consist of financial instruments with good liquidity. However, under certain extreme market conditions, some of these instruments may experience relatively low liquidity, which may entail a risk that such assets are difficult to sell or purchase at a specific point in time or at a reasonable price.

The Fund manages liquidity risk through thorough liquidity analysis prior to investment and conducts ongoing stress tests using a sufficiently broad range of scenarios to capture the risks relevant to the Fund in a comprehensive and accurate manner. By maintaining a reasonable level of liquid assets, the Company minimizes the risk of negative consequences and ensures the Fund's ability to meet redemption requests and manage its operations effectively.

**Operational risks:** are risks related to Nordkinn's operational activities, such as those concerning processes, routines, cash and liquidity management, valuation, IT systems, and external events. Operational risk also includes legal risk, for example through changes in legislation.

**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.

Further details regarding the risk profile of the Fund can be found in the Fund's fact sheet, which is available on the manager's website.

**Sustainability Risks:** The fund promotes environmental and/or social characteristics and is therefore classified as Article 8 under the EU Sustainable Finance Disclosure Regulation (SFDR). The evaluation of sustainability-related risks and opportunities is integrated into the investment process, and the implications for sustainability factors are considered to mitigate the risk of potential negative impacts on the fund's returns, identify opportunities, and promote environmental or social characteristics.

#### Leverage

In accordance with the Fund's Fund Statutes, the Fund may use financial leverage as part of its investment strategy to generate returns and streamline its management.



Financial leverage arises through the use of different derivatives, repayment through repurchase agreements and leases. The company continuously evaluates and controls the risks associated with the techniques used to achieve financial leverage. This also includes regular stress tests and daily monitoring of established limits according to the company's routines.

Loans through repurchase agreements (repos), securities loans and derivative instruments such as options, futures and swaps occur. These types of instruments are used both in order to increase the level of risk in the Fund to strengthen opportunities for achieving higher returns, as well as to reduce the risk in the Fund to strengthen the potential for protection against fall in value. The types of risks raised or decreased primarily by these instruments are the Fund's market risk, liquidity risk and counterparty risk. The company also uses a limited amount of OTC derivatives in its management, which means counterparty risk, which is minimised through bilateral CSA agreements and traded under standardised ISDA agreements.

Pledged securities are transferred to the counterparty (transfer of title) according to standardised ISDA agreements. Should the counterparty not be able to return the collateral, the loss risk is limited by bilateral CSA agreements which involve daily netting of the Fund's total collateral against the counterparty.

Financial leverage may only be used to the extent that all risks associated with leverage use can be handled, the Fund does not violate its investment limits and that the Fund's risk level does not deviate from the Fund's risk profile or that the leverage exceeds the Fund's current VaR limit, calculated in accordance with the Fund statutes.

An alternative to VaR is to measure the Fund's financial leverage by duration adjust the nominal amount of all interest rate related holdings at an interest rate that corresponds to the duration of a 10-year bond. Based on this definition the financial leverage of the Fund is limited to 20 times the value of the Fund. For historical actual leverage, please refer to the annual and the semiannual reports for the Fund.

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

The information will be provided in the annual and the semi-annual reports of the Fund.

## Securities financing transactions and total return swaps

In accordance with the Fund rules, the Fund may use securities financing and total return swaps. The Fund uses repurchase agreement transactions to a large extent. The Fund does not use total return swaps.

This type of transactions are ensured through agreements on mutual exchange of collateral and may only be entered into with counterparties approved by the Board of Directors. Possible counterparties are commercial banks based in the Nordic countries, Europe and the USA, with strong credit rating. Each agreement regulates what is considered an acceptable security and includes government bonds and cash. Received and pledged collateral is valued on a daily basis. Collateral received is stored at the Fund's depositary. The fund reuses the collateral received.

## Fees

The Manager does not charge any fees to the Fund.

## Other costs

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.

