

**INFORMATION BROCHURE WITH FUND PROVISIONS**

ANTILOOP HEDGE

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## **INTRODUCTION**

The name of the alternative investment fund is Antiloop Hedge ("the fund"). The fund is a special fund in accordance with the Act (2013: 561) on Alternative Investment Fund Managers ("LAIF").

The fund assets are jointly owned by the fund unit holders and each fund unit entails an equal right to the property included in the fund. The unit holders are not liable for obligations relating to the fund. The fund may not acquire rights or assume obligations. The fund can also not bring an action before a court or any authority. Property included in the fund may not be seized. The manager specified in § 2 represents the fund unit holders in all matters concerning the fund, decides on the property included in the fund and exercises the rights that come with the property.

## **FUND TYPE**

The fund is a so-called "special fund", which means that it has less restricted investment rules in comparison with traditional mutual funds. The fund's assets shall be invested in exchange-traded products with exposure to equity, fixed income, foreign exchange and commodity markets. The fund's objective is to generate a competitive result compared to similar asset managers, with a low correlation to the stock market.

## **DIVIDEND**

The fund does not pay dividends

## **RISK PROFILE**

Buying units in a fund is always associated with risk. Risk in an investment context refers to uncertain returns. Equities and commodities are generally associated with a higher risk than bonds and currencies. Risk and the potential for higher returns are normally linked to each other, the investor needs to take some form of risk for the potential to realize higher returns.

The manager's target for the fund's average risk level, measured as an annual standard deviation over a rolling twelve-month period, is between 7-10 percent. It should be noted that the target range may be exceeded in the event of extraordinary events.

The fund's assets may be invested in the asset class transferable securities, fund units, money market instruments, derivative instruments, and in cash deposits with credit institutions.

The fund has eight different independent strategies with low correlation to each other, that are combined into a single portfolio. The strategies have different time horizons, from very short-term (minutes) to very long-term (years). They are also diversified across many asset classes and differ in their investment approaches, where some are based on fundamental analysis and others are based on technical analysis. This design entails a lower risk than other multi-strategy funds and funds based on individual strategies.

The fund strives to be market neutral, which means that the overall market risk is low. The investments that are not made in assets denominated in SEK are financed with loans in the currency in which the investment is made, thus providing automatic currency hedging. The fund invests only in highly liquid assets in relation to the capital invested, making sure the fund has a very low liquidity risk. The manager has systems and routines for monitoring liquidity risks in order to ensure that the fund's liquidity profile is in line with relevant requirements. The company conducts regular stress tests, both under normal and extreme conditions, which enables an evaluation of the fund's liquidity risk.

The value of a fund is determined by the changes in the value of the assets in which the fund is invested. This means that the fund can both increase and decrease in value, and an investor cannot be certain of getting back the entire invested capital.

## **THE FUND'S RISK MONITORING AND MANAGEMENT METHODOLOGY**

The fund's total risk exposure is calculated using an absolute VaR model with a parametric calculation method. The fund's VaR may not exceed 4.5 percent. The VaR calculation uses a time horizon of one day and a probability of 99 percent. One interpretation of the VaR limit is that the fund's result 1 day out of 100 could incur a loss of 4.5 percent or more. Should the fund's VaR exceed 4.5 percent, the manager must promptly change the fund's composition so that the fund's VaR is reduced to below 4.5 percent.

## **FUND MANAGER**

The fund is managed by Antiloop AB, organization number 557242-0722 (the “manager”).

## **TARGET CLIENT GROUP**

The fund is primarily suitable for investors who desire a broad exposure to the overall global economy through all asset classes. An investor in the fund should have an investment horizon of at least five years. The investor must be prepared to accept that significant price fluctuations may occur.

## **INVESTMENT FOCUS**

For the management of the fund's assets, ch. the Act (2004: 46) on mutual funds (“LVF”) is applied. The fund's assets may be invested in the asset class transferable securities, fund units, money market instruments, derivative instruments, and in cash deposits with credit institutions. The fund's assets must be invested taking into account LVF and the fund provisions. The fund shall at all times apply the principle of risk diversification.

### **Transferable securities and money market instruments**

For investments in transferable securities, the fund deviates from the following investment restrictions in LVF:

- ❖ The fund may, with deviation from ch. § 6 second paragraph 1 and § 22 LVF, invest up to 50 percent of the fund's assets under management or the fund's total exposure, in a single fixed income transferable security or money market instrument issued by a state within the EU and EFTA and Australia, Japan, Canada, Great Britain, South Korea or the US. Over and above the mentioned exceptions in this paragraph, the fund may not have an exposure to an individual issuer or an individual commodity that entails a VaR risk in excess of 3 percent.
- ❖ The restrictions in ch. Section 6 and Chapter 5 § 13 first paragraph LVF are not applicable to trading in futures where the underlying asset consists of such financial instruments that have no issuer, such as interest rates or currencies.

### **Investments with credit institutions**

For deposits at credit institutions, the fund deviates from the following investment limit in LVF:

- ❖ The fund may, with deviation from ch. § 11 and §§ 21-22 LVF, place up to 40 percent of the fund's assets in an account with one and the same Swedish credit institution or foreign credit institution domiciled in the EEA and with other foreign credit institutions covered by supervisory rules corresponding to those laid down in European Community legislation.

## **Derivatives**

For investments in derivative instruments, the fund deviates from the following investment restrictions in LVF:

- ❖ The fund's total exposure to derivative instruments may, with deviation from ch. § 13 LVF, exceed 100 percent of the fund's assets. The risk level in the fund is limited by the investment restrictions in the fund regulations and limits calculated according to VaR.
- ❖ Regarding investments in derivative instruments where the underlying asset consists of or relates to currencies or interest rates, ch. § 13 first paragraph LVF shall not be applicable. However, with regard to the underlying assets of such derivative instruments, the Fund will apply the principle of risk diversification.
- ❖ For investments in derivative instruments where the underlying asset consists of commodities, the fund may have a net exposure to an individual commodity corresponding to a maximum of 30 percent of the fund's value.
- ❖ The fund may, with deviation from ch. 25 Section 15 Finansinspektionen's regulations (FFFS 2013: 9) on mutual funds ("FFFS 2013: 9"), use derivative instruments without having the delivery capacity of the underlying asset or equivalent assets. The fund's trading in derivative instruments can thus lead to the fund having a negative exposure to the underlying assets.

## **Fund units**

In the case of investments in fund units, the fund deviates from the following investment limitation in LVF:

- ❖ The fund may, with a deviation from ch. § 15 second paragraph LVF, invest its assets in other funds, even if their regulations do not explicitly prevent them from investing a maximum of 10 percent in other funds. However, the fund may not to a significant extent (maximum 10 percent) invest its assets in other funds.

## **Short selling**

The fund may sell financial instruments that it has at its disposal but does not own at the time of trading. The fund may also sell financial instruments that it does not hold at the time of the transaction. For this purpose, the fund has received an exemption from ch. § 23 first paragraph 3 LVF.

## **FINANCIAL LEVERAGE**

The fund may use loans and derivative instruments, as part of its investment strategy to create leverage in the fund.

