

**VISA 2021/165892-6925-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2021-09-03

Commission de Surveillance du Secteur Financier

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## **PROSPECTUS**

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## **NORRON SICAV**

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NORRON SICAV (the "Fund") is an investment company which offers investors a choice between several classes of shares (each a "Class") in a number of sub-funds (each a "Sub-Fund"). The Fund is organised as an investment company registered under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "Law").

September 2021

## IMPORTANT INFORMATION

The Directors of the Fund, whose names appear hereafter, accept responsibility for the information contained in this prospectus (the "Prospectus"). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Shares of the Fund are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The Shares are not listed on the Luxembourg Stock Exchange or any other stock exchange. The Directors of the Fund may decide to make an application to list the Shares on any recognised stock exchange at any time.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund.

The Fund is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Fund is registered under Part I of (the Law. The above registrations do not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

**United States:** The Shares have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940 (the "Investment Company Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined in Regulation S under the Securities Act) except to certain qualified US institutions in reliance on certain exemptions from the registration requirements of the Securities Act and the Investment Company Act and with the consent of the Fund. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The Fund's Articles restrict the sale and transfer of Shares to US Persons and the Fund may repurchase Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to ensure compliance with the Securities Act and the Investment Company Act (see under "SUBSCRIPTIONS" below).

**Investor rights:** The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise their investor rights directly against the Fund, notably the right to participate in general Shareholders' meetings if the investor is registered itself and in their own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an

intermediary, investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

### **Data Protection**

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Fund and the Management Company (the "Controllers") will be processed by the Controllers in accordance with the "Joint Data Controller Clause" which is available and can be accessed or obtained online (<https://www.fundrock.com/joint-data-controller-clause/>). All persons contacting, or otherwise dealing directly or indirectly with any of the Controllers are invited to read and carefully consider the Joint Data Controller Clause, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any personal data directly or indirectly to the Controllers.

**Generally:** The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

This Prospectus has been drafted in English. It may be translated into any other language the Directors may deem useful and such translations must only contain the information contained in this English version. In case of divergences between the English and the translated version, the English version shall prevail.

## **DIRECTORY**

### **NORRON SICAV R.C.S. Luxembourg B 158534**

#### **Registered Office**

33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

#### **Board of Directors**

Alexander Zetterquist (Chairman)  
Chief Executive Officer, Norron AB  
Sweden

Olivier Scholtes  
Head, Oversight Investment Management  
FundRock Management Company S.A.  
Grand Duchy of Luxembourg

Jesper Laudon Meyer  
Head of Compliance, Norron AB  
Sweden

#### **Management Company**

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

#### **Board of Directors of the Management Company**

##### *Chairman*

Mr Michel Marcel Vareika  
Independent Non-Executive Director  
Grand Duchy of Luxembourg

##### *Directors*

Mr Romain Denis  
Executive Director – Managing Director  
FundRock Management Company S.A.  
Grand Duchy of Luxembourg

Mrs Tracey McDermott  
Independent Non-Executive Director  
Grand Duchy of Luxembourg

Mr Xavier Parain

Executive Director – Chief Executive Director  
FundRock Management Company S.A.  
Luxembourg

Mr Thibault Gregoire  
Executive Director – Chief Financial Officer  
FundRock Management Company S.A.  
Grand Duchy of Luxembourg

**Conducting Officers of the Management Company**

Mr Romain Denis  
Executive Director – Managing Director  
FundRock Management Company S.A.  
Grand Duchy of Luxembourg

Mr Matteo Sbrolla  
Director - Investment Management and Distribution Oversight

Mr. Emmanuel Nantas  
Director Compliance

Mr. Franck Caramelle  
Director Alternative Investments

Mr. Alexis Fernandez  
Head of Projects & Services – Information System Department

**Depository and Paying Agent in Luxembourg**

Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch  
4, rue Peternelchen  
L-2370 Howald  
Grand Duchy of Luxembourg

**Central Administration Agent**

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

**Administration Agent, Registrar and Transfer Agent**

European Fund Administration S.A.  
2, rue d'Alsace  
P.O. Box 1725  
L-1017 Luxembourg  
Grand Duchy of Luxembourg

**Investment Manager**

Norron AB  
Oxtorgsgatan 4  
SE-111 57 Stockholm  
Sweden

**Global Distributor**

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

**Paying Agent in Sweden**

Skandinaviska Enskilda Banken AB (publ)  
Rissneleden 110  
SE-106 40 Stockholm  
Sweden

**Auditor**

Deloitte Audit, société à responsabilité limitée  
20 Boulevard de Kockelscheuer,  
L-1821 Luxembourg  
Grand Duchy of Luxembourg

## CONTENTS

	Page
INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS .....	12
GENERAL RISK PROFILE.....	19
RISK MANAGEMENT PROCEDURES.....	22
TECHNIQUES AND INSTRUMENTS.....	23
BOARD OF DIRECTORS .....	31
MANAGEMENT COMPANY.....	31
INVESTMENT MANAGER.....	32
DEPOSITARY .....	33
ADMINISTRATION AGENT .....	35
AUDITOR.....	35
POOLING .....	35
SUBSCRIPTIONS .....	36
REDEMPTIONS.....	40
CONVERSIONS.....	41
SWING PRICING .....	42
MARKET TIMING AND FREQUENT TRADING POLICY .....	43
NET ASSET VALUE.....	43
FEES AND EXPENSES .....	45
REPORTS AND FINANCIAL STATEMENTS.....	46
DIVIDEND POLICY .....	46
HISTORICAL PERFORMANCE .....	46
TAXATION .....	46
GENERAL AND STATUTORY INFORMATION .....	50
ANNEX 1: NORRON SICAV – Sustainable Preserve .....	57
ANNEX 2: NORRON SICAV – Target .....	65
ANNEX 3: NORRON SICAV – Select.....	72
ANNEX 4: NORRON SICAV – Active.....	81
ANNEX 5: NORRON SICAV – Sustainable Premium .....	87
ANNEX 6 NORRON SICAV – Sustainable Equity.....	94

## DEFINITIONS

"Administration Agent"	European Fund Administration S.A. ("EFA"), acting as administration agent of the Fund;
"Annex"	An annex to this Prospectus containing information with respect to a particular Sub-Fund;
"Articles"	The articles of incorporation of the Fund as amended from time to time;
"Business Day"	Any day as defined per Sub-Fund in the relevant Annex;
"Cash Equivalents"	Means short term, high liquidity and high credit quality products such as AAA government T-bills and commercial papers.
"Central Administration Agent"	FundRock Management Company S.A.
"Classes"	Pursuant to the Articles, the Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different currency hedging techniques and/or subscription, conversion or redemption fees and management charges and/or distribution policies, minimum subscription or holding amount or any other specific feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Annex;
"CSSF"	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg authority for the supervision of the financial sector;
"Depository"	Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch, acting as depository of the Fund;
"Directors"	The members of the board of directors of the Fund as appointed from time to time;
"EU"	European Union;
"Eligible Market"	A Regulated Market in an Eligible State;
"Eligible State"	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania;
"FATCA"	The US Foreign Account Tax Compliance Act;



"FATF State"	Any state having joined the Financial Action Task Force of the OECD;
"Fund"	NORRON SICAV;
"Ineligible Applicant"	An ineligible applicant as described under "Subscriptions";
"Investment Manager"	Norron AB;
"KIID"	the Key Investor Information Document according to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 and Commission Regulation (EU) No 583/2010 of 1 July 2010;
"Management Company"	FundRock Management Company S.A.;
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex;
"Minimum Subscription Amount"	The minimum value of the first subscription of a Shareholder in a Sub-Fund as defined per Sub-Fund in the relevant Annex;
"Money Market Instruments"	means instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time;
"Net Asset Value"	The net asset value of the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles;
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class;
"OECD"	Organisation for Economic Co-operation and Development;
"Placement and Sub-Distribution Agent"	Shall mean any placement and sub-distribution agent to whom the Management Company as global distributor may delegate the distribution of the Shares of certain Sub-Funds;
"Prohibited Person"	An prohibited person as described under "Subscriptions";
"Redemption Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Registrar and Transfer Agent"	EFA, acting as registrar and transfer agent;
"Regulated Market"	A market within the meaning of Article 4(1)14 of directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public;

"RESA"	Means the Recueil Electronique des Sociétés et Associations, the official electronic platform of central publication regarding companies and associations;
"Share"	A share of no par value of any Class in the Fund;
"Shareholder"	A person recorded as a holder of Shares in the Fund's register of shareholders;
"Specified US Person"	Shall have the meaning given to it in §1.1473-1(c) of the Treasury Regulations regarding FATCA;
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund;
"Subscription Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day;
"Transferable Securities"	<p>Shall mean:</p> <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares,</li> <li>- bonds and other debt instruments,</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,</li> </ul> <p>excluding techniques and instruments relating to transferable securities and money market instruments;</p>
"Treasury Regulations"	The US Treasury Regulations issued on 17 January 2013.
"UCITS"	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to Council Directive 2009/65/EC, as amended;
"UCI"	An Undertaking for Collective Investment within the meaning of the first and second indents of Article 1(2) of Council Directive 2009/65/EC, as amended;
"United States"	The United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;

"US Person" A resident of the United States, a corporation, partnership or other entity created in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the Securities Act;

"Valuation Day" Any day as defined per Sub-Fund in the relevant Annex;

All references to a Class shall, where no Classes have been created within a Sub-Fund, be deemed to be references to the Sub-Fund.

In this Prospectus all references to "US Dollars", "USD" and "US\$" are to the United States Dollar, all references to "SEK" are to the Swedish Krona, all references to "Euro", "EUR" and "€" are to the Single European Currency and all references to "NOK" are to the Norwegian Kroner.

## **INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**

### **Investment Objectives and Policies**

The main objective of each Sub-Fund will be to invest in Transferable Securities and other eligible assets with the purpose of spreading investment risks and achieving long-term capital growth. Under normal circumstances, each Sub-Fund will be fully invested in accordance with the investment policy set out in the relevant Annex. Part of a Sub-Fund's net assets can be held temporarily in liquid assets, including Money-Market Instruments having a residual maturity not exceeding twelve months and cash or Cash Equivalents. In accordance with the below investment restrictions, the Fund in respect of a Sub-Fund may use derivatives. Their use need not be limited to hedging the Sub-Fund's assets, they may also be part of the investment strategy. The extent of usage of derivatives is laid down in the relevant Annex.

Trading in derivatives is conducted within the confines of the investment restrictions and provides for the efficient management of the Sub-Fund's assets, while also regulating maturities and risks.

Where the financial derivative instrument is cash-settled automatically or at the Fund's discretion, the Sub-Fund will be allowed not to hold the specific underlying instrument as cover. As acceptable cover are considered:

- a) cash
- b) liquid debt instruments with appropriate safeguards
- c) other highly liquid assets

which are recognised by the competent authorities considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards.

The Fund may take any measures and carry out any operation, which it deems useful to the accomplishment and to the development of its object in the broadest sense within the context of the Law. It cannot however guarantee that it will achieve its objectives given financial market fluctuations and the other risks to which investments are exposed.

### **Investment Restrictions**

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions:

- I. (1) The Fund, for each Sub-Fund, may invest in:
  - a) Transferable Securities and Money Market instruments admitted to or dealt in on an Eligible Market;
  - b) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other UCI, whether situated in an EU Member State or not, provided that:

- such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Council Directive 2009/65/EC, as amended),
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- d) shares of other Sub-Funds of the Fund provided that:
- the target Sub-Fund does not, in turn, invest in the Sub-Fund; and
  - no more than 10% of the assets of the target Sub-Fund s whose acquisition is contemplated, according to its investment policy may be invested in units of other target sub-funds of the same UCIs; and
  - voting rights, if any, attaching to the relevant Shares are suspended for as long as they are held by the Sub-Fund concerned; and
  - in any event, for as long as these securities are held by the UCI, their value will not be taken into consideration for the calculation of the net assets of the UCI for the purposes of verifying the minimum threshold of the net assets imposed by this Law; and
  - there is no duplication of management/subscription or repurchase fees between those at level of the Sub-Fund of the Fund having invested in the target Sub-Fund, and this target Sub-Fund.
- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is situated in a non-Member State of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and/or
- g) Money Market Instruments other than those dealt in on an Eligible Market and referred to under "Definitions", if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Eligible Markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

II. The Fund may hold ancillary liquid assets.

- III.
- a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities or Money Market Instruments issued by the same issuing body.
  - (ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.
  - b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in Transferable Securities and Money Market Instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of its net assets.

- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- e) The Transferable Securities and Money Market Instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in Transferable Securities or Money Market Instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by another member State of the OECD, or by Singapore, or by Brazil, or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

- IV.
- a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
  - b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.



- V.
- a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
  - b) The Fund may acquire no more than:
    - 10% of the non-voting shares of the same issuer;
    - 10% of the debt securities of the same issuer;
    - 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

- c) The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

The provisions of this paragraph V. are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

- VI.
- a) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) c), provided that no more than 20% or any lower percentage (as may be disclosed in the relevant Annex) of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI. Each compartment of a UCITS or UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

- b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by another company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or

such other company may not charge subscription or redemption fees on account of the Fund's investments in the units of such UCITS or other UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the management company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;

- b) The Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

- c) The Fund may not carry out uncovered sales ("short sales") of transferable securities, money market instruments or other financial instruments.
- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business.
- e) The Fund may not acquire either precious metals or certificates representing them.

- IX. a) The Fund needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

### **GENERAL RISK PROFILE**

Before making an investment decision with respect to Shares of any Class in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the Annex relating to the relevant Sub-Fund, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the heading "General Risk Profile" and "Specific Risk Considerations" in the relevant Annex. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-Fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-Fund. The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class of Shares or any amount at all.

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus and the relevant Annex are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

An investment in the Shares of any Sub-Fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Shares, any prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.

The Fund is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-Funds). Shares may however be redeemed on each

Valuation Day, unless otherwise stipulated in the relevant Annex. Substantial redemptions of Shares by Shareholders within a limited period of time could cause the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Company to generate trading profits or recover losses.

### **Epidemics, Pandemics, and Outbreaks of Disease**

The Fund and its service providers' activities could be materially adversely affected by outbreaks of disease, epidemics and public health issues globally. A novel coronavirus was first detected in late December 2019 and is causing an outbreak of respiratory disease in countries around the world. On February 11, 2020 the World Health Organisation (the "WHO") named the disease "COVID-19" and on March 11, 2020 the WHO declared a pandemic. Countries that have already suffered outbreaks of the disease are likely to suffer a continued increase in recorded cases of the disease. Furthermore, the disease is likely to spread to additional countries around the world. Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of the virus) cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A continued escalation in the COVID-19 outbreak could see a continual decline in global economic growth (worst-case predictions estimate that global economic growth could be halved and according to the OECD, plunge several countries into recession.). Many businesses around the world have curtailed their travel and meeting plans. This is likely to slow business activity, including in particular international business activity. The spread of COVID-19 may have an adverse impact on the Fund and its Sub-Funds. Covid-19 may negatively impact the business activities of the Investment Manager and other service providers to the Fund, resulting, for example, in employees being either absent from work or to work remotely for prolonged periods of time. The ability of the employees of the Investment Manager and/or other service providers of the Fund to work effectively on a remote basis may adversely impact the day-to-day operations of the Fund

### **Cyber Security Breaches and Identity Theft**

The Management Company's and the Investment Manager's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltrations by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fire, tornadoes, floods, hurricanes and earthquakes. Although the Management Company and the Investment Manager have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Management Company, the Investment Manager and/or the Fund may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Management Company, the Investment Manager and/or the Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owner). Such a failure could harm the Management Company, the Investment Manager and/or the Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

### **General SFDR disclosures and Sustainability Risks**

In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the “EU Action Plan”) that set out an EU strategy for sustainable finance. The EU Action Plan identified several legislative initiatives, including Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”). SFDR requires transparency with regard to the integration of evaluations of environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investments made by a financial product (“**Sustainability Risks**”) and consideration of adverse sustainability impacts of the actions financial products and financial market participants.

At the date of this Prospectus, it is difficult to predict the full extent of the impact of SFDR and the EU Action Plan on the Fund and its Sub-Funds. The Directors reserves the right to adopt such arrangement as it deems necessary or desirable to ensure that the Fund and its Sub-Funds complies with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan. In particular, the Management Company and the Fund await the further consultation and/or guidance on the level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS. Once published, this Prospectus and/or the websites of the Management Company and Investment Manager may be updated to include further disclosures as required.

More information on the incorporation of Sustainability Risks and opportunities into day-to-day business operations are to be found on <https://www.norron.com/en/organisation/hallbarhet/>.

## **Sustainability Risks**

### *How Sustainability Risks are integrated into the investment decisions of the Portfolio Manager*

Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities for maximizing the long-term risk-adjusted returns. The Investment Manager considers sustainability risks as part of its broader analysis of potential investments and the factors considered will vary depending on the security in question, but typically include ownership structure, board structure and membership, capital allocation track record, management incentives, labour relations history, and climate risks.

### *The assessment and likely impacts of Sustainability Risks on the returns of the Fund*

Due to the nature of the Fund’s investment strategy and types of securities it holds, the Fund is exposed to varied Sustainability Risks which include, but are not limited to:

- corporate governance malpractices (e.g. board structure, executive remuneration);
- shareholder rights (e.g. election of the likely directors, capital amendments);
- changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes);
- physical threats (e.g. extreme weather, climate change, water shortages);
- brand and reputational issues (e.g. poor health & safety records, cyber security breaches);
- supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations); and

- work practices (e.g. observation of health, safety and human rights provisions).

Assets held by the Fund may be subject to partial or total loss of value because of the occurrence of a Sustainability Risk due to fines, reduction of demand in the asset's products or services, physical damage to the asset or its capital, supply chain disruption, increased operating costs, inability to obtain additional capital, or reputational damage.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country which may impact the portfolio of the Fund in its entirety.

Specific information on the risks of investing (including Sustainability Risks, where applicable) can be found in the relevant Sub-Fund supplement.

## **RISK MANAGEMENT PROCEDURES**

### **Risk Management Process**

In accordance with the Law and other applicable regulations, in particular CSSF Circular 11/512 regarding (i) the presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, (ii) further clarifications from the CSSF on risk management rules and (iii) definition of the content and format of the risk management process to be communicated to the CSSF, the Management Company on behalf of the Fund uses a risk management process which enables it to assess the exposure of each Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.

