

Annual Report for Catella Hedgefond

1 January 2015 – 31 December 2015

Stable returns in a turbulent world

Catella Hedgefond rose during the year by 4.73 percent.

The Catella Hedgefond fund rose by 4.73 percent in 2015, which given the market turbulence must be seen as a very satisfactory result. Global crises have come in quick succession, and in their wake volatility has at times been very high. Particularly troublesome is when we, like this year, see simultaneous price drops in both fixed income and equity investments. This poses a particularly intense challenge on the management of risk.

It is rarely individual investments that explain the performance of Catella Hedgefond. Low risk is a cornerstone of the fund, and its goal is that standard deviation should not normally exceed 3 percent. During the year, the risk was 3.0 percent on average, calculated on daily data. We see the fund as a bedrock investment that complements other funds of higher risk. It is also a more flexible option than traditional investments in fixed income funds. The return on the fund is also distributed over many investments. Additional risk diversification is achieved by investing in both fixed income securities and equities, in both short and long positions, and by buying put options on the index.

The turnover rate in the fund is traditionally high, and 2015 was no exception. During the period, the fund has had significant inflows, and the reported turnover rate therefore understates the actual activity of the fund. Underlying this are active efforts with the fund's net exposure, which is adjusted as the view of the market changes. This is important not least during a year so strongly marked by political turmoil and uncertainty about global economic developments. The allocation between asset classes is adjusted as our view of the market changes, and the fixed income component during the period has fluctuated in the range 55-65 percent. The largest single change to the fund is that the holding in IFS was sold in November to EQT.

The active management of the fund and the good diversification of risk are also apparent in the fact that the largest positive contributions to fund performance came from such varied industries as gambling (Unibet), software (IFS), hotel operators (Pandox), window manufacturers (Inwido), packaging (Billerud) and engineering (Trelleborg). The largest negative contribution came from the fund's holdings of preferred shares.

All currency exposure in fixed income investments is hedged, and the currency risk in equity investments has had only a marginal impact on the year's outcome.

Martin Nilsson is a new co-manager for Catella Hedgefond. In addition to his existing responsibility as manager of the Catella Nordic Long Short Equity fund, Martin will now also be included in the management team for Catella Hedgefond. Together with Sven Thorén, he will manage one of several independent equity mandates, focusing on the Nordic equity markets. The Catella Hedgefond team is otherwise unchanged, with Ulf Strömsten as the lead manager.

Fund facts

Fund manager: Ulf Strömsten

Unit value 170.50
 Number of unit holders..... 1 495
 Net fund assets (SEKm) 15 493

YIELD PAST YEAR

Catella Hedgefond..... **4.73%**
 Reference rate OMRX TBill -0.27%

AVERAGE ANNUAL YIELD

Past two years

Catella Hedgefond..... **6.46%**

Past five years

Catella Hedgefond..... **4.77%**

RISK

Catella Hedgefond 24-month data..... **3.22%**
 Catella Hedgefond, weekly data, 1 year..... 1.99%
 Duration, 31 Dec 2015 (years)..... 1.55
 Interest-rate risk from 1% change in
 interest rate. %..... -1.02%
 Active Share (Relevant benchmark not
 Available)..... NA

TURNOVER/COSTS

Rate of turnover (times/year) 0.85
 Transaction costs (SEKm)..... 25.48
 Percentage of securities traded 0.09
 Management fee..... 1.00%
 Management fee charged
 (fixed and variable) 2.06%
 Ongoing charges..... 1.06%

COSTS FOR TYPE OF SAVING

Lump-sum deposit SEK 10.000
 Management cost (SEK) 230.20
 Monthly savings SEK 100
 Management cost (SEK) 12.13

TURNOVER THROUGH ASSOCIATED SECURITIES INSTITUTIONS

Percentage of total turnover 0.02%

TURNOVER OF FINANCIAL INSTRUMENTS MANAGED BY CATELLA FONDFÖRVALTNING

Percentage of total turnover
 Catella SICAV 0.32%
 Catella Credit Opportunity 0.14%

The Fund is an investment fund

Fund inception: 1 March 2004

Opening price: SEK 100

Dividends: From 2013 the fund will pay no dividend.

Management company: Catella Fondförvaltning AB

Corporate registration number of fund: 515601-9720

PPM fund number: Catella Hedgefond is not a fund within PPM

BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET. SEKK	31-Dec-15	31-Dec-14
ASSETS		
Transferable securities (Note 1)	14 837 463	8 006 472
Money market instruments (Note 1)	54 861	8 519
OTC derivatives with positive market value (Note 1)	2 001	3 780
Fund units (Note 1)	276 570	136 133
Total financial instruments with positive market value	15 170 895	8 154 904
Bank balances and other cash and cash equivalents	490 506	179 110
Prepaid expenses and accrued income	112 410	64 619
Other assets	35 336	17 903
TOTAL ASSETS	15 809 147	8 416 536
LIABILITIES		
OTC derivatives with negative market value (Note 1)	0	33 648
Other derivatives with negative market value (Note 1)	0	445
Other financial instruments with negative market value (Note 1)	282 072	248 222
Total financial instruments with negative market value	282 072	282 315
Accrued expenses and prepaid income	19 766	13 708
Other liabilities	14 131	33 722
TOTAL LIABILITIES	315 969	329 745
NET FUND ASSETS Note 2	15 493 178	8 086 791
MEMORANDUM ITEMS		
Collateral pledged for borrowed financial instruments	419 004	356 615
Collateral pledged for OTC derivatives	34 905	88 627
Collateral pledged for other derivatives	76 845	25 561
INCOME STATEMENT. SEKK		
INCOME AND CHANGES IN VALUE		
Change in value of transferable securities	312 547	566 109
Change in value of OTC derivatives	-29 446	-108 508
Change in value of other derivatives	-52 623	-62 033
Change in value of fund units	10 437	3 319
Interest income	233 049	172 321
Dividends	132 689	60 941
Net foreign exchange gains and losses	193 983	-16 449
Other financial income	3 000	1 500
Other income	880	428
TOTAL INCOME AND CHANGES IN VALUE	804 516	617 628
EXPENSES		
Management costs		
Payments to companies conducting fund operations	257 488	162 399
Payments to depositary	4 558	2 229
Interest costs	838	2
Other financial expenses	13 195	5 602
Other expenses	19 406	15 915
TOTAL EXPENSES	295 485	186 144
PROFIT FOR THE YEAR	509 031	431 484
Note 2 TO BALANCE SHEET		
CHANGE IN NET FUND ASSETS		
NET FUND ASSETS AT BEGINNING OF YEAR	8 086 791	4 381 357
Unit sales	10 025 979	4 196 773
Unit redemptions	-3 128 623	-922 823
Profit for the year per income statement	509 031	431 484
NET FUND ASSETS AT END OF PERIOD	15 493 178	8 086 791

FUND'S HOLDINGS OF FINANCIAL INSTRUMENTS

Note Securities	QUANTITY	PRICE	(SEKK)	%
MARKET-LISTED EQUITIES*				
ENERGY				
Petroleum Geo Services. Norway. NOK	200 000	36.35	6 954	0.04
			6 954	0.00
MATERIAL				
BillerudKorsnäs	2 010 748	157.20	316 090	2.04
Gränges	850 000	70.00	59 500	0.38
Inwido	1 809 328	111.00	200 835	1.30
SCA B	350 000	246.50	86 275	0.56
SSAB A	2 109 538	22.61	47 697	0.30
Stora Enso EUR. Finland. EUR	-573 583	8.39	-44 238	-0.29
Stora Enso EUR inlånat. Finland. EUR	573 583	8.39	0	0.00
Troax	430 692	125.00	53 836	0.35
Yara. Norway. NOK	-126 339	382.90	-46 271	-0.30
Yara inlånat. Norway. NOK	126 339	382.90	0	0.00
			673 725	4.35
INDUSTRY				
A.P. Møller Maersk. Denmark. DKK	5 215	8 975.00	57 607	0.37
ABB SEK. Schweiz	885 000	152.80	135 228	0.87
Coor Service Management	1 023 693	39.40	40 334	0.26
Norwegian Air Shuttle. Norway. NOK	-279 893	323.70	-86 660	-0.56
Norwegian Air Shuttle inlånat. Norway. NOK	264 893	323.70	0	0.00
Skanska B	437 300.00	164.80	72 067	0.47
Skanska B utlånat	507 700	164.80	83 669	0.54
Trelleborg B	1 934 100	164.80	318 740	2.06
Trelleborg B utlånat	1 339 852	164.80	220 808	1.43
Volvo B	650 000	79.10	51 415	0.33
A.P. Møller Maersk. Denmark. DKK	5 215	8 975.00	57 607	0.37
			893 207	5.77
CONSUMER DISCRETIONARY				
Electra	1 900	79.75	152	0.00
Electrolux B	100 000	205.20	20 520	0.13
Nobia	1 400 000	106.00	148 400	0.96
Nobia utlånat	200 000	106.00	21 200	0.14
Retail and Brands	1 277 279	19.10	24 396	0.16
Unibet Group SDB. Malta	1 265 783	864.00	1 093 637	7.06
Zalando. Tyskland. EUR	-104 455	36.40	-34 951	-0.23
Zalando inlånat. Tyskland. EUR	104 455	36.40	0	0.00
			1 273 354	8.22
CONSUMER STAPLES				
Carlsberg B. Denmark. DKK	100 000	612.50	75 386	0.49
Marine Harvest. Norway. NOK	95 896	119.60	10 970	0.07
Swedish Match B	270 000	300.20	81 054	0.52
			167 410	1.08
HEALTHCARE				
AstraZeneca. Great Britain	687 157	578.00	397 177	2.56
Attendo AB	180 000	70.50	12 690	0.08
Swedish Orphan Biovitrum	2 900	134.60	390	0.00
			410 257	2.65
FINANCE & REAL ESTATE				
Balder B	493 764	208.70	103 049	0.67
Corem Property Group Pref	2 651 866	144.00	381 869	2.46
Fast Partner Pref	658 223	336.50	221 492	1.43
Investor B	1 506 500	312.60	470 932	3.04
JM	511 573	252.70	129 274	0.83
Kinnevik Investment B	-266 992	262.00	-69 952	-0.45
Kinnevik Investment B inlånat	266 992	262.00	0	0.00
Nordea	700 000	93.30	65 310	0.42
Pandox	1 184 718	155.90	184 698	1.19

