

## FUND RULES FOR CATELLA AVKASTNINGSFOND

### § 1 The legal status of the fund

The name of the fund is **Catella Avkastningsfond** hereinafter referred to as the Fund. The Fund is a UCITS fund pursuant to the Swedish Investment Funds Act (SFS 2004:46).

The Fund is intended for the general public (natural and legal persons) and the assets of the Fund are owned jointly by the fund unitholders. Each fund unit confers equal right to the property that makes up the Fund, adjusted for the specific terms that apply to each unit class below. The Fund may not acquire rights or assume obligations. Nor may the Fund bring action before a court or any other authority. The Swedish Management Company in § 2 (the Management Company) represents the holders of fund units in all matters regarding the Fund, decides over property included in the Fund and exercises the rights pertaining to such property.

The Fund is managed in accordance with these fund rules, the articles of association of the Management Company, the Swedish Investment Funds Act and other applicable statutes.

The fund has three unit classes:

- A SEK retail class
- B SEK including conditions applying to distribution
- C SEK including conditions applying to distribution

Unit classes B and C are accessible only to:

- Investors that, within the framework of investment services in accordance with chapter 2, § 1 of the Swedish Securities Market Act (2007:528) or equivalent Swedish or foreign regulations, invest in the Fund, provided there is a written agreement between the Management Company and the investment services provider, or an intermediary in the distribution chain that, as worded, covers investments in the unit class and sets forth that the investment does not entitle the provider of investment services to compensation from the Management Company, and
- Insurance firms that, within the framework of agreements with policyholders, invest in the Fund, provided that there is a written agreement between the Management Company and the insurance firm or an insurance distributor that, as worded, covers the insurance firm's investments in the unit class and sets forth that the investment does not entitle the insurance firm or insurance distributor to compensation from the Management Company.

Units in unit class A must be transferred to unit class B or C when the conditions for holdings in unit class B or C are met.

Units in unit class B or C must be transferred to unit class A when the prerequisites according to the conditions for holdings in unit class B or C no longer exist.

The fund unit classes differ in terms of charges as set forth in these fund rules.

## **§ 2 Fund manager**

The fund is managed by Catella Fondforvaltning AB, corporate registration number 556533-6210, hereinafter referred to in these fund rules as the Management Company.

## **§ 3 Depositary and its duties**

The Fund's depositary is Swedbank AB (publ), corporate registration number 502017-7753, hereinafter referred to as the Depositary. The duty of the Depositary includes implementation of the Management Company's decisions with regard to the Fund provided these are not in contravention of the provisions of the Swedish Investment Funds Act or these fund rules. The Depositary shall also accept and hold the property that makes up the Fund and ensure that:

- Sales and redemptions of fund units take place in accordance with the provisions of the Swedish Investment Funds Act and these fund rules;
- The value of the fund units is calculated in accordance with the provisions of the Swedish Investment Funds Act and these fund rules;
- The Fund's assets are deposited with the Depositary without delay;
- Fund assets are used in accordance with the provisions of the Swedish Investment Funds Act and these fund rules.

## **§ 4 Characteristics of the fund**

The Fund is an actively managed fixed-income fund that invests primarily in bonds and money-market instruments issued by states, municipalities, mortgage institutions and companies with high credit ratings. The objective of the Fund is to achieve a higher return than the average in the Swedish fixed-income market through active management, in both the money market and bond market. The average maturity of the Fund will be 0-4 years.

## **§ 5 The Fund's investment strategy**

The Fund shall invest its assets in interest-bearing transferable securities, money-market instruments, fund units, deposits to accounts with credit institutions and derivative instruments in which the underlying assets comprise interest-bearing transferable securities, money market instruments, financial indices and/or exchange rates and foreign currencies.

A maximum of 10 percent of the Fund's assets may be invested in fund units.

A maximum of 20 percent of the Fund's assets may be placed in deposits with credit institutions.

## **§ 6 Marketplaces**

The Fund's assets may be invested on regulated markets within the EEA or equivalent markets outside the EEA. Trading is also permitted on other regulated marketplaces open to the public. To a limited extent, as defined by law and these fund rules, trading may also take place by means other than through the above markets. Purchases and sales of fund units are made at the respective Swedish Management Company or foreign collective investment undertaking.

## **§ 7 Special investment strategy**

The Fund's assets may be invested in transferable securities and money-market instruments referred to in Chapter 5, § 5, paragraph 1 of the Swedish Investment Funds Act corresponding to a holding not exceeding 10 percent of the Fund's net asset value.

The fund may make use of derivative instruments as part of its investment strategy. The Fund may use currency derivatives at any time in order to fully hedge its holdings.

The fund may invest in such derivatives referred to in Chapter 5 § 12 paragraph 2 of the Swedish Investment Funds Act.

