

PROSPECTUS

# Vinga Corporate Bond

FUND	Vinga Corporate Bond
ISIN CLASS A: ISIN CLASS B: ISIN CLASS C: ISIN CLASS D:	SE0013775335 SE0013775343 SE0013775350 SE0013775368
ORG. NO.	515603-0867



## FUND MANAGEMENT COMPANY

AIFM Capital AB  
Larmgatan 50  
SE-392 32 Kalmar  
Tel. +46 (0)480-36 36 66  
[www.aifmgroup.com](http://www.aifmgroup.com)

The Company, with org. no. 556737-5562, was formed on 3 September 2007. The Company's share capital is SEK 1,300,000, and the registered office and Company headquarters are located in Kalmar, Kalmar County (Sweden).

The Company's Board of Directors consists of Chairman of the Board Per Netzell and members Thomas Dahlin and Alf-Peter Svensson. Thomas Dahlin is the CEO and Johan Björkholm is the Deputy CEO.

## THE FUND MANAGEMENT COMPANY MANAGES THE FOLLOWING MUTUAL AND SPECIAL FUNDS

- Plain Capital BronX
- Plain Capital StyX
- Plain Capital LunatiX
- PROETHOS FOND
- Vinga Corporate Bond
- Augmented Reality Fund
- Ränthuset Fond
- Aktiehuset Fond
- AuAg Silver Bullet
- AuAg Precious Green
- eSports Fund
- Tenoris One
- Go Blockchain Fund
- World xFund Allocation
- Arden xFund
- Lucy Global Fund
- Gainbridge Novus Nordic
- Ericsson & Partners Edge
- SOIC Dynamic China

AIFM GROUP AB / AIFMGROUP.COM  
GREV TUREGATAN 20, STOCKHOLM  
LARMGATAN 50, KALMAR  
HOPPETS TORG 5, JÖNKÖPING

## THE DEPOSITARY

Swedbank AB (publ)  
SE-105 34 STOCKHOLM  
Registered office: Stockholm

Main business: Banking and financial activities as well as activities that have a natural connection therewith.

Org. no. 502017-7753

The Depositary shall, among other things, monitor the fund's cash flows, manage the fund's assets and execute the Company's instructions. Furthermore, the Depositary shall ensure that the sale and redemption of fund units, the valuation of fund units and the use of the fund's assets takes place in accordance with the law and the fund rules. Swedbank AB (publ) has commissioned State Street Bank International GmbH to act cohesively for securities held outside Sweden. Swedbank AB (publ) has procedures for identifying, managing, monitoring and reporting any conflicts of interest. Since the Depositary is part of Swedbank AB, conflicts of interest may arise between the activities of the Depositary and the activities of Swedbank AB and its subsidiaries. The Depositary has a legal obligation to identify and manage any such conflicts of interest and also to report conflicts of interest to the fund's investors. Examples of activities that may involve conflicts of interest are:

- (i) Provision of management registration, performance of fund administration, establishment of unit holder registers, analysis, management of leveraged investments, asset management, investment advice, and/or other advisory services to the fund; and

(ii) Participation in banking operations, securities trading including currency trading, derivatives trading, lending, brokerage, market making, or other financial transactions with the fund, either under its own auspices or on behalf of other customers. In order for potential conflicts of interest not to adversely affect the fund and its investors, the Depository and other entities within Swedbank AB are functionally and organisationally separated. The Depository's activities are always managed on the basis of safeguarding the interests of the fund unit holders and in accordance with current market conditions. Current information regarding the Depository and its contractors is available free of charge on request.

#### **AUDITORS**

Öhrlings PricewaterhouseCoopers AB  
Daniel Algotsson is the principal auditor.

#### **THE FUND**

The information in this prospectus refers to the Vinga Corporate Bond ("the fund").

The fund is a mutual fund under Sweden's Act (2004:46) on mutual funds. 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 markets where the fund's assets are traded being closed.

The fund may also 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.

It is not possible to limit sale and redemption orders for fund units.

#### **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 share classes differ in terms of the currency in which subscription and redemption takes place, fees, and minimum initial subscription. Since the share classes are expressed in different currencies and may start at different times, the unit price of the share classes will differ.

