

**FUND RULES:  
VINGA CORPORATE BOND**

**Adopted by the Board of Directors:**

28 November 2019

**Approved by FI:** 30 January 2020

**§ 1 NAME AND LEGAL STATUS OF  
THE FUND**

The fund's name is Vinga Corporate Bond. The fund is a mutual fund in accordance with Sweden's Act (2004:46) on mutual funds ("LVF").

The fund's assets are jointly owned by the fund unit holders and each fund unit carries an equal right to the assets included in the fund. The fund may not acquire rights or assume obligations. The Company specified in § 2 represents the unit holders in matters concerning the fund, decides on the assets included in the fund and exercises the rights deriving from the fund. The fund is aimed at the general public; see also § 17.

Operations are conducted in accordance with these fund rules, the articles of association of the Fund Management Company, LVF and other applicable statutes.

The fund's assets are jointly owned by the fund unit holders. The units within each share class carry equal rights to the assets included in the fund.

**Share classes**

The fund has the following share classes:

Share class A – SEK, minimum deposit SEK 100

Share class B – SEK, minimum deposit SEK 5,000,000

Share class C – EUR, minimum deposit EUR 10

Share class D – EUR, minimum deposit EUR 500,000

The content of the fund rules is common to all share classes unless otherwise stated. The fund consists of share classes, which means that the value of one unit in one class will differ from the value of one unit in another class.

The share classes differ with regard to their investment currency, minimum initial subscription amount (cf. § 9) and fees (cf. § 11) as specified in these fund regulations.

**§ 2 FUND MANAGER**

The fund is managed by AIFM Capital AB, org. no. 556737-5562, hereinafter referred to as "the Company".

**§ 3 THE DEPOSITARY AND ITS  
TASKS**

The Depositary is Swedbank AB, org. no. 502017-7753, hereinafter referred to as the Depositary. The Depositary executes the Company's decisions regarding the fund and receives and stores the fund's assets.

In addition, the Depositary verifies that the decisions relating to the fund taken by the Company, regarding, for example, valuation, redemption and sale of fund units, are made in accordance with laws, regulations and these fund rules.

#### **§ 4 CHARACTER OF THE FUND**

The fund is an actively managed fixed-income fund with an emphasis on corporate bonds with a lower credit rating (high yield). The fund primarily trades in Nordic marketplaces. The fund's assets can also be invested in interest-bearing financial instruments and other marketplaces.

The fund may have a maximum duration of six years.

The fund's objective is to achieve good capital growth that, over a three-year period, exceeds the development of the fund's benchmark index, which is OMRX T-BILL plus 2 percent per year. See the information brochure for further information on the benchmark index.

#### **§ 5 THE FUND'S INVESTMENT POLICY**

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and in an account with a credit institution.

Underlying assets of derivative instruments must consist of or relate to assets in accordance with Ch. 5, § 12, first paragraph of the LVF.

At least 70 percent of the fund's assets must be invested in corporate bonds.

At least 50 percent of the fund's assets must be invested in financial instruments admitted for trading in a Nordic marketplace or issued in a Nordic currency. The fund may also invest in non-Nordic

marketplaces. Such investments are made primarily in Europe and the US.

The fund may invest in transferable securities and money market instruments with both lower creditworthiness (high yield) and higher creditworthiness (investment grade). In addition the fund may invest in financial instruments without a credit rating.

The average remaining fixed-interest period (the duration) for the fund's investments is between one and six years. The maturity of individual financial investments in the fund, or the maturity of the first repurchase date for bonds without a maturity date, may not exceed ten years.

Currency derivatives may be used to separate bond and currency exposure. Currency risk is not hedged and fluctuations in exchange rates may affect returns.

The fund may invest a maximum of 10 percent of the fund's value in fund units.

#### **§ 6 MARKETPLACES**

The fund's trading in financial instruments may take place on a regulated market or an equivalent market outside of the EEA. Trading may also take place in another market within or outside of the EEA that is regulated and open to the general public.

#### **§ 7 SPECIAL INVESTMENT FOCUS**

The fund may invest in such transferable securities and money market instruments as referenced in Ch. 5, § 5 of the Swedish Act (2004:46) on mutual funds.

In accordance with Ch. 5, § 8 of the LVF, the fund may without limit hold bonds and other securitised debt issued or guaranteed by a state, municipality, or state or municipal authority in a country within the EEA or by any intergovernmental body in which one or more EEA Member States are members. However, securitised debt must come from at least six different issues and those coming from one and the same issue may not exceed 30 percent of the fund's value. The issuers or guarantors issuing or guaranteeing securities debt that the fund may invest more than 35 percent of its value in must be in the US, the Swedish state, Swedish municipalities, EEA states or municipal authorities, or intergovernmental bodies in which one or more EEA Member States are members.

Fund assets may be invested in derivative instruments as part of the investment policy. The fund may invest in such derivative instruments as referenced in Ch. 5, § 12, second paragraph of the LVF, known as OTC derivatives.