Leverage means that the fund's risk exposure can be greater or less than if the underlying exposure had been fully financed by the Fund's own resources.

The fund may raise cash loans corresponding to a maximum of 100 percent of the fund's value. The fund's assets may be provided as collateral for such loans.

The Fund may use derivative instruments, including OTC derivatives, as part of its investment strategy to increase the return on the fund's assets. The fund may invest in derivative instruments where the underlying assets consist of, among other things, interest rates, exchange rates and commodities. The fund's total exposure to derivative instruments may exceed 100 percent of the fund's assets. The risk level in the fund is limited by the fund investment restrictions and limits calculated according to VaR. The fund's leverage may not exceed four times the value of the fund according to both the gross method and the commitment method. Since the fund has the mandate to use leverage, the fund's risk level may increase or decrease significantly and result in the fund's unit value varying sharply as a result of market changes. Information on the fund's leverage is provided in the annual report and the half-yearly report for the fund.

## **DEGREE OF ACTIVITY**

The fund is an absolute return fund. The goal of the fund is to provide its unit holders with a positive return over time, and that the risk-adjusted return should be better than for a traditional credit portfolio. Since the fund does not aim to outperform a specific benchmark index, it is not appropriate to compare the fund's development to the development of such a benchmark to assess the degree of activity in the management of the fund.

## **REPORTING OF RISK AND LIQUIDITY MANAGEMENT AND FINANCIAL LEVERAGE**

The information will be provided in the annual report and the half-yearly report for the fund.

## **SUSTAINABILITY INFORMATION**

The company takes sustainability into consideration in its management of the fund. This means, among other things, taking into account the needs of both current and future generations, and to take long-term responsibility in its daily operations. The Company takes responsibility by acting on behalf of the fund's unit holders in sustainability and corporate governance issues, and by adhering to both its own and society's values. According to the Company, the fund's return can be affected by risks linked to sustainability and corporate governance issues, and that the Company has a responsibility to act on these issues in the long-term interests of the fund unit holders.

By sustainability, the Company refers to the environment and climate, human rights, employee rights and business ethics. Relevant sustainability issues can be, for example, environmental and climate considerations in production and product development, working conditions in a company's own operations and at the supplier level, as well as anti-corruption work. With corporate governance The Company refers to the owners', the board's and management's management of the company. The company has established a policy for responsible investment and sustainability information. Further information about the Company's sustainability work can be found in Appendix 1.

## **HISTORICAL PERFORMANCE**

The fund is newly started and there is currently no historical performance to report.

## **FULL YEAR AND HALF YEAR REPORTS**

The manager shall prepare an interim report for the first six months of its fiscal year, no later than 2 months after the end of that six-month period, as well as a full year report within four months after the end of its fiscal year. The annual report and the half-year report shall if requested by a unit holder be distributed free of charge via e-mail or ordinary mail. The reports shall be kept available at the manager and the custodian.

# VALUATION

## Valuation of the fund's assets

The fund's assets are valued at current market value. The current market value can be determined by different methods, which are applied in the following order:

1. If financial instruments are traded on a market as specified in Chapter 5, Section 3 of the LVF, the latest price paid shall be used or, if such does not exist, the latest bid price.
2. If the price according to 1 does not exist or is clearly misleading, the current market value shall be derived on the basis of information about a recently completed transaction between independent parties in a corresponding instrument.
3. If method 1 or 2 cannot be applied, or according to the Company would be misleading, the current market value shall be determined by using a market principle applicable to the financial instrument in question, unless misleading, through an established valuation model.

To determine the value of holdings of fund units, the respective fund's most recently reported unit value is used.

For transferable securities and money market instruments, a market value is determined on objective grounds according to a special valuation. The special valuation is based on information on the latest transaction price, or indicative purchase price from an independent so-called market-maker if one is designated. If this information is missing or not considered reliable, the market value is determined with the help of independent brokers or other external independent sources.

For OTC derivatives, there is normally no public information on the latest price paid, nor the latest bid and ask price. The market value of OTC derivatives is therefore normally determined based on a generally accepted valuation model, such as Black & Scholes, or valuation provided by independent third parties.

## Valuation of fund units

The value of a fund unit is the value of the fund divided by the number of outstanding units. When calculating the fund unit value, rounding is done to two decimal places. The value of a fund unit shall be calculated on the last banking day of each month (the "Trading Day").

The manager has the option to temporarily postpone the time for calculation and publication of the fund unit value.

## **FEES**

### **Management fee**

The management fee amounts to 1 percent annually of the fund's value. The fee is paid monthly in arrears at 1/12 percent per month and is calculated based on the fund's value on the Trading Day (before subscription and redemption are executed). The fee covers the manager's management of the fund as well as costs for custody, supervision and auditors

### **Performance-based fee**

In addition to the management fee, a performance-based fee is paid from the fund to the manager.

The remuneration is based on an individual fee model, which means that the performance-based fee is paid by the fund, and is charged to each unit holder in relation to the unit holder's return. To ensure that individual unit holders are only charged a performance-based fee that is in proportion to the return received by the individual unit holder, the manager calculates return series at each subscription opportunity. Each series represents the specific starting value and current return that is calculated equally for all shares issued at one and the same time. This enables both an individual calculation of the accrued performance-based fee that an individual unit holder has to pay at any given time or, in the event that the fund has underperformed, the distance to the High-water mark that each unit holder has.

The fee model means that in addition to the management fee, a performance-based fee is paid to the manager of 20 per cent of the part of the total return for each individual unit holder that exceeds a return threshold. The return threshold consists of the value at which the performance-based fee was last charged to the fund unit holder, so-called High-water mark, adjusted with the return on the so-called threshold interest rate (see below) during the same period. If the fund unit holder is not charged any performance-based fee, the fund unit owner's initial value is used as High-water mark.

The threshold interest rate corresponds to what the manager considers to be the risk-free interest rate, which is 0 percent.

If a unit-holder redeems his fund units and at the same time has an accumulated negative return to his credit according to the compensation model applied, the unit-holder cannot utilize the accumulated negative return after redemption.

The number of fund units is rounded to six decimal places. The size of the fee is rounded to the nearest whole SEK. The threshold interest rate is rounded to two decimal places.

### **Other fees**

Transaction costs, such as brokerage commission, costs for short-term credits taken up by the fund, taxes, delivery and other costs in connection with the fund's assets and purchases and sales thereof, shall be charged to the fund.

## **SUBSCRIPTION AND REDEMPTION OF FUND UNITS**

### **Subscription and redemption**

Subscription (unit holder's subscription) and redemption (unit holder's redemption) can take place monthly. The minimum amount for a fund subscription is, as a general rule, SEK 10,000,000. Notification of subscription or redemption cannot be limited or revoked unless the manager or its appointee allows it.

Fund units must be redeemed if funds are available in the fund. If this is not the case, funds must be raised through the sale of the fund's financial instruments and redemption must be effected as soon as possible. If redemption funds must be acquired through the sale of the fund's financial instruments, such sales must take place and redemption must be effected as soon as possible.

Should a sale significantly disadvantage other unit holders, the manager may, after notification to the financial authorities, delay the sale of financial instruments. The manager also has the mandate to temporarily postpone the Trading Day upon redemption.

According to the fund provisions, the manager may close the fund for new subscriptions if the fund's assets in the manager's opinion exceed an optimal level. The manager may

alternatively state that the net subscription (subscription minus redemption) may take place in total with a certain maximum amount, if a too high total subscription amount according to the manager's assessment could significantly adversely affect the interests of unit holders. The assessment of the fund's optimal management volume and the size of the available amount for net subscription will be based on the fund management objectives and the manager's perception of the fund's ability to achieve these objectives. Presently, the manager thinks that the fund may need to be closed for new subscriptions when the fund's value amounts to around four billion Swedish kronor. The manager will continuously evaluate the fund's capacity and may revise this assessment.

### **Subscription and redemption dates**

The subscription date occurs on the Trading Day when the manager has received a complete notification of subscription and the subscription proceeds have been transferred to the fund's account. The subscription price is determined on the same Trading Day as the above steps have been completed. The fund's base currency is Swedish kronor. Notice of subscription of fund units cannot be conditional or revoked. Shares can be subscribed for in Swedish kronor.

Notification of redemption must be received by the manager or appointed by the manager no later than 12.00 local time (CEST) three banking days before the Trading Day.

Should the request reach the manager or appointed by the manager after 12.00 local time (CEST) three banking days before the Trading Day, the manager shall execute the request on the next Trading Day. Payment for redeemed shares are made to the specified bank account, usually ten banking days after the price is determined. "Banking day" refers to a day in Sweden that is not a Sunday or public holiday or that is equated with a public holiday (such days are currently Saturday, Midsummer's Eve, Christmas Eve and New Year's Eve).

### **Subscription and redemption price**

The subscription and redemption price is the fund unit value for the fund calculated in accordance with § 8 on the Trading Day. The subscription and redemption price is not known when the request for subscription or redemption is submitted to the manager. The number of fund units that the subscribed amount has resulted in and the respective

funds that the redemption of fund units has resulted in is announced to the unit holder when the value of the units has been determined.

The manager has the option to temporarily postpone the calculation of the subscription and redemption price.

The fund unit value is published monthly on the manager's website but can also be published via other media.

## **EXTRAORDINARY CIRCUMSTANCES**

If such extraordinary circumstances have occurred which mean that a valuation of the fund's assets cannot be made in a way that ensures the fund unit holders' equal rights, the manager may, after notification to Finansinspektionen, postpone the date for calculation and publication of the fund unit value (§ 8). and the calculation of the subscription price and the redemption price (§ 9) until trading has resumed.

## **PERMITTED INVESTORS**

The fund is aimed at the general public, and units in the fund may be subscribed for by Swedish and foreign investors. The fact that the fund is aimed at the public does not mean that it is aimed at such investors whose subscription of a share in the fund or participation in the fund in general is in conflict with provisions in Swedish or foreign law or regulations. Nor is the fund aimed at such investors whose subscription or holding of units in the fund means that the fund or the manager becomes obliged / obliged to take a registration measure or other measure that the fund or the manager would not otherwise be obliged / obliged to take. The manager has the right to refuse subscription to such investors as referred to above in this paragraph. Unitholders are also obliged to, if applicable, notify the manager of any changes in national domicile.

The manager may redeem unit holders' shares in the fund - against the unit holder's objection - if it turns out that unit holders have subscribed for a share in the fund in violation of provisions in Swedish or foreign law or regulations or that the manager becomes a shareholder in the fund obliged to take a registration measure or other measure for the fund or the manager that the fund or the manager would not be obliged to take if the unit holder would not hold units in the fund.

## **TERMINATION OF THE FUND OR TRANSFER OF FUND ACTIVITIES**

If the manager decides that the fund shall be terminated or that the fund's management, after consent by the financial authorities, shall be transferred to another fund company, all unit holders will be informed of this by mail. Information will also be available at the manager and the custodian.

The management of the fund shall be taken over immediately by the custodian if the financial authorities revokes the manager's permit or the manager has entered into liquidation or has been declared bankrupt.

## **AMENDMENT OF FUND PROVISIONS**

Changes to the fund rules may only take place by decision of the manager's board and must be submitted to the financial authorities for approval. After the change has been approved, the decision must be available at the manager and the custodian, as well as is announced in the manner instructed by the financial authorities.

## **PLEDGE AND TRANSFER OF FUND UNITS**

Pledge of fund units must be notified in writing to the manager or the manager appointee.

The registration must state:

- ❖ who is the unit holder and mortgagee,
- ❖ the shares covered by the pledge, and
- ❖ any restrictions on the scope of the pledge.

Unitholders must be notified in writing that the manager has made a note of the pledge in the register of unitholders. The pledge ceases when the mortgagee has notified the manager in writing that the pledge shall cease and the manager has deleted the entry on the pledge in the register of unit holders.

Transfer of a fund unit requires the manager to approve the transfer. Requests for the transfer of fund units must be notified in writing to the manager or the manager appointee. The notification of transfer of a fund unit must be signed by the unit holder and must state:

- ❖ who is the unit holder and to whom the units are to be transferred,

- ❖ the unit holder's social security number / organization number,
- ❖ address,
- ❖ telephone number,
- ❖ VP account or depository bank and depository number,
- ❖ bank account, and
- ❖ the purpose of the transfer.

## **TAX ISSUES IN SWEDEN**

Below is a general description of the tax rules that apply to the fund and its unit holders according to the current Swedish tax legislation.

Unless otherwise stated, the description refers only to in Sweden taxable individuals that do not have special tax exemptions,.

The description is not intended to be exhaustive and does not cover situations involving holdings in the fund that for example are linked to an investment savings account (ISK), unit-linked insurance, IPS, premiepension or are held as inventory assets in business.

Unitholders in the fund should be aware that the tax legislation in the unitholder's home nation and in the nation where the fund is registered affects the taxation of any dividend or capital gain on the sale of the fund units.

### **Taxation of the Fund**

Since 1 January 2012, Swedish mutual funds have not been liable to tax on income from assets included in funds. Instead, it is the person who owns units in the fund that is to be taxed at a flat rate in relation to the value of the shares. The provisions apply to both natural and legal persons.

The annual standard income amounts to 0.4 percent of the value of the shares at the beginning of the calendar year. The standard income is then included in the income category capital and taxed at 30 percent. For legal entities the standard income is taxed in the income category business activities, currently a tax rate of 20.6 per cent. Tax information is automatically provided for individuals and Swedish estates, while legal persons are responsible for calculating their standard income and pay the associated taxes. The correct tax calculation can be affected by individual circumstances and those who are uncertain of any tax consequences should seek expert help.

For the Swedish investment account types ISK and KF, other rules apply.

For unit holders with tax domicile in a country other than Sweden, the tax rules in the home country apply.

## **MEANS TO COVER LIABILITY**

To cover risks of liability for damages due to errors or negligence in the activity according to ch. § 1 LAIF, which the manager operates, the manager has set aside extra funds in the capital structure.

### **Limitation of liability**

#### *The manager*

The manager is not liable for damage due to Swedish or foreign legislation, Swedish or foreign government action, war event, strike, blockade, boycott, lockout or other similar circumstances. The proviso regarding strikes, blockades, boycotts and lockouts applies even if the manager is the subject of or takes such a conflict measure. Damage that has arisen in other cases shall not be compensated by the manager, if the manager has been normally careful. The manager is in no way liable for indirect damage, unless the indirect damage was caused by the manager's gross negligence. Nor is the manager liable for damage caused by unit holders or others violating law, ordinance, regulation or these fund regulations. In this case, unit-holders are advised that they are responsible for ensuring that documents submitted to the manager are correct and duly signed, and that the manager is notified of changes regarding the information provided.

The manager is not liable for damage caused by, Swedish or foreign, regulated market or other marketplace, custodian bank, central securities depository, clearing organization, or others that provide similar services, nor by clients hired by the manager with due care or assigned to the manager. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The manager is not liable for damage that arises for the fund, unit holders in the fund or others due to a restriction of disposition that may be applied to the manager regarding financial instruments.

If there is an obstacle for the manager to fully or partially implement a measure in accordance with an agreement due to a circumstance stated above, the measure may be postponed until the obstacle has ceased. If, as a result of such a circumstance, the

manager is prevented from making or receiving payment, the manager and the unit holder shall not be obliged / obliged to pay default interest. The corresponding exemption from the obligation to pay default interest applies even if the manager, pursuant to section 10, temporarily postpones the time for valuation, subscription or redemption of fund units.

That unit holders, notwithstanding what is stated above, in certain cases are still entitled to damages may follow from ch. 28-31 §§ LAIF.

#### *The Custodian*

In the event that the custodian or a custodian bank has lost financial instruments that are deposited with the custodian or a custodian bank, the custodian shall without undue delay return financial instruments of the same type or issue an amount corresponding to the value to the manager on behalf of the fund. However, the custodian is not liable in the event that the loss of the financial instruments is caused by an external event beyond the custodian's reasonable control, and the consequences of which were impossible to avoid despite all reasonable efforts, such as damage due to Swedish or foreign law, Swedish or foreign government action, war event, strike, blockade, boycott, lockout or other similar circumstance. The proviso regarding strikes, blockades, boycotts and lockouts applies even if the custodian is the subject of or takes such a conflict measure itself.

The custodian shall not be liable for any damage other than such damage as is referred to in the first paragraph, unless the custodian has intentionally or through negligence caused such other damage. The custodian is also not liable for such other damage if the circumstances specified in the first paragraph are present.

The depositary is not liable for damage caused by, Swedish or foreign, stock exchange or other marketplace, registrar, clearing organization or others that provide similar services, and, in the case of damage other than those specified in the first paragraph, nor for damage caused by a custodian bank or another contractor hired by the depositary with due skill, diligence and care and regularly supervised or instructed by the manager. The custodian is not liable for damage caused by the aforementioned organizations or contractors becoming insolvent. However, an assignment agreement regarding the storage of assets and control of ownership does not deprive the custodian of its responsibility for losses and other damage under LAIF.

The custodian is not liable for damage that occurs to the manager, unit holder, the fund or others as a result of a restriction on disposal that may be applied to the custodian regarding financial instruments. The custodian is in no way liable for indirect damage. If there is an obstacle for the depositary to fully or partially implement a measure due to a circumstance specified in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of deferred payment, the custodian shall not pay default interest. If interest is applicable, the custodian shall pay interest at the interest rate applicable on the due date.

If, as a result of a circumstance specified in the first paragraph, the custodian is prevented from receiving payment for the fund, the custodian is entitled to interest for the period during which the obstacle existed only in accordance with the conditions that applied on the due date.

That unit holders, notwithstanding what is stated above, in certain cases are still entitled to damages may follow from ch. 22 § LAIF.

## **SHAREHOLDER REGISTER**

The manager is responsible for the register of all unit holders and their holdings. The unit holder's holdings are reported in the annual report, which also includes tax information

Registration of a share is required for the right to a share in the fund and the resulting rights.

## **DELEGATION**

The manager has entered into an assignment agreement with AIF Management AB regarding the provision of fund management services, valuation services and financial services.

The manager has entered into an assignment agreement with Transcendent AB regarding the provision of compliance services.

The manager has entered into an assignment agreement with Moneo AB regarding the provision of internal audit services.

The manager has entered into an assignment agreement with AIFM Capital AB regarding the provision of risk function services.

The manager continuously examines how conflicts of interest should be avoided and, in the event that conflicts of interest are identified, how these should be handled. AIFM Capital AB and AIF Management AB are part of the same group. The risk function, which provided by AIFM Capital AB, will perform checks on certain steps performed by AIF Management AB in its capacity as contractor for the manager. This entails a potential conflict of interest. The manager has taken measures to ensure that the conflict of interest is handled in a requisite manner.

## **PRIME BROKER**

Skandinaviska Enskilda Banken AB (publ) ("SEB") is the *prime broker* for the fund and the manager has entered into agreements with SEB regarding the services that SEB shall provide in its capacity as primary broker and custodian. The fund's assets can be transferred to SEB and SEB can also dispose of some of the fund's assets in its function as custodian. The manager has not transferred any responsibility to SEB.

The manager continuously examines how conflicts of interest should be avoided and, in the event that conflicts of interest are identified, how these should be handled. At present, the board has not, in addition to what is already stated above, identified any potential conflicts of interest that may arise in relation to SEB in its capacity as prime broker.

## **CUSTODIAN**

**Custodian:** SEB

**Seat:** Stockholm

**Organization number:** 502032-9081

**Legal form of the custodian:** Swedish limited liability company

**The custodian's main activities:** Banking.

The custodian shall execute the manager's instructions regarding the fund if they do not conflict the provisions of LAIF or another legal statute or against the fund provisions, and ensure that:

- ❖ the sale, redemption and cancellation of units in the fund are carried out in accordance with LAIF and the fund provisions,
- ❖ the value of the units in the fund is calculated in accordance with LAIF and the fund provisions,
- ❖ compensation for transactions involving a fund's assets is paid into the fund without delay, and
- ❖ the fund's income is used in accordance with the provisions of LAIF and the fund provisions

In addition to the above, the custodian shall monitor the fund's cash flows as well as take custody of the financial instruments in the fund.

Further information about the custodian is provided at the request of unit holders.

## **COMPENSATION POLICY**

Determination of compensation is based on a market assessment. The manager pays no variable compensation.

Further information about the compensation system can be found on the manager's website. The information can be sent to unit holders free of charge on request.

## **EQUAL TREATMENT AND LEGAL CONSEQUENCES OF AN INVESTMENT IN THE FUND**

All fund units in the fund are the same size and entail an equal right to the property included in the fund.

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

## INFORMATION ABOUT THE MANAGER AND MANAGED FUNDS

**Manager:** Antiloop AB

**Address:** Birger Jarlsgatan 12, 11434 Stockholm

**Organization number:** 559242-0722

**The legal form of the manager:** Swedish limited liability company with a share capital of SEK 1,250,000

The manager was formed in 2019 and is seated and headquartered in Stockholm.

**Board members:** Peter Dahlberg (Chairman of the Board), Martin Sandquist (Board member), Anna Svan (board member) and Alfred von Platen (board member).

**CEO:** Anna Svan

**Other senior executives:** Karl-Mikael Syding (Deputy CEO), Martin Sandquist (Chief Investment Officer)

**The manager's auditor:** Daniel Algotsson, PwC

**Fund Audit Company:** PwC

### ABOUT THE INFORMATION BROCHURE

The information brochure has been prepared in accordance with LAIF and Finansinspektionen's regulations (FFFS 2013: 10) on Alternative Investment Fund Managers

This brochure and the fund regulations for the fund together constitute the so-called *information brochure*.

The manager must submit a half-yearly report for the first six months of the financial year within two months from the end of the half-year, and an annual report for the fund within four months from the end of the financial year. The statements shall be sent free of charge to unit holders who request it and be made available from the manager and the custodian.

### FUND PROVISIONS

The fund rules for the fund are set out in Appendix 3.

## Appendix 1

### Sustainability information

The fund's goal is to deliver a high risk-adjusted return to its customers. Investments in sustainable industries and companies are as natural as necessary path forward for the fund. Companies with a less sustainable profile are exposed to both political risk and higher capital costs than companies whose operations are adapted to society's accepted standards for ethics and environmental considerations.

#### 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

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

- Environmental aspects (eg companies' impact on the environment and climate)
- Social aspects (eg human rights, labor rights and equal treatment)
- Corporate governance aspects (eg shareholders' rights, issues of remuneration to senior executives and anti-corruption)

#### Method used: The fund selects

- Sustainability aspects are crucial for the manager's choice of company.

The fund has specific and stated criteria for selecting companies based on environmental, social and business ethics issues. Analysis of the companies' work with sustainability is crucial for the selection of companies in the fund.

- The fund's manager takes sustainability issues into account

Sustainability aspects are taken into account in company research and investment decisions, which influences but does not have to be decisive for which companies are selected into the fund.

#### Method used: The fund opts out

Products and services:

The fund does not invest in companies that are involved in the following products. The fund can only invest in companies where a maximum of five percent of the turnover may involve activities that are attributable to the specified product or service.

- Cluster bombs, land based mines meant for people
- Chemical and biological weapons
- Nuclear weapons

- Weapons and / or munitions
- Alcohol
- Tobacco
- Commercial gaming operations
- Pornography
- Coal
- Uranium
- Genetically Modified Organisms (GMOs)

The fund company's comment: A company that does not focus on sustainability will in the long run not have a place in a society and an environment in equilibrium, and therefore also not be able to constitute a long-term high-yield investment. The fund's objective is to deliver high risk-adjusted returns. It would be difficult with exposure to holdings with a long-term negative operation as well the political risk involved in running companies without regard to sustainability. The fund does not invest in any companies that violate national or international law. In addition, the fund avoids investing in companies that clearly violates international standards regarding ESG issues and ethics in general. Furthermore, the Fund invests in both long and short ("Shorting") positions, and therefore wants to retain the opportunity to take advantage of long-term falling market values in all industries.

#### International standards

The fund avoids investing in companies that are involved in violations of international norms and conventions (at a minimum the UN Global Compact and the OECD Guidelines for Multinational Enterprises) on the environment, human rights, working conditions and business ethics.

## Appendix 2

### Calculation of performance-based fee - Calculation example

#### Calculation of performance-based fee

The example below illustrates how the performance-based remuneration to Antilop Hedge AB is calculated. The performance-based fee is settled on the last Trading Day per quarter and amounts to 20 percent of the Fund's increase in value above the threshold interest rate.

In the fund's external reporting, the fund's return is always reported after a fixed and performance-based fee. The example below shows how the return threshold (the value that the fund must exceed in order for performance based compensation shall be paid) is continuously calculated with the threshold interest rate and thus how the return threshold affects the manager's performance-based remuneration.

The example assumes that a deduction has already been made for a fixed management fee and costs for the fund's current management, such as costs for the purchase and subscription of securities. The amounts have been rounded to the nearest Swedish krona.

#### EXAMPLE 1

In the example, a unit holder at the beginning of the period has fund units worth a total of SEK 10,000,000 in the Fund. The value of the investment, after fixed fees has been deducted, is SEK 10,250,000 at the last Trading Day in the quarter. The increase in value during the period was thus 2.5 percent (SEK 250,000 / SEK 10,000,000). The development for the threshold interest rate during the same period was 0 percent.

The unit holder's value before

performance-based fees	$10,000,000 * (1 + 2.5\%)$	SEK 10,250,000
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Threshold interest rate development	$10,000,000 * (1 + 0\%)$	SEK 10,000,000
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Basis for performance-based fee	$10\,250\,000 - 10\,000\,000$	SEK 250 000
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Performance-based fee	$20\% * \text{SEK } 250,000$	SEK 50,000
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The unit holder's value after  
deduction for

performance-based fee	10 250 000 - 50 000	SEK 10 200 000
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**EXAMPLE 2**

In the example, a unit holder at the beginning of the period has fund units worth a total of SEK 10,000,000 in the Fund. The value of the investment after deducting fixed fees is SEK 9,750,000 at the last trading day in the quarter. The value thus decreased by 2.5 percent during the period (SEK 250,000 / SEK 10,000,000). The threshold interest rate development during the same period was 0 percent. No performance-based fee is charged for the period.

The unit holder's value before

performance-based fees	$10,000,000 * (1 - 2.5\%)$	SEK 9,750,000 kr
Threshold interest rate development	$10,000,000 * (1 + 0\%)$	SEK 10,000,000
Basis for		
performance-based fee	$9,750,000 - 10,000,000$	SEK -250,000 kr
Performance-based fee	$20\% * \text{SEK } 0$	SEK 0

## **Appendix 3**

### **Fund provisions**

#### **FUND PROVISIONS - Antiloop Hedge**

##### **§ 1 Title and legal status of the Fund**

The name of the alternative investment fund is Antiloop Hedge ("the fund"). The fund is a special fund in accordance with the Act (2013: 561) on Alternative Investment Fund Managers ("LAIF").

The fund assets are jointly owned by the fund unit holders and each fund unit entails an equal right to the property included in the fund. The unit holders are not liable for obligations relating to the fund. The fund may not acquire rights or assume obligations. The fund can also not bring an action before a court or any authority. Property included in the fund may not be seized. The manager specified in § 2 represents the fund unit holders in all matters concerning the fund, decides on the property included in the fund and exercises the rights that come with the property.

The fund is aimed at the general public with the restrictions set out in §§ 9.1, 9.3 and 17 below.

The business is conducted in accordance with these fund regulations, the articles of association of the manager, LAIF and other applicable statutes.

##### **§ 2 AIFM**

The fund is managed by Antiloop Hedge AB, corporate identity number 559242-0722, (the "**manager**").

##### **§ 3 Custodians**

The custodian of the fund's assets is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081 (the "**custodian**").

The custodian's task is to monitor the fund's cash flows. The custodian shall in particular ensure that all payments from the unit holders have been received and that all cash in the fund has been booked in cash accounts opened in the name of the fund or in the name of the fund manager or custodian on behalf of the fund.