Sagax Pref	7 673 360	31.30	240 176	1.55
Stendörren Fastighet	170 000	50.00	8 500	0.05
			1 735 347	11.20
INFORMATION TECHNOLOGY				
Mycronic Mydata	567 347	82.25	46 664	0.30
			46 664	0.30
TELECOM				
Millicom SDB, Luxembourg	38 325	486.50	18 645	0.12
			18 645	0.12
ENERGY PRODUCTION				
Fortum, Finland, EUR	350 000	13.92	44 786	0.29
Fortum utlånat, Finland, EUR	250 000	13.92	31 990	0.21
			76 776	0.50
ALTERNATIVE INVESTMENTS				
Nexstim, Finland, EUR	166 667	6.46	9 897	0.06
			9 897	0.06
TOTAL MARKET-LISTED EQUITIES			5 312 236	34.29
NOT MARKET –LISTED EQUITIES**				
FINANCE & REAL ESTATE				
Kambi Group, Malta	1 500	125.50	188	0.00
			188	0.00
CONSUMER STAPLES				
DistIT	17 428	47.50	828	0.01
			828	0.01
TOTAL NOT MARKET-LISTED EQUITIES			1 016	0.01
MARKET –LISTED BONDS* Incl coupon				
OTHER				
Akelius FRN 190327	75 000 000	101.33	75 999	0.49
Aker Solutions FRN 170606, Norway, NOK	54 500 000	99.50	51 869	0.33
Arise Windpower FRN 190425	42 954 525	94.90	40 763	0.26
Aviva 490727, Great Britain, GBP	7 000 000	103.10	89 874	0.58
Axa 190122, France, USD	10 700 000	100.38	90 857	0.59
Balder FRN 171120	60 000 000	99.92	59 954	0.39
Barclays Bank 490615, Great Britain, GBP	10 000 000	129.50	161 273	1.04
BE Bio Energy FRN 190610	41 000 000	85.75	35 158	0.23
Beerenberg Holding FRN 180627, Norway, NOK	40 000 000	87.50	33 478	0.22
Bonheur FRN 190709, Norway, NOK	30 000 000	87.00	24 965	0.16
BW FRN 180321, Norway, NOK	30 000 000	95.22	27 325	0.18
Castellum FRN 220414	100 000 000	96.10	96 104	0.62
Cloetta FRN 180917	75 000 000	103.94	77 954	0.50
Color Group FRN 171218, Norway, NOK	42 000 000	100.25	40 273	0.26
Credit Suisse FRN 190529, Great Britain	200 000 000	98.56	197 114	1.27
Danske Bank 490215, Denmark, GBP	12 727 000	101.65	161 112	1.04
Danske Bank 490406, Denmark, EUR	5 000 000	101.85	46 813	0.30
Danske Bank 490815, Denmark	39 000 000	104.25	40 657	0.26
Destia FRN 190619, Finland, EUR	6 500 000	101.00	60 349	0.39
DnB Bank FRN 200226, Norway, NOK	100 000 000	104.44	99 892	0.64
DNB Nor 490329, Norway, GBP	17 400 000	102.93	223 041	1.44
DOF Subsea FRN 180522, Norway, NOK	48 000 000	83.91	38 522	0.25
Dong Energy 180708, Denmark, EUR	5 000 000	103.97	47 790	0.31
DONG ENERGY 200810, Denmark, EUR	10 000 000	96.41	88 622	0.57
Eksportfinans 160525, Norway, USD	30 200 000	101.61	259 596	1.68
Eniro 200414	30 000 000	57.95	17 385	0.11
Exmar FRN 170707, Netherlands, NOK	30 000 000	100.00	28 695	0.19
FastPartner FRN 190922	50 000 000	99.18	49 590	0.32
GE Capital 671115, USA, USD	8 000 000	104.57	70 767	0.46
Gjensidige FRN 441003, Norway, NOK	50 000 000	92.47	44 222	0.29
Golar LNG Partners FRN 171012, Bermuda, NOK	40 000 000	100.98	38 635	0.25
Golden Heights FRN 190618	30 000 000	101.00	30 300	0.20

Handelsbanken 210301. USD	27 000 000	96.96	221 471	1.43
Hemfosa FRN 170404	35 000 000	99.90	34 965	0.23
Huvudstaden FRN 180312	68 000 000	101.10	68 745	0.44
ICA Gruppen FRN 180625	120 000 000	102.29	122 751	0.79
ICA Gruppen FRN 190617	28 000 000	100.31	28 086	0.18
Ikano Bank FRN 160129	40 000 000	100.06	40 025	0.26
Ikano Bank FRN 200415	45 000 000	98.27	44 222	0.29
Ikano Bostad FRN 190325	72 000 000	101.21	72 871	0.47
ING 250416. Netherlands. USD	5 000 000	98.19	41 532	0.27
Klöver FRN 190302	50 000 000	100.33	50 165	0.32
Kommunal Landspensjonkasse 450610. Norway. EUR	6 250 000	97.43	55 974	0.36
Kungsleden FRN 161220	50 000 000	99.92	49 960	0.32
Lantmännen FRN 201207	100 000 000	99.88	99 882	0.64
Leaseplan FRN 190405. Netherlands	100 000 000	97.78	97 777	0.63
Lifco 180403	100 000 000	100.40	100 397	0.65
Lloyds TSB Bank 490512. Great Britain. EUR	5 000 000	103.69	47 661	0.31
Lock FRN 200815 EUR. Norway. EUR	8 000 000	101.22	74 437	0.48
Länsförsäkringar Bank FRN 200415	100 000 000	99.88	99 875	0.64
Millicom 200522. Luxembourg. USD	4 000 000	89.85	30 402	0.20
Millicom 211015. Luxembourg. USD	2 000 000	93.95	15 895	0.10
Muni 220401. Finland. EUR	10 000 000	104.50	96 062	0.62
NIBE FRN 200528	44 000 000	99.21	43 653	0.28
Nordea 190619	200 000 000	105.44	210 888	1.36
Nordea Bank 490923. USD	10 000 000	99.14	83 865	0.54
Nordea FRN 150612	105 000 000	96.01	100 810	0.65
Nordea FRN 200518	200 000 000	98.15	196 295	1.27
Norlandia FRN 180410. Norway. NOK	35 000 000	100.50	33 645	0.22
Norwegian Air Shuttle FRN 170703. Norway. NOK	46 000 000	98.38	43 284	0.28
Nykredit Realkredit 360603. Denmark. EUR	9 000 000	100.31	82 986	0.54
Pohjola FRN 250825. Finland	100 000 000	98.30	98 304	0.63
Polygon FRN 190416. EUR	6 300 000	96.50	55 886	0.36
Prudential 141223. Great Britain. USD	8 243 000	99.68	69 508	0.45
Rabobank Nederland 200629. Netherlands. EUR	5 000 000	101.50	46 650	0.30
Rabobank Nederland 491109. Netherlands. USD	5 000 000	107.86	45 622	0.29
Ramirent 190321. Finland. EUR	4 100 000	105.56	39 786	0.26
Saab FRN 191212	75 000 000	99.40	74 552	0.48
Sagax FRN 190618	30 000 000	97.50	29 250	0.19
Sampo FRN 180529. Finland	60 000 000	101.52	60 910	0.39
Santander FRN 170810. Norway	150 000 000	99.69	149 534	0.97
SBAB FRN 181011	100 000 000	100.52	100 516	0.65
SBAB FRN 201210	300 000 000	99.94	299 810	1.94
SBAB FRN 251110	100 000 000	100.10	100 098	0.65
SEB 160120	75 000 000	100.18	75 138	0.48
SEB 200617	150 000 000	101.79	152 687	0.99
SEB 490513. USD	18 500 000	98.61	154 331	1.00
Sefyr Värme 170224	40 000 000	103.12	41 250	0.27
Siem Offshore FRN 180130. Norway. NOK	23 000 000	74.50	16 390	0.11
Silk Bidco 220201. Norway. EUR	5 000 000	103.63	47 629	0.31
Solvay 490529. France. EUR	8 000 000	99.04	72 831	0.47
SPP Livförsäkring FRN 490527	55 000 000	100.41	55 223	0.36
Stadshypotek 190918	200 000 000	106.40	212 806	1.37
Stena Metall Finans FRN 201127	40 000 000	100.13	40 053	0.26
Stendörren FRN 180218	23 000 000	100.50	23 115	0.15
Stolt Nielsen FRN 210318. Norway. NOK	35 000 000	92.68	31 028	0.20
Stora Enso FRN 170626. Finland	50 000 000	103.58	51 792	0.33
Storebrand FRN 180529. Norway. NOK	126 000 000	100.64	121 290	0.78
Swedbank 190619	200 000 000	110.56	221 112	1.43
Swedbank 200512	200 000 000	119.71	239 416	1.55
Swedbank 490317. GBP	8 113 000	100.87	101 919	0.66
Swedbank 490317. USD	10 000 000	100.07	84 650	0.55
Swedbank FRN 200511	108 000 000	100.38	108 411	0.70
Swedish Oprhan Biovitrum FRN 170626	40 000 000	102.71	41 084	0.27
Tallink FRN 181018. Estland. NOK	35 000 000	102.00	34 147	0.22