In relation to financial derivative instruments the Management Company employs a process for accurate and independent assessment of the value of OTC derivatives and the Management Company ensures for each of the Sub-Funds that its global exposure relating to financial derivative instruments does not exceed the limits as set out in the Investment Restrictions section.

The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in the Investment Restrictions section, in financial derivative instruments, provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in the Investment Restrictions section.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to any such limits set out in the Investment Restrictions section.

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with these requirements set out in the Investment Restrictions section.

Unless otherwise provided for any Sub-Fund Annex, the commitment approach is used to monitor and measure the global exposure of each Sub-Fund.

This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting or hedging.

## **Liquidity Risk Management**

The Management Company has established, implemented and consistently applies a liquidity risk management process and has put in place prudent and rigorous liquidity management procedures which enable it to monitor the liquidity risks of the Sub-Funds and to ensure compliance with the internal liquidity thresholds so that a Sub-Fund can normally meet its obligation to redeem its Shares at the request of Shareholders at all times.

Qualitative and quantitative measures are used to monitor portfolios and securities to seek to ensure investment portfolios are appropriately liquid and that Sub-Funds are able to honour Shareholders' redemption requests. In addition, Shareholders' concentrations are regularly reviewed to assess their potential impact on the liquidity of the Sub-Funds.

Sub-Funds are reviewed individually with respect to liquidity risks.

The Management Company's liquidity management procedure takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and Shareholder base. The following liquidity management tools may be used to manage liquidity risk:

- i. a suspension of the redemption of Shares in certain circumstances as described in sub-section 3 of the section "General and Statutory Information".
- ii. the deferral of redemptions in accordance with section "Redemptions".
- iii. in certain circumstances the acceptance that redemption requests are settled in kind in accordance with the section "Redemptions".

Shareholders that wish to assess the underlying assets' liquidity risk for themselves should note that the Sub-Funds' complete portfolio holdings are indicated in the latest annual report, or the latest semi-annual report where this information is more recent.

## **TECHNIQUES AND INSTRUMENTS**

Subject to the following conditions, the Fund is authorised for each Sub-Fund to resort to techniques and instruments bearing on Transferable Securities, Money Market Instruments, currencies and other eligible assets, on the condition that any recourse to such techniques and instruments be carried out for the purpose of hedging and/or efficient management of the portfolio, altogether within the meaning of the Grand-ducal regulation of 8 February 2008.

### **A. Techniques and Instruments relating to Transferable Securities, Money Market Instruments and other eligible assets**

#### **(1) General**

To optimise portfolio management and/or to protect its assets and liabilities, the Fund may use techniques and instruments involving Transferable Securities, Money Market Instruments, currencies and other eligible assets within the meaning of the Grand-ducal regulation of 8th February 2008 for each Sub-Fund provided that such techniques and instruments are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF-Circulars issued from time to time, in particular, but not limited to CSSF-Circulars 08/356, 13/559 and 14/592 and ESMA-Guidelines 2014/937. In particular, those techniques and instruments should not result in a change of the investment objective of the relevant Sub-Fund or add substantial supplementary risks in comparison to the stated risk profile of such Sub-Fund.

The risk exposure to a counterparty generated through efficient portfolio management techniques

and OTC financial derivatives must be combined when calculating counterparty risk limits referred to under Part A, chapter “Risk factors applicable to the investment in the Fund” of this Prospectus. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the respective Sub-Fund. In particular, fees and costs may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation for their services. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or the Fund – will be available in the annual report of the Fund. Furthermore, each Sub-Fund is notably authorised to carry out transactions intended to sell or buy foreign exchange rate futures, to sell or buy currency futures and to sell call options or to buy put options on currencies, in order to protect its assets against currency fluctuations or to optimise yield, i.e., for the purpose of sound portfolio management.

## (2) Limitation

When transactions involve the use of derivatives, the Fund must comply with the terms and limits stipulated above in Part A, chapter “Investment Restrictions”, sections I. f), III. a) (ii) and b) and VII. of this Prospectus. The use of transactions involving derivatives or other financial techniques and instruments may not cause the Fund to stray from the investment objectives set out in the Prospectus.

## (3) Risks - Notice

In order to optimise their portfolio yield, all Sub-Funds are authorised to use the derivatives techniques and instruments described in this chapter and the chapter “Investment Restrictions” (particularly swaps of rates, currencies and other financial instruments, futures, and securities, rate or futures options), on the terms and conditions set out in said chapters. The investor's attention is drawn to the fact that market conditions and applicable regulations may restrict the use of these instruments. The success of these strategies cannot be guaranteed. Sub-funds using these techniques and instruments assume risks and incur costs they would not have assumed or incurred if they had not used such techniques. If the managers and sub-managers forecast incorrect trends for securities, currency and interest rate markets, the affected Sub-Fund may be worse off than if no such strategy had been used. In using derivatives, each Sub-Fund may carry out over-the-counter futures or spot transactions on indices or other financial instruments and swaps on indices or other financial instruments with highly-rated banks or brokers specialised in this area, acting as counterparties. Although the corresponding markets are not necessarily considered more volatile than other futures markets, operators have less protection against defaults on these markets since the contracts traded on them are not guaranteed by a clearing house.

## **B. Securities Lending**

The Fund may enter into securities lending transactions in accordance with the provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments (“Circular 08/356”). Such securities lending transactions may be used provided that the following rules are complied with in addition to the abovementioned conditions:

- (i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (ii) The Fund may only lend securities to a borrower either directly or through a standardized system organized by a recognized clearing institution or through a lending system organized by a



financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialized in this type of transaction;

(iii) The Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

### **C. Repurchase Agreement Transactions**

#### **(1) General**

The Fund may enter into sale with right of repurchases transactions as well as reverse repurchase and repurchase agreement transactions in accordance with the provisions of Circular 08/356. Such repurchase agreements can consist of forward transactions at the maturity of which the Fund (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Fund may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the assets sold and the Fund (buyer) the obligation to return the assets purchased under the transactions. The Fund may also enter into transactions that consist of the purchase/sale of securities with a clause reserving the counterparty/Fund the right to repurchase the securities from the Fund/counterparty at a price and term specified by the parties in their contractual arrangements.

The Fund's involvement in such transactions is, however, subject to the additional following rules:

(i) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

(ii) The Fund may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

#### **(2) Risks**

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the relevant Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the relevant Sub-Fund. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the relevant Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the relevant Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Sub-Fund. A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the relevant Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be

returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

A Sub-Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Fund. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Sub-Fund in a commercially reasonable manner. In addition, the Fund will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Sub-Fund and its investors. However, investors should be aware that the Fund may face conflicts between its role and its own interests or that of affiliated counterparties.

## **D. Financial Derivative Instruments**

### (1) General

Over-the-counter (OTC) financial derivative instruments (including total return swaps and other derivatives with similar characteristics) may be used by the Sub-Funds to gain exposure to underlying assets. OTC financial derivative instruments will be entered into with counterparties selected among first class financial institutions specialised in the relevant type of transaction, subject to prudential supervision and belonging to the categories of counterparties approved by the CSSF.

### (2) Total Return Swaps

#### General description of the techniques used and rationale

A Sub-Fund may enter into total return swap transactions or other financial derivative instruments with similar characteristics to gain or reduce exposure to a reference asset as well as to hedge the existing long positions or exposures. The total return swap is a derivative contract in which one counterparty transfers to another party the total economic performance of a reference asset, including income from interest and, fees, market gains or losses from price movement as well as credit losses ("Total Return Swap" or "TRS").

#### Type of assets subject to TRS

The Sub-Funds may enter into TRS on:

- Equity,
- Equity indices,
- Fixed Income,
- Currency,
- Interest rate,
- Commodity related indices.

The underlying strategy and the composition of the investment portfolio of TRS will be consistent with the investment policy of the relevant Sub-Fund.

#### Counterparty selection

The counterparties of the TRS shall be selected by using creditworthy financial institutions specialised in the relevant type of transactions located in the nordic countries, taking into consideration different criteria such as the minimum credit rating (Ba3 (Moody's) or BB- (Standard

and Poor's or Fitch)). To be approved by the Board of the Fund, the selected counterparties will also meet a legal status criterion, i.e. be subject to prudential supervision as well as being regulated by the relevant financial supervisory authority.

The relevant Sub-Fund annex will indicate if TRS transactions are used and, if applicable, state further details on these transactions.

### (3) Counterparty Risk

In accordance with its investment objective and policy, a Sub-Fund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded futures and options, forwards, swaps or contracts for difference. OTC derivatives are instruments specifically tailored to the needs of an individual investor that enable the user to structure precisely its exposure to a given position. Such instruments are not afforded the same protections as may be available to investors trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The counterparty to a particular OTC derivative transaction will generally be the specific entity involved in the transaction rather than a recognised exchange clearing house. In these circumstances the Sub-Fund will be exposed to the risk that the counterparty will not settle the transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. This could result in substantial losses to the Sub-Fund.

Participants in OTC markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. Unless otherwise indicated in the Prospectus for a specific Sub-Fund, the Fund will not be restricted from dealing with any particular counterparties.

The Fund's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and fool proof evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses. The Fund may select counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Sub-Fund and its assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize the effect of their insolvency on the Sub-Fund and its assets.

Investors should assume that the insolvency of any counterparty would generally result in a loss to the Sub-Fund, which could be material.

If there is a default by the counterparty to a transaction, the Fund will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays and costs. If one or more OTC counterparties were to become insolvent or the subject of liquidation proceedings, the recovery of securities and other assets under OTC derivatives may be delayed and the securities and other assets recovered by the Fund may have declined in value.

Regardless of the measures that the Fund may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result. Such counterparty risk is accentuated for contracts with longer maturities or where the Sub-Fund has concentrated its transactions with a single or small group of

counterparties.

## **E. Management of Collateral and Collateral Policy**

### General

In the context of OTC financial derivative transactions, the Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

### Eligible Collateral

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF Circulars issued from time to time notably in terms of liquidity and issuer credit quality, valuation, correlation, collateral diversification, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

(i) Liquidity and issuer credit quality – any collateral received other than cash shall be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.

(ii) Valuation – collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;

(iii) Correlation – the collateral received by the Fund shall be issued by an entity that is independent from the counterpart and is expected not to display a high correlation with the performance of the counterpart;

(iv) Collateral diversification (asset concentration) – collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterpart of efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the respective Sub-Fund's net asset value. When the Fund is exposed to different counterparts, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such a case, the Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the respective Sub-Fund's net asset value. The list of eligible jurisdictions includes OECD countries;

Moreover, collateral received shall also comply with the provisions of Article 48(2) of the 2010 Law;

(v) it should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterpart;

(vi) Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process;

(vii) Where there is a title transfer, the collateral received shall be held by the depositary of the Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which

is subject to prudential supervision, and which is unrelated to the provider of the collateral;

Subject to the abovementioned conditions, collateral received by the Fund may consist of the following instruments as accepted by the Commission Delegated Regulation (EU) 2016/2251 of the 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 (hereafter referred to as “CDR 2016/2251”):

- (i) Cash in an OECD country currency in accordance with Article 4(1) (a) of CDR 2016/2251,
- (ii) Debt securities issued or guaranteed by Member States’ central governments or central banks in accordance with Article 4(1) (c) of CDR 2016/2251,
- (iii) Debt securities issued by Member States’ regional governments or local exposures whose exposures are treated as exposures to the central government of that Member State listed in Article 115(2) of the Regulation (EU) 575/2013,
- (iv) Debt securities issued by multilateral banks listed in Article 117(2) of the Regulation (EU) of 575/2013,
- (v) Debt securities issued by international organisations listed in Article 118 of the Regulation (EU) No 575/2013,
- (vi) Corporate bonds,
- (vii) Convertible bonds provided they can be converted only into equities which are included in an index specified pursuant to point (a) of Article 197(8) of the Regulation (EU) No 575/2013,
- (viii) Equities included in an index specified pursuant to point (a) of Article 197(8) of the Regulation (EU) No 575/2013.

#### Level of Collateral

The Fund will determine the required level of collateral for OTC financial derivatives transactions and/or efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. This implies also that the counterparty exposure shall not exceed 10% of the total net assets of the relevant Sub-Fund with regard to OTC derivative transactions and/or efficient portfolio management techniques.

#### Rules for application of Haircuts

Collateral will be valued on a daily basis using available market prices and the value of collateral will be adjusted by applying relevant haircuts. For this purpose, in accordance with Article 6 of CDR 2016/2251, the Fund will rely on the credit quality assessments issued by a recognised External Credit Assessment Institution or the credit quality of (ECAI) of an export credit agency and thus will use standard haircuts to be applied by asset type, maturity and credit quality of the issuer.

The following haircuts will be applied:

##### 1. Cash Collateral

- (i) Cash variation margin shall be subject to a haircut of 0%
- (ii) Cash initial margin shall be subject to a haircut of 8% when the cash initial margin has been posted in a currency other than the currency in which the payments in case of early termination or default have to be made in accordance with the single derivative contract, the relevant exchange of

collateral agreement or the relevant credit support annex ('termination currency').

In case no termination currency has been set out, the above haircut of 8% shall apply to the market value of all the assets posted as collateral.

## 2. Non-Cash Collateral

### (i) Haircuts applicable to debt securities

Table 1 Debt securities

Collateral		Credit Quality Step	Maturity		
			≤ 1 year	>1 ≤ 5 year(s)	> 5 years
(i)	Debt securities issued or guaranteed by Member States' central governments or central banks in accordance with Article 4(1) (c) of CDR 2016/2251	1	0.5%	2%	4%
(ii)	Debt securities issued by Member States' regional governments or local exposures whose exposures are treated as exposures to the central government of that Member State listed in Article 115(2) of Regulation (EU) 575/2013 and in accordance with CDR 2016/2251.				
(iii)	Debt securities issued by multilateral banks listed in Article 117(2) of Regulation (EU) of 575/2013 and in accordance with CDR 2016/2251.	2-3	1%	3%	6%
(iv)	Debt securities issued by international organisations listed in Article 118 of the Regulation (EU) No 575/2013 and in accordance with CDR 2016/2251				
(v)	Convertible bonds provided they can be converted only into equities which are included in an index specified pursuant to point (a) of article 197(8) of Regulation (EU) No 575/2013	1-3	15%		
(vi)	Corporate bonds in accordance with CDR 2016/2251.	1	1%	4%	8%
		2-3	2%	6%	12%

To determine the credit quality step, the second best rating from Moody's, S&P and Fitch shall be

used and mapped using the table below. For the avoidance of the doubt, no credit quality step 4 is mapped since all debt securities shall be having an issuer rating of investment grade.

Table 2 – Credit Quality step mapping table

Credit Rating Agency	Rating type	Credit Quality Step		
		1	2	3
Fitch Ratings	Long-term Issuer Credit ratings scale	AAA, AA	A	BBB
Moody's Investors Service	Global long-term rating scale	Aaa, Aa	A	Baa
Standard & Poor's ratings Services	Long-term issuer credit ratings scale	AAA, AA	A	BBB

(ii) Equities in main indices and bonds convertible to equities in main indices shall have a haircut of 15 %.

(iii) Non cash initial margin posted in a currency other than the currency in which the payments in case of early termination or default have to be made in accordance with the single derivative contract, the relevant exchange of collateral agreement or the relevant credit support annex ('termination currency') shall be subject to an additional haircut of 8%.

In case no termination currency has been set out, the above haircut of 8% shall apply to the market value of all the assets posted as collateral.

(iv) Non-Cash variation margin posted in a currency other than those agreed in an individual derivative contract, the relevant governing master netting agreement or the relevant credit support annex shall be subject to an additional haircut of 8%.

The Fund reserves the right to review and amend the above haircuts at any time when the market conditions have changed and when and if this is deemed in the best interest of the Fund.

#### Reinvestment of Collateral

Non-Cash Collateral received by the Fund may not be sold, re-invested or pledged.

#### Restrictions on the re-use of Cash Collateral

Cash Collateral received by the Fund shall neither be re-invested nor pledged.

### **BOARD OF DIRECTORS**

The Directors are responsible for the overall management and control of the Fund. They will review the operations of the Fund and the Management Company.

### **MANAGEMENT COMPANY**

Pursuant to a management company agreement dated 1 July 2011, as assigned and amended (the "Management Company Agreement"), the Fund has appointed FundRock Management Company S.A. as the management company of the Fund to be responsible on a day-to-day basis, under supervision of the board of directors of the Fund, for providing investment management, administration and marketing services in respect of all the Sub-Funds.

The Management Company was incorporated for an unlimited period on 10 November 2004 in the form of a "société anonyme" in Luxembourg under the name of "RBS (Luxembourg) S.A.". With effect from 31st December 2015, it changed its name to FundRock Management Company S.A. It is authorised and regulated by the CSSF as (i) a management company subject to Chapter 15 of the Law of 2010, and (ii) as alternative investment fund manager regulated under Chapter 2 of the law of 12th July 2013 on alternative investment funds managers, as amended from time to time. It has a subscribed and paid-up capital of EUR 10,000,000.

It has its registered office in Luxembourg at 33, rue de Gasperich, L-5826 Hesperange, Luxembourg. The articles of incorporation of the Management Company were published in the Mémorial C, official gazette of the Grand-Duchy of Luxembourg, as of 6th December 2004. The last amendment of the articles of incorporation of the Management Company was published on 31st March 2016.

In respect of all the Sub-Funds, the Management Company has delegated its investment management and advisory functions to Norron AB.

The Management Company shall also ensure compliance of the Fund and each of the Sub-Funds with the investment restrictions and oversee the implementation of the Fund's and Sub-Funds' strategies and investment policy.

The Management Company shall also send reports to the Directors on a periodic basis and inform each board member without delay of any non-compliance of the Fund and the Sub-Funds' with the investment restrictions.

The Management Company will receive periodic reports from Investment Manager detailing each Sub-Fund's performance and analyzing its investment portfolio. The Management Company will receive similar reports from the Fund's other service providers in relation to the services which they provide.

The Management Company has delegated, at its own expense, the duties relating to the administration, registrar and transfer agent function of the Fund as set out below in the Administration Agent section.