## Information exchange and coordination

The Board of Directors is responsible for ensuring that the AIF-Manager complies with the obligations arising from the LAIF and other regulations regulating the Company's business. In order to ensure that fund activities live up to this, the Board of Directors has established a purposeful organisation and internal rules for managing risks, as well as controlling and controlling operations. The work of well-functioning internal control and 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 Manager's internal rules are applicable for all funds managed by the Manager. The internal rules include, but is not limited to, appropriate measures in order to identify and manage conflicts of interest, including potential conflicts of interest that may arise between the Fund and the feeder funds and its unitholders.

The Manager does not charge the Fund any fees, no subscription or redemption fee nor any management or performance fee. The Fund is thus free of charges. Fees are only charged on feeder fund level. Unitholders in the feeder funds thereby avoid to be charged double layer of fees.

With the exception of investments in cash, as well as investments in derivatives for currency hedging in feeder funds nominated in other currency than SEK, the intention for the feeder funds is to be fully invested to the Fund. Provided that the feeder funds are fully invested to the Fund, the performance in the Fund and feeder funds will be similar. Deviation in performance between the funds is explained by any cash exposure in the feeder funds, fees charged to the feeder funds and costs for currency hedging in feeder funds with other denomination currency than SEK.

Specific procedures for communication between the 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 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 our materiality assessment related to our investments is based on the principle of double materiality and includes a process to, on the one hand, identify and assess the areas where an investee company has a significant sustainability impact on its surroundings, and on the other hand, a process to identify the sustainability-related risks and opportunities that may affect the valuation of the investments, which also incorporates our macroeconomic analysis, 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.

### Investor Ombudsman

To protect the interests of each investor in the Fund, Nordkinn has appointed an Investor Ombudsman to its Board of Directors. The Investor Ombudsman represents the interests of the Fund's unitholders versus the Fund as well as versus Nordkinn as manager of the Fund. The Investor Ombudsman is formally also appointed as Nordkinn's Complaints Officer.

Since June 2024, Karin Söderqvist Lindoff is the Investor Ombudsman in Nordkinn.

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's starting point is to take responsibility for the direct and indirect impact that our asset management has on the capital market, individual investee companies, and specific instruments.

To us, responsible investment encompasses a wide range of issues, including sustainable financial markets, climate and environmental matters, social conditions, respect for human rights, the fight against corruption, as well as anti-money laundering and counter-terrorism financing.

The Fund's investments shall promote the UN Sustainable Development Goals (SDGs), the Paris Agreement, and the UN Global Compact – The Ten Principles. We also exclude investments in activities that we consider to be counterproductive to sustainable development, as further described in the section "Sustainability-related disclosures" below.

The investment process also includes an assessment of sustainability risks in the investments by identifying risks related to environmental, social, or governance (ESG) events that, if they were to occur, could have a material negative impact on the value of the investment. The process includes estimations of the potential impact such events could have on valuation, conducted through our proprietary model for stress testing individual investments or sectors.

### Sustainability in our ownership practices

Nordkinn believes that responsible stewardship is one of the most important ways for investors to protect and enhance long-term value for our unitholders. Voting can promote effective corporate governance, but it is not the only tool available to investors. At a time when bondholder stewardship is still in its infancy — and has long been considered the domain of shareholders — Nordkinn published its Blueprint in 2021 for active dialogue with investee companies, i.e. issuers of fixed income instruments, in which we invest, in order to highlight this overlooked issue.

As an active manager, our ambition is to engage in bilateral dialogue with the issuers to which we are exposed, as well as with other financial partners, to gain a deeper understanding of sustainability risks and challenges and to enable influence that supports improvement and transition. These dialogues focus partly on identifying and assessing the areas where an issuer has a significant sustainability impact on its surroundings, ensuring that they can present credible and relevant goals, strategies, resources, and outcomes for transition. They also aim to identify and assess the sustainability-related risks and opportunities that may affect investment valuations. We also engage with financial counterparties on issues related to an effective and sustainable financial market.