## **§ 8 VALUATION**

The value of the fund is calculated by deducting the fund's liabilities from the fund's assets. Because the fund consists of share classes, the value of a fund unit is to be determined by considering the conditions attached to each respective share class. The value of a fund unit in a share class consists of the value of the share class divided by the number of outstanding shares in the share class. The value of the fund units is calculated every banking day. The fund's assets are valued at current market value. The current market value can be determined by different methods, which are applied in the following order:

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

To determine the value of fund units, the Company uses the most recently reported unit value.

For such transferable securities and money market instruments as referenced in Ch. 5, § 5 of the LVF, a market value is determined on objective grounds according to a special valuation. The special valuation is based on information on the most recent payment price or indicative purchase price from independent market makers if one is designated. If this information is missing or considered unreliable, the market value is determined with the help of independent brokers or other external independent sources.

OTC derivatives usually lack public information on the latest price paid as well as the latest purchase and

sale prices. The market value of OTC derivatives is therefore normally determined based on generally accepted valuation models, such as Black & Scholes, or a valuation provided by independent third parties.

## **§ 9 SALE AND REDEMPTION OF FUND UNITS**

The fund is normally open for the sale (unit holder's purchase) and redemption (unit holder's sale) of fund units every banking day.

However, the fund is not open for sale and redemption on those banking days when the valuation of the fund's assets cannot be carried out in a way that ensures the fund unit holders' equal rights as a result of one or more of the underlying marketplaces not being open for trading.

Requests for sales and/or redemptions must be made in writing and be received by the Company before 15:00 CET on full banking days and no later than 11:00 CET on half banking days (the day before a public holiday) in order for the sale and/or redemption to take place at the price determined at the end of the day the request was received by the Company. Sales and redemptions thus take place at a price unknown to the unit holder at the time of the request.

When purchasing fund units, the subscription payment must be posted to the account belonging to the fund no later than 15:00 CET on full banking days and no later than 11:00 CET on half banking days.

Requests for the sale or redemption of fund units may be withdrawn only if permitted by the Company.

If funds for redemption need to be procured through the sale of securities, the sale shall take place and redemption shall be executed as soon as possible. Should such a sale significantly harm the interests of other unit holders, the Company may, after notifying Finansinspektionen (the Swedish financial supervisory authority), postpone the redemption of fund units in whole or in part.

Requests for the sale or redemption of fund units received by the Company when the fund is closed for sale and redemption in accordance with that stated in this rule, second paragraph and in § 10, normally take place at the price on the following banking day.

The value of a fund unit is normally calculated every banking day. However, the fund unit value is not calculated if the fund is closed for sale and redemption with regard to the circumstances specified in this rule, second paragraph and § 10. The principles used in determining the fund unit value are stated in § 8.

Information on the fund unit price is normally available from the Company and co-operating distributors on a daily basis.

The following minimum initial subscription amounts apply to each share class:

A Minimum initial subscription amount, SEK 100.

B Minimum initial subscription amount, SEK 5,000,000.

C Minimum initial subscription amount, EUR 10.

D Minimum initial subscription amount, EUR 500,000.

## § 10 CLOSURE OF THE FUND IN EXTRAORDINARY CIRCUMSTANCES

The fund may be closed for sale and redemption in the event that such extraordinary circumstances have arisen that mean that a valuation of the fund's assets cannot be carried out in a way that ensures the equal rights of the fund unit holders.

## § 11 FEES AND COMPENSATION

### Fixed fee

From the fund's assets, a fee shall be paid to the Company for its management of the fund. The fee includes costs for depositaries – see § 3 – as well as for Finansinspektionen's supervision and for auditors.

A fixed fee is payable for share classes A and C corresponding to a maximum of 2.5% per year of the fund's value.

A fixed fee is payable for share classes B and D corresponding to a maximum of 1.9% per year of the fund's value.

The fee is paid monthly in arrears and is calculated daily as 1/365th. The current fixed fee is stated in the information brochure. The value of the fund units is calculated after deduction of the fixed fee.

Brokerage and other transaction-based expenses for the fund's purchases and sales of financial instruments and tax are charged to the fund.

### Performance fee

In addition to a fixed fee, a collectively calculated performance-based fee is payable corresponding to a

maximum of 20% of the return that the fund provides over its benchmark index, OMRX T-BILL plus 2 percent.

OMRX T-BILL is a standardized index that is an accepted benchmark index for the competing funds that the fund compares to. The fee is calculated daily and is deducted from each share class in arrears on the last banking day of each month. Remuneration is calculated once the fixed fee has been deducted from the fund. The fund's return in each share class is calculated after deductions for fixed and performance-based remuneration. If the fund's return is negative but still exceeds the benchmark index, a performance-based fee may be payable. The performance-based fee is calculated daily but deducted from the fund account monthly.