The custodian shall also receive and store the fund's assets. The custodian shall also execute the manager's instructions, if they do not contravene the provisions of law, the fund regulations, the articles of association or equivalent regulations, and ensure that:

- ❖ the sale, issue, repurchase, redemption and cancellation of units or shares in the fund are carried out in accordance with law, the fund rules, articles of association or equivalent regulations,
- ❖ the value of the fund units is calculated in accordance with law, the fund rules, the articles of association or equivalent regulations,
- ❖ Compensation for transactions involving the Fund's assets shall be paid into the Fund without delay, and
- ❖ the fund's income is used in accordance with law, the fund rules, articles of association or equivalent regulations.

#### **§ 4 The nature of the fund**

The fund is a *Special Fund* that invests in exchange-traded products with exposure to the equity, fixed income, currency and / or commodity markets which should contribute to the fund's objective of delivering a stable return stream with a low correlation to the S&P 500.

The fund's allocation to the various strategies is based on correlation characteristics, risk utilization and expected return potential. The goal is for each strategy to contribute approximately the same amount of risk to the fund as a whole.

The Fund utilizes both fundamental and technical analysis, as well as employs a combination of systematic and discretionary methods for position taking.

The Fund utilizes both fundamental and technical analysis, as well as employs a combination of systematic and discretionary methods for position taking.

The basic idea is to create as many uncorrelated positions as possible where each position has a relatively small impact on the total portfolio. Each strategy has a risk objective and a risk limit.

#### **§ 5 The fund's investment focus**

##### **§ 5.1 General**

For the management of the fund's assets, ch. the Act (2004: 46) on mutual funds ("LVF") is applied.

The fund's assets may be invested in the asset class transferable securities, fund units, money market instruments, derivative instruments, and in cash deposits with credit institutions.

The fund's assets must be invested taking into account LVF and these fund rules. The fund shall at all times apply the principle of risk diversification.

## **§ 5.2 The fund's exemptions from rules applicable to mutual funds**

### ***Transferable securities and money market instruments***

For investments in transferable securities, the fund deviates from the following investment restrictions in LVF:

- ❖ The fund may, with deviation from ch. § 6 second paragraph 1 and § 22 LVF, invest up to 50 percent of the fund's assets under management or the fund's total exposure, in a single fixed income transferable security or money market instrument issued by a state within the EU and EFTA and Australia, Japan, Canada, Great Britain, South Korea or the US. Over and above the mentioned exceptions in this paragraph, the fund may not have an exposure to an individual issuer or an individual commodity that entails a VaR risk in excess of 3 percent.
- ❖ The restrictions in ch. Section 6 and Chapter 5 § 13 first paragraph LVF are not applicable to trading in futures where the underlying asset consists of such financial instruments that have no issuer, such as interest rates or currencies.

### ***Investments with credit institutions***

For deposits at credit institutions, the fund deviates from the following investment limit in LVF:

- ❖ The fund may, with deviation from ch. § 11 and §§ 21-22 LVF, place up to 40 percent of the fund's assets in an account with one and the same Swedish credit institution or foreign credit institution domiciled in the EEA and with other foreign credit institutions covered by supervisory rules corresponding to those laid down in European Community legislation.

### ***Derivatives***

For investments in derivative instruments, the fund deviates from the following investment restrictions in LVF:

- ❖ The fund's total exposure to derivative instruments may, with deviation from ch. § 13 LVF, exceed 100 percent of the fund's assets. The risk level in the fund is limited by the investment restrictions in the fund regulations and limits calculated according to VaR.

- ❖ Regarding investments in derivative instruments where the underlying asset consists of or relates to currencies or interest rates, ch. § 13 first paragraph LVF shall not be applicable. However, with regard to the underlying assets of such derivative instruments, the Fund will apply the principle of risk diversification.
- ❖ For investments in derivative instruments where the underlying asset consists of commodities, the fund may have a net exposure to an individual commodity corresponding to a maximum of 30 percent of the fund's value.
- ❖ The fund may, with deviation from ch. 25 Section 15 Finansinspektionen's regulations (FFFS 2013: 9) on mutual funds ("FFFS 2013: 9"), use derivative instruments without having the delivery capacity of the underlying asset or equivalent assets. The fund's trading in derivative instruments can thus lead to the fund having a negative exposure to the underlying assets.

### ***Fund units***

In the case of investments in fund units, the fund deviates from the following investment limitation in LVF:

- ❖ The fund may, with a deviation from ch. § 15 second paragraph LVF, invest its assets in other funds, even if their regulations do not explicitly prevent them from investing a maximum of 10 percent in other funds. However, the fund may not to a significant extent (maximum 10 percent) invest its assets in other funds.

### ***Short selling***

The fund may sell financial instruments that it has at its disposal but does not own at the time of trading. The fund may also sell financial instruments that it does not hold at the time of the transaction. For this purpose, the fund has received an exemption from ch. § 23 first paragraph 3 LVF.

### ***Money loans***

The fund may raise cash loans in an amount corresponding to a maximum of 100 percent of the fund's value. The fund's assets may be provided as collateral for loans raised. The fund has thus received an exemption from Chapter 5, Section 23, first paragraph 1 LVF.

## **§ 5.4 Risk level and risk gauges**

The manager targets an average risk level, measured as an annual standard deviation over a rolling twelve-month period, of between 7-10 percent, which corresponds to a daily VaR of 1-1.5% with 99% confidence. The desired average risk level may be exceeded in the event of extraordinary events.

## **§ 5.5 VaR model**

The fund's total exposures are calculated using an absolute parametric VaR model. The VaR in the fund may amount to a maximum of 4.5% percent. The calculation uses a time horizon of one day and a probability of 99%. Thus the value of the fund's portfolio of assets only in 1 trading day out of 100 is expected to drop by 4.5 percent or more. Should the fund's VaR exceed 4.5 per cent, the manager must as soon as possible ensure that the fund's VaR is reduced to below 4.5 per cent. The fund has therefore, in addition to exceptions according to ch. § 13 LVF, received permission from Finansinspektionen according to ch. 25 § 4 FFFS 2013: 9 to use VaR to calculate the total exposures. The fund has also received an exemption from ch. 7 § FFFS 2013: 9.

## **§ 6 Markets**

The Fund's assets may be invested on a regulated market or trading platform within the EEA or in a corresponding market or trading platform outside the EEA. Trading may also take place in another market within or outside the EEA that is regulated and open to the public.

## **§ 7 Special investments**

### **§ 7.1 Derivatives**

The fund may use derivative instruments, including OTC derivatives, as part of its investment strategy to increase the return on the fund's assets. The fund may invest in derivative instruments with all underlying assets specified in Chapter 5. § 12 first paragraph 1 LVF. The fund may further, in accordance with ch. § 13 second paragraph LAIF, invest the fund's assets in derivative instruments where the underlying asset consists of or relates to commodities, provided that the derivative instruments are traded on a financial market and the fund never delivers or receives the underlying asset.

### **§ 7.2 Methods and instruments for creating leverage in the fund**

In order to create leverage in the fund, which is set out in more detail in section 5 above, the fund may use such methods and instruments as are referred to in ch. 21 § FFFS 2013: 9.

## **§ 8 Valuation**

### **§ 8.1 Valuation of the fund's assets**

The fund's assets are valued at current market value. The current market value can be determined by different methods, which are applied in the following order:

1. If financial instruments are traded on a market as specified in Chapter 5, Section 3 of the LVF, the latest price paid shall be used or, if such does not exist, the latest purchase price.
2. If the price according to 1 does not exist or is clearly misleading, the current market value shall be derived on the basis of information about a currently completed transaction in a corresponding instrument between independent parties.
3. If method 1 or 2 cannot be applied, or according to the Company becomes misleading, the current market value shall be determined by using a market principle applicable to the financial instrument in question, where applicable, unless misleading, through an established valuation model.

To determine the value of holdings of fund units, the respective fund's most recently reported unit value is used.

For such transferable securities and money market instruments as referred to in ch. Section 5 LVF determines a market value on objective grounds according to a special valuation. The special valuation is based on information on the latest transaction price or indicative purchase price from an independent so-called market-maker if one is designated. If this information is missing or not considered reliable, the market value is determined with the help of independent brokers or other external independent sources.

For OTC derivatives, there is normally no public information on the latest price paid as well as the latest bid and ask price. The market value of OTC derivatives is therefore normally determined based on a generally accepted valuation model, such as Black & Scholes, or valuation provided by independent third parties.

## **§ 8.2 Valuation of fund units**

The value of a fund unit is the value of the fund divided by the number of outstanding units. When calculating the fund unit value, rounding is done to two decimal places. The value of a fund unit shall be calculated on the last banking day of each month (the "Trading Day"). For this, the fund has received an exemption in accordance with ch. § 10 fifth paragraph LVF.

"Banking day" refers to a day in Sweden that is not a Sunday or public holiday or that is equated with a public holiday (such days are currently Saturday, Midsummer's Eve, Christmas Eve and New Year's Eve).

Pursuant to § 10, the manager has the option to temporarily postpone the time for calculation and publication of the fund unit value.

## **§ 9 Subscription and redemption of fund units**

### **§ 9.1 Subscription and redemption**

Subscription (unit holder's subscription) and redemption (unit holder's redemption) can take place every Trading Day (for definition of "Trading Day" see § 8.2 above) and with such an amount as the manager has stated. If a maximum amount is stated, the manager will inform about this and, in the event of oversubscription, allocate fund units pro rata in accordance with what is stated in § 9.5 below.

The unit-holder shall, no later than the banking day specified by the manager at any given time in the information brochure, notify the manager, or institution appointed by the manager, that subscription or redemption shall take place and by what amount. Notification of subscription or redemption must be made on a special form provided by the manager or such entity appointed by the manager or in another way specified by the manager at any given time.

The unit holder is responsible for ensuring that the notification is duly signed, physically or electronically, that other documents required by the manager at any time have been sent to the manager, and, when subscribing for units, payment of the fund units to the fund's bank account or bank giro account. The minimum amount for a fund subscription is, as a general rule, SEK 10,000,000.

Notification of subscription or redemption cannot be limited or revoked unless the manager or its appointee allows it.

Fund units must be redeemed if funds are available in the fund. If this is not the case, funds must be raised through the sale of the fund's financial instruments and redemption must be effected as soon as possible. If redemption funds must be acquired through the sale of the fund's financial instruments, such sales must take place and redemption must be effected as soon as possible.

Should a sale significantly disadvantage other unit holders, the manager may, after notification to Finansinspektionen, delay the sale of financial instruments in accordance with what is further stated in § 10. According to § 10, the manager also has the opportunity to temporarily postpone the Trading Day upon redemption.

## **§ 9.2 Subscription and redemption price**

The subscription and redemption price is the fund unit value for the fund calculated in accordance with § 8 on the Trading Day. The subscription and redemption price is not known when the request for subscription or redemption is submitted to the manager. The number of fund units that the subscribed amount has resulted in and the respective funds that the redemption of fund units has resulted in is announced to the unit holder when the value of the units has been determined.

According to § 10, the manager has the option to temporarily postpone the calculation of the subscription and redemption price.

## **§ 9.3 Closure of the fund for new subscriptions**

The manager may close the fund for new subscriptions if the fund's assets in the manager's opinion exceeds an optimal level. The optimum level applicable at any given time is stated in the information brochure. The manager may only close the fund if it has been announced on the website specified in the information brochure at any time no later than one month before the subscription date that the manager intends to close the fund. The manager may alternatively state at the latest on such a date that the net subscription (subscription minus redemption) may take place in total with a certain maximum amount.

After the fund has been closed for new subscriptions in accordance with the first paragraph, the manager may decide to reopen the fund for new subscriptions. Such a decision shall be published on the website specified in the information brochure at any given time.

In the event of an oversubscription, new subscriptions will be made pro rata with priority for existing unit holders. In the event of an oversubscription of existing unit holders, new subscriptions are made pro rata based on previously subscribed amounts. Upon full subscription of existing unit holders, allocation is then made to new unit holders pro rata based on subscribed amounts.

## **§ 9.4 Other**

The fund unit value is published monthly on the manager's website but can also be published via other media.

## **§ 10 Extraordinary circumstances**

If such extraordinary circumstances have occurred which mean that a valuation of the fund's assets cannot be made in a way that ensures the fund unit holders' equal rights,

the manager may, after notification to Finansinspektionen, postpone the date for calculation and publication of the fund unit value (§ 8). and the calculation of the subscription price and the redemption price (§ 9) until trading has resumed.

## **§ 11 Fees and remuneration**

### **§ 11.1 Management fee**

The management fee amounts to 1 percent annually of the fund's value. The fee is paid monthly in arrears at 1/12 percent per month and is calculated based on the fund's value on the Trading Day (before subscription and redemption are executed). The fee covers the manager's management of the fund as well as costs for custody, supervision and auditors

### **§ 11.2 Performance-based fee**

In addition to the management fee, a performance-based fee is paid from the fund to the manager.

The remuneration is based on an individual fee model, which means that the performance-based fee is paid by the fund, and is charged to each unit holder in relation to the unit holder's return. To ensure that individual unit holders are only charged a performance-based fee that is in proportion to the return received by the individual unit holder, the manager calculates return series at each subscription opportunity. Each series represents the specific starting value and current return that is calculated equally for all shares issued at one and the same time. This enables both an individual calculation of the accrued performance-based fee that an individual unit holder has to pay at any given time or, in the event that the fund has underperformed, the distance to the High-water mark that each unit holder has.

The fee model means that in addition to the management fee, a performance-based fee is paid to the manager of 20 per cent of the part of the total return for each individual unit holder that exceeds a return threshold. The return threshold consists of the value at which the performance-based fee was last charged to the fund unit holder, so-called High-water mark, adjusted with the return on the so-called threshold interest rate (see below) during the same period. If the fund unit holder is not charged any performance-based fee, the fund unit owner's initial value is used as High-water mark.

STIBOR 30 days is used as the threshold interest rate. In case the threshold interest rate is negative, the threshold rate is set at 0.