### Resources and commitments for sustainability

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 use ISS ESG and Bloomberg ESG, 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. 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 Master Fund, 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 unitholders 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 a so-called Master Fund (Sw. specialmottagarfond) and is only open for subscription by Special Feeder Funds (Sw. specialmatarfonder) managed by the same manager as the Fund.

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 unitholders 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 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 an absolute return Fund with the goal of creating and preserving value for its unitholders and thus exhibit stable risk-adjusted returns regardless of the underlying direction of the equity, fixed income, currency and commodity markets.

Through local expertise, specialization and presence, the focus in the management of the Fund is in the Nordic capital markets, but the Fund also acts in other OECD markets. In the management of the Fund, emphasis is put on fixed income markets, but the Fund has also the ability to diversify risks across equity, currency and commodity markets. At least 50 percent of the Fund's assets shall at all times be invested in fixed income related financial instruments.

In order to achieve its absolute return objective, the Fund has less investment restrictions than those of mutual Funds, such as the ability to make 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 to more effectively manage the Fund's overall risk exposures.

### § 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 may invest in the asset classes; transferable securities, money market instruments, derivative instruments, mutual Funds as well as deposits at credit institutions. The Fund may also hold cash related instruments needed for the Fund's cash management.

The Fund invests in financial instruments with an emphasis on the Nordic capital markets as well as across other OECD markets. At least 50 percent of the Fund's value shall at every occasion be invested in fixed income related financial instruments. The investment focus is otherwise not limited to any particular industry or financial instruments issued by a particular issuer, or the alike. The allocation between asset classes varies over time.

The Fund's assets shall be invested in accordance with LVF and in accordance with these Fund statutes. The Fund shall at all times apply the principle of proper risk diversification.

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

##### Transferable securities and money market instruments

The Fund may invest in transferable securities and money market instruments. The Fund's investments in transferable securities and money market instruments deviates from following investment restrictions in LVF.

- The Fund may, in deviation from Chapter 5. 6 § second section 1, and the third section in LVF place the entire Fund value, including the value of any leverage in the Fund, in transferable securities and money market instruments of a single issuer if they are issued or guaranteed by a government, a municipality or a government or municipal authority in an EEA country or by an intergovernmental organization of which one or more states within the EEA are members.
- The Fund may, in deviation from Chapter 5. 6 § second section 2, and the third section in LVF and Chapter 5.19 § first section 2 and 3 in LVF, place the entire Fund value, including the value of any leverage in the Fund in transferable securities and money market instruments from two issuers if they consist of debt securities issued under the Act (2003: 1223) of covered bonds or

corresponding foreign debt. For investments in bonds and other debt securities, holdings may not be more than 40 percent of the instruments issued by a single issuer and the money market instruments not more than 25 percent of the instruments issued by any single issuer. The investment limitations for bonds, other debt instruments and money market instruments will not apply if the instruments are issued or guaranteed by a government, a municipality or a state or municipal authority in an EEA country or by an intergovernmental organization of which one or more states within the EEA are members.

## Derivatives

The Fund may invest in derivatives as part of its investment strategy. Underlying assets to derivative instruments shall consist of or relate to any of the asset classes listed in Chapter 5. § 12, first section LVF. For investments in derivatives, the Fund deviates from the following restrictions in LVF:

- The Fund may, in deviation from Chapter 5. § 14 in LVF, have exposure to a single counterparty, which is a credit institute, on transactions with derivative instruments amounting to 20 percent of the Fund value.
- The fund may, with deviation from Chapter 25, § 15 of the Financial Supervisory Authority's Regulations (FFFS 2013:9), use derivative instruments, with physical delivery or those settled in cash, without having the capacity to deliver underlying or other liquid assets in sufficient quantity to fulfill all obligations arising from the derivative contract. This means that the fund, when using derivative instruments, may have negative exposure to underlying assets.