#### **OUTSOURCING AGREEMENTS**

The Company has signed agreements with several partners regarding the distribution of fund units. The company has also entered into contract agreements with AIFM Services AB regarding fund administration and SIP Nordic Fondkommission regarding the management of the fund's assets. See the Company's website for an updated list of its partners.

#### **FUND UNIT REGISTRY**

The Fund Management Company keeps a register of all unit holders and their holdings. The unit holder's

holdings are reported in annual statements, which also contain tax return data.

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

If the Company decides that the fund should be terminated or that the fund's management, with the consent of Finansinspektionen (the Swedish financial supervisory authority), should be transferred to another company, all unit holders will be notified by post. Information will also be available at the Company and the Depositary.

The management of the fund shall be taken over immediately by the Depositary if Finansinspektionen revokes the Company's licence or if the Company has entered into liquidation or been declared bankrupt.

### **OBJECTIVES AND INVESTMENT POLICY 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.

According to the fund's overall strategy, the fund invests at least 70 percent in corporate bonds. The fund may invest in transferable securities and money market instruments with both lower creditworthiness (high yield) and higher creditworthiness (investment grade) as well as in financial instruments without a credit rating.

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. The fund may use derivative instruments as part of its investment policy. The fund may use currency derivatives in order to separate bond and currency exposure.

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.

### **THE FUND'S RISK PROFILE**

The fund is an actively managed fund that invests primarily in fund assets in interest-bearing transferable securities issued by companies.

The fund may have a maximum duration of six years. The average remaining fixed-interest period (the duration) for the fund's investments shall be between one and six years.

According to the fund's overall strategy, the fund invests at least 70 percent in corporate bonds. At least 50 percent must be invested in financial instruments admitted for trading in a Nordic marketplace or issued in a Nordic currency.

The fund is expected to have a risk level measured in terms of standard deviation (price fluctuations) in the range of 2% to 10% measured based on weekly data over a rolling five-year period.

The total risk shows how much the fund's return varies around its normal return. Particular attention

should be paid to the fact that the current level of risk may increase or decrease in the event of unusual market conditions or extraordinary events.

The fund is also exposed to the following risks:

*Sustainability risk*, i.e., an environmental, social, or corporate governance-related circumstance that could have a significant negative impact on the value of the investment is managed by integrating sustainability into investment decisions.

*Liquidity risk*, i.e., the risk that a security may become difficult to value and cannot be traded at the intended time, without major price reduction or large costs.

*Operational risk*, i.e., the risk of loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement, and valuation routines.

## ACTIVITY LEVEL

The fund's benchmark index is OMRX T-BILL plus 2 percent per year. The index is relevant as it is based on an index that is seen as a risk-free interest rate plus a premium that reflects the bond market. The goal of the fund is to exceed its benchmark index. The investment process results in an active selection of individual bonds and financial instruments in the fund.

### *Tracking error over the past ten years*

The fund launched in 2020 and, since tracking error is calculated based on 24-month historic data, this measure will not be reported until 2022.

The tracking error shows how much the fund's return varies in relation to its benchmark index. This is

calculated by measuring the difference between the return of the fund and the return of the benchmark index based on monthly data from the previous two years. The measure is calculated as the standard deviation for the difference in return. The higher the tracking error, the more the fund deviates from the benchmark index.

## THE LATEST NAV PRICE

The latest NAV is available from the fund's distributors and the Company.

## EQUAL TREATMENT

All units in the funds are of equal size and carry an equal right to the funds' assets. In a fund, however, there may be units of various kinds, so-called unit classes or share classes. Share classes in one and the same fund may be associated with different conditions for dividends, fees, the minimum subscription amount, and the currency in which units are subscribed for and redeemed. The units in one share class shall be of equal size and, within the share class, carry an equal right to the fund's assets. This means that the Company applies the principle of equal treatment of fund unit holders with adjustment for any conditions that apply to a certain share class.

## FEES

Below is the maximum annual management fee that, in accordance with the fund rules, the Company may deduct from the fund to cover costs for management and storage of the fund's assets and for supervision and auditors.

Maximum fee – Share classes A and C

The maximum fee the Fund Management Company may deduct from the fund in accordance with current fund rules: 2.5% per year of the fund's value.

Applicable fixed remuneration to the Company – Share classes A and C

The following is the annual applicable management fee that the Fund Management Company deducts from the fund:

Current annual fixed management fee: 1.25% of the fund's value.

Maximum fee – Share classes B and D

The maximum fee the Fund Management Company may deduct from the fund in accordance with current fund rules: 1.9% per year of the fund's value.

Applicable fixed remuneration to the Company – Share classes B and D

The following is the annual applicable management fee that the Fund Management Company deducts from the fund:

Current annual fixed management fee: 0.65% of the fund's value.

Performance fee

The fund charges the customer a collectively calculated performance-based fee corresponding to a maximum of 20% of the excess return provided by the fund's share class when compared to the yield of the fund's benchmark index, the OMRX T-BILL plus 2 percent. See the fund rules and separate calculation example in this prospectus for full information on the fund's fees.

**SALES AND REDEMPTIONS**

The sale and redemption of units takes place through the Company and co-operating intermediary institutes. Requests for sales and redemptions may be revoked only if permitted by the Company.

The fund is normally open for the sale (unit holder's purchase) and redemption (unit holder's sale) of fund units every banking day ("trading day"). However, the fund is not open for subscription and redemption on banking days when one or more of the marketplaces where the fund invests are completely or partially closed if it leads to the inability to determine the value of the assets in a way that ensures equal rights of unit holders. In the case of sales and redemptions made before 15:00 CET (cut-off time) on a certain trading day, the trading price is normally determined on the same trading day. In the event of sales and redemptions after the said time, the fund unit price is normally determined the following banking day. On certain banking days, the cut-off point may occur earlier than the time specified above.

The current fund unit price is normally available from the Company and intermediary institution no later than the banking day after the banking day when the fund unit price is determined as above.

If liquid funds to effect redemption need to be procured through the sale of the fund's assets, this shall be executed as soon as possible. Should such a sale significantly harm the interests of other unit holders, the Fund Management Company may, after notifying Finansinspektionen (the Swedish financial

supervisory authority), partially delay the redemption.

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.

### THE FUND'S TARGET GROUP

As the fund primarily invests in corporate bonds and other interest-bearing transferable securities, the fund may be unsuitable for investors with an investment horizon of less than two to three years. The fund is therefore aimed at investors who have faith in investments in corporate bonds and who have an investment horizon of two to three years.

### POSSIBILITY OF CHANGES TO THE FUND RULES

The Company may submit changes to the fund rules to Finansinspektionen following a decision by the Company's Board of Directors. If Finansinspektionen approves changes to the fund rules, the changes may affect the fund's characteristics, i.e. its investment policy, fees and risk profile.

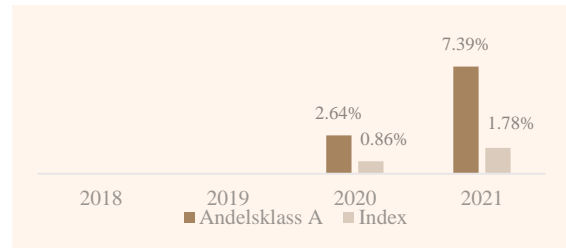
### DERIVATIVE INSTRUMENTS

The fund may use derivative instruments as part of its investment policy. The fund may use currency derivatives in order to hedge its holdings. The fund may not invest in OTC derivatives.

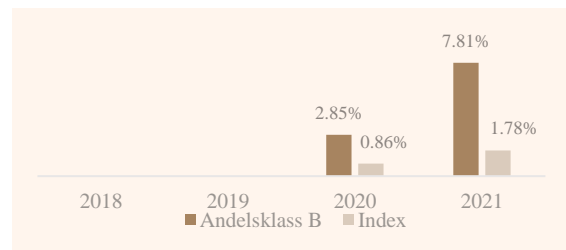
### HISTORIC RETURNS

The diagrams below show share classes A, B and D. Share class C started in 2022.

Share class A:



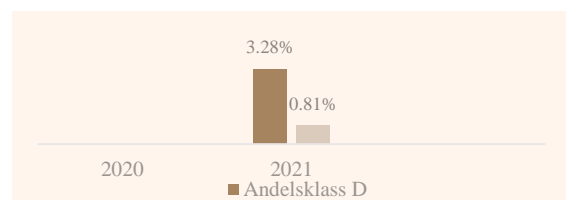
Share class B:



Share class C:

As the fund started in 2022, historical data is missing.