If a unit-holder redeems his fund units and at the same time has an accumulated negative return to his credit according to the compensation model applied, the unit-holder cannot utilize the accumulated negative return after redemption.

The number of fund units is rounded to six decimal places. The size of the fee is rounded to the nearest whole SEK. The threshold interest rate is rounded to two decimal places.

### **§ 11.3 Other fees**

Transaction costs, such as brokerage commission, costs for short-term credits taken up by the fund, taxes, delivery and other costs in connection with the fund's assets and purchases and sales thereof, shall be charged to the fund.

### **§ 12 Dividend from the fund**

The fund does not pay dividends.

### **§ 13 The fund's financial year**

The fund's financial year is a calendar year.

### **§ 14 Interim reports and annual report amendment of the fund regulations**

The manager shall prepare an annual report and an interim report. These shall, as soon as possible, be kept available at the manager's website as specified in the information brochure and custodian at any given time, but no later than four months after the end of the financial year (annual report) and two months after the end of the year (half-yearly report). The annual report and the half-year report are also distributed free of charge via e-mail or by post on request.

After Finansinspektionen has approved an amendment to the fund regulations, the amended regulations shall be kept available at the manager and the custodian and announced in the manner instructed by Finansinspektionen.

### **§ 15 Pledge and transfer of fund units**

Pledge of fund units must be notified in writing to the manager or the manager appointee.

The registration must state:

- ❖ who is the unit holder and mortgagee,
- ❖ the shares covered by the pledge, and

- ❖ any restrictions on the scope of the pledge.

Unitholders must be notified in writing that the manager has made a note of the pledge in the register of unitholders. The pledge ceases when the mortgagee has notified the manager in writing that the pledge shall cease and the manager has deleted the entry on the pledge in the register of unit holders.

Transfer of a fund unit requires the manager to approve the transfer. Requests for the transfer of fund units must be notified in writing to the manager or the manager appointee. The notification of transfer of a fund unit must be signed by the unit holder and must state:

- ❖ who is the unit holder and to whom the units are to be transferred,
- ❖ the unit holder's social security number / organization number,
- ❖ address,
- ❖ telephone number,
- ❖ VP account or depository bank and depository number,
- ❖ bank account, and
- ❖ the purpose of the transfer.

## **§ 16 Limitation of liability**

### *The manager*

The manager is not liable for damage due to Swedish or foreign legislation, Swedish or foreign government action, war event, strike, blockade, boycott, lockout or other similar circumstances. The proviso regarding strikes, blockades, boycotts and lockouts applies even if the manager is the subject of or takes such a conflict measure. Damage that has arisen in other cases shall not be compensated by the manager, if the manager has been normally careful. The manager is in no way liable for indirect damage, unless the indirect damage was caused by the manager's gross negligence. Nor is the manager liable for damage caused by unit holders or others violating law, ordinance, regulation or these fund regulations. In this case, unit-holders are advised that they are responsible for ensuring that documents submitted to the manager are correct and duly signed, and that the manager is notified of changes regarding the information provided.

The manager is not liable for damage caused by, Swedish or foreign, regulated market or other marketplace, custodian bank, central securities depository, clearing organization, or others that provide similar services, nor by clients hired by the manager with due care or assigned to the manager. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The manager is not

liable for damage that arises for the fund, unit holders in the fund or others due to a restriction of disposition that may be applied to the manager regarding financial instruments.

If there is an obstacle for the manager to fully or partially implement a measure in accordance with an agreement due to a circumstance stated above, the measure may be postponed until the obstacle has ceased. If, as a result of such a circumstance, the manager is prevented from making or receiving payment, the manager and the unit holder shall not be obliged / obliged to pay default interest. The corresponding exemption from the obligation to pay default interest applies even if the manager, pursuant to section 10, temporarily postpones the time for valuation, subscription or redemption of fund units.

That unit holders, notwithstanding what is stated above, in certain cases are still entitled to damages may follow from ch. 28-31 §§ LAIF.

#### *The Custodian*

In the event that the custodian or a custodian bank has lost financial instruments that are deposited with the custodian or a custodian bank, the custodian shall without undue delay return financial instruments of the same type or issue an amount corresponding to the value to the manager on behalf of the fund. However, the custodian is not liable in the event that the loss of the financial instruments is caused by an external event beyond the custodian's reasonable control, and the consequences of which were impossible to avoid despite all reasonable efforts, such as damage due to Swedish or foreign law, Swedish or foreign government action, war event, strike, blockade, boycott, lockout or other similar circumstance. The proviso regarding strikes, blockades, boycotts and lockouts applies even if the custodian is the subject of or takes such a conflict measure itself.

The custodian shall not be liable for any damage other than such damage as is referred to in the first paragraph, unless the custodian has intentionally or through negligence caused such other damage. The custodian is also not liable for such other damage if the circumstances specified in the first paragraph are present.

The depositary is not liable for damage caused by, Swedish or foreign, stock exchange or other marketplace, registrar, clearing organization or others that provide similar services, and, in the case of damage other than those specified in the first paragraph, nor for damage caused by a custodian bank or another contractor hired by the

depository with due skill, diligence and care and regularly supervised or instructed by the manager. The custodian is not liable for damage caused by the aforementioned organizations or contractors becoming insolvent. However, an assignment agreement regarding the storage of assets and control of ownership does not deprive the custodian of its responsibility for losses and other damage under LAIF.

The custodian is not liable for damage that occurs to the manager, unit holder, the fund or others as a result of a restriction on disposal that may be applied to the custodian regarding financial instruments. The custodian is in no way liable for indirect damage.

If there is an obstacle for the depository to fully or partially implement a measure due to a circumstance specified in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of deferred payment, the custodian shall not pay default interest. If interest is applicable, the custodian shall pay interest at the interest rate applicable on the due date.

If, as a result of a circumstance specified in the first paragraph, the custodian is prevented from receiving payment for the fund, the custodian is entitled to interest for the period during which the obstacle existed only in accordance with the conditions that applied on the due date.

That unit holders, notwithstanding what is stated above, in certain cases are still entitled to damages may follow from ch. 22 § LAIF.

### **§ 17 Permitted investors**

The fund is aimed at the general public, and units in the fund may be subscribed for by Swedish and foreign investors. The fact that the fund is aimed at the public does not mean that it is aimed at such investors whose subscription of a share in the fund or participation in the fund in general is in conflict with provisions in Swedish or foreign law or regulations. Nor is the fund aimed at such investors whose subscription or holding of units in the fund means that the fund or the manager becomes obliged / obliged to take a registration measure or other measure that the fund or the manager would not otherwise be obliged / obliged to take. The manager has the right to refuse subscription to such investors as referred to above in this paragraph. Unitholders are also obliged to, if applicable, notify the manager of any changes in national domicile.

The manager may redeem unit holders' shares in the fund - against the unit holder's objection - if it turns out that unit holders have subscribed for a share in the fund in violation of provisions in Swedish or foreign law or regulations or that the manager becomes a shareholder in the fund obliged to take a registration measure or other

measure for the fund or the manager that the fund or the manager would not be obliged to take if the unit holder would not hold units in the fund.

*The fund rules were adopted by the manager's board on 10 November 2021*