## Other investment constraints

The Fund may, in deviation from Chapter 5. 22 § in the LVF, expose up to 50% of its value against a single company or to companies in the same company group. For investments in transferable securities and money market instruments pursuant to Chapter 5. 6 §, second section 1 and 2 in LVF, the Fund may expose the entire Fund value, including the value of any leverage in the Fund, in one company or companies in the same company group.

## Securities lending

Securities loans may be included up to a maximum of 50% of Fund assets and given to a maximum of 50% of Fund assets. When calculating the limit on securities lending, securities received as collateral shall be disregarded. The Fund has been granted exemption from Chapter 25. 21 §, third section of the Financial Supervisory Authority (FFFS 2013:9) of Mutual Funds.

## Short selling

The Fund may sell securities that it holds but does not own at the time of transaction (real short selling). The Fund may also sell securities that it does not possess at the time (illegitimate short selling). The Fund has been end granted exemption from Chapter 5. 23 §, first section 3 in LVF.

## § 5.3 Level of risk and risk measures

The AIF-Manager strives for the Fund's average level of risk utilization, 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 be exceeded or sub-seeded in unusual market conditions or extraordinary events.

## § 5.4 Value at Risk model

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.

## § 6 Markets

The Fund may invest in any regulated market or trading platform within the EEA or in an equivalent market or trading platform outside the EEA. Trading may also be conducted in another market within or outside the EEA that are regulated and open for the public.

## § 7 Special Investment Policy

### § 7.1 Transferable securities and money market instruments under Chapter 5. 5 § LVF

The Fund may invest in such securities and money market instruments referred to in Chapter 5. 5 § in LVF.

### § 7.2 Derivatives

The Fund may, as further described in § 5 above, invest in derivative instruments (including OTC derivatives in accordance with Chapter 5. 12 § second section in LVF) as part of its investment policy. The Fund may also, in accordance with Chapter 12. § 13 second section LAIF, invest the Fund's assets in derivatives where the underlying asset is comprised of or relating to commodities conditional that such derivative instruments are traded on a financial market and does not entail an obligation to deliver or receive the underlying asset.

### § 7.3 Investment techniques and other instruments

The Fund may create leverage in the Fund, as further described in § 5 above, and make use of such techniques and instruments referred to in Chapter 25. 21 § of the Swedish Financial Supervisory Authority Directive (2013:09) for investment Funds.

## § 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:

- 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.

Market value of listed instruments shall be determined based on the closing price of holding on the balance sheet date. If the closing date is not a trading day, the corresponding of the last trading day prior to the closing date shall be applicable.

Unlisted securities that are actively traded on an established market which the AIF-Manager deems reliable, shall be valued in

the same way as listed securities. What should be considered is partly the marketplace the holding is traded upon, and partly how the trading activity is for the particular holding.

An unlisted holding that is not considered to be traded in an active market can be valued by using a valuation technique. Valuation techniques include the use of recent transactions between independent knowledgeable parties in the market and who have an interest in closure of the transaction, and are motivated by normal business considerations. It should, primarily, be done by deriving a market value by building on similar transactions that took place under similar market conditions recently. Generally, listed and unlisted holdings shall be valued by the AIF-Manager according to objectivity. This can be done by obtaining market prices from non-approved regulated markets or so-called market maker or to equate the holding with another security or index by adjusting for differences. If the valuation technique cannot be applied or is obviously misleading, the AIF-Manager shall use a valuation method established in the market. For Fund investments, the valuation shall be based on the most recently adopted NAV of the Fund investment.

For OTC derivatives under Chapter 5, § 12, second section LVF, the valuation shall be based on last traded price or, if not available, last bid price. If such prices are lacking, the market value will be determined on an objective basis, for example through the use of generally accepted valuation methods:

Transferable securities pursuant to Chapter 5, § 5 LVF which are traded in an active market shall be valued in accordance to other listed holdings. Transferable securities pursuant to Chapter 5, § 5 LVF that are not traded in an active market are valued by obtaining information about recent transactions between independent knowledgeable parties in the market. This can be done by obtaining market prices from unapproved regulated market / trading or so-called market maker. Market valuation shall be made on an objective basis.