The Management Company will monitor on a continuing basis the activities of the third parties to which it has delegated functions. The agreements entered into between the Management Company and the relevant third parties provide that the Management Company can give at any time further instruction to such third parties and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders of the Fund. The Management Company's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

In consideration of its services to the Fund, the Management Company shall be entitled to receive, out of each Sub-Fund's assets, a fee calculated on each Valuation Day and paid out as described in each of the annexes relating to each of the Sub-Funds.

The accounts of the Management Company are audited by an independent authorised auditor. This task has been entrusted to Deloitte Audit S.à r.l.

### **INVESTMENT MANAGER**

The Management Company has appointed Norron AB as investment manager of the Fund.

Norron AB, an investment firm supervised by the Swedish Financial Supervisory Authority (*Finansinspektionen*) has been appointed as Investment Manager for the Fund. Norron AB was



founded in 2010 with a primary focus to manage discretionary portfolios. Its offices are located at Oxtorgsgatan 4, SE-111 57 Stockholm, Sweden.

The Investment Manager was appointed pursuant to an investment management agreement entered into as of 25 January 2011, as assigned and amended (the "Investment Management Agreement") by the Management Company to provide day-to-day management of the Fund's investments, subject to the overall supervision and responsibility of the Management Company. The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Fund are invested in a manner consistent with the Fund's and the Sub-Funds' investment restrictions and that cash belonging to the Fund and each Sub-Fund is invested in accordance with the guidelines laid down by the Directors and the Management Company.

According to the Investment Management Agreement, the Investment Manager may, with the prior approval of the Management Company, delegate to a third party all or a part of its management duties. Any new delegation shall be reflected in an updated Prospectus.

### **DEPOSITARY**

Pursuant to a depositary and paying agent services agreement dated 17 June 2016, as assigned and amended (the "**Depositary Agreement**"), Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch, registered with the Luxembourg trade and companies register under number B39819 and having its place of business at 4, rue Peternelchen, L-2370 Howald, a branch of Skandinaviska Enskilda Banken AB (publ), a credit institution incorporated in Sweden and registered with the Swedish Companies Registration Office under number 502032-9081 with its registered office in Stockholm, Sweden has been appointed as depositary of the Fund (the "**Depositary**"). The Depositary will also provide paying agent services to the Fund.

The Depositary has been appointed for the safe-keeping of the assets of the Fund which comprises the custody of financial instruments, the record keeping and verification of ownership of other assets of the Fund as well as the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the Law and the Depositary Agreement.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles; (ii) the value of the Shares is calculated in accordance with Luxembourg law and the Articles; (iii) the instructions of the Management Company or the Fund are carried out, unless they conflict with applicable Luxembourg law and/or the Articles; (iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and (v) the Fund's incomes are applied in accordance with Luxembourg law and the Articles.

In carrying out its functions the Depositary acts honestly, fairly, professionally and independently and solely in the interest of the investors. The Depositary is on an ongoing basis analyzing, based on applicable laws and regulations as well as its conflict of interest policy potential conflicts of interests that may arise while carrying out its functions.

When performing its activities, the Depositary obtains information relating to funds which could theoretically be misused (and thus raise potential conflict of interests issues) in relation to e.g. the interests of other clients of the SEB Group, whether engaging in trading in the same securities or seeking other services, particularly in the area of offering services competing with the interests of other counterparties used by the funds/fund managers, and the interests of the Depositary's employees in personal account dealings.

Consequently, to mitigate the potential conflicts of interest, it has been ensured that the activities of a depositary function are physically, hierarchically and systematically separated from other functions of the Depositary in order to establish information firewalls. Moreover, the depositary function has a mandate and a veto to approve or decline fund clients independent of other functions and has its own committees for escalation of matters connected to its role as a depositary, where other functions with potentially conflicting interests are not represented.

For further details on management, monitoring and disclosure of potential conflicts of interest please refer to Instruction for Handling of Conflicts of Interest in Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch which can be found on the following webpage:

<https://sebgroup.lu/conflictinterest>

In compliance with the provisions of the Depositary Agreement and the Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more delegate(s), as they are appointed by the Depositary from time to time.

In order to avoid any potential conflicts of interest, irrespective of whether a given delegate is part of the SEB Group or not, the Depositary exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant delegate. Furthermore, the conditions of any appointment of a delegate that is member of the SEB Group will be negotiated at arm's length in order to ensure the interests of the investors. Should a conflict of interest occur and in case such conflict of interest cannot be neutralized, such conflict of interest as well as the decisions taken will be disclosed to the investors and the Prospectus revised accordingly. An up-to-date list of these delegates can be found on the following webpage:

<https://sebgroup.lu/globalcustodynetwork>

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements.

In order to ensure that its tasks are only delegated to delegates providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the Law in the selection and the appointment of any delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any delegate to which it has delegated parts of its tasks as well as of any arrangements of the delegate in respect of the matters delegated to it. In particular, any delegation is only possible when the delegate at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the delegate in accordance with the Law. The Depositary's liability shall not be affected by any such delegation unless otherwise stipulated in the Law and/or the Depositary Agreement.

An up-to-date information regarding the Depositary, its duties and the conflicts of interest that may arise, any safekeeping functions delegated by the Depositary, the list of delegates and any conflicts of interests that may arise from such delegation, is available to the investors upon request at the registered office of the Management Company.

The Depositary is liable to the Fund or its investors for the loss of a financial instrument held in custody by the Depositary and/or a delegate. In case of loss of such financial instrument, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the Law, the Depositary will not be liable for the loss of a financial instrument, if such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Fund and to the investors for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law and/or the Depositary Agreement.

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal of the Depositary or of its removal by the Fund, the Depositary must be replaced at the latest within two (2) months after the expiry of the aforementioned termination notice by a successor depositary to whom the Fund's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Management Company/Fund does not name such successor depositary in time the Depositary may notify the CSSF of the situation. The Management Company/Fund will take the necessary steps, if any, to initiate the liquidation of the Fund, if no successor depositary bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

#### **ADMINISTRATION AGENT**

The Management Company also acts as the central administration agent (hereinafter the "Central Administration Agent").

The registered address of the Central Administration Agent is 33, rue de Gasperich, L-5826 Hesperange.

The Central Administration Agent has delegated, at its own expense, the duties relating to the administration of the Fund as well as the transfer and registrar agent function to EFA (hereinafter the "Administration Agent"), a *société anonyme* established in Luxembourg. In this capacity, the Administration Agent will carry out all administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Fund. Furthermore, it will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the register of the Fund.

#### **AUDITOR**

Deloitte Audit, société à responsabilité limitée has been appointed as Auditor of the Fund.

#### **POOLING**

The Investment Manager may invest and manage all or any part of the portfolios of assets established for two or more Sub-Funds (hereafter the "Participating Sub-Funds") on a pooled basis. Any such enlarged asset pool (an "Enlarged Asset Pool") will be formed by transferring to it cash or other assets (subject that such other assets being appropriate with respect to the investment policy of the Enlarged Asset Pool concerned) from each Participating Sub-Fund. Thereafter, the Investment Manager may, from time to time, make further transfers to the Enlarged Asset Pool. The Investment Manager may also transfer assets back from the Enlarged Asset Pool to a Participating Sub-Fund up to the amount of the participation of the relevant Participating Sub-Fund concerned.

The share of a Participating Sub-Fund in an Enlarged Asset Pool is measured by reference to units of equal value in the Enlarged Asset Pool. At the time of the formation of an Enlarged Asset Pool, the Investment Manager shall determine the initial value of a unit (expressed in the currency considered to be appropriate by the Investment Manager), and will allocate to each Participating Sub-Fund units having an aggregate value equal to the amount of cash (or the value of the other assets) contributed. Thereafter, the value of a unit will be determined by dividing the net asset value of the Enlarged Asset Pool by the number of existing units.

The entitlements of each Participating Sub-Funds to the Enlarged Asset Pool apply to each and every line of investments of such Enlarged Asset Pool.

When additional cash or supplemental assets are contributed to or withdrawn from an Enlarged Asset Pool, the number of units of the relevant Participating Sub-Fund will be increased or reduced, as the case may be, by the number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit.

Dividends, interests and other income received and having their origin in securities or other assets belonging to an Enlarged Asset Pool will be immediately allocated to the Participating Sub-Fund income accounts in proportion to their respective participation in the Enlarged Asset Pool at the time of receipt. Upon dissolution of the Fund, the assets in an Enlarged Asset Pool will (subject to the creditors' rights) be allocated to the Participating Sub-Funds in proportion to their respective participation in the Enlarged Asset Pool.

The Enlarged Asset Pools do not constitute separate entities and are not directly accessible for investors.

Investors should be aware that costs and expenses resulting from subscriptions and redemptions (e.g. transaction costs in relation to investments and disinvestments) in respect of one Participating Sub-Fund participating in an Enlarged Asset Pool may be borne by all Participating Sub-Funds in proportion to their interests in the Enlarged Asset Pool, and so such subscriptions and redemptions may adversely affect other Participating Sub-Funds.

## **SUBSCRIPTIONS**

Investors may subscribe for Shares in each Sub-Fund for each Valuation Day at the relevant Subscription Price.

Under certain circumstances and unless otherwise provided in the Annex relating to a Sub-Fund, the Directors have the power to adjust the Net Asset Value per Share applicable to the Subscription Price as described hereafter under the section "Swing Pricing". In any case, the adjustments to the Net Asset Value per Share applicable for any Valuation Day shall be identical for all issues dealt with as of such day.

For initial subscriptions, applicants should complete an application form (an "Application Form") and send it to the Registrar and Transfer Agent by mail or by facsimile. For subsequent subscriptions, applicants need only to complete a subscription form.

Application Forms for initial subscriptions of Shares may be sent by post or fax to the Registrar and Transfer Agent in Luxembourg on any Business Day by using the Application Form circulated with this Prospectus. In the case of faxed orders, these should be followed with the original Application Form by post.

Completed Application Forms or subscription forms must be received by the Registrar and Transfer Agent by no later than the time specified in the relevant Annex. Cleared funds must be

received on an account of the Fund in the reference currency of the relevant Class no later than the period of time specified in the relevant Annex. If the Application Form is not received by these times, the application will be treated as received for the next Valuation Day.

The Fund at its discretion may accept subscriptions in kind, in whole or in part. However in this case the investments in kind must be eligible investments for the purposes of the relevant Sub-Fund's investment objective and policy. In addition the value of these investments will be audited by the Auditor, to the extent required by law. The related fees will be borne by the subscribing investor(s), unless the board of directors of the Fund considers that the subscription in kind is in the interest of the Fund or made to protect the interests of the Fund.

The price per Share will be rounded upwards or downwards in accordance with standard rounding rules. Fractions of Shares will be issued up to three decimal places. Rights attached to fractions of Shares are exercisable in proportion to the fraction of a Share held except that fractions of Shares do not confer any voting rights.

The Fund reserves the right to cancel an application if subscription monies are not received on an account of the Fund in cleared funds and in the reference currency of the relevant Class within the relevant time limit.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the currency of subscription or at the discretion of the applicant, at the risk and cost of the applicant.

Once completed subscriptions have been received by the Registrar and Transfer Agent they are irrevocable.

The Directors reserve the right from time to time, without notice, to resolve to close the Fund or a particular Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

#### Institutional Investors

As detailed in the relevant Annexes, the sale of Shares of certain Classes may be restricted to institutional investors, as this term may be defined by guidelines or recommendations issued by the CSSF ("Institutional Investors") and the Fund will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Fund may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

#### Ineligible Applicants

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person that would qualify as a Prohibited Person as defined below.

“Prohibited Person” means any person, firm or corporate entity, determined in the sole discretion of the Fund, as being not entitled to subscribe to or hold Shares:

1. if in the opinion of the Fund such holding may be harmful/damaging to the Fund;

2. if it may result in a breach of any law or regulation, whether Luxembourg or foreign;
3. if as a result thereof the Fund or the Management Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred; or
4. if such person would not comply with the eligibility criteria for Shares (e.g. in relation to "U.S. Persons" or "Specified US Persons" as described below).

The Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Shares of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the US and such Shares may be offered, sold or otherwise transferred only in compliance with the Securities Act of 1933 and such state or other securities laws. The Shares of the Fund may not be offered or sold within the US or to or for the account, of any US Person. For these purposes, US Person is as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines "US Person" to include inter alia any natural person resident of the United States and with regards to investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term "US Person" also means any entity organised principally for passive investment (such as a commodity pool, Investment Company or other similar entity) that was formed:

(a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

The term "Specified US Person" should have the meaning given to it in §1.1473-1(c) of the Treasury Regulations regarding FATCA.

Applicants for the subscription to Shares will be required to certify that they are not US Persons/Specified US Persons and might be requested to prove that they are not Prohibited Persons.

Shareholders are required to notify the Registrar and Transfer Agent of any change in their domiciliation status.

Prospective investors are advised to consult their legal counsel prior to investing in Shares of the Fund in order to determine their status as non US Persons/specified US Person and as non-Prohibited Persons.

The Fund may refuse to issue Shares to Prohibited Persons or to register any transfer of Shares to any Prohibited Person. Moreover the Fund may at any time forcibly redeem/repurchase the Shares held by a Prohibited Person.

The Fund can furthermore reject an application for subscription at any time at its discretion, or temporarily limit, suspend or completely discontinue the issue of Shares, in as far as this is deemed to be necessary in the interests of the existing Shareholders as an entirety, to protect the Fund, in the interests of the investment policy or in the case of endangering specific investment objectives of the Fund.

Subject as mentioned above, Shares are freely transferable. The Management Company may, however, refuse to register a transfer which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares in a Sub-Fund valued at less than the minimum holding requirement.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the minimum holding requirement.

#### Form of Shares

All the Shares will be issued in registered form. Shareholders will receive a confirmation of their shareholding. Global certificates may be issued at the discretion of the Directors. Shares may also be held and transferred through accounts maintained with clearing systems.

#### Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "GENERAL AND STATUTORY INFORMATION". No Shares will be issued in the relevant Sub-Fund during any such period of suspension.

#### Anti-Money Laundering and Fight against Financing of Terrorism

The Fund has delegated to the Management Company the administration in respect of all the Sub-Funds. Pursuant to such delegation, the Management Company or its delegates will monitor the anti-money laundering procedures that have been put in place. Pursuant to international rules and Luxembourg laws and regulations, comprising but not limited to the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended, as well as Circular of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the Registrar and Transfer Agent of a Luxembourg UCI must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable for redemption) will not be accepted. Neither the Fund nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or any incomplete documentation. Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

Any natural person who ultimately owns or controls the Fund, through direct or indirect ownership of more than 25% of its Shares or voting rights in the Fund, or through other means of control (for the purpose of this section, the “Beneficial Owner”), must be registered on behalf of the Fund as a Beneficial Owner in the register of beneficial ownership as provided for by the Luxembourg Law of 13 January 2019 setting up a register of beneficial owners (the “RBO Law”). Any such Beneficial Owner is obliged by the RBO Law to provide the Fund with such further information as may be required by the latter in order to comply with the RBO Law.

## **REDEMPTIONS**

Shares are redeemable at the option of the Shareholders. Shareholders should send a completed redemption request to the Registrar and Transfer Agent by mail or by facsimile. All redemption requests are to be received by the Registrar and Transfer Agent no later than the time specified in the relevant Annex failing which the redemption request will be treated as received for the next following Valuation Day and Shares will be redeemed based on the Redemption Price applicable for that Valuation Day.

Under certain circumstances and unless otherwise provided in the Annex relating to a Sub-Fund, the Directors have the power to adjust the Net Asset Value per Share applicable to the redemption price as described hereafter under "SWING PRICING". In any case, the adjustments to the Net Asset Value per Share applicable for any Valuation Day shall be identical for all redemptions dealt with as of such day.

If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received, then the Fund shall have the right to limit redemptions so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

In exceptional circumstances the Directors may offer to a Shareholder a ‘redemption in kind’ i.e. the Shareholder receives a portfolio of stock of equivalent value to the appropriate cash redemption payment. In such circumstances the Shareholder may always refuse the redemption in kind and request a cash redemption payment in the reference currency of the Class. Where the investor agrees to accept redemption in kind he will, as far as possible, receive a representative selection of the Class’ holdings pro-rata to the number of Shares redeemed and the Directors will make sure that the remaining Shareholders do not suffer any loss there from. The value of the redemption in kind will be certified by a report drawn up by the Auditors in accordance with the requirements of Luxembourg law. However, where the redemption in kind exactly reflects the Shareholder’s pro-rata share of investments, no auditor’s report will be required. The redeeming Shareholder shall normally bear the costs resulting from the redemption in kind (mainly costs relating to the drawing up of an auditor’s report, if any), unless the Directors consider that the redemption in kind is in the interest of the Fund or made to protect the interest of the Fund.

A redemption request, once given, is irrevocable. Shares redeemed by the Fund are cancelled.

Payment of redemption proceeds will be made no later than the period of time provided in the relevant Annex for a Sub-Fund. Payment will be made in the reference currency of the relevant Class by transfer to the bank account specified by the redeeming Shareholder to the Registrar and Transfer Agent.



### Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be redeemed in the relevant Sub-Fund during any such period of suspension.

### Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Fund also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable minimum holding requirement.

Shareholders are required to notify the Registrar and Transfer Agent immediately if at any time they become Prohibited Persons, including (but not limited to) US Persons or Specified US Persons or hold Shares for the account or benefit of such persons.

When the Fund becomes aware that a Shareholder (A) is a Prohibited Person or is holding Shares for the account or benefit of a Prohibited Person; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders ; or (C) has failed to provide any information or declaration required by the Fund within ten (10) days of being requested to do so, the Fund will either (i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares as further set out in the Management Regulations.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary, the Central Administration Agent, the Administration Agent, the Registrar and Transfer Agent, the Investment Manager and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

## **CONVERSIONS**

Subject to any prohibition of conversions contained in an Annex and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares. All conversion requests are to be received by the Registrar and Transfer Agent no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day, unless otherwise specified in the relevant Annex, failing which the conversion request will be treated as received for the next

Valuation Day and Shares will be converted based on the Conversion Price applicable for that Valuation Day. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Directors may decide not to accept the request for conversion of the Shares and the Shareholder would be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Directors so decide) to have requested the conversion of all of his Shares.

The number of Shares issued upon conversion will be based upon the respective Net Asset Values of the two Classes concerned on the common Valuation Day for which the conversion request is accepted.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated for the next following Valuation Day of each of the two Classes concerned.

Under certain circumstances and unless otherwise provided in the Annex relating to a Sub-Fund, the Directors have the power to adjust the Net Asset Value per Share applicable to the conversion amount as described hereafter under the section "Swing Pricing". In any case, the adjustments to the Net Asset Value per Share applicable on any Valuation Day shall be identical for all conversions dealt with as of such day.

#### Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be converted in the relevant Sub-Funds during any such period of suspension.

### **SWING PRICING**

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestment costs may have an adverse effect on the shareholders' interests in a Sub-Fund. In order to prevent this effect, called "dilution", the Directors have the authority to allow for the Net Asset Value per Share to be adjusted by effective dealing and other costs and fiscal charges which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund if the net capital activity exceeds, as a consequence of the sum of all subscriptions, redemptions or conversions in such a Sub-Fund, such threshold percentage (the "Threshold") as may be determined from time to time by the Directors, of the Sub-Fund's total net assets on a given Valuation Day.

Description of the swing pricing procedure:

If the net capital activity for a given Valuation Day leads to a net inflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Directors but will not exceed 2% of the relevant Net Asset Value.

If the net capital activity for a given Valuation Day leads to a net outflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted downwards by the swing factor that

shall be determined from time to time by the Directors but will not exceed 2% of the relevant Net Asset Value.

### **MARKET TIMING AND FREQUENT TRADING POLICY**

The Fund does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, conversions between or redemptions from the various Classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, conversions between or redemptions from the various classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Sub-Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Sub-Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

- The Management Company may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors reserve the right to cause the Management Company to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers or frequent traders.
- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions below, under "Net Asset Value", cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

### **NET ASSET VALUE**

The Net Asset Value per Share of each Class will be determined and made available in its reference currency by the Administration Agent as at such time as the Directors shall determine as of each Valuation Day.

The Net Asset Value per Share as of any Valuation Day will be calculated to two decimal places in the reference currency of the relevant Class by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Class will be determined by deducting from the total value of the assets attributable to the relevant Class, all accrued debts and liabilities attributable to that Class.

To the extent feasible, expenses, fees and income will be accrued as of each Valuation Day.

Assets and liabilities of the Fund will be valued in accordance with the following principles:

- (a) Securities or Money Market Instruments listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security or money market instrument. Should the last available price for a given security or money market instrument not truly reflect its fair market value, then that

security or money market instrument shall be valued on the basis of the probable sales price which the Directors deem it is prudent to assume;

- (b) Securities or Money Market Instruments not listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued on the basis of their last available price. Should the last available price for a given security or money market instrument not truly reflect its fair market value, then that security or money market instrument will be valued by the Directors on the basis of the probable sales price which the Directors deem it is prudent to assume;
- (c) swaps are valued at their fair value based on the underlying securities (at close of business or intraday) as well as on the characteristics of the underlying commitments;
- (d) The liquidating value of futures, forward and options contracts (or any other derivative instruments) not traded on Regulated Markets or stock exchanges shall mean their net liquidating value determined, pursuant to the policies established in good faith by the board of directors of the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts (or any other derivative instruments) traded on Regulated Markets or stock exchanges shall be based upon the last available settlement prices of these contracts on Regulated Markets or stock exchanges on which the particular futures, forward or options contracts (or any other derivative instruments) are traded by the Fund; provided that if a futures, forward or options contract (or any other derivative instruments) could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the board of directors of the Management Company may deem fair and reasonable.
- (e) Shares or units in underlying open-ended investment funds shall be valued at their last available price;
- (f) Liquid assets and Money Market Instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;
- (g) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Management Company has delegated to the Administration Agent the determination of the Net Asset Value and the Net Asset Value per Share.

The assets and liabilities of the Fund shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds pro-rata to the respective Net Asset Value of the Sub-Funds. The proportion of the total net assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid.

The rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of the Shareholders in relation to that Sub-Fund and the rights of the creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund. For the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

### **FEES AND EXPENSES**

The Management Company will receive an infrastructure fee for the provision of its services. The infrastructure fee, which is expressed as a percentage of the Net Asset Value, is specified in the relevant Annex. The Management Company will be reimbursed for reasonable out-of-pocket expenses relating to the services thereto.

The different Sub-Funds and Classes will incur an annual investment management fee payable to the Investment Manager, which reflects all expenses related to the investment management of the Sub-Funds and Classes. The investment management fee, which is expressed as a percentage of the Net Asset Value, is specified in the relevant Annex.

The fees and expenses to be paid to the Depositary are calculated on the basis set out in the relevant Annex. The Depositary will be reimbursed for reasonable out-of-pocket expenses relating to the services thereto.

The fees and expenses to be paid to the Central Administration Agent are calculated on the basis set out in the relevant Annex. The Administration Agent and the Registrar and Transfer Agent will be paid out of this fee and reimbursed for reasonable out-of-pocket expenses relating to the services thereto.

The other costs charged to the Fund or to the different Sub-Funds or Classes may include:

- the costs of establishing the Fund and the Sub-Funds. The costs of establishing the Fund amounted to approximately EUR 50,000. Where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses. The establishment costs may, at the discretion of the Directors, be amortised on a straight line basis over 5 years from the date on which the Fund/Sub-Funds commenced business. The Directors may, in their absolute discretion, shorten the period over which such costs are amortised;
- the *taxe d'abonnement* as described in chapter "Taxation" hereafter;
- the fees of directors, auditors and legal advisors, the costs of preparing, printing and distributing all prospectuses, KIID, memoranda, reports and other necessary documents concerning the Fund including the PRIIPs KID (as and when required) as well as any documentation in relation to PRIIPs and any information or documentation that may be required for the distribution of the Shares, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency and stock exchange,

- the costs of publishing prices and the operational expenses, and the cost of holding shareholders' meetings; and
- any additional out-of-pocket expenses.

## **REPORTS AND FINANCIAL STATEMENTS**

The financial year of the Fund ends on 31 December in each year.

The audited annual reports and unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in SEK, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

Copies of the annual and semi-annual reports and financial statements may be obtained free of charge from the registered office of the Fund and the Management Company.

## **DIVIDEND POLICY**

The dividend policy applicable for each Sub-Fund or Class is specified in the relevant Annex.

Within each Sub-Fund, there may be created different Classes of Shares which are entitled to regular dividend payments ("Distribution Shares") or with earnings reinvested ("Accumulation Shares").

If a dividend is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class, normally by bank transfer to the address shown on the register of Shareholders, and in case of joint shareholding, to the first registered holder of the relevant Distribution Shares.

Dividend payments are restricted by law in that they may not reduce the net assets of the Fund below the required minimum determined by Luxembourg law.

In the event that a dividend is declared and remains unclaimed after a period of five years from the date of declaration, such dividend will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

However, no dividends will be distributed if their amount is below the equivalent in SEK of fifty (50) EUR or such other amount to be decided by the Directors. Such amount will automatically be reinvested.

## **HISTORICAL PERFORMANCE**

If available, past performance information will be included in the KIID, which is available free of charge from the registered office of the Fund and the Management Company.

## **TAXATION**

The following is based on the Fund's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

**Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

## The Fund

Under current law and practice the Fund is not liable to any Luxembourg income tax, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a *taxe d'abonnement* of 0.05 per cent per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the Fund at the end of the relevant quarter. The reduced *taxe d'abonnement* rate of 0.01 per cent per annum will be applicable to Classes the Shares of which are exclusively held by Institutional Investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Fund.

Under current law and practice, it is anticipated that no Luxembourg capital gains tax will be payable on the realised or unrealised capital appreciation of the assets of the Fund.

## Shareholders

Under current legislation Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment in Luxembourg).

## Common Reporting Standard

The Fund is subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*) (the "CRS Law").

The CRS Law is based on the European Directive 2014/107/EU of 9 December 2014 amending provisions of Directive 2011/16/EU on administrative cooperation in the field of taxation and the OECD's multilateral agreements. Consequently, to eliminate the overlap of reporting obligations created between the EU Savings Directive (the "EUSD") and the Directive 2014/107/EU, the EUSD directive has been repealed with effect from 31 December 2015 and the last reporting in accordance with the EUSD directive, will be effected in 2016 for the calendar year 2015. Further, the first reporting to the Luxembourg tax authority (the "LTA") under the CRS Law, will be applied in 2017 for the calendar year 2016. The LTA will onward report to participating foreign tax authorities by 30 September 2017.

The intention of CRS is to safeguard against tax evasion. Accordingly, under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. Consequently, the Fund is required to collect personal and financial information as described in Annex I of the CRS Law with effect from 1 January 2016 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report this information to the LTA as from 2017.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, the Fund will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform the

Fund or the Management Company, if applicable, of the processing of their Information by the Fund.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law.

The investors undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA.

**If investors are in doubt they should consult their own tax advisor, stockbroker, bank manager, solicitor, account or other financial advisor regarding the possible implications of CRS on an investment in the Fund.**

#### General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

#### Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes special provisions laid down in the Foreign Account Tax Compliance Act, generally known as "FATCA". The intention of FATCA is that details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service (IRS), as a safeguard against US tax evasion.

This regime will become effective in phases between 1 July 2014 and 15 March 2018. Based on the Treasury Regulations §1.1471-§1.1474 issued on 17 January 2013 (the "Treasury Regulations") the Fund is a "Financial Institution". As a result of the Hire Act, and to discourage non-US Financial Institutions from staying outside this regime, on or after 1 July 2014, a Financial Institution that does not enter and comply with the regime will be subject to a US withholding tax of 30% on gross proceeds as well as on income from the US and, on or after 1 January 2017, also potentially on non-US investments.

Luxembourg has entered into a Model I Intergovernmental Agreement ("IGA") with the United States. Under the terms of the IGA, the Fund will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA, rather than under the US Treasury Regulations implementing FATCA.

In order to protect its Shareholders from the effect of any penalty withholding, it is the intention of the Fund to be compliant with the requirements of the FATCA regime by opting for the "Restricted Fund" categorisation in accordance with the Luxembourg laws and



regulations. Subsequently, in order to comply, the Fund may require Shareholders to provide mandatory documentary evidence of their tax residence.

Shareholders and intermediaries or distributors acting for prospective Shareholders should therefore take particular note that it is the existing policy of the Fund that shares issued directly by the Fund shall not be sold directly to "Specified US Persons", "non-participating FFIs" or "passive NFFEs with one or more substantial US owner(s)" (other than interests which are both distributed by and held through a "participating FFI", "registered deemed compliant FFI", "non-registering local bank" or "restricted distributor"), and that Shareholders who become "Specified US Persons", "non-participating FFIs" or "passive NFFEs with one or more substantial US owner(s)" within the meaning of the Treasury Regulations can be liable to compulsory redemption of their holdings. Intermediaries or distributors acting as nominee must notify the Fund within ninety (90) calendar days in case of change of their legal status under FATCA.

Further, under the FATCA legislation, the definition of a "US reportable account" will include a wider range of investors than the current "Specified US Person" definition. The Board may therefore resolve that it is the interests of the Fund to widen the class of investors prohibited from further investing in the Fund due to FATCA and to make proposals regarding existing Shareholders holdings that fall within the wider FATCA definition.

More specifically, for the purpose of the Fund to restrict or prevent the ownership of Shares in the Fund by any "Specified US Person" within the meaning of §1.1473-1(c) of the Treasury Regulations regarding FATCA, the board of directors of the Fund may:

- a) decline to issue any Share where it appears to it that such registration would or might result in such Share being directly or beneficially owned by a person, who is precluded from holding shares in the Fund;
- b) at any time require any person whose name is entered in the register of Shareholders to furnish it with any information, supported by affidavit if the Board deems it necessary, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such Shareholders' Shares rests in a person who is precluded from holding Shares in the Fund; and
- c) where it appears to the board of directors of the Fund that any person, who is precluded pursuant to this paragraph from holding Shares in the Fund, either alone or in conjunction with any other person is a beneficial or registered owner of Shares, compulsorily redeem from any such Shareholder all Shares held by such Shareholder.

The Fund cannot be held liable for any damages or costs incurred as a result of the actions described above under a) to c).

In cases where investors invest in the Fund through an intermediary or a distributor, investors are reminded to check whether such intermediary is FATCA compliant.

Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the US withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses.

Other jurisdictions currently are in the process of adopting tax legislation concerning the reporting of information. The board of directors of the Fund also intends to comply with such other similar tax legislation that may apply to the Fund, although the precise requirements are not fully known yet. As a result, the board of directors of the Fund may need to seek information about the tax

status of investors under the laws of such jurisdictions for disclosure to the relevant governmental authorities.

If you are in any doubt, you should consult your tax advisor, stockbroker, bank manager, solicitor, accountant or other financial adviser regarding the possible implications of FATCA on an investment in the Fund.

## **GENERAL AND STATUTORY INFORMATION**

*The information in this section includes a summary of some of the provisions of the Articles and Material Contracts described below and is provided subject to the general provisions of each of such documents.*

### **1. The Fund**

The Fund was incorporated as an open-ended investment company (*société d'investissement à capital variable* – SICAV) with multiple compartments on 25 January 2011. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. The initial capital on incorporation was SEK 400,000. On incorporation all the shares representing the initial capital were subscribed for and were fully paid. A capital equivalent to Euro 1,250,000 must be reached within a period of six months following the authorisation of the Fund. The Fund has designated a management company subject to Chapter 15 of the Law. The Articles were published in the Mémorial C, *Recueil des Sociétés et Associations* on 8 February 2011. The Articles were last amended by the extraordinary general shareholders' meeting held on February 6, 2019. The co-ordinated Articles are on file with the *Registre de Commerce et des Sociétés* of Luxembourg.

The Fund is designed to offer investors, within the same investment vehicle, a choice of Sub-Funds, which are managed separately and are distinguished principally by their specific investment policy and/or by the currency in which they are denominated.

### **2. Share Capital**

The capital of the Fund will always be equal to the value of its net assets. The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights and each share is entitled to one vote at all meetings of Shareholders.

### **3. Temporary suspension of Net Asset Value calculations and of issues, redemption and conversion of Shares**

The Directors may suspend the determination of the Net Asset Value and hence the issue, redemption and conversion of Shares if, at any time, the Directors believe that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise:

- (a) during any period when any of the principal markets or exchanges on which a substantial portion of the investments of the relevant Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which the disposal or valuation of assets owned by the relevant Sub-Fund would be impracticable, not accurate or would seriously prejudice the interests of the shareholders of the Fund;

- (c) during any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or the current prices on any market or stock exchange;
- (d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange;
- (e) in the event of the publication (i) of the convening notice to a general meeting of Shareholders at which a resolution to wind up the Fund or a Sub-Fund or a share class is to be proposed;
- (f) where in the opinion of the Directors, circumstances which are beyond the control of the Directors make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares or in any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the Fund or its Shareholders might not otherwise have suffered.

No Shares will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is terminated. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing.

Any suspension of the determination of the Net Asset Value will be notified to the CSSF and, if the Shares are distributed in other EU member states, to the competent authorities of those member states. Any suspension shall also be notified to the Shareholders requesting subscription, redemption or conversion of their Shares during the period of suspension.

#### **4. Publication of Prices**

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Fund and any newspaper the Directors may determine from time to time.

#### **5. Meetings**

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg (or any other place indicated in the convening notice) at a date and time decided by the Board being no later than six months after the end of the Fund's previous financial year. Notices of all general meetings will be sent by mail, or by any other means having been individually accepted by a Shareholder, to all registered Shareholders at their registered address and/or e-mail address at least 8 calendar days prior to the meeting. To the extent required by law, further notices will be published in the RESA, in a Luxembourg newspaper and/or such other newspapers as the board of directors may determine. Such notices will include the agenda and specify the time and place of the meeting and the

conditions of admission, and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

Matters relating to a particular Sub-Fund, such as a vote on the payment of a dividend in relation to that Sub-Fund, may be decided by a vote at a meeting of the Shareholders of that Sub-Fund. Any change in the Articles affecting the rights of Shareholders of a particular Sub-Fund must be approved by a resolution both of all the Shareholders of the Fund and of the Shareholders of the Sub-Fund in question.

## **6. Winding-Up**

The Fund may be wound up by decision of an extraordinary general meeting of the Shareholders. Such a meeting must be convened if the value of the net assets of the Fund falls below the respective levels of two-thirds or one quarter of the minimum capital prescribed by Luxembourg law. At any such meeting convened in such circumstances decisions to wind up the Fund will be taken in accordance with the requirements of the Law.

If the Fund is to be wound up, the winding-up will be carried out in accordance with the provisions of Luxembourg law which specify the steps to be taken to enable Shareholders to participate in distribution(s) on the winding-up and in this connection provides for the deposit in escrow at the *Caisse de Consignation* of any amounts which have not been claimed by Shareholders at the close of the winding-up. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg law.

## **7. Dissolution, Reorganisation and Amalgamation of Sub-Funds**

Sub-Funds will be automatically dissolved at the end of their fixed term as may be provided for in the relevant Annex.

A Sub-Fund may also be dissolved by compulsory redemption of Shares of the Sub-Fund concerned, upon a decision of the Directors:

- (a) if the Net Asset Value of the Sub-Fund concerned has decreased below the equivalent in SEK of EUR 20 million or the equivalent in another currency, or
- (b) if a change in the economic or political situation relating to the Sub-Fund concerned would have material adverse consequences on investments of the Sub-Fund, or
- (c) in order to proceed with an economic rationalisation.

The Redemption Price will be the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated as of the Valuation Day at which such decision shall take effect.

The Directors may decide to reorganise a Sub-Fund or Class by means of a division into two or more Sub-Funds or Classes.

The Directors may also decide to consolidate Classes of any Sub-Fund. The Board may also submit the question of the consolidation of a Class to a meeting of holders of such Class. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

The Fund shall serve a written notice to the holders of the relevant Shares prior to the effective date of the compulsory redemption, which will indicate the reasons for, and the

procedure of the redemption operations. Shareholders shall be notified in writing. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge prior to the effective date of the compulsory redemption, taking into account actual realisation prices of investments and realisation expenses.