TDC 210226. Denmark. EUR	5 000 000	94.19	43 294	0.28
Teekay FRN 180903. Norway. NOK	30 000 000	99.45	28 537	0.18
TopDenmark FRN 260611. Denmark. DKK	50 000 000	102.33	62 971	0.41
Tryg Forsikring FRN 451113. Denmark. NOK	70 000 000	99.39	66 547	0.43
Vasakronan FRN 180528	300 000 000	100.19	300 573	1.94
Vattenfall FRN 770319	120 000 000	92.07	110 484	0.71
Vattenfall 220319	185 000 000	91.71	169 672	1.10
Veritas 190401. Norway. USD	5 600 000	97.00	45 951	0.30
Victoria Park FRN 181203	30 000 000	103.25	30 975	0.20
Wihlborgs FRN 180423	70 000 000	99.25	69 472	0.45
Volvo Finans FRN 180117	50 000 000	102.31	51 152	0.33
Volvo Treasury FRN 180226	60 000 000	101.54	60 922	0.39
Volvo Treasury 750610. EUR	10 000 000	98.27	90 331	0.58
Volvo Treasury 780310. EUR	2 500 000	96.51	22 179	0.14
VV Holding FRN 190710. Norway. NOK	50 000 000	96.75	46 271	0.30
			9 033 588	58.35
TOTAL MARKET-LISTED BONDS			9 033 588	58.35
NOT LISTED BONDS** Incl coupon				
AX IV EG Holding III FRN 201202. Denmark. DKK	35 250 000	102.62	44 525	0.29
Bluewater Holding 191210. Netherlands. USD	5 200 000	52.25	22 984	0.15
Jacob Holm & Sonner Hold FRN 190403. Denmark	35 000 000	103.50	36 225	0.23
North Atlantic Drilling 190201. Bermuda. USD	6 400 000	37.84	20 487	0.13
Stena 240301. USD	6 000 000	85.25	43 270	0.28
Tryg Forsikring FRN 490320. Norway. NOK	40 000 000	107.32	41 060	0.27
TOTAL NOT LISTED BONDS			208 551	1.35
TOTAL TRANSFERABLE SECURITIES			14 555 391	94.00
TRANSFERABLE SECURITIES WITH POSITIVE MARKET VALUE			14 837 463	0.85
TRANSFERABLE SECURITIES WITH NEGATIVE MARKET VALUE			-282 072	0.00
FUND UNITS				
Catella Credit Opportunity	790 323.5371	102.21	80 779	0.52
Catella Nordic Corporate Bond Flex RC. Luxembourg	735 135.7996	121.73	89 488	0.58
Catella Nordic Long/Short Equity IC. Luxembourg	669 565.1195	130.93	87 666	0.57
Catella Nordic Long/Short Equity RC. Luxembourg	140 000	133.12	18 637	0.12
			276 570	1.79
TOTAL FUND UNITS			276 570	1.79
EXCHANGE TRADED DERIVATIVES				
Index option				
OMX 16 S 1330 Jan	1 600	0.65	104	0.00
OMX 16 S 1350 Jan	2 900	1.70	493	0.00
OMX 16 S 1370 Jan	5 300	2.65	1 404	0.01
OMX 16 S 1330 Jan	1 600	0.65	104	0.00
			2 001	0.01
Indexfuture				
OMX FUTURE 160115	-4 550	1 448.00	0	0.00
			0	0.00
TOTAL EXCHANGE TRADED DERIVATIVES			2 001	0.01
EXCHANGE TRADED DERIVATIVES WITH POSITIVE MARKET VALUE			2 001	0.01
EXCHANGE TRADED DERIVATIVES WITH NEGATIVE MARKET VALUE			0	0.00