Money market instruments included in Chapter 5, § 5 LVF that are traded in an active market are valued at the closing price paid. If there is no such price available, the mean of today's latest bid and ask price shall be used. For money market instruments pursuant to Chapter 5, § 5 LVF that are not traded on an active market, the fair value is based on the available quoted price from recent bid and ask prices. If reliable price quote is missing, the market value of the instrument is determined by referring to corresponding quotations of instruments with similar maturities, adjusted for differences in credit risk, liquidity, etc.

## § 8.2 Valuation of units

The value of a unit is the Fund's assets 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 (unitholder subscribing) and redemption (unitholder redeeming) may occur every Trading Day (please refer to § 8 above

for the definition of Trading Day). Only the feeder Funds listed in § 1 may subscribe to the Fund.

A unitholder must notify the AIF-Manager, or a company assigned by the AIF-Manager, that a subscription or redemption shall occur and in what amount.

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

For redemptions, repayment of proceeds shall occur as soon as the Fund has received underlying holdings, 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 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 Cut-off for subscription and redemption

Subscription notice shall be submitted to the AIF-Manager two Banking Days prior to the Trading Day, no later than 3pm (15.00). Payment for the units shall be available on the Fund's bank account no later than two 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 two 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 (according to § 8). 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 unitholders interests, for example 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

The AIF-Manager does not charge any fees for subscription or redemption to the Fund.

### § 11.2 Management fee

The AIF-Manager does not charge any management fee for the Fund.

### § 11.3 Other Fees

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.

### § 12 Dividends

The Fund will, in general, not pay out any dividends. The AIF-Manager may however decide on a dividend to the unitholders, if it, according to the AIF-Manager's assessment, is necessary in the common interest of the unitholders. 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 unitholder's behalf, based on the registered unitholders of the Fund on the day in question. At the request of a unitholder, the dividend - after any taxes - shall instead be paid in cash to the unitholder. 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 a calendar year.

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

The AIF-Manager must 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 unitholders 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

It is not allowed to pledge or transfer units in the Fund.

### § 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 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 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, 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.

*These Fund Statutes were approved by the AIF-Manager's Board of Directors on January 17<sup>th</sup> 2024.*

According to the regulation on sustainability-related information, SFDR, the fund is defined as an Article 8 fund. This is the sustainability-related disclosure for the fund presented in accordance with the Regulation (EU) 2020/852.

**Product name:** Nordkinn Fixed Income Macro Master Fund

**Legal entity identifier:** 5493003HITM7K2Q4U114

**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?

- *Environmentally and socially sustainable and ethical business models by applying exclusion criteria to investment objects where the Manager assesses that the negative consequences for sustainability or ethical factors are unacceptable*
- *Good corporate governance and sound management structures by applying exclusion criteria to companies with verified breaches of international norms and conventions, and which lack a strategy to address these issues*
- *The investment objects' efforts related to goals, strategies, resources, and reporting in relation to negative impacts on long-term sustainable development, by gaining a better understanding through dialogue with existing and potential investment objects*
- *The investment objects' work on sustainability risks, physical risks, transition risks, and opportunities, and their impact on valuations and macro factors, by gaining a better understanding through dialogue with existing and potential investment objects*

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

- *The promotion of environmental and social sustainability factors as well as ethical business models is measured by the number of excluded investment objects and by measuring the proportion of investments in investment objects engaged in activities deemed unacceptable by the Manager based on sustainability and ethical considerations*
- *The promotion of good corporate governance and sound management structures is measured by the number of excluded investment objects that have been involved in breaches of the UN Global Compact or the OECD Guidelines for Multinational Enterprises*



- The promotion of the long-term positive development of sustainability factors is measured by the number of engagement dialogues conducted with investment objects
- The promotion of investment objects that credibly address sustainability risks and opportunities is measured by the number of engagement dialogues conducted with investment objects

● **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, but it has not committed to any minimum proportion of “sustainable investments.” Nevertheless, sustainable investments may be included in the portfolio.