Notwithstanding the powers conferred to the Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund may, upon proposal from the Directors, redeem all the Shares of such Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect and/or decide upon the division of a Sub-Fund or the division, consolidation or amalgamation of Classes in the same Sub-Fund. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented if such decision does not result in the liquidation of the Fund.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited in escrow with the Luxembourg *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

Any merger of a Sub-Fund shall be decided by the board of directors unless the board of directors decides to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast. In case of a merger of one or more Sub-Fund(s) where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of Shareholders resolving in accordance with the quorum and majority requirements for changing these Articles. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (in particular the notification to the Shareholders concerned) shall apply.

## **8. Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

- (A) The Management Company Agreement between the Fund and the Management Company, pursuant to which the latter was appointed, subject to the overall control of the Directors, with responsibility on a day-to-day basis, for being the global distributor and for providing administration, investment management and advisory services in respect of all the Sub-Funds of the Fund.
- (B) The Investment Management Agreement between the Management Company and the Investment Manager pursuant to which the latter was appointed, subject to the overall control of the Management Company, to manage the Fund's investments.
- (C) The Depositary Agreement between the Fund and the Depositary pursuant to which the latter was appointed paying agent and depositary of the assets of the Fund.

Any of the above agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Directors.

## **9. Documents available for inspection**

Copies of the following documents are available for inspection during business hours on each bank business day at the registered office of the Fund in Luxembourg:

- (1) the Articles of the Fund;
- (2) the Material Contracts referred to above.

Copies of the Articles, of the current Prospectus and KIID and of the latest reports of the Fund may be obtained free of charge at the registered office of the Fund and the Management Company.

## **10. Policies**

### **Conflicts of Interest**

The board of directors of the Fund, the Management Company, the Investment Manager and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

The Management Company, the Fund and the Investment Manager have adopted and implemented a conflicts of interest policy and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimize the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund's investors are treated fairly.

In the conduct of its business the Management Company adopted a conflicts of interest policy (the "Conflicts of Interest Policy") to identify, manage and where necessary prohibit any action or transaction that may give rise to conflicts entailing a material risk of damage to the interest of the Fund or its Shareholders. The Management Company strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, it has implemented procedures that shall ensure that any business activities involving a conflict, which may harm the interests of the Fund or its Shareholders, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Fund or its Shareholders will be prevented. In such case where a conflict of interest cannot be avoided and/or requires particular actions, the Management Company or the board of directors of the Fund will report to Shareholders by an appropriate durable medium and give reasons for the decision.

A paper version of the Conflicts of Interest Policy is available free of charge at the registered office of the Management Company.

Detailed information regarding the Conflict of Interest Policy can also be found on the following webpage of the Management Company: <https://www.fundrock.com/conflict-of-interest/>

### **Preferential Treatment of Investors**

Shareholders are being given a fair treatment by ensuring that they are subject to the same

rights and, as the case may be, the same obligations vis-à-vis the Fund (as such rights are obligations notably result from the Articles and this Prospectus) as those to which other Shareholders, having invested in, and equally or similarly contributed to, the same class of Shares, are subject to. Notwithstanding the foregoing paragraph, it cannot be excluded that a Shareholder be given a preferential treatment in the meaning of, and to the widest extent, allowed by, the Articles. Whenever a Shareholder obtains preferential treatment or the right to obtain a preferential treatment, a description of that preferential treatment, the type of Shareholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the Management Company will be made available at the registered office of the Management Company subject the same limits required by the Law.

### **Remuneration Policy**

The Management Company has established and applies a remuneration policy in accordance with principles laid out under the Directive 2009/65/EC and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company, the Fund and its Shareholders, and which includes, inter alia, measures to avoid conflicts of interest. The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Fund.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under Directive 2009/65/EC are not remunerated based on the performance of the UCITS under management.

An up-to-date version of the remuneration policy (including, but not limited to, the description of how remuneration and benefits are calculated, as well as the identity of the persons responsible for awarding the remuneration and benefits and the composition of the remuneration committee) is available at: [http://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](http://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf). A paper version of this remuneration policy is made available free of charge at the Management Company's registered office.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion which relies on the following principles\*:

- identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- identification of the functions performed within the Management Company which may impact the performance of the entities under management;

- calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- determination of a balanced remuneration (fixed and variable);
- implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- deferral of variable remuneration over 3-year periods;
- implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

\*It should be noted that, upon issuance of final guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

### **Other Policies**

The Management Company will make the following additional information available at its registered office upon request in accordance with Luxembourg laws and regulations: the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Fund, the best execution policy and the procedure for the giving and receiving of inducements.

### **EU Benchmark Regulation**

Regulation (EU) 2016/1011 (also known as the “EU Benchmark Regulation”) requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulations) materially changes or ceases to be provided. The Management Company shall comply with this obligation. Further information on the plan is available on request and free of charge at the registered office of the Management Company.

The following benchmark is used by the Sub-Fund(s), indicated in the table below, for the purpose of performance measurement target and marketing .

<b><u>Sub-Fund(s)</u></b>	<b><u>Benchmark</u></b>
NORRON SICAV – Sustainable Preserve	OMRX T-Bill
NORRON SICAV – Sustainable Premium	OMRX T-Bill

The benchmark OMRX T-Bill is provided by NASDAQ, an administrator which is currently included in the ESMA register of benchmark administrators.



## **ANNEX 1: NORRON SICAV – Sustainable Preserve**

### **Investment Objective and Policy**

The Sub-Fund's investment objective is to achieve a better return than its benchmark defined as OMRX T-Bill index (the “Benchmark”). In order to generate a meaningful excess return, the Sub-Fund will allocate between different segments of the fixed income market.

The Sub-Fund is actively managed in reference to the Benchmark for the purposes of performance measurement target and marketing. There are no restrictions on the extent to which the Sub-Fund's holdings may deviate from the Benchmark.

To achieve the investment objective, the Sub-Fund will invest its assets, directly or through derivative instruments, in fixed income related financial instruments of governments and their agencies, state and municipal entities, banks, corporations and companies that are domiciled or chiefly active in the Nordic markets (Sweden, Finland, Norway, Denmark and Island).

The Sub-Fund invests its assets primarily in bonds and money market instruments. In addition, the Sub-Fund will also invest in financial derivative instruments such as futures, options, swaps, CDS (credit default swaps) and other derivative instruments both for hedging and investment purposes. The Sub-Fund may use listed and OTC derivative instruments on fixed income instruments and foreign exchange.

To be able to preserve value and to generate returns in an environment of rising interest rates, the Sub-Fund may have a negative exposure to duration.

The Sub-Fund's investments will have an average maximum duration of -1yrs/+3yrs.

The Sub-Fund is expected to have a lower volatility than a 100% long bond portfolio invested in the Nordic markets.

The Sub-Fund will also be allowed to invest in cash and Cash Equivalents.

The Sub-Fund does not make use of any Efficient Portfolio Management techniques, nor enter into total return swaps or financial derivative instruments with similar characteristics and as such the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse is currently not applicable. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.

The Sub-Fund may make investments that are denominated in one or more currencies other than SEK, and the Sub-Fund reserves the right to enter into currency hedging transactions in connection with any non-SEK investments to seek to mitigate currency fluctuations, but there can be no assurance such transactions will be entered into or, if they are entered into, that they will be successful. Further, any such currency hedging transactions that are entered into by the Sub-Fund may be terminated at any time if such termination is deemed by the Investment Manager in its judgment to be in the best interests of the Sub-Fund. The success of any hedging arrangements entered into by the Sub-Fund is subject to the ability of the Investment Manager to correctly hedge against movements in the direction of currency rates and the Sub-Fund's ability to meet any currency hedging transaction collateral posting and settlement requirements. Therefore, while the Sub-Fund may enter into such transactions to seek to reduce currency exchange rate risks, unanticipated changes in currency rates may result in a poorer overall performance for certain share classes than if the Sub-Fund had not engaged in any such hedging transactions.

The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs.

The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".

### **ESG Goals**

The Sub-Fund's investment policy contains broad environmental, social, and governance criteria ("ESG Goals"). The ESG Goals are linked to the United Nations 17 Sustainable Development Goals (UN SDGs), which contain a wide range of environmental, social and governance goals such as climate action, decent work and economic growth, responsible consumption and production, good health and well-being, peace and justice, sustainable cities and communities etc. The UN SDGs form the basis for the Sub-Fund's promotion of environmental and social characteristics and the Investment Manager integrates these goals into the Sub-Fund's investment strategy to better manage risk, generate sustainable long-term returns, and promote environmental or social characteristics. The following disclosures describe the specific risks of investing in this Sub-Fund and what investment strategies are utilized by the Investment Manager to further the Sub-Fund's broad ESG goals.

### **Investment Strategies used to fulfil the Sub-Fund's ESG considerations**

#### *Negative Screening*

The Investment Manager uses negative screening of assets by excluding industries from the investment universe that the Investment Manager considers to be associated with particularly high ESG risks and by its nature would risk to do significant harm to the Sub-Fund's ESG characteristics. The Investment Manager exclude companies within the following industries: Pornography, tobacco, cannabis, alcohol production, controversial and conventional weapons, gambling, coal (fossil fuel), oil and gas (fossil fuel). The Investment Manager also excludes companies that do not consider environmental factors, violate international standards and companies with elements of corruption. More information about the Investment Manager's application of the exclusion criteria can be found on <https://www.norron.com/en/organisation/hallbarhet/norrns-exluderingskriterier/>.

In order to avoid investments, other than those specified above, that do significant harm to the Sub-Fund's ESG considerations such assessment is included in the Investment Manager's investment process.

#### *Positive Tilt*

The Investment Manager has incorporated the UN SDGs and the Ten Principles of the UN Global Compact in its investment process, which includes criteria on human and labour rights, environment and anti-corruption. Furthermore, in order to generate sustainable long-term risk-adjusted returns for the shareholders of the Sub-Fund the Investment Manager favours investments that combine ESG considerations and related measures with financial growth and return. Thus, the Investment Manager, when selecting investments, favours companies that have undergone the transition, and adapted its business activities, towards a sustainable economy. In the Investment Manager's quest to facilitate change and social restructuring in line with long-term sustainability goals, the Investment Manager also favours companies that have either undergone part of or prepare its business for such transition, provided that they are able to demonstrate a satisfactory plan and engagement to achieve ESG-targets. The above also includes companies that conduct

business activities that, by provision of their products or services, enable a substantial contribution towards a sustainable economy to be made in other companies' business activities.

Use of index

The Sub-Fund only uses an index for marketing purposes.

### **Sustainability Risks**

#### *Risks to the financial returns of the Fund*

The broad ESG Goals of this Sub-Fund may lead the Investment Manager to exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the stated ESG Goals. The financial returns of this Sub-Fund may not be equivalent or surpass those of non-ESG financial products.

### **Risk Management**

The global exposure of the Sub-Fund will be monitored by using the Value-at-Risk (VaR) methodology in accordance with applicable CSSF Circulars. The level of the absolute VaR for the Sub-Fund will not exceed 10%.

The Sub-Fund's expected level of leverage will be primarily determined using the sum of the notionals approach. This methodology is to be regarded as the sum of the direct investments and the additional exposure gained through the use of financial derivative instruments without consideration of netting and/or hedging mechanisms and through borrowing of cash. Based on this methodology the leverage is not expected to exceed two (2) times the Sub-Fund's total net assets (i.e. the sum of the direct investments and the additional exposure created through derivatives and cash borrowing may represent up to 200% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

On a parallel basis the Sub-Fund's expected level of leverage will also be calculated using the commitment approach. This means that potential netting and/or hedging mechanisms are taken into account when performing the calculation. Based on this methodology the leverage is not expected to exceed two (2) times the Sub-Fund's total net assets (i.e. the additional exposure created through leverage may represent up to 200% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

### **Specific risk considerations for the Sub-Fund**

Investors should note that the investment strategy of, and risks inherent to, the Sub-Fund are not typically encountered in traditional equity long-only positions. The Sub-Fund may use derivative instruments as part of its investment strategy. Such instruments are inherently volatile and the Sub-Fund could potentially be exposed to additional risks and costs should the market move against it. The Sub-Fund may also use derivative instruments to take short positions on some investments. Should the value of such investments increase, it will have a negative effect in the Sub-Fund's

value. In extreme market conditions, the Sub-Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns or may even suffer a loss on such investments.

**Profile of the typical Investor**

This Sub-Fund is aimed at investors looking for a return that exceeds the benchmark while reducing the likelihood of capital losses on a medium term basis through a flexible diversified fixed income portfolio. Since the Sub-Fund is focused on a bond universe rather than on cash volatility, investors should have an investment horizon of at least 3 to 5 years.

### **Reference Currency**

The reference currency of the Sub-Fund is the SEK.

### **Classes of Shares**

Class I Shares are available for subscription and are reserved to Institutional Investors.

Class R and Class P Shares will be available to all investors.

Class H Shares will hedge the currency exposure against the reference currency of the Sub-Fund in full or in part at the discretion of the Investment Manager in order to protect its Shareholders from the impact of currency movements. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of this Class.

Class N Shares are available to all investors. The Sub-Fund does not remit any commission-based payments for these Class N Shares.

Class M Shares are available for subscription and are reserved to Institutional Investors. The initial investment by a new investor in this Share Class will need the express approval from the board of directors whereas all subsequent investments do not require this express approval.

Classes H, I, R, P, N and M Shares are only available as Accumulation Shares (C). Shares of the following Classes are currently issued with the following minimum initial investment and holding amount or minimum initial and subsequent subscription amount:

<b>Name of the Class of Shares</b>	<b>Minimum Initial Investment and Holding Amount</b>	<b>ISIN</b>
RC SEK	N/A	LU0580530409
HRC NOK	N/A	LU1215859791
HRC EUR*	N/A	LU1652629301
NRC SEK*	N/A	LU1652629483
HNRC EUR*	N/A	LU1652629566
HNRC NOK*	N/A	LU1652629640
IC SEK	SEK 20,000,000	LU0580529906

<b>Name of the Class of Shares</b>	<b>Minimum Initial and Subsequent Subscription Amount</b>	<b>ISIN</b>
HIC EUR	EUR 100,000	LU0872060503
HIC USD*	USD 100,000	LU0872060768
HIC NOK*	NOK 1,000,000	LU0951312635
HIC DKK*	DKK 1,000,000	LU0951319218
HIC GBP*	GBP 100,000	LU0951319309
HIC CHF*	CHF100,000	LU0951319481
PB SEK	SEK 1,000,000	LU1072517235
PBHC USD	USD 100,000	LU1072517318
MC SEK*	N/A	LU1628974385

\* The Class of Shares will be launched at a later stage upon resolution of the board of directors.

### **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

### **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg, except for 24 December in each year.

### **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the Chapter on Subscriptions.

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. Subscription proceeds must be received no later than on the second Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

### **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

Payment of redemption proceeds will normally be made within two Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

### **Fees**

#### **Infrastructure Fee**

The Management Company will receive an infrastructure fee, accrued daily and payable monthly in arrears, of maximum 0.085% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 10,000.

Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

#### **Investment Management Fee**

The Investment Manager will receive for all Classes of Shares, except for Class M Shares, an investment management fee, accrued daily and payable monthly in arrears, not exceeding 0.80% per annum of the net assets of the Sub-Fund attributable to each Class.

#### Performance fee

No Performance Fee will be charged in the Sub-Fund.

#### Central Administration Agent Fee

The Central Administration Agent is entitled to receive an administration fee consisting of a flat fee of maximum EUR 2,916.67 payable monthly in arrears out of the Sub-Fund's assets plus a variable fee of maximum 0.065% per annum which is calculated and accrued daily and payable monthly in arrears out of the Sub-Fund's assets. This fee includes the fee due to the Depositary.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions and other related services, an annual flat fee per active Class of Shares payable monthly in arrears, in accordance with Luxembourg customary banking practice.

The Central Administration Agent will also be compensated for all reasonable out-of-pocket expenses.

#### Depositary Fee

The Depositary will receive a depositary fee of 0.01500% payable, out of the administration fee received by the Central Administration Agent, monthly in arrears. In addition, this service provider is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.



## **ANNEX 2: NORRON SICAV – Target**

### **Investment Objective and Policy**

The Sub-Fund's objective is to achieve a stable return over time, combined with low volatility, in the range of 6-9 percent per year, regardless of the direction of capital markets. To be able to achieve the investment objective, the Sub-Fund will apply a combination of different strategies, in both the Nordic equity and fixed income markets.

Equity exposure may be achieved through direct investments in equities, equity related derivative instruments and other equity related instruments, including swaps and convertible bonds, participation notes and equity linked notes. To hedge the equity exposure, the Sub-Fund will have short positions in equities through different derivative instruments, including swaps, total return swaps as well as equity and index related derivative instruments.

As part of the fixed income strategy, the Sub-Fund will also be allowed to invest in fixed income securities (in particular but not limited to corporate bonds), fixed income related derivative instruments and money market instruments, cash and Cash Equivalents.

Equity exposure will be hedged in various proportions and the fixed income part of the Sub-Fund will take up a large part of the investment activities.

The Sub-Fund is actively managed without reference to a benchmark.

For hedging purposes and to enhance investment returns, the Sub-Fund may also have exposure to short positions through cash-settled derivative instruments. The Sub-Fund's long positions will at all times be sufficiently liquid to cover any obligations arising from its short positions.

The Sub-Fund does not make use of any securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.

The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs.

The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".

The Sub-Fund will enter into unfunded Total Return Swap transactions or other financial derivative instruments with similar characteristics, within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, to hedge the existing long positions or exposures.

The expected proportion of assets under management that can be subject to unfunded TRS is 50% of the assets under management of the Sub-Fund (expressed as the sum of the notionals) while the maximum proportion shall not exceed 100% of the assets under management of the Sub-Fund (expressed as the sum of the notionals). For any avoidance of doubt diversification rules applicable at the Sub-Fund level shall apply to the underlying assets of the TRS.

The Sub-Fund will enter into unfunded TRS with European regulated financial institutions.

When the Sub-Fund is the total return payer of the TRS (i.e. owns the reference asset of the TRS), the Depositary is entitled to perform its duties by ensuring the safe-keeping of the reference asset of the TRS.