Securities lending corresponding to a maximum of 20 percent of the Fund's net asset value may be made secured against adequate collateral and on customary industry terms.

The Fund is authorised to invest its assets in pursuance of Chapter 5, § 8 of the Swedish Investment Funds Act and may invest more than 35 percent of the Fund's assets in bonds and other promissory notes issued by and/or guaranteed by Swedish mortgage institutions, a state, a municipality or a state or municipal authority of a country within the EEA or any intergovernmental body of which one or more states within the EEA are members. Promissory notes must however come from at least six different issues and those coming from the same issue may not exceed 30 percent of the Fund's net asset value.

In order to create leverage, the Fund may use such techniques and instruments referred to in Chapter 25 § 21 of Finansinspektionen's Regulations (FFFS 2013:9) regarding Swedish UCITS funds.

## **§ 8 Valuation**

The net asset value of the Fund is calculated by deducting from the assets (financial instruments, cash and cash equivalents and other assets including accrued returns) those liabilities related to the Fund including accrued expenses and taxes.

Financial instruments included in the Fund are valued at market value. This is the last price paid or, if not available, the last bid price. If such prices are not available or if the prices in the opinion of the Management Company are misleading, the Management Company may determine the value

on an objective basis, which in the case of transferable securities and money-market instruments may be done through, for example, a net present value calculation of future cash flows, for fund units through, for example, a comparable index, and for derivative instruments through, for example, an established theoretical pricing model such as Black & Scholes.

The value of OTC derivatives is determined at market value by the Management Company based on, for example, bid/ask prices quoted by the issuing bank, market makers or another market place. If such prices are not available or if the prices in the opinion of the Management Company are misleading, the Management Company may determine the value on an objective basis, such as calculation using the Black & Scholes pricing model or similar conventional models. If the market value cannot be determined by the Management Company an independent valuation shall be obtained.

The market value of transferable securities and money market instruments referred to in Chapter 5 § 5 of the Swedish Investment Funds Act is determined according to that stated in the preceding paragraph. Public information on the latest price paid as well as the last bid and ask price is usually not available for OTC derivatives. The fair value of OTC derivatives is therefore normally determined based upon generally accepted valuation models, such as Black & Scholes, or valuation provided by an independent third party.

The value of a fund unit in each unit class is the net asset value of the Fund divided by the number of outstanding fund units with adjustment made consequent upon the charges applied to each unit class.

The value of a unit in each unit class is calculated regularly every banking day by the Management Company and published on the Management Company's website.

## **§ 9 Sales (subscriptions) and redemptions of fund units and transfers between unit classes**

### Sales and redemptions of fund units

Fund units are sold (purchases by fund unitholders) and redeemed (sales by fund unitholders) by the Management Company. Sales can be made both through one-time subscription and monthly savings. No charges are deducted for the sale and redemption of fund units. For unit class B SEK including conditions applying to distribution and C SEK including conditions applying to distribution, sales and redemptions of fund units only can be done provided there is a written agreement between the Management Company and the investment services provider/insurance firm.

Sales and redemptions can be made on any banking day. Request for sales and redemptions shall be made in writing to the Management Company on a form provided by the Management Company or according to instructions by the Management Company. The price per fund unit upon subscription and redemption may not be limited. Requests for sales and redemption may only be

revoked with the consent of the Management Company. More detailed terms and conditions for sales and redemptions of fund units are provided in the prospectus.

Upon redemption of fund units, payment is normally made within 5 banking days following execution of the redemption.

The sale and redemption price for a fund unit is the net asset value of the fund unit at the date of sale or redemption calculated as in § 8. The price is unknown to the client/unitholder at the time of request. Information on the sale and redemption price for fund units is provided each banking day by the Management Company on its website.

Fund units will be redeemed on the redemption date requested if funds are available in the Fund. If funds for the redemption must be obtained through the sale of assets of the Fund such sales will take place and redemption will be executed as soon as possible. If such a sale would significantly disadvantage other unitholders' interests, the Management Company may delay the sale, following notification to Finansinspektionen (the Swedish Financial Supervisory Authority).

The Fund is not open for sales and redemptions on banking days when a valuation of the Fund's assets cannot be conducted in a manner that assures the equal rights of fund unitholders, such as a consequence of one or more of the markets on which the Fund's trade takes place and/or underlying funds being partly or entirely closed or due to such extraordinary circumstances referred to in § 10.

#### Transfer of fund units

Units in unit class A must be transferred to unit class B or C when the conditions for holdings in either of these unit classes are met. If the conditions for holdings in both unit class B and unit class C are met, the units must be transferred to unit class C.

Units in unit class B must be transferred to unit class C when the prerequisites for holdