

**FUND RULES:  
AUAG ESSENTIAL METALS**

**Adopted by the Board of Directors:** 7  
September 2022

**Approved by FI:** 28 November 2022

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

The fund’s name is AuAg Essential Metals. 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	Currency	Minimum initial subscription amount	Maximum fee
A	SEK	None	2%
B	EUR	None	2%
C	SEK	SEK 2,000,000	1.2%
D	EUR	EUR 200,000	1.2%

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 in terms of their investment currency, minimum initial subscription amount and fees. The minimum initial subscription amount refers only to the first subscription amount.

**§ 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 Skandinaviska Enskilda Banken AB (publ) org. no. 502032-9081, 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 industry fund that invests at least 90% in companies involved in the extraction and processing of elements with a particular focus on industrial and new technology metals such as iron/steel, copper, aluminium, zinc, lead, tin, lithium, nickel, cobalt, uranium, titanium, dysprosium, praseodymium, neodymium, tellurium, scandium, gallium, iridium, silicon, terbium, germanium, molybdenum, indium, chromium, rhodium, rhenium, platinum, palladium, silver, and gold.

The fund invests globally without geographical limitation. The fund aims to exceed its benchmark index over a five-year period. The fund's benchmark index is MSCI ACWI Metals and Mining Net Total Return Index (MIWD0MM) in each share class's investment currency.

#### § 5 THE FUND'S INVESTMENT POLICY

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

The fund invests primarily in equity-related transferable securities issued by companies involved

in the extraction and processing of elements with a particular focus on industrial and new technology metals. The fund's assets are invested with the aim of gaining exposure to companies that are leading the development of modern sustainable extraction and processing of essential metals and other elements, particularly with regard to the environment, social responsibility, and corporate governance (ESG).

The fund does not invest directly in commodities or commodity derivatives and does not constitute a so-called commodity fund. The fund must be exposed to at least 90 percent in transferable securities and fund units.

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

#### § 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 not invest in such transferable securities and money market instruments as referenced in Ch. 5, § 5 of the Swedish Act (2004:46) on mutual funds. Neither may the fund invest in derivative instruments or so-called 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.

## § 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 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), delay the sale 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.

A minimum initial subscription amount of SEK 2,000,000 applies for share class C and EUR 200,000 for share class D. There is no minimum initial subscription amount for the other share classes.

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.

#### **§ 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**

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. The fee is paid in an amount equal to not more than 2% per year for share classes A and B and 1.2% per year for share classes C and D. The fee is payable monthly in arrears and is calculated daily as a 1/365 share. 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.

#### **§ 12 DIVIDEND**

The fund does not 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 liability for 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 a unit holder's shares in the fund against a unit holder's objection –

if it turns out that unit holder has 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 did 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 a 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.