The Sub-Fund is entitled to receive 100% (no profit-sharing agreement) of the revenues earned from the Total Return Swap transactions.

The Sub-Fund may enter into TRS on Nordic equity and published equity indices such as but not limited to MSCI and OMX (rebalanced twice a year).

## **ESG Goals**

The Sub-Fund's investment policy contains broad environmental, social, and governance criteria ("ESG Goals"). The ESG Goals are linked to the United Nations 17 Sustainable Development Goals (UN SDGs), which contain a wide range of environmental, social and governance goals such as climate action, decent work and economic growth, responsible consumption and production, good health and well-being, peace and justice, sustainable cities and communities etc. The UN SDGs form the basis for the Sub-Fund's promotion of environmental and social characteristics and the Investment Manager integrates these goals into the Sub-Fund's investment strategy to better manage risk, generate sustainable long-term returns, and promote environmental or social characteristics. The following disclosures describe the specific risks of investing in this Sub-Fund and what investment strategies are utilized by the Investment Manager to further the Sub-Fund's broad ESG goals.

### **Investment Strategies used to fulfil the Sub-Fund's ESG considerations**

#### *Negative Screening*

The Investment Manager uses negative screening of assets by excluding industries from the investment universe that the Investment Manager considers to be associated with particularly high ESG risks and by its nature would risk to do significant harm to the Sub-Fund's ESG characteristics. The Investment Manager excludes companies within the following industries: Pornography, tobacco, cannabis, alcohol production, controversial and conventional weapons, gambling, coal (fossil fuel), oil and gas (if the company cannot demonstrate active work with emission reductions in accordance with the Paris Agreement). The Investment Manager also excludes companies that do not consider environmental factors, violate international standards and companies with elements of corruption. More information about the Investment Manager's application of the exclusion criteria can be found on <https://www.norron.com/en/organisation/hallbarhet/norrns-exluderingskriterier/>.

In order to avoid investments, other than those specified above, that do significant harm to the Sub-Fund's ESG considerations such assessment is included in the Investment Manager's investment process.

As part of the Sub-Fund's investment strategy the Sub-Fund uses hedging techniques to achieve its investment objective or to mitigate risks by using derivatives. Such hedging techniques may not take into account ESG considerations of the Sub-Fund and may from time to time lead to exposure towards excluded industries.

### *Positive Tilt*

The Investment Manager has incorporated the UN SDGs and the Ten Principles of the UN Global Compact in its investment process, which includes criteria on human and labour rights, environment and anti-corruption. Furthermore, in order to generate sustainable long-term risk-adjusted returns for the shareholders of the Sub-Fund the Investment Manager favours investments that combine ESG considerations and related measures with financial growth and return. Thus, the Investment Manager, when selecting investments, favours companies that have undergone the transition, and adapted its business activities, towards a sustainable economy. In the Investment Manager's quest to facilitate change and social restructuring in line with long-term sustainability goals, the Investment Manager also favours companies that have either undergone part of or prepare its business for such transition, provided that they are able to demonstrate a satisfactory plan and engagement to achieve ESG-targets. The above also includes companies that conduct business activities that, by provision of their products or services, enable a substantial contribution towards a sustainable economy to be made in other companies' business activities.

### Sustainability Risks

#### *Risks to the financial returns of the Fund*

The broad ESG Goals of this Sub-Fund may lead the Investment Manager to exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the stated ESG Goals. The financial returns of this Sub-Fund may not be equivalent or surpass those of non-ESG financial products.

### **Risk Management**

The global exposure of the Sub-Fund will be monitored by using the Value-at-Risk (VaR) methodology in accordance with applicable CSSF Circulars. The level of the absolute VaR for the Sub-Fund will not exceed 8%.

The Sub-Fund's expected level of leverage will be primarily determined using the sum of the notionals approach. This methodology is to be regarded as the sum of the direct investments and the additional exposure gained through the use of financial derivative instruments without consideration of netting and/or hedging mechanisms and through borrowing of cash. Based on this methodology the leverage is not expected to exceed three (3) times the Sub-Fund's total net assets (i.e. the sum of the direct investments and the additional exposure created through derivatives and cash borrowing may represent up to 300% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

On a parallel basis the Sub-Fund's expected level of leverage will also be calculated using the commitment approach. This means that potential netting and/or hedging mechanisms are taken into account when performing the calculation. Based on this methodology the leverage is not expected to exceed two (2) times the Sub-Fund's total net assets (i.e. the additional exposure created through leverage may represent up to 200% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

### **Specific risk considerations for the Sub-Fund**

Investors should note that the investment strategy of, and risks inherent to, the Sub-Fund are not typically encountered in traditional equity long-only positions. The Sub-Fund may use derivative instruments as part of its investment strategy. Such instruments are inherently volatile and the Sub-

Fund could potentially be exposed to additional risks and costs should the market move against it. The Sub-Fund may also use derivative instruments to take short positions on some investments. Should the value of such investments increase, it will have a negative effect in the Sub-Fund's value. In extreme market conditions, the Sub-Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns or may even suffer a loss on such investments.

Under extreme market circumstances, some of the assets or derivative positions of the Sub-Fund may become difficult to unwind at a certain point in time and at a reasonable price.

The Sub-Fund may lose money if counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed).

“Financial derivative instrument” is a generic name for instruments getting their return from underlying assets. The return of the financial derivative instrument depends on the return of the underlying asset, but small price changes in the underlying asset can result in large price changes of the derivative.

OTC derivatives are private agreements between a fund and one or more counterparties. In general, those transactions are less subject to governmental regulation and supervision, compared to exchange traded derivatives. OTC derivatives carry higher counterparty and liquidity risks. Besides, the Sub-Fund may not be able to find a comparable derivative to be able to offset a certain position.

Although exchange traded derivatives are generally considered as less risky than OTC derivatives, there is still the risk that the securities exchange or commodities contract market suspends or limits the trading in derivatives or in their underlying assets.

Leverage is typical for trading in financial derivative instruments. Investment in derivative transactions may potentially result in losses greater than the amount invested for those transactions.

### **Profile of the typical Investor**

The Sub-Fund is a Multi Strategy Fund with an absolute return profile. The Sub-Fund's ambition is to deliver absolute returns regardless of the general direction of the Nordic Capital Markets. The Sub-Fund is aimed at investors who seek a blend of exposure to Nordic Corporations, both in the form of equity participation and credit exposure through fixed income securities (in particular but not limited to corporate bonds). The Sub-Fund will carry a risk that is considerable lower than the volatility of the Nordic Stock Markets. The return of the Sub-Fund is generated from a selection of investments in fixed income instruments, corporate bonds as well as the equity markets. The Sub-Fund's return may therefore have a high or low correlation with the return of the Nordic Equity Markets. The Sub-Fund may also carry a positive as well as a negative net exposure to the equity market.

### **Reference Currency**

The reference currency of the Sub-Fund is the SEK.

### **Classes of Shares**

Class I Shares are available for subscription and are reserved to Institutional Investors.

Class R and Class P Shares will be available to all investors.

Class H Shares will hedge the currency exposure against the reference currency of the Sub-Fund in full or in part at the discretion of the Investment Manager in order to protect its Shareholders

from the impact of currency movements. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of this Class.

Class N Shares are available to all investors. The Sub-Fund does not remit any commission-based payments for these Class N Shares.

Class CH are available to Swiss resident investors.

Classes H, I, R, N and P Shares are only available as Accumulation Shares (C). Shares of the following Classes are currently issued with the following minimum initial investment and holding amount or minimum initial and subsequent subscription amount:

<b>Name of the Class of Shares</b>	<b>Minimum Initial Investment and Holding Amount</b>	<b>ISIN</b>
RC SEK	N/A	LU0580531472
HRC NOK	N/A	LU1215860377
HRC EUR*	N/A	LU1652629723
HRCCH EUR*	N/A	LU1982816206
NRC SEK	N/A	LU1652629996
HNRC EUR*	N/A	LU1652630069
HNRC NOK*	N/A	LU1652630143
IC SEK	SEK 20,000,000	LU0580530821
<b>Name of the Class of Shares</b>	<b>Minimum Initial and Subsequent Subscription Amount</b>	<b>ISIN</b>
HIC EUR*	EUR 100,000	LU0872062384
HIC USD*	USD 100,000	LU0951319564
HIC NOK*	NOK 1,000,000	LU0951319648
HIC DKK*	DKK 1,000,000	LU0951319994
HIC GBP*	GBP 100,000	LU0951320141
HIC CHF*	CHF 100,000	LU0951320224
PB SEK*	SEK 1,000,000	LU1072517409

\* The Class of Shares will be launched at a later stage upon resolution of the board of directors.

### **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

### **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg, except for 24 December in each year.

### **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the Chapter on Subscriptions.

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. Subscription proceeds must be received no later than on the second Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

### **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

Payment of redemption proceeds will normally be made within two Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

### **Fees**

#### **Infrastructure Fee**

The Management Company will receive an infrastructure fee, accrued daily and payable monthly in arrears, of maximum 0.085% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 10,000.

Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

#### **Investment Management Fee**

The Investment Manager will receive for all Classes of Shares an investment management fee, accrued daily and payable monthly in arrears, not exceeding 1.00% per annum of the net assets of the Sub-Fund attributable to each Class.

#### Performance fee

The Investment Manager is entitled to receive, from the net assets of certain Classes of Shares, a performance based incentive fee (the “Performance Fee”).

The first Calculation Period will commence on the Valuation Day immediately following the close of the Initial Offer Period. The Performance Fee will be calculated, accrued and crystallised on each Valuation Day as an expense of the relevant Class of Shares, meaning that each time a Performance Fee is accrued, it becomes a payable to the Investment Manager. The Performance Fee will be paid to the Investment Manager monthly in arrears.

The rate of Performance Fee is set out in the table below.

The High Watermark (the “HWM”) is the higher of the Net Asset Value of the previous Valuation Day of the relevant Class of Shares or the Net Asset Value of the previous Valuation Day for which a Performance Fee was crystallised.

If on any Valuation Day, the Gross Asset Value ("GAV") per Share, which is the Net Asset Value per Share after accrual of all fees but before the accrual of Performance Fee, is greater than the HWM, a Performance Fee is calculated by multiplying the difference between the GAV per Share and the HWM by the last outstanding number of Shares of the relevant Class of Shares.

<b>Class of Shares</b>	<b>Performance Fee</b>
RC SEK	Up to 20% p.a.
HRC NOK	Up to 20% p.a.
NRC SEK	Up to 20% p.a.
HNRC EUR	Up to 20% p.a.
HNRC NOK	Up to 20% p.a.
IC SEK	Up to 20% p.a.
HIC EUR	Up to 20% p.a.
HIC USD	Up to 20% p.a.
HIC NOK	Up to 20% p.a.
HIC DKK	Up to 20% p.a.
HIC GBP	Up to 20% p.a.
HIC CHF	Up to 20% p.a.
PB SEK	Up to 20% p.a.

#### Central Administration Agent Fee

The Central Administration Agent is entitled to receive an administration fee consisting of a flat fee of maximum EUR 2,916.67 payable monthly in arrears out of the Sub-Fund's assets plus a variable fee of maximum 0.065% per annum which is calculated and accrued daily and payable monthly in arrears out of the Sub-Fund's assets. This fee includes the fee due to the Depositary.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions and other related services, an annual flat fee per active Class of Shares payable monthly in arrears, in accordance with Luxembourg customary banking practice.

The Central Administration Agent will also be compensated for all reasonable out-of-pocket expenses.

#### Depositary Fee

The Depositary will receive a depositary fee of 0.01500%, payable out of the administration fee received by the Central Administration Agent, monthly in arrears. In addition, this service provider is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.

### **ANNEX 3: NORRON SICAV – Select**

#### **Investment Objective and Policy**



The Sub-Fund's objective is to capitalize on the Investment Manager's ability to identify Nordic stocks that are under-valued compared to the general market.

The Sub-Fund is actively managed without reference to a benchmark.

To be able to achieve performance, the Sub-Fund will apply a combination of strategies in the Nordic equities and derivatives markets. Equity exposure may derive from direct investments in equities, equity derivatives, swaps, total return swaps, ETFs and convertible securities.

The Sub-Fund will also seek short exposures by using different instruments including CFDs, equity derivatives, swaps, ETFs, index futures and derivative instruments. The Sub-Fund will be allowed to invest in fixed income securities and derivative instruments thereon primarily to manage the Sub-Fund's cash positions.

The Sub-Fund's equity long exposure will consist of selected, predominantly large capitalization stocks, in the Nordic equity markets. This long exposure may from time to time, depending on the Investment Manager's view of the general direction of the equity market, be hedged in full or in part. The Sub-Fund's net and gross exposures will change depending on valuation, volatility and market direction.

For hedging purposes and to enhance investment returns, the Sub-Fund may also have exposure to short positions through cash-settled derivative instruments. The Sub-Fund's long positions will at all times be sufficiently liquid to cover any obligations arising from its short positions.

On top of that, the Sub-Fund will apply an opportunistic approach to trading. The return from the Sub-Fund will from time to time have a higher volatility than the equity markets in general, due to a higher degree of concentration of positions.

The Sub-Fund will also invest on an ancillary basis in money market instruments, cash and Cash Equivalents primarily in the Nordic markets.

The Sub-Fund does not make use of any securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.

The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs.

The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".

The Sub-Fund will enter into unfunded Total Return Swap transactions or other financial derivative instruments with similar characteristics, within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, to hedge the existing long positions or exposures.

The expected proportion of assets under management that can be subject to unfunded TRS is 50% of the assets under management of the Sub-Fund (expressed as the sum of the notionals) while the maximum proportion shall not exceed 100% of the assets under management of the Sub-Fund (expressed as the sum of the notionals). For any avoidance of doubt diversification rules applicable at the Sub-Fund level shall apply to the underlying assets of the TRS.

The Sub-Fund will enter into unfunded TRS with European regulated financial institutions.

When the Sub-Fund is the total return payer of the TRS (i.e. owns the reference asset of the TRS), the Depositary is entitled to perform its duties by ensuring the safe-keeping of the reference asset of the TRS.

The Sub-Fund is entitled to receive 100% (no profit-sharing agreement) of the revenues earned from the Total Return Swap transactions.

The Sub-Fund may enter into TRS on Nordic equity and published equity indices such as but not limited to MSCI and OMX (rebalanced twice a year).

### **ESG Goals**

The Sub-Fund's investment policy contains broad environmental, social, and governance criteria ("ESG Goals"). The ESG Goals are linked to the United Nations 17 Sustainable Development Goals (UN SDGs), which contain a wide range of environmental, social and governance goals such as climate action, decent work and economic growth, responsible consumption and production, good health and well-being, peace and justice, sustainable cities and communities etc. The UN SDGs form the basis for the Sub-Fund's promotion of environmental and social characteristics and the Investment Manager integrates these goals into the Sub-Fund's investment strategy to better manage risk, generate sustainable long-term returns, and promote environmental or social characteristics. The following disclosures describe the specific risks of investing in this Fund/Sub-Fund and what investment strategies are utilized by the Investment Manager to further the Sub-Fund's broad ESG goals.

### **Investment Strategies used to fulfil the Sub-Fund's ESG considerations**

#### *Negative Screening*

The Investment Manager uses negative screening of assets by excluding industries from the investment universe that the Investment Manager considers to be associated with particularly high ESG risks and by its nature would risk to do significant harm to the Sub-Fund's ESG characteristics. The Investment Manager exclude companies within the following industries: Pornography, tobacco, cannabis, alcohol production, controversial and conventional weapons, gambling, coal (fossil fuel), oil and gas (if the company cannot demonstrate active work with emission reductions in accordance with the Paris Agreement). The Investment Manager also excludes companies that do not consider environmental factors, violate international standards and companies with elements of corruption. More information about the Investment Manager's application of the exclusion criteria can be found on <https://www.norron.com/en/organisation/hallbarhet/norrns-exkluderingskriterier/>.

In order to avoid investments, other than those specified above, that do significant harm to the Sub-Fund's ESG considerations such assessment is included in the Portfolio Manager's investment process.

As part of the Sub-Fund's investment strategy the Sub-Fund uses hedging techniques to achieve its investment objective or to mitigate risks by using derivatives. Such hedging techniques may not take into account ESG considerations of the Sub-Fund and may from time to time lead to exposure towards excluded industries.

#### *Positive Tilt*

The Investment Manager has incorporated the UN SDGs and the Ten Principles of the UN Global Compact in its investment process, which includes criteria on human and labour rights, environment and anti-corruption. Furthermore, in order to generate sustainable long-term risk-adjusted returns for the shareholders of the Sub-Fund the Investment Manager favours investments that combine ESG considerations and related measures with financial growth and return. Thus, the Investment Manager, when selecting investments, favours companies that have undergone the transition, and adapted its business activities, towards a sustainable economy. In the Investment Manager's quest to facilitate change and social restructuring in line with long-term sustainability goals, the Investment Manager also favours companies that have either undergone part of or prepare its business for such transition, provided that they are able to demonstrate a satisfactory plan and engagement to achieve ESG-targets. The above also includes companies that conduct business activities that, by provision of their products or services, enable a substantial contribution towards a sustainable economy to be made in other companies' business activities.

### **Sustainability Risks**

#### *Risks to the financial returns of the Fund*

The broad ESG Goals of this Sub-Fund may lead the Investment Manager to exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the stated ESG Goals. The financial returns of this Sub-Fund may not be equivalent or surpass those of non-ESG financial products.

### **Risk Management**

The global exposure of the Sub-Fund will be monitored by using the Value-at-Risk (VaR) methodology in accordance with applicable CSSF Circulars. The level of the absolute VaR for the Sub-Fund will not exceed 20%.

The Sub-Fund's expected level of leverage will be primarily determined using the sum of the notionals approach. This methodology is to be regarded as the sum of the direct investments and the additional exposure gained through the use of financial derivative instruments without consideration of netting and/or hedging mechanisms and through borrowing of cash. Based on this methodology the leverage is not expected to exceed five (5) times the Sub-Fund's total net assets (i.e. the sum of the direct investments and the additional exposure created through derivatives and cash borrowing may represent up to 500% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

On a parallel basis the Sub-Fund's expected level of leverage will also be calculated using the commitment approach. This means that potential netting and/or hedging mechanisms are taken into account when performing the calculation. Based on this methodology the leverage is not expected to exceed two (2) times the Sub-Fund's total net assets (i.e. the additional exposure created through leverage may represent up to 200% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

### **Specific risk considerations for the Sub-Fund**

Investors should note that the investment strategy of, and risks inherent to, the Sub-Fund are not typically encountered in traditional equity long-only positions. The Sub-Fund may use derivative instruments as part of its investment strategy. Such instruments are inherently volatile and the Sub-Fund could potentially be exposed to additional risks and costs should the market move against it. The Sub-Fund may also use derivative instruments to take short positions on some investments. Should the value of such investments increase, it will have a negative effect in the Sub-Fund's value. In extreme market conditions, the Sub-Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns or may even suffer a loss on such investments.

Under extreme market circumstances, some of the assets or derivative positions of the Sub-Fund may become difficult to unwind at a certain point in time and at a reasonable price.

The Sub-Fund may lose money if counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed).

“Financial derivative instrument” is a generic name for instruments getting their return from underlying assets. The return of the financial derivative instrument depends on the return of the underlying asset, but small price changes in the underlying asset can result in large price changes of the derivative.

OTC derivatives are private agreements between a fund and one or more counterparties. In general, those transactions are less subject to governmental regulation and supervision, compared to exchange traded derivatives. OTC derivatives carry higher counterparty and liquidity risks. Besides, the Sub-Fund may not be able to find a comparable derivative to be able to offset a certain position.

Although exchange traded derivatives are generally considered as less risky than OTC derivatives, there is still the risk that the securities exchange or commodities contract market suspends or limits the trading in derivatives or in their underlying assets.

Leverage is typical for trading in financial derivative instruments. Investment in derivative transactions may potentially result in losses greater than the amount invested for those transactions.

### **Profile of the typical Investor**

The Sub-Fund is a long/short equity fund. The Sub-Fund's ambition is to maximize the return of the stock selection process. The Sub-Fund is aimed at investors seeking exposure to the Nordic equity markets in general, but from an absolute return perspective. The Sub-Fund's risk profile may vary in accordance with the management team's view on stock selection, as well as on the net and gross exposure. The Sub-Fund's return profile will be a consequence of the alpha that is generated as well as decisions based on the direction of the Nordic equity markets. The Sub-Fund may carry a positive as well as a negative net exposure to the equity market.

### **Reference Currency**

The reference currency of the Sub-Fund is the SEK.

### **Classes of Shares**

Class I Shares are available for subscription and are reserved to Institutional Investors.

Class R and Class P Shares will be available to all investors.

Class H Shares will hedge the currency exposure against the reference currency of the Sub-Fund in full or in part at the discretion of the Investment Manager in order to protect its Shareholders from the impact of currency movements. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of this Class.

Class N Shares are available to all investors. The Sub-Fund does not remit any commission-based payments for these Class N Shares.

Class M Shares are available for subscription and are reserved to Institutional Investors. The initial investment by a new investor in this Share Class will need the express approval from the board of directors whereas all subsequent investments do not require this express approval

Class CH are available to Swiss resident investors.

Classes B, H, I, R, P, N and M Shares are only available as Accumulation Shares (C). Shares of the following Classes are currently issued with the following minimum initial investment and holding amount or minimum initial and subsequent subscription amount:

<b>Name of the Class of Shares</b>	<b>Minimum Initial Investment and Holding Amount</b>	<b>ISIN</b>
RC SEK	N/A	LU0580532280
HRC NOK	N/A	LU1215860708
HRC EUR*	N/A	LU1652630226
HRCCH EUR*	N/A	LU1982816461
NRC SEK*	N/A	LU1652630499
HNRC EUR*	N/A	LU1652630572
HNRC NOK*	N/A	LU1652630655
IC SEK	SEK 20,000,000	LU0580531803
MC SEK*	N/A	LU1628984186
	<b>Minimum Initial and Subsequent Subscription Amount</b>	
HIC EUR	EUR 100,000	LU0951320570
HIC USD*	USD 100,000	LU0951320653

HIC NOK*	NOK 1,000,000	LU0951320737
HIC DKK*	DKK 1,000,000	LU0951320810
HIC GBP*	GBP 100,000	LU0951320901
HIC CHF*	CHF 100,000	LU0951321115
PB SEK*	SEK 1,000,000	LU1072517581

\* The Class of Shares will be launched at a later stage upon resolution of the board of directors.

### **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

### **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg, except for 24 December in each year.

### **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as described in the Chapter on Subscriptions.

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. Subscription proceeds must be received no later than on the second Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

### **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

Payment of redemption proceeds will normally be made within two Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

### **Fees**

### Infrastructure Fee

The Management Company will receive an infrastructure fee, accrued daily and payable monthly in arrears, of maximum 0.085% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 10,000.

Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

### Investment Management Fee

The Investment Manager will receive from Class I and Class R an investment management fee, accrued daily and payable monthly in arrears, not exceeding 1.50% per annum of the net assets of the Sub-Fund attributable to each Class.

### Performance fee

The Investment Manager is entitled to receive, from the net assets of certain Classes of Shares, a performance based incentive fee (the “Performance Fee”).

The first Calculation Period will commence on the Valuation Day immediately following the close of the Initial Offer Period. The Performance Fee will be calculated, accrued and crystallised on each Valuation Day as an expense of the relevant Class of Shares, meaning that each time a Performance Fee is accrued, it becomes a payable to the Investment Manager. The Performance Fee will be paid to the Investment Manager monthly in arrears.

The rate of Performance Fee is set out in the table below.

The High Watermark (the “HWM”) is the higher of the Net Asset Value of the previous Valuation Day of the relevant Class of Shares or the Net Asset Value of the previous Valuation Day for which a Performance Fee was crystallised.

If on any Valuation Day, the Gross Asset Value ("GAV") per Share, which is the Net Asset Value per Share after accrual of all fees but before the accrual of Performance Fee, is greater than the HWM, a Performance Fee is calculated by multiplying the difference between the GAV per Share and the HWM by the last outstanding number of Shares of the relevant Class of Shares.

Class of Shares	Performance Fee
RC SEK	Up to 20% p.a.
HRC NOK	Up to 20% p.a.
NRC SEK	Up to 20% p.a.
HNRC EUR	Up to 20% p.a.
HNRC NOK	Up to 20% p.a.
IC SEK	Up to 20% p.a.
HIC EUR	Up to 20% p.a.
HIC USD	Up to 20% p.a.

HIC NOK	Up to 20% p.a.
HIC DKK	Up to 20% p.a.
HIC GBP	Up to 20% p.a.
HIC CHF	Up to 20% p.a.
PB SEK	Up to 20% p.a.
HRC EUR	Up to 20% p.a.

#### Central Administration Agent Fee

The Central Administration Agent is entitled to receive an administration fee consisting of a flat fee of maximum EUR 2,916.67 payable monthly in arrears out of the Sub-Fund's assets plus a variable fee of maximum 0.065% per annum which is calculated and accrued daily and payable monthly in arrears out of the Sub-Fund's assets. This fee includes the fee due to the Depositary.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions and other related services, an annual flat fee per active Class of Shares payable monthly in arrears, in accordance with Luxembourg customary banking practice.

The Central Administration Agent will also be compensated for all reasonable out-of-pocket expenses.

#### Depositary Fee

The Depositary will receive a depositary fee of 0.01500%, payable out of the administration fee received by the Central Administration Agent, monthly in arrears. In addition, this service provider is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.



## **ANNEX 4: NORRON SICAV – Active**

### **Investment Objective and Policy**

The Sub-Fund is a long only equity fund investing a minimum of 90 percent of its total net assets in equities and equity related instruments. The primary focus of the Sub-Fund is on the Swedish equity market, but the Sub-Fund may invest in all the Nordic equity markets.

The Sub-Fund is actively managed without reference to a benchmark.

The Sub-Fund may invest up to 10 percent of its total net assets in Nordic fixed income securities, money market instruments, cash and Cash Equivalents.

The Sub-Fund will hold long positions directly, or through the use of financial derivative instruments. For this purpose the Sub-Fund may use exchange traded derivatives (including but not restricted to futures, options and forwards) on equities as well as on financial indices and exchange traded funds for investment purposes. The Sub-Fund will also be able to write options on assets it holds.

Exposure to financial indices will in principle comply with the diversification rules set out in Article 43 of the Law and the investment restrictions mentioned under the section Investment Restrictions, III. a) and b) above.

In addition to this, the Sub-Fund may use financial derivative instruments to hedge its cash exposure to Swedish kronor.

The Sub-Fund may hold long positions of up to 125 percent of its net assets.

The Sub-Fund does not make use of any Efficient Portfolio Management techniques, nor enter into total return swaps or financial derivative instruments with similar characteristics and as such the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse is currently not applicable. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.

The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs.

The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".

### **ESG Goals**

The Sub-Fund's investment policy contains broad environmental, social, and governance criteria ("**ESG Goals**"). The ESG Goals are linked to the United Nations 17 Sustainable Development Goals (UN SDGs), which contain a wide range of environmental, social and governance goals such as climate action, decent work and economic growth, responsible consumption and production, good health and well-being, peace and justice, sustainable cities and communities etc. The UN SDGs form the basis for the Sub-Fund's promotion of environmental and social characteristics and the Investment Manager integrates these goals into the Sub-Fund's investment strategy to better manage risk, generate sustainable long-term returns, and promote environmental or social characteristics. The following disclosures describe the specific risks of investing in this Fund/Sub-Fund and what investment strategies are utilized by the Investment Manager to further the Sub-Fund's broad ESG goals.

### **Investment Strategies used to fulfil the Sub-Fund's ESG considerations**

### *Negative Screening*

The Investment Manager uses negative screening of assets by excluding industries from the investment universe that the Investment Manager considers to be associated with particularly high ESG risks and by its nature would risk to do significant harm to the Sub-Fund's ESG characteristics. The Investment Manager exclude companies within the following industries: Pornography, tobacco, cannabis, alcohol production, controversial and conventional weapons, gambling, coal (fossil fuel), oil and gas (if the company cannot demonstrate active work with emission reductions in accordance with the Paris Agreement). The Investment Manager also excludes companies that do not consider environmental factors, violate international standards and companies with elements of corruption. More information about the Investment Manager's application of the exclusion criteria can be found on <https://www.norron.com/en/organisation/hallbarhet/norrns-exkluderingskriterier/>.

In order to avoid investments, other than those specified above, that do significant harm to the Sub-Fund's ESG considerations such assessment is included in the Investment Manager's investment process.

### *Positive Tilt*

The Investment Manager has incorporated the UN SDGs and the Ten Principles of the UN Global Compact in its investment process, which includes criteria on human and labour rights, environment and anti-corruption. Furthermore, in order to generate sustainable long-term risk-adjusted returns for the shareholders of the Sub-Fund the Investment Manager favours investments that combine ESG considerations and related measures with financial growth and return. Thus, the Investment Manager, when selecting investments, favours companies that have undergone the transition, and adapted its business activities, towards a sustainable economy. In the Investment Manager's quest to facilitate change and social restructuring in line with long-term sustainability goals, the Investment Manager also favours companies that have either undergone part of or prepare its business for such transition, provided that they are able to demonstrate a satisfactory plan and engagement to achieve ESG-targets. The above also includes companies that conduct business activities that, by provision of their products or services, enable a substantial contribution towards a sustainable economy to be made in other companies' business activities.

### Sustainability Risks

#### *Risks to the financial returns of the Fund*

The broad ESG Goals of this Sub-Fund may lead the Investment Manager to exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the stated ESG Goals. The financial returns of this Sub-Fund may not be equivalent or surpass those of non-ESG financial products.

### **Specific risk considerations for the Sub-Fund**

The Sub-Funds risk profile may vary in accordance with the management team's view on stock selection.

Investment in the Sub-Fund carries a certain degree of risk, and investment should be regarded as long term in nature and is only suitable for investors who understand the risks involved and who are able to withstand the loss of their invested capital.

Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objective. The value of Shares in the Sub-Fund may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested.

### **Profile of the typical investor**

The Sub-Fund is a long only equity fund. The Sub-Fund's ambition is to maximize the return of the stock selection process within the management team. The Sub-Fund is aiming investors seeking exposure to the Nordic equity markets in general and appreciates the long term effects of the active approach that is synonymous with the investment style of the management team. Active management for us means large deviation from any benchmark when it comes to position size. The general portfolio turnover of the Sub-Fund could also be high, due to trading activities. The single purpose of the active management approach is to deliver a competitive alpha.

### **Reference currency**

The reference currency of the Sub-Fund is the SEK.

### **Class of Shares**

Class I Shares are available for subscription and are reserved to Institutional Investors.

Class R and Class P Shares will be available to all investors.

Class H Shares will hedge the currency exposure against the reference currency of the Sub-Fund in full or in part at the discretion of the Investment Manager in order to protect its Shareholders from the impact of currency movements. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of this Class.

Class N Shares are available to all investors. The Sub-Fund does not remit any commission-based payments for these Class N Shares.

Class M Shares are available for subscription and are reserved to Institutional Investors. The initial investment by a new investor in this Share Class will need the express approval from the board of directors whereas all subsequent investments do not require this express approval.

Class CH are available to Swiss resident investors.

Classes H, I, R, P, N and M Shares are only available as Accumulation Shares (C). Shares of the following Classes are currently issued with the following minimum initial investment and holding amount or minimum initial and subsequent subscription amount:

<b>Name of the Class of Shares</b>	<b>Minimum Initial Investment and Holding Amount</b>	<b>ISIN</b>
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RC SEK	N/A	LU0619829491
IC SEK	SEK 20,000,000	LU0619828923
HRC NOK*	N/A	LU1215861003
HRC EUR*	N/A	LU1652630739
NRC SEK	N/A	LU1652630812
HRCHEUR*	N/A	LU1982816388
HNRC EUR*	N/A	LU1652631463
HNRC NOK*	N/A	LU1652630903
MC SEK*	N/A	LU1628995547
	<b>Minimum Initial and Subsequent Subscription Amount</b>	
HIC EUR*	EUR 100,000	LU1652631034
HIC NOK*	NOK 1,000,000	LU1652631117
HIC USD*	USD 100,000	LU1652631208
HIC DKK*	DKK 1,000,000	LU1652631380
HIC GBP*	GBP 100,000	LU1652631547
HIC CHF*	CHF 100,000	LU1652631620
PB SEK*	SEK 1,000,000	LU1072517664

\* The Class of Shares will be launched at a later stage upon resolution of the board of directors.

### **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

### **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg, except for 24 December in each year.

## **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as further described in the Chapter on Subscriptions.

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. Subscription proceeds must be received no later than on the second Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

## **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

Payment of redemption proceeds will normally be made within two Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

## **Fees**

### **Infrastructure Fee**

The Management Company will receive an infrastructure fee, accrued daily and payable monthly in arrears, of maximum 0.085% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 10,000.

Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

### **Investment Management Fee**

The Investment Manager will receive from Class I and Class R an investment management fee, accrued daily and payable monthly in arrears, not exceeding 1.50% per annum of the net assets of the Sub-Fund attributable to each Class.

### **Performance Fee**

No Performance Fee will be charged in the Sub-Fund.

### **Central Administration Agent Fee**

The Central Administration Agent is entitled to receive an administration fee consisting of a flat fee of maximum EUR 2,916.67 payable monthly in arrears out of the Sub-Fund's assets plus a

variable fee of maximum 0.065% per annum which is calculated and accrued daily and payable monthly in arrears out of the Sub-Fund's assets. This fee includes the fee due to the Depositary.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions and other related services, an annual flat fee per active Class of Shares payable monthly in arrears, in accordance with Luxembourg customary banking practice.

The Central Administration Agent will also be compensated for all reasonable out-of-pocket expenses.

#### Depositary Fee

The Depositary will receive a depositary fee of 0.01500%, payable out of the administration fee received by the Central Administration Agent, monthly in arrears. In addition, this service provider is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.

## **ANNEX 5: NORRON SICAV – Sustainable Premium**

### **Investment Objective and Policy**

The Sub-Fund's investment objective is to seek to achieve a return of more than 200bps above the OMRX T-Bill index (the “Benchmark”), which is the defined Benchmark for the Sub-Fund.

The Sub-Fund is actively managed in reference to the Benchmark for the purposes of performance measurement target and marketing. There are no restrictions on the extent to which the Sub-Fund's holdings may deviate from the Benchmark.

The Sub-Fund will allocate its assets between different segments of the fixed income market. The Sub-Fund will invest its assets, directly or through derivative instruments, in fixed income related financial instruments issued by governments and their agencies, state and municipal entities, banks, corporations and companies that are domiciled or active in northern Europe with a main focus on the Nordic markets (Sweden, Finland, Norway, Denmark and Iceland). The instruments will primarily be bonds and money market instruments but may also be convertibles.

In addition, the Sub-Fund will also invest in financial derivative instruments such as futures, options, swaps, CDS (credit default swaps) and other financial derivative instruments, both for hedging and investment purposes. The Sub-Fund may use listed and OTC financial derivative instruments on fixed income instruments and foreign exchange. In order to aim to preserve value and generate returns in an environment of rising interest rates, the Sub-Fund may have a negative exposure to duration. The Sub-Fund's investments will have average maximum duration of -3yrs/+7yrs.

The Sub-Fund will also be allowed to invest in liquid assets on an ancillary basis.

The Sub-Fund does not make use of any Efficient Portfolio Management techniques, nor enter into total return swaps or financial derivative instruments with similar characteristics and as such the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse is currently not applicable. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.

The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or other UCIs.

The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".

### **ESG Goals**

The Sub-Fund's investment policy contains broad environmental, social, and governance criteria (“**ESG Goals**”). The ESG Goals are linked to the United Nations 17 Sustainable Development Goals (UN SDGs), which contain a wide range of environmental, social and governance goals such as climate action, decent work and economic growth, responsible consumption and production, good health and well-being, peace and justice, sustainable cities and communities etc. The UN SDGs form the basis for the Sub-Fund's promotion of environmental and social characteristics and the Investment Manager integrates these goals into the Sub-Fund's investment strategy to better manage risk, generate sustainable long-term returns, and promote environmental or social characteristics. The following disclosures describe the specific risks of investing in this Sub-Fund and what investment strategies are utilized by the Investment Manager to further the Sub-Fund's broad ESG goals.

## Investment Strategies used to fulfil the Sub-Fund's ESG considerations

### *Negative Screening*

The Investment Manager uses negative screening of assets by excluding industries from the investment universe that the Investment Manager considers to be associated with particularly high ESG risks and by its nature would risk to do significant harm to the Sub-Fund's ESG characteristics. The Investment Manager exclude companies within the following industries: Pornography, tobacco, cannabis, alcohol production, controversial and conventional weapons, gambling, coal (fossil fuel), oil and gas (fossil fuel). The Investment Manager also excludes companies that do not consider environmental factors, violate international standards and companies with elements of corruption. More information about the Investment Manager's application of the exclusion criteria can be found on <https://www.norron.com/en/organisation/hallbarhet/norrns-exluderingskriterier/>.

In order to avoid investments, other than those specified above, that do significant harm to the Sub-Fund's ESG considerations such assessment is included in the Investment Manager's investment process.

### *Positive Tilt*

The Investment Manager has incorporated the UN SDGs and the Ten Principles of the UN Global Compact in its investment process, which includes criteria on human and labour rights, environment and anti-corruption. Furthermore, in order to generate sustainable long-term risk-adjusted returns for the shareholders of the Sub-Fund the Investment Manager favours investments that combine ESG considerations and related measures with financial growth and return. Thus, the Investment Manager, when selecting investments, favours companies that have undergone the transition, and adapted its business activities, towards a sustainable economy. In the Investment Manager's quest to facilitate change and social restructuring in line with long-term sustainability goals, the Investment Manager also favours companies that have either undergone part of or prepare its business for such transition, provided that they are able to demonstrate a satisfactory plan and engagement to achieve ESG-targets. The above also includes companies that conduct business activities that, by provision of their products or services, enable a substantial contribution towards a sustainable economy to be made in other companies' business activities.

### Use of index

The Sub-Fund only uses an index for marketing purposes.

### Sustainability Risks

#### *Risks to the financial returns of the Fund*

The broad ESG Goals of this Sub-Fund may lead the Investment Manager to exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the stated ESG Goals. The financial returns of this Sub-Fund may not be equivalent or surpass those of non-ESG financial products.

### **Risk Management**



The global exposure of the Sub-Fund will be monitored by using the Value-at-Risk (VaR) methodology in accordance with applicable CSSF Circulars. The level of the absolute VaR for the Sub-Fund will not exceed 10%.

The Sub-Fund's expected level of leverage will be primarily determined using the sum of the notionals approach. This methodology is to be regarded as the sum of the direct investments and the additional exposure gained through the use of financial derivative instruments without consideration of netting and/or hedging mechanisms and through borrowing of cash. Based on this methodology the leverage is not expected to exceed three (3) times the Sub-Fund's total net assets (i.e. the sum of the direct investments and the additional exposure created through derivatives and cash borrowing may represent up to 300% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

On a parallel basis the Sub-Fund's expected level of leverage will also be calculated using the commitment approach. This means that potential netting and/or hedging mechanisms are taken into account when performing the calculation. Based on this methodology the leverage is not expected to exceed two (2) times the Sub-Fund's total net assets (i.e. the additional exposure created through leverage may represent up to 200% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.

#### **Specific risk considerations for the Sub-Fund**

The Sub-Fund may make investments that are denominated in one or more currencies other than SEK, and the Sub-Fund reserves the right to enter into currency hedging transactions in connection with any non-SEK investments to seek to mitigate currency fluctuations, but there can be no assurance such transactions will be entered into or, if they are entered into, that they will be successful. Further, any such currency hedging transactions that are entered into by the Sub-Fund may be terminated at any time if such termination is deemed by the Investment Manager in its judgment to be in the best interests of the Sub-Fund. The success of any hedging arrangements entered into by the Sub-Fund is subject to the ability of the Investment Manager to correctly hedge against movements in the direction of currency rates and the Sub-Fund's ability to meet any currency hedging transaction collateral posting and settlement requirements. Therefore, while the Sub-Fund may enter into such transactions to seek to reduce currency exchange rate risks, unanticipated changes in currency rates may result in a poorer overall performance for certain share classes than if the Sub-Fund had not engaged in any such hedging transactions.

Investment in the Sub-Fund carries a certain degree of risk, and investment should be regarded as long term in nature and is only suitable for investors who understand the risks involved and who are able to withstand the loss of their invested capital.

Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objective. The value of Shares in the Sub-Fund may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested.

The Sub-Fund may use derivative instruments as part of its investment strategy. Such instruments are inherently volatile and the Sub-Fund could potentially be exposed to additional risks and costs should the market move against it. The Sub-Fund may also use derivative instruments to take short positions on some investments. Should the value of such investments increase, it will have a negative effect in the Sub-Fund's value. In extreme market conditions, the Sub-Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns or may even suffer a loss on such investments.

### **Profile of the typical investor**

This Sub-Fund is aimed at investors looking for a return that exceeds the benchmark while reducing the likelihood of capital losses on a medium term basis through a flexible diversified fixed income portfolio. Since the Sub-Fund is focused on a bond universe rather than on cash volatility, investors should have an investment horizon of at least 3 to 5 years.

### **Reference currency**

The reference currency of the Sub-Fund is the SEK.

### **Class of Shares**

Class R and Class P Shares will be available to all investors.

Class I and Class S Shares are available for subscription and are reserved to Institutional Investors.

Class H Shares will hedge the currency exposure against the reference currency of the Sub-Fund in full or in part at the discretion of the Investment Manager in order to protect its Shareholders from the impact of currency movements . The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of this Class.

Class N Shares are available to all investors. The Sub-Fund does not remit any commission-based payments for these Class N Shares.

Classes I, Class H, Class N, Class S and Class P Shares are only available as Accumulation Shares (C) and Class R Shares are available as Accumulation Shares (C) and Distribution Shares (D). Shares of the following Classes are currently issued with the following minimum initial investment and subsequent investment amount or minimum initial and subsequent subscription amount:

<b>Name of the Class of Shares</b>	<b>Minimum Initial Investment and Holding Amount</b>	<b>ISIN</b>
RD SEK*	SEK 20,000,000	LU0772833660
RC SEK	N/A	LU0772833314
HRC NOK*	N/A	LU1215861425
HRC EUR*	N/A	LU1652631893
NRC SEK	N/A	LU1652631976
HNRC EUR*	N/A	LU1652632198

HNRC NOK*	N/A	LU1652632354
SC SEK*	N/A	LU0786765825
IC SEK	SEK 20,000,000	LU0906828909
	<b>Minimum Initial and Subsequent Subscription Amount</b>	
HIC EUR	EUR 100,000	LU0872757520
HIC USD*	USD 100,000	LU0951321388
HIC NOK	NOK 1,000,000	LU0951321545
HIC DKK*	DKK 1,000,000	LU0951321628
HIC GBP*	GBP 100,000	LU0951321891
HIC CHF*	CHF 100,000	LU0951322196
PB SEK*	SEK 1,000,000	LU1072517748

Class RD SEK will distribute dividends on a quarterly basis.

\* The Class of Shares will be launched at a later stage upon decision of the board of directors.

### **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

### **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg, except for 24 December in each year.

### **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as further described in the Chapter on Subscriptions.

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. Subscription proceeds must be received no later than on the second Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

### **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

Payment of redemption proceeds will normally be made within two Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

## **Fees**

### **Infrastructure Fee**

The Management Company will receive an infrastructure fee, accrued daily and payable monthly in arrears, of maximum 0.085% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 10,000.

Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

### **Investment Management Fee**

The Investment Manager will receive for all Classes of Shares an investment management fee, accrued daily and payable monthly in arrears, not exceeding 0.80% per annum of the net assets of the Sub-Fund attributable to each Class.

### **Performance Fee**

No Performance Fee will be charged in the Sub-Fund.

### **Central Administration Agent Fee**

The Central Administration Agent is entitled to receive an administration fee consisting of a flat fee of maximum EUR 2,916.67 payable monthly in arrears out of the Sub-Fund's assets plus a variable fee of maximum 0.065% per annum which is calculated and accrued daily and payable monthly in arrears out of the Sub-Fund's assets. This fee includes the fee due to the Depositary.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions and other related services, an annual flat fee per active Class of Shares payable monthly in arrears, in accordance with Luxembourg customary banking practice.

The Central Administration Agent will also be compensated for all reasonable out-of-pocket expenses.

### Depository Fee

The Depository will receive a depository fee of 0.01500%, payable out of the administration fee received by the Central Administration Agent, monthly in arrears. In addition, this service provider is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.

## **ANNEX 6 NORRON SICAV – Sustainable Equity**

### **Investment Objective and Policy**

The Sub-Fund's investment objective is to provide long-term capital growth by investing principally in Nordic (Norwegian, Swedish, Finnish and Danish) Sustainable Companies. Sustainable Companies are those that the Investment Manager believes focus on climate and environment, healthy and prosperous societies, innovative and sustainable solutions, and sustainable cities and infrastructure.

The Sub-Fund will invest a minimum of 90 percent of its total net assets in equities and equity related instruments (including but not limited to equity funds, equity options and futures, and contracts for differences).

The Sub-Fund may invest up to 10 percent of its total net assets in Nordic fixed income securities, money market instruments, cash and Cash Equivalents.

The Sub-Fund is actively managed without reference to a benchmark.

The Investment Manager will identify and invest for the Sub-Fund in a selection of various sized Sustainable Companies ranging from large, medium and small capitalization companies. The Sub-Fund may invest in micro capitalization companies up to 10% of the Sub-Fund's net assets.

The Sub-Fund will hold long positions directly, or through the use of financial derivative instruments. For this purpose the Sub-Fund may use exchange traded derivatives (including but not restricted to futures, options and forwards) on equities as well as on financial indices and exchange traded funds for investment purposes. The Sub-Fund will also be able to write options on assets it holds.

Exposure to financial indices will in principle comply with the diversification rules set out in Article 43 of the Law and the investment restrictions mentioned under the section Investment Restrictions, III. a) and b) above.

In addition to this, the Sub-Fund may use financial derivative instruments to hedge its cash exposure to Swedish kronor.

The Sub-Fund may hold long positions of up to 125 percent of its net assets.

The Sub-Fund does not make use of any Efficient Portfolio Management techniques, nor enter into total return swaps or financial derivative instruments with similar characteristics and as such the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse is currently not applicable. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.

The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs.

The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".

### **ESG Goals**

The Sub-Fund has sustainable investments as its objective. The Sub-Fund's four thematic sustainable investment objectives when selecting Sustainable Companies are linked to the United Nations 17 Sustainable Development Goals (UN SDGs), which contain a wide range of environmental, social and governance goals such as climate action, decent work and economic

growth, responsible consumption and production, good health and well-being, peace and justice, sustainable cities and commodities etc.

The Sub-Fund only invests in Sustainable Companies that, according to the Investment Manager, by provision of its products or services contribute to one or more of the sustainable investment objectives.

The Investment Manager applies an active management philosophy in its quest to generate sustainable and economic value creation for the shareholders of the Sub-Fund. The ownership strategy is to follow a productive ownership and change strategy, where a continuous dialogue and engagement is maintained with the Sustainable Companies in which the Sub-Fund invests.

#### Investment Strategies used to fulfil the Sub-Fund's ESG considerations

In pursuing the sustainable investment objectives, the Investment Manager has incorporated the UN SDGs and the Ten Principles of the UN Global Compact in its investment process, which includes criteria on human and labour rights, environment and anti-corruption. In order to generate sustainable long-term risk-adjusted returns for the shareholders of the Sub-Fund, the Investment Manager focuses on Sustainable Companies that combine ESG considerations and related measures with financial growth and return.

Furthermore, in the Investment Manager's quest to facilitate change and social restructuring in line with the long-term sustainable investment objectives, the Investment Manager also focuses on Sustainable Companies that conduct business activities that contribute to the transition towards a sustainable economy within an industry that needs to enhance its ESG performance in order to fulfil the sustainable objectives (i.e. "transition companies"), as well as companies that conduct business activities that, by provision of its products or services, enable a contribution towards a sustainable economy to be made in other companies' business activities (i.e. "enabling companies").

In addition to the above, when selecting investments for the Sub-Fund, the Investment Manager takes into account the investments' alignment with social minimum safeguards and good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

In order to avoid investments that do significant harm to the Sub-Fund's sustainable investment objectives the Investment Manager uses negative screening of assets by excluding industries from the investment universe that the Investment Manager considers to be associated with particularly high ESG risks and as such by its nature would risk to do significant harm to the Sub-Fund's sustainable investment objectives. The Investment Manager exclude companies within the following industries: pornography, tobacco, cannabis, alcohol production, controversial and conventional weapons, gambling, coal (fossil fuel), oil and gas (fossil fuel). The Investment Manager also excludes companies that do not consider environmental factors, violate international standards and companies with elements of corruption. More information about the Investment Manager's application of the exclusion criteria can be found on <https://www.norron.com/en/organisation/hallbarhet/norrns-exkluderingskriterier/>.

In order to avoid investments, other than those specified above, that would risk to do significant harm to the Sub-Fund's sustainable investment objectives, such assessment is included in the investment process of the Sub-Fund together with additional assessment of ESG risks for each investment in the Sub-Fund. In this assessment the Investment Manager uses both internal and external data on companies as well as portfolio level.

### **Specific risk considerations for the Sub-Fund**

The sustainable objective of this Sub-Fund may lead the Investment Manager to exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the stated sustainable objective. The financial returns of this Sub-Fund may not be equivalent or surpass those of non-ESG financial products.

The Sub-Funds risk profile may vary in accordance with the management team's view on stock selection.

Investment in the Sub-Fund carries a certain degree of risk, and investment should be regarded as long term in nature and is only suitable for investors who understand the risks involved and who are able to withstand the loss of their invested capital.

Stock of small and micro capitalization companies may be less liquid, more volatile and tend to carry greater financial risk than stocks of larger companies.

Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objective. The value of Shares in the Sub-Fund may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested.

### **Profile of the typical investor**

The Sub-Fund is a long only equity fund. The Sub-Fund's ambition is to maximize the return of the stock selection process within the management team. The Sub-Fund is aiming investors seeking exposure to the Nordic equity markets in general and appreciates the long term effects of the active approach that is synonymous with the investment style of the management team. Active management for us means large deviation from any benchmark when it comes to position size. The general portfolio turnover of the Sub-Fund could also be high, due to trading activities. The single purpose of the active management approach is to deliver a competitive alpha.

### **Reference currency**

The reference currency of the Sub-Fund is the SEK.

### **Class of Shares**

Class I and Class S Shares are available for subscription and are reserved to Institutional Investors.

Class R Shares will be available to all investors.

Class H Shares will hedge the currency exposure against the reference currency of the Sub-Fund in full or in part at the discretion of the Investment Manager in order to protect its Shareholders from the impact of currency movements. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of this Class.

Class N Shares are available to all investors. The Sub-Fund does not remit any commission-based payments for these Class N Shares.



Classes M and S Shares are available for subscription and are reserved to Institutional Investors. The initial investment by a new investor in this Share Class will need the express approval from the board of directors whereas all subsequent investments do not require this express approval.

Classes H, I, R, N, S and M Shares are only available as Accumulation Shares (C). Shares of the following Classes are currently issued with the following minimum initial investment and holding amount or minimum initial and subsequent subscription amount:

<b>Name of the Class of Shares</b>	<b>Minimum Initial Investment and Holding Amount</b>	<b>ISIN</b>
RC SEK*	N/A	LU1982817865
IC SEK*	SEK 20,000,000	LU1982817949
SC SEK*	SEK 20,000,000	LU2226761182
HRC NOK*	N/A	LU1982817519
HRC EUR*	N/A	LU1982816974
NRC SEK*	N/A	LU1982818087
HNRC EUR*	N/A	LU1982817196
HNRC NOK*	N/A	LU1982817600
MC SEK*	N/A	LU1982818160
	<b>Minimum Initial and Subsequent Subscription Amount</b>	
HIC EUR*	EUR 100,000	LU1982817279
HIC NOK*	NOK 1,000,000	LU1982817782
HIC USD*	USD 100,000	LU1982818244
HIC DKK*	DKK 1,000,000	LU1982816891
HIC GBP*	GBP 100,000	LU1982817352
HIC CHF*	CHF 100,000	LU1982816545

\* The Class of Shares will be launched at a later stage upon resolution of the board of directors.

### **Valuation Day**

The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").

### **Business Day**

A Business Day is a day on which banks are normally open for business in Luxembourg, except for 24 December in each year.

### **Subscriptions**

Investors should be aware that subscriptions for Shares may be made directly through the Registrar and Transfer Agent as further described in the Chapter on Subscriptions.

Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. Subscription proceeds must be received no later than on the second Business Day following the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

### **Redemptions**

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 2.00 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 2.00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.

Payment of redemption proceeds will normally be made within two Business Days following the relevant Valuation Day.

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

### **Fees**

#### **Infrastructure Fee**

The Management Company will receive an infrastructure fee, accrued daily and payable monthly in arrears, of maximum 0.085% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 10,000.

Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

#### **Investment Management Fee**

The Investment Manager will receive for all Classes of Shares, except for Class M Shares, an investment management fee, accrued daily and payable monthly in arrears, not exceeding 1.50% per annum of the net assets of the Sub-Fund attributable to each Class.

#### **Performance Fee**

No Performance Fee will be charged in the Sub-Fund.

#### **Central Administration Agent Fee**

The Central Administration Agent is entitled to receive an administration fee consisting of a flat fee of maximum EUR 2,916.67 payable monthly in arrears out of the Sub-Fund's assets plus a variable fee of maximum 0.065% per annum which is calculated and accrued daily and payable monthly in arrears out of the Sub-Fund's assets. This fee includes the fee due to the Depositary.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions and other related services, an annual flat fee per active Class of Shares payable monthly in arrears, in accordance with Luxembourg customary banking practice.

The Central Administration Agent will also be compensated for all reasonable out-of-pocket expenses.

#### Depositary Fee

The Depositary will receive a depositary fee of 0.01500% payable, out of the administration fee received by the Central Administration Agent, monthly in arrears. In addition, this service provider is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.