OTC DERIVATIVES

FX Forwards				
FXFWD DKKSEK 160219 1.2397. Denmark. DKK	-87 000 000	1.23	800	0.01
FXFWD EURSEK 160219 9.251. Europa. EUR	-113 000 000	9.19	6 871	0.04
FXFWD GBPSEK 160219 12.726. Great Britain. GBP	-62 000 000	12.44	17 798	0.11
FXFWD NOKSEK 160219 0.9678. Norway. NOK	-4 965 258	0.95	65	0.00
FXFWD NOKSEK 160219 0.9703. Norway. NOK	-935 000 000	0.95	14 527	0.09
FXFWD USDSEK 160219 8.5439. USA. USD	-158 200 000	8.45	14 801	0.10
			54 861	0.35

TOTAL OTC DERIVATIVES

OTC DERIVATIVES WITH POSITIVE MARKET VALUE			54 861	0.35
OTC DERIVATIVES WITH NEGATIVE MARKET VALUE			0	0.00

TOTAL HOLDINGS OF FINANCIAL INSTRUMENTS			14 888 823	96.10
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OTHER ASSETS AND LIABILITIES			604 355	3.90
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TOTAL			15 493 178	100.00
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* FINANCIAL INSTRUMENTS ADMITTED TO TRADING ON A REGULATED MARKET OR EQUIVALENT MARKET - OUTSIDE EEA.

** FINANCIAL INSTRUMENTS NOT ADMITTED TO TRADING ON A REGULATED MARKET OR EQUIVALENT MARKET OUTSIDE THE EEA.

SUMMARY. ISSUERS*

ISSUER	% of net fund assets*
SEB AB	5.93
Nordea Bank AB	2.46
DnB Bank ASA	2.08
Swedbank AB	1.91
Vattenfall AB	1.81
Volvo Treasury AB	1.11
Catella Nordic Long/Short Equity	0.69
OMX	0.01

* The table shows the total percentage share of the net fund assets per issuer in those cases the fund holds more than one type of security issued by the same issuer.

ADDITIONAL DISCLOSURES. FINANCIAL INSTRUMENTS

Financial instruments expected to be admitted to trading on a regulated market within one year of issue are:

Jacob H FRN 190403

Trygg Forsikring FRN 451113

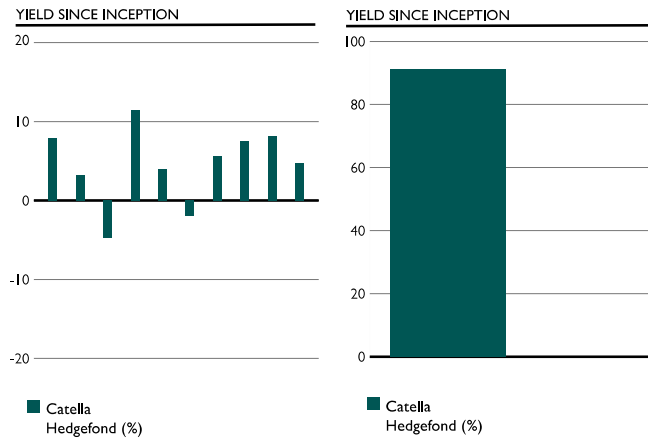
Stena Metall Finans FRN 2011273

COUNTERPARTS FINANCIAL DERIVATIVE TRANSACTIONS

COUNTERPART	Collateral received
Danske Bank	0
Nordea	0
SEB	0

HISTORICAL FUND ASSET. NET ASSET VALUE. NUMBER OF UNITS AND DIVIDENDS

Date	Dividend	Unit Value	No of units	Net fund assets
	SEK/unit	SEK	units	SEKk
061231	0,00	132,94	48 969 060	6 509 704
071231	0,00	137,16	52 849 535	7 248 722
081231	2,74	128,13	34 366 768	4 403 545
091231	6,40	136,06	37 678 675	5 126 429
101231	0,86	140,57	32 831 919	4 615 325
111231	0,79	137,12	24 878 484	3 411 382
121231	4,78	139,93	25 259 078	3 534 419
131231	0,00	150,43	29 125 169	4 381 358
141231	0,00	162,80	49 674 014	8 086 791
151231	0,00	170,50	90 871 337	15 493 178



TRADE IN DERIVATIVES

In accordance with its fund rules, the fund may trade in derivatives as part of its investment strategy. During the period the fund has not exercised its right to lend securities, but has exercised its right to borrow securities.

Leverage is calculated as the sum of the underlying exposed gross values of derivatives.

Highest leverage	Lowest leverage	Average leverage
47.12%	5.19%	38.78%

Risk assessment method for calculating total exposure: Value at Risk

Value at Risk The fund uses the Monte Carlo VaR model with a 1-day horizon and a 95% confidence.

At December 31, 2015	Highest 2015	Lowest 2015	Average 2015
0.45%	0.56%	0.29%	0.42%

Your share of the fund's costs

In the account statements you received from us in January 2016 we reported your share of the fund's costs for 2015. Management costs are your share of the fund's expenses in 2015 for management, Accounting, Information, Marketing, Auditing, and fees to the depositary.

Other costs are your share of the fund's expenses for securities trading such as analysis and brokerage fees.