The fund applies a perpetually high high-water mark. This means that if a share class on one day underperforms, i.e. has a return lower than the return threshold applied for the share class, and then later has an excess return, i.e. a return higher than the return threshold, no performance-based remuneration is payable until the previous day's (or days') underperformance has been offset. Remuneration is calculated collectively for each share class. This can mean that all unit holders in a share class are treated equally regardless of the time of their investment. Someone who subscribes to fund units after the share class has underperformed does not need to pay performance-based remuneration until the share class as a whole has recouped the underperformance. Correspondingly, unit holders requesting redemption may have paid performance-based remuneration without having received a return

that exceeds the return threshold. If units are redeemed in such cases, i.e. when the unit holder has an accumulated underperformance credit, any previously paid performance-based remuneration will not be refunded. The underperformance that is to be offset by future excess returns before a performance-based fee is charged changes with the development of the benchmark index.

The basis for the performance-based fee is calculated less management fees and other costs.

#### **§ 12 DIVIDEND**

None of the fund's share classes pay dividends.

#### **§ 13 FINANCIAL YEAR OF THE FUND**

The fund's financial year is the calendar year.

#### **§ 14 SEMI-ANNUAL AND ANNUAL REPORTS, AMENDMENT OF FUND RULES**

The Company shall submit an annual report for the fund within four months of the end of the financial year and a semi-annual report for the fund for the first six months of the financial year within two months of the end of the half-year.

The annual report and the semi-annual report must be available at the Company and the intermediary institute and be sent free of charge to unit holders upon request.

Amendments to the fund rules shall be decided on by the Board of Directors and be submitted to Finansinspektionen for approval. After approval, the fund rules shall be kept available at the Company

and the Depositary and, where applicable, be announced in the manner directed by Finansinspektionen.

#### **§ 15 PLEDGING AND TRANSFER**

Pledging takes place through written notification to the Company or intermediary institution. The notification must state the unit holders, pledgee, which units are covered by the pledge and any restrictions on the scope of the lien. The pledge is registered in the unit holder register. The Company must notify the unit holder in writing of such registration. Pledging ceases when the Company or intermediary institution has received notification from the pledgee that the pledge has ceased and deregistration in the unit holder register has taken place.

Unit holders may transfer their fund units to another party free of charge through written notification to the Company or intermediary institution. The notification of transfer must state the transferor, to whom the fund units are being transferred and the purpose of the transfer. A transfer is approved only if the acquirer takes over the transferor's acquisition value.

#### **§ 16 LIMITATION OF LIABILITY**

The Company's and the Depositary's liability for damages does not limit the unit holders' right to damages according to Ch. 2, § 21 and Ch. 3, §§ 14-16 of the LVF. The Company and the Depositary are not responsible for damage due to Swedish or foreign legislation, Swedish or foreign government action, war incidents, strikes, blockades, boycotts, lockouts or other similar circumstances.

The proviso in respect of strikes, blockades, boycotts and lockouts applies even if the Company or the Depositary itself is the subject of or takes such industrial action.

Damage that has arisen in cases other than those referred to in the first paragraph above shall not be compensated by the Company or Depositary if they have taken normal care. The Company and the Depositary are not liable in any case for indirect damage, nor are they liable for damage caused by a custodian bank or other contractor hired by the Company or the Depositary with due care or for damage that may arise due to a restriction that may be applied against the Company or the Depositary.

If there is any obstacle to the Company or the Depositary taking action due to a circumstance specified in the first paragraph above, the action may be postponed until the obstacle no longer exists.

#### **§ 17 ALLOWED INVESTORS**

The fund is aimed at the general public, but not at investors whose subscription to a unit in the fund is in conflict with provisions in Swedish or foreign law or regulations. The fund is also not aimed at those investors whose subscription or holding of units in the fund means that the fund or fund company becomes obliged to take a registration measure or other measure that the fund or fund company would not otherwise be obliged to take. The Company has the right to refuse subscription to such investors as are referred to in this paragraph. The Company may redeem unit holders' shares in the fund against the unit holder's objection – if it turns out that unit holders have subscribed for a unit in the fund in

violation of provisions in Swedish or foreign law or regulations or that the Company becomes liable due to the unit holder's subscription or holding in the fund to take a registration measure or other measure that the fund or Company would not be obliged to take if the unit holder would not hold units in the fund.

#### Regarding US investors

The fund or the fund units are not and are not intended to be, at any time, registered in accordance with the United States Securities Act of 1933, United States Investment Companies Act of 1940, or other applicable law in the United States. Units in the fund (or rights to fund units) may not or will not be offered, sold or otherwise distributed to or on behalf of US persons (as defined in the regulations of the United States Securities Act of 1933 and interpreted in the United States Investment Companies Act of 1940). Anyone wishing to acquire units in the fund must state their national domicile to the Company. Unit holders are also obliged to, if applicable, notify the Company of any changes in their national domicile. Buyers of units in the fund must further confirm to the fund company that they are not US person and that the fund units are acquired through a transaction outside the United States in accordance with Regulation S. The subsequent transfer by the Depositary of securities units or rights to them may be made only to a non-US person and shall take place through a transaction outside the United States which is covered by exemptions according to Regulation S.

If the Company deems that it has no right to offer, sell or otherwise distribute fund units as above, the



Company reserves the right to refuse execution of such an assignment for the purchase of units in the fund, and, where applicable, without prior consent, redeem such unit holder's holdings of units in the

fund on their behalf and thus pay additional funds to them.