Share class D:



*Historical returns are no guarantee of future returns. The value of a fund can go down as well as up and you may get back less than you invest.*

## **LIABILITY FOR DAMAGES**

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 is the subject of or takes industrial action.

Damages that arise in other cases shall not be compensated by the Company or Depositary if normal due care has been taken.

Under no circumstances is the Company or Depositary liable for indirect damages or for damages caused by: a stock market or other marketplace, custodian bank, central securities depositary, clearing organisation or other provider of such services, whether Swedish or foreign, or a contractor hired by the Company or Depositary exercising due care. The same applies if the above-mentioned organisations or contractors have become insolvent. The Company or Depositary is not liable for damages that may arise as the result of a restriction on disposal that may be applied to the Company or Depositary.

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

If a fund unit holder suffers damage as a result of a violation of Sweden's Act on mutual funds or the

fund rules by the Fund Management Company, the Company shall pay compensation for the damage.

In respect of damages incurred by unit holders due to the Company or Depositary violating the Swedish Act (2004:46) on mutual funds or its fund rules, there are provisions in Ch. 2, § 21 and Ch. 3, §§ 14-16 of the LVF.

The Fund Management Company holds extra funds in the capital base to cover risks of liability for damages due to part of or negligence in the business.

## **REMUNERATION POLICY**

The Fund Management Company's Board of Directors has adopted a remuneration policy that is compatible with and promotes sound and effective risk management. The remuneration policy is designed to counteract risk-taking that is incompatible with the risk profiles of the funds managed by the Fund Management Company.

The Fund Management Company applies a remuneration system with only fixed remuneration to employees. The design, which excludes commissions and individual bonuses, stimulates sustainable performance, as well as sound and effective risk management that benefits the funds and unit holders.

The annual reports of the funds provide information on the size of the remuneration and allocation by staff category. Current and future unit holders can, upon request, obtain a paper copy of the remuneration policy free of charge.



## **TAX RULES**

**Fund tax:** On 1 January 2012, new tax provisions for funds and fund holdings came into force, which brought an end to the tax on the fund itself, while a new tax on holdings of directly owned units in mutual funds was introduced.

**Tax on fund savers:** In the case of dividends, preliminary tax is deducted (does not apply to legal persons). Capital gains/losses are reported in income statements sent to Skatteverket (the Swedish Tax Agency), but no tax is deducted. NOTE: capital losses on unlisted funds may be deducted only to 70%. The new tax provisions for funds and fund holdings brought an end to the tax on the fund itself, while a new tax on holdings of directly owned units in mutual funds was introduced. In their declaration, the fund unit holder must include a standard income amounting to 0.4% of the capital base.

The capital base consists of the value of the units at the beginning of the calendar year. The standard income is then included in the “capital” income category and taxed at 30%. For legal persons, the standard income in the “business activities” income category is taxed at 22%. Income statements are submitted for natural persons and Swedish estates. Legal persons have to calculate standard income and pay tax themselves. The tax may be affected by individual circumstances and anyone who is unsure of any tax consequences should seek expert assistance.

## ESG INFORMATION

- The fund strives for sustainable investments (article 9).
- The fund promotes, among other things, environmental and social qualities (article 8).
- Sustainability risks are integrated into investment decisions without the fund promoting environmental or social qualities or striving for sustainable investments.
- Sustainability risks are not relevant.

### **Manager's comments:**

*ESG considerations are taken into account in financial corporate analyses and investment decisions, which have an effect on but do not need to be decisive for the companies selected in the fund.*

## 1. INFORMATION ON THE EU TAXONOMY FOR ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

The EU taxonomy is a classification system that aims to establish common criteria for environmentally sustainable economic activities.

The underlying investments of this fund do not take account of the EU criteria for environmentally sustainable economic activities.