Total costs are the sum of the two expenses above.

You cannot deduct these costs in your tax return since the fund does this in its own return.

Accounting policies

The fund applies the Alternative Investment Funds Act (SFS 2013:561), and the regulations of Finansinspektionen (the Swedish Financial Supervisory Authority) FFFS 2013:10, the guidelines of the Swedish Investment Fund Association (Fondbolagens förening) for accounting of investment funds and the guidelines of ESMA.

Fund holdings in the fund balance sheets have been recognised at market value at December 31, 2015. The market value is the closing price. Various valuation methods are used to determine the market value depending on the financial instrument and the market in which the instrument is traded. The last reported net asset value per unit is used to determine the value of fund units. The last price paid is normally used to determine the value of market-listed instruments and other instruments that are actively traded on an established market. The last bid and/or ask price is normally used to determine the value of instruments other than those referred to in the preceding sentence. If the management company deems the aforementioned valuation methods to be misleading, value will be determined based upon other objective grounds. Objective grounds refers to valuation based upon available information on the last price paid in relation to external transactions in instruments or an indicative bid price from a market maker, if a market maker has been appointed by the issuer. If such information is unavailable or is deemed unreliable by Catella, market value is determined according to generally accepted valuation models based on information from independent brokers or other external independent sources.

Exchange rates are the closing prices on December 31, 2015.

DKK	1.2308
EUR	9.1925
GBP	12.4535
NOK	0.9565
USD	8.4594

Tax rules for unit holders

The Fund is a separate taxable entity, but since 1 January 2012 is not subject to tax on the income of the assets included in the Fund. Now, Instead, the unit holders are taxed using a standard income (see below).

Capital gains tax

Individuals who are fully taxable in Sweden should report capital gains and capital losses on the divestment of units in the Fund as income from capital at a tax rate of 30 percent. Divestment includes sales and redemptions. The same rules apply to estates on condition that the deceased was fully taxable in Sweden.

Capital gains and capital losses are calculated as the difference between the sale price (less any fees) and the tax basis amount. The tax basis amount is the purchase price paid for the divested fund units. The tax basis amount is normally calculated using the average cost method.

Taxation of capital gains and capital losses is dependent on the type of fund and on whether the units are market-listed or unlisted. Generally a fund unit is considered to be market-listed if it is open for trading or redemption at least every ten days. If the fund is open for trading or redemption less often the fund units are considered to be unlisted. A fund unit that is registered or listed on a Swedish or foreign exchange is always market-listed regardless of turnover.

Capital gains on the divestment of units in the Fund are taxable in full. The following generally applies to the ability to deduct a capital loss on units in the Fund.

Market-listed units in equity funds

A capital loss is fully deductible against both gains on market-listed securities (except for units in fixed-income funds) and gains on unlisted shares. Securities include shares, units in securities funds and special funds and other financial instruments taxed as equities. Any remaining loss is deductible at 70 percent against other capital gains (e.g. interest and dividends).

Unlisted units in equity funds

Capital losses are deductible at 70 percent against any capital gains, including for example interest and dividends.

Market-listed units in fixed-income funds

A capital loss is fully deductible against any capital gains. This is now also applies to foreign market-listed fixed-income funds.

Tax reduction

In cases where there remains a capital loss after deduction against capital gains, a deficit arises. A tax reduction of 30 percent is allowed for deficits. If the deficit is greater than SEK 100.000, however, a tax reduction of only 21 percent is allowed for the deficit amount in excess of SEK 100.000.

Standard taxation

From income year 2012, individuals who are fully taxable in Sweden and who own units in the Fund must report a standard income of 0.4 percent of the value of the fund holding at the beginning of the year. The standard income should be reported as income from capital at 30 percent tax, which implies an effective tax levy on the value of the fund of $(0.4 \times 0.3 =) 0.12$ percent per year. The same rules apply to estates on condition that the deceased was fully taxable in Sweden.

Miscellaneous

If the Fund is linked to an investment savings account, Endowment, IPS or premium pension, special tax rules apply. For legal persons and foreign unit holders, other special tax rules apply.

Statements for tax returns

The fund management company provides statements for tax returns showing gains and losses from the sale or redemption of units in the Fund, standard income and any dividends. Statements are provided for individuals and Swedish estates.

OUR OWNERSHIP POLICY

1. Introduction

Chapter 15, Section 9 of Swedish Financial Supervisory Authority (Finansinspektionen) Regulations regarding investment funds and Article 37 of the EU Commission Delegated Regulation, require the board of directors of a fund management company and an alternative investment fund manager to adopt internal rules specifying the strategies the company shall apply to determine when and how voting rights linked to the financial instruments included in each fund are to be exercised.

The purpose of this document is to present how Catella Fondförvaltning AB ("Catella Fonder") exercises its shareholder influence, including how and in what situations the voting rights linked to investments made within the context of the company's business shall be exercised. The fundamental precept in all situations is that Catella Fonder shall act solely in the joint interests of fund unit holders and that voting rights shall be exercised to the exclusive benefit of each fund. The objective is that the funds should generate the highest possible return. The ownership role is exercised so as to maximise the long term value of portfolio companies and thus fund units. Fund assets are not included in the balance sheet of Catella Fonder and unit holders may at any time withdraw their money from the funds. It is therefore essential that Catella Fonder is able to sell its shares as necessary and without delay.

2. Policy for exercising shareholder influence

Catella Fonder invests on behalf of the funds, primarily in equities, bonds and other debt instruments and derivative instruments. The development of companies in which Catella Fonder invests is continuously monitored and if a company's development gives reason for discontent. Catella Fonder may elect to express this discontent by selling its holding, engaging in dialogue with management or exercising influence through the rights conferred by the funds' ownership.