● **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?**

The fund does not commit to any minimum proportion of investments in “sustainable investments,” but they may form parts of the portfolio. For each investment, the Manager strives to assess and limit the risk that an investment could cause significant harm to any environmental or social objectives for sustainable investments. This risk is partially mitigated through the exclusion filter used by the Manager, as described below.

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

The Fund shall assess and take into account the indicators of principal adverse impacts on sustainability factors. However, the indicators are dependent on the availability of data, which may be limited. Where data is available and indicates that a business has a negative impact on areas such as sensitive biodiversity, water emissions, hazardous waste, or lacks initiatives to reduce carbon emissions in line with the Paris Agreement, a dialogue is initiated with the investment object.

The Fund applies exclusion criteria for sectors and activities that have significant negative impacts on sustainability factors, such as the fossil fuel sector, breaches of international norms and conventions, and countries with a low score on the Transparency International Corruption Perceptions Index.

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

The Fund applies exclusion criteria to companies with verified breaches of international norms and conventions, and that lack a strategy to address the issues.

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 indicators for negative impacts on sustainability factors, known as PAIs (Principal Adverse Impacts), as well as keeping these selections and priorities updated. The assessment focuses on which sustainability factors carry the greatest risk of occurring or causing significant harm if they do occur. The evaluation also considers which factors are deemed to have the most significant negative consequences in relation to the initiatives and sustainability goals that Nordkinn has endorsed. The method is based on the principle of proportionality, considering the specific investee companies in which investments are made. The following indicators of principal adverse impacts are taken into account:

**Annex 1, Table 1 in the Commission Delegated Regulation (EU) 2022/1288**

PAI 1-6 Greenhouse gas emissions and exposure to companies active in the fossil fuel sector

PAI 7-9 Activities negatively affecting biodiversity, water and waste

PAI 10 and 11 Violations of, as well as lacking policies to monitor compliance with, UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

PAI 12 and 13 Unadjusted gender pay gap and unequal board gender diversity

PAI 14 Exposure to controversial weapons (

**Annex 1, Table 2 in the Commission Delegated Regulation (EU) 2022/1288**

PAI 4 Investments in companies without carbon emission reduction initiatives

**Annex 1, Table 3 in the Commission Delegated Regulation (EU) 2022/1288**

PAI 4 Lack of a supplier code of conduct

PAI 15 Lack of anti-corruption and anti-bribery policies

#### **Other**

Lack of money laundering and terrorist financing prevention policies

Additionally, Nordkinn's Sustainability Committee has identified a number of activities and products that it considers may cause, contribute to, or be directly linked to negative, significant, or likely significant impacts on sustainability factors or ethical factors to an unacceptable extent, which Nordkinn therefore refrains from investing in altogether. These include activities that are involved in or connected 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

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", as well as in the "Statement on the principal adverse impacts of investment decisions on sustainability factors" published on Nordkinn's webpage.

No



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

#### **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 allocation between asset classes varies over time.

#### **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:

- Integrate sustainability risks into the investment process
- Conduct engagement dialogues in accordance with the process and requirements developed by Nordkinn
- Mitigate negative impacts on sustainability and ethical factors by excluding certain sectors, activities, breaches of the UN Global Compact or the OECD Guidelines for Multinational Enterprises and states with a Transparency International Corruption Perceptions Index below 50
- Quantify measurable and trackable objectives

● **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 Manager applies norm-based exclusion criteria and excludes companies that are not considered to be in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Nordkinn employs both established engagement dialogues and screening based on breaches of international norms such as the UN Global Compact, ILO Conventions, and the OECD Guidelines for Multinational Enterprises. The Fund's investments are continuously monitored in these respects, as outlined in Nordkinn's Sustainability Policy.

**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?**

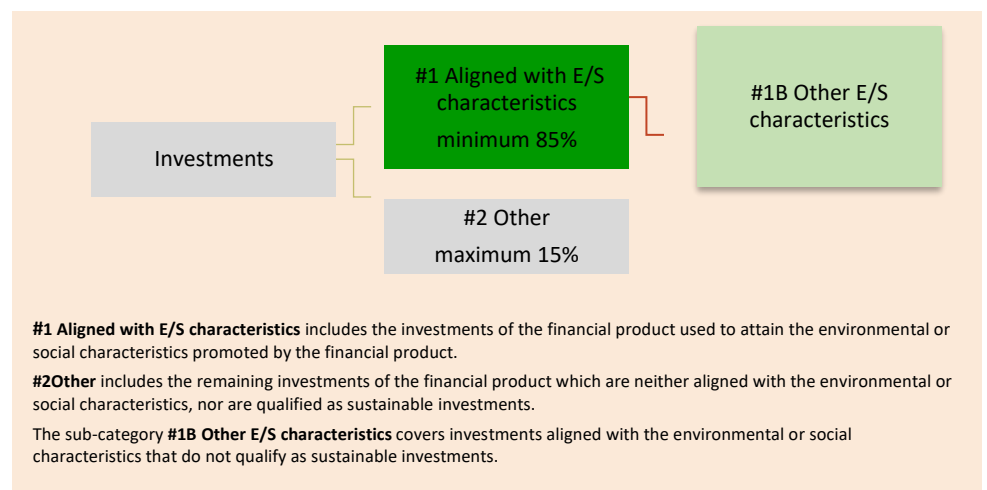
The fund invests in government bonds, covered bonds, and bonds issued by Kommuninvest and Swedish and Norwegian municipalities, which are planned to constitute at least 85% of the fund's investments. The remaining assets are planned to consist of liquid assets and derivatives. Aside from liquid assets and derivatives, all investments made must meet the environmental and social characteristics promoted by the fund, in accordance with the binding parts of the investment strategy.

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



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.



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

The fund uses derivatives for investment purposes and for efficient portfolio management. Nordkinn applies its sustainability policy in the same way, whether the investment is made directly in an issuer or via a derivative.

When investing in an issuer via a repo contract, we evaluate how the environmental or social characteristics promoted by the underlying asset are aligned and report on this continuously.

Exposure to other derivatives is excluded as the underlying assets of these investments are either to be acquired at some point in the future (futures contracts) or lack sustainability information, such as currency derivatives. These investments normally account for less than 2% of the fund's exposure.



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

The fund promotes environmental and social characteristics and while it does not have as its objective a sustainable investment, it does not have a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy, but it could do investments aligned with the EU Taxonomy.

**Does the fund invest in fossil gas and/or nuclear energy-related activities that meet the EU taxonomy?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

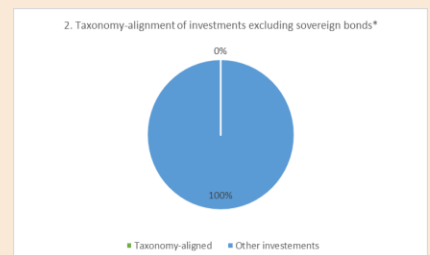
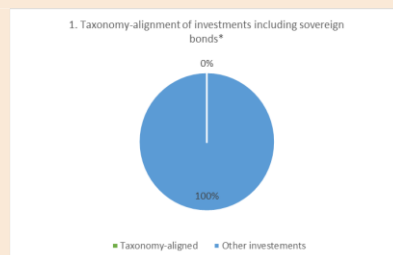
No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules emission levels corresponding to the best performance.

**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 levels corresponding to the best performance.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **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?**



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



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

For cash management and to meet subscriptions and redemptions a small part of cash might be held in the fund. There are no minimum environmental or social safeguards for this allocation.



**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)