## 2. METHODS USED TO INTEGRATE SUSTAINABILITY RISKS, PROMOTE ENVIRONMENTAL OR SOCIAL QUALITIES, OR TO ACHIEVE SUSTAINABILITY-RELATED OBJECTIVES

### **The fund's selections**

Manager's comments: *ESG considerations are taken into account in financial corporate analyses and investment decisions, which have an effect on but do not need to be decisive for the companies selected in the fund.*

### **The fund's deselections**

#### *2.1. Products and services*

*The fund does not invest in companies that are involved with the following products and services. A maximum of five percent of the sales in the company in which the investment is made may relate to activities attributable to the stated product or service.*

- Cluster bombs, land mines**
- Chemical and biological weapons**
- Nuclear weapons**
- Weapons and/or munitions**
- Alcohol**
- Tobacco**
- Pornography**
- Commercial gambling activities**
- Manager's  
comments:
- Fossil fuels (oil, gas, coal)**

## ***2.2. International standards***

*International standards refer to international conventions, laws, and agreements such as the UN Global Compact and OECD guidelines for multinational companies relating to the environment, human rights, working conditions, and business ethics issues.*

- The fund does not invest in companies that violate international standards. The assessment is made either by the Fund Management Company itself or by a subcontractor.**

## ***2.3. Countries***

- For ESG reasons, the fund does not invest in companies involved with certain countries/interest-bearing securities issues by certain states.**

## ***2.4. Other exclusion criteria***

- Other**

### 3. INFLUENCE OF THE FUND MANAGEMENT COMPANY

☒ **Influence of the Fund Management Company**

Manager's comments: *Some companies in the Nordic high-interest rate market are relatively small and have limited resources. Prior to new issues and in conjunction with quarterly updates, we usually meet with representatives from the corporate management and sometimes also the primary owner. If we identify deficiencies in the company's sustainability efforts, we make the company aware of this and request that improvements be made.*

☒ **Company influence under own auspices**

**FUND RULES:**

**VINGA CORPORATE BOND**

**Adopted by the Board of Directors:**

18 December 2020

**Approved by FI:** 31 March 2021

**§ 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, currency hedged against the fund's base currency SEK, minimum deposit EUR 10

Share class D – EUR, currency hedged against the fund's base currency SEK, 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.

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.

The fund uses currency derivatives at all times in order to completely hedge its holdings.

## **§ 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:

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.

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.

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 SUBSCRIPTION 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 L VF. 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 Depository 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 Depository if they have taken normal care. The Company and the Depository 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 Depository with due care or for damage that may arise due to a restriction that may be applied against the Company or the Depository.

If there is any obstacle to the Company or the Depository 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 Depository 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.

## CALCULATION EXAMPLE, VINGA CORPORATE BOND

Calculation example, variable fee, collective model. Twenty percent fee on accumulated excess return, daily trading. The benchmark index is OMRX T-BILL plus 2 percent per year.

The example reflects events over five days. At the start, the NAV price is 100 and the index for the OMRX T-Bill plus 2 percent starts at 3000.

	DAY 0	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
The fund's unit price, previous day		100	100.83333	101.46733	100	101
The fund's unit price before calculating variable fees but after deducting fixed fees		101.00	101.50	100.00	101.00	102.00
The fund's performance before calculating variable fees		1.00%	0.66%	-1.45%	1.00%	0.99%
Value of benchmark index	3000	3005	3020	3020	3030	3050
Index performance since the previous day		0.17%	0.50	0.00%	0.33%	0.66%
The fund's high-water mark adjusted for the reference rate	100	100.17	101.34	101.47	101.80	102.48
The fund's excess return per unit		0.83	0.16	0.00	0.00	0.00
Performance-based fee per unit (20%)		0.17	0.03	0.00	0.00	0.00
Performance-based fee as a percentage		0.17%	0.03%	0.00%	0.00%	0.00%
The fund's unit price after calculating variable fees	100	100.83	101.47	100.00	101.00	102.00
Fund performance after calculating variable fees		0.83%	0.63%	-1.45%	1.00%	0.99%

- Day 1: a performance-based fee is charged because the fund has performed better than the index for the reference rate. The price after the variable fee is therefore 100.83 as the excess return per unit equals 0.83. Twenty percent of this is charged as a variable fee, which is 0.17 per unit or 0.17%.
- Day 2: a variable fee is charged again because the fund performs better than the index for the reference rate. The excess return per unit amounts to 0.16, which means the variable fee amounts to 0.03 (20% of 0.16).
- Day 3: the value of the fund decreases and thus no variable fee is charged.
- Day 4: the unit value of the fund certainly increases and it increases more than the reference rate, but the unit value is lower than the fund's high-water mark adjusted for the accumulated rise in the reference rate.
- Day 5: the unit price of the fund increases again and the unit price is higher than before. However, as the fund underperformed compared with the reference rate, no variable fee is charged on this day.