As a shareholder, Catella Fonder shall actively intervene in a portfolio company, either independently or jointly with other shareholders, if in the judgement of Catella Fonder it is possible thereby to create financial added value for unit holders. The potential to create added value varies among portfolio companies and depends upon factors including the size of the funds' holding, the funds' potential return from the holding, what opportunities exist for improving governance of the portfolio company and the ownership structure of the portfolio company in other respects.

3. Attendance at general meetings

Catella Fonder shall normally attend general meetings of the companies in which the funds are major shareholders as well as the general meetings of other companies at which key issues are raised, and shall exercise its voting rights at these meetings. Catella Fonder considers itself a "major shareholder" if the funds own 5 percent or more of equity and/or voting rights in a portfolio company. Depending upon the ownership structure in other respects and existing opportunities for owner cooperation, Catella Fonder may also actively intervene in other portfolio companies.

4. Participation in nominating committees. etc.

If it is possible in Catella Fonder's judgement to create added value for unit holders, Catella Fonder may exercise shareholder influence by having representatives on the nominating committees of portfolio companies. In exceptional cases, Catella Fonder may also appoint representatives to the boards of directors of portfolio companies. Decisions to nominate representatives to the nominating committee or board of directors of a portfolio company are at the discretion of the CEO of Catella Fonder.

5. Exercising voting rights and monitoring corporate actions

1. There are several companies within the Catella group ("Catella") that invest on their own behalf or on behalf of clients. Operations within Catella Fonder are clearly separated from these other operations, and Catella Fonder shall therefore in exercising its voting rights consider only the best interests of unit holders, irrespective of any interests Catella may otherwise have in the company concerned. However, this does not preclude that coordinated action between Catella Fonder and another Catella company (or, for that matter, an external owner) concerning specific matters may be deemed to the benefit of unit holders. When Catella Fonder exercises its voting rights, it does so in accordance with the investment objectives and policy of each fund as set forth in the fund rules for each respective fund. When Catella Fonder exercises its voting rights, an assessment is made in every instance as to whether any conflict of interest may arise for the fund or fund unit holders and, if so, how such conflicts should be managed.
2. The fund manager is ultimately responsible for monitoring corporate actions and for ensuring that the fund votes at general meetings in accordance with the investment objectives and policy. However, Catella Fonder applies the fundamental precept that all funds must be in consensus concerning important matters affecting the company's operations. To this end, Catella Fonder has appointed an ownership representative who, in consultation with fund managers, decides how the fund shall vote at general meetings. The ownership representative in turn reports to the CEO of Catella Fonder and ultimately to the Board of Directors.
3. The foregoing policy that each fund manager is responsible for that a fund votes in accordance with the fund's investment policy ensures that conflicts of interest are managed.

4. Catella Fonder may, if deemed appropriate, issue a proxy to a third party to represent Catella Fonder at general meetings. Such a proxy shall be preceded by the same preparatory work as if Catella Fonder itself, through an employee, were to be represented at the meeting.

Upon request and free of charge, Catella Fonder will subsequently report to unit holders its positions on key individual ownership issues and the underlying rationale in each case.

6. Information policy concerning social and environmental responsibility and governance

Catella Fonder has taken a clear ethical position by becoming a signatory to UNPRI (United Nations Principles for Responsible Investment), preparing an ethics policy and reporting our ethics programme. This is the framework of our ethical profile. Initiated at our own volition, in combination with the preferences of our clients, this has resulted in the integration of social and environmental responsibility and governance aspects in our fund management operations. The policy applies to Catella Fonder's equity funds, except Catella Sverige Index, and their Nordic equity holdings. However, equity holdings held for less than one (1) month are exempt.

7. Management of insider information in the exercise of shareholder influence

Catella Fonder's mandate in connection with the management of investment funds and alternative investment funds is to act exclusively in the joint interests of unit holders. Accordingly, Catella shall as far as possible avoid restrictions to fund management. Catella therefore avoids, to the greatest possible extent, accessing information that affects prices and which is not generally known or is non-public (insider information), or accessing information bordering on insider information, that is, grey zones, referred to generally as "insider situations." Despite this, Catella will from time to time find itself in insider situations. Policies are in place to manage these situations, including that the group of individuals informed about the insider situation must be restricted as far as possible and that Catella Fonder must take action to prevent employees from using the information for personal gain or in the company's operations.

Please direct any questions concerning Catella Fonder's ownership policy to the company's ownership representative or the CEO.

This ownership policy has been prepared in accordance with the "Guidelines for investment fund managers as shareholders" issued by the Swedish Investment Fund Association.

Swedish code of conduct for fund management companies

Catella Fondförvaltning AB (the Company) is a member of the Swedish Investment Fund Association. Through its "Swedish Code of Conduct for fund management companies", the Association summarises the overall principles that apply when conducting fund management activities in Sweden. The Code is designed to promote sound fund activities and thereby to safeguard public confidence in the industry. The Company complies with the Code. All fund managers, executive management, employees in Risk and Compliance, and those responsible for Business Support and Sales etc, at the Company are licensed by SwedSec. The Company has also ensured that half of the board of directors comprises independent members.

Disclosures in accordance with the Swedish code of conduct for fund management companies

Remuneration to the staff of the fund management company comprises salary and bonuses related to the performance of the Company.

Information on remuneration

Information on remuneration for Catella Fondförvaltning AB is provided on the website (www.catella.se/fonder) and in the Company's annual report for 2015. Unit holders that wish to have Catella Fondförvaltning AB's annual report sent to them are requested to contact us by calling +46 8 614 25 00.

Underwriting

All funds are able, within the scope of their fund rules and the Swedish Alternative Investment Fund Managers Act (2013:561), to guarantee issues. Catella Hedgefond has utilised this ability in 2015.

Related-party transactions

Trading with Nordic Fixed Income AB has been conducted in fixed-income securities, as detailed in the fund's "Facts about the fund".

Board of directors of Catella Fondförvaltning AB

Knut Pedersen. Chairman. CEO Catella AB (publ)

Lars H. Bruzelius. Senior Partner BSI & Partners

Peter Friberg. Head of Operations S:t Lukas in Uppsala

Johan Nordenfalk. Chief Legal Officer Catella AB (publ)

Thomas Raber. Managing Director Alvine Capital Management Ltd

Ando Wikström. CFO Svenska Hyreshus AB (SHH)

Risk

Total risk

The traditional way to measure the price volatility of a fund, or the risk of losing money, is to measure how much the fund's returns have varied. If a fund has a high total risk (for example, an equity fund), the returns have varied more than for a fund with low total risk (for example, a fixed income fund with short term to maturity on interest-bearing assets). However, risk and return are linked, and a higher risk may yield a higher return. The value of total risk indicates the range within which the annual return should end up (with 66 percent probability), which means that a fund with an average return of 5 percent and a total risk of 2 percent indicates that the fund's annual return should be between 3 percent and 7 percent (5 percent \pm 2 percentage points).

In this respect, Catella follows the recommendation of the Swedish Investment Fund Association to use 24 monthly values in this measurement. Another name for the total risk is standard deviation, calculated on an annual basis, or volatility. The total risk in a fund gives an indication of the historical risk level of the fund, but is not a secure forecasting tool. A fund category or fund that has previously had low total risk may, in fact, be risky and lead to price losses if, for example, the stock market is about to decline due to, for example, an economic downturn. Of course, the opposite is also true.

Active risk

Another type of risk is that the fund performs better or worse than the assets on the market in which it invests. Investors buying an equity fund of, for example, Swedish equities, will probably want to check how much risk the fund has had in its investments compared to the index it is benchmarked against. One measure of this is the active risk, also called tracking error. This measurement indicates how "closely" the fund follows its benchmark index. A high active risk indicates that the fund differs significantly from its index. Unlike correlation, active risk is dependent not only on the direction of return but also the magnitude. This means that a fund with a small proportion of equities and the remainder in bonds may still have a correlation of 1 to the stock exchange, but it would still have a high active risk against the stock market. Active risk is calculated as the standard deviation of the relative returns compared to the benchmark. Catella also uses monthly values (24 months) in the calculation of active risk.

Duration

Duration is the most common measure of interest-rate risk, and indicates the average term to maturity of the fund's fixed-income securities. The higher the duration, the more sensitive the fund is to changes in interest rates. Duration is normally expressed in years. The fund duration is presented for all Catella funds that have investments in fixed-income securities. The measure of duration used in the annual report is the "effective duration", which takes into account the period of fixed interest and optionality for, for example, FRNs and callable bonds.

Interest-rate risk for a 1 percentage change in interest rates

The interest-rate risk for a 1 percentage point change in interest rates shows how much the fund's value would decrease (or increase) if the interest rate were to rise by 1 percentage point across the entire yield curve, i.e. the interest rate rises by 1 percentage point on all maturities. This measure is presented for all Catella funds that have holdings in fixed-income securities.

Active share

Active share is another measure of how "closely" the fund follows its benchmark, but unlike active risk, active share does not take into account whether the holdings are similar. This means that if one share in the fund's holdings is

switched for another share that has similar performance, active risk is not affected, but active share is affected. Active share indicates, as a percentage, the proportion of the fund that deviates from its benchmark. This indicator ranges from zero to one hundred percent, with zero percent active share indicating that the fund has exactly the same holdings and allocation of holdings as the benchmark. One hundred percent active share means that none of the fund's holdings are included in the index. Active share is calculated as the sum of the differences between the shares' weightings in the fund portfolio and in the benchmark index, divided by two.



Catella Hedgefond. corporate registration number 515601-9720

Catella Fondförvaltning AB
Stockholm. 15 February 2016

Knut Pedersen
Chairman

Erik Kjellgren
CEO

Lars H. Bruzelius

Peter Friberg

Johan Nordenfalk

Thomas Raber

Ando Wikström

Our auditor's report was submitted 15 February 2016

PricewaterhouseCoopers AB

Daniel Algotsson
Authorised Public Accountant

Auditor's report

To the unit holders of Catella Hedgefond
Corporate registration number 515601-9720

Report on the Annual Report

In our capacity as auditors of Catella Fondförvaltning AB, corporate registration number 556533-6210, we have conducted an audit of the annual report of the Catella Hedgefond for 2015.

Responsibilities of the management company for the annual report

The management company is responsible for the preparation and fair presentation of this annual report in accordance with the Alternative Investment Funds Act and the regulations of Finansinspektionen regarding alternative investment funds and for such internal control as the management company determines is necessary to enable the preparation of an annual report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the management company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the management company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management company, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual report has been prepared in accordance with the Alternative Investment Funds Act and the regulations of Finansinspektionen regarding alternative investment funds and provides in all material respects a true and fair view of the Catella Hedgefond's results and financial position.

Report on other legal and regulatory requirements

In addition to our audit of the annual report, we have also audited the management company's administration of the Catella Hedgefond for the year 2015.

Responsibilities of the management company

The management company is responsible for administration under the Alternative Investment Funds Act and the fund rules.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the administration based on our audit.

We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the administration in addition to our audit of the annual report we examined significant decisions, actions taken and circumstances of the fund in order to determine whether the management company has acted in contravention of the Alternative Investment Funds Act or the fund rules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the management company has not acted in contravention of the Alternative Investment Funds Act or the fund rules.

Stockholm, 15 February 2016, PricewaterhouseCoopers AB



Daniel Algotsson, Authorised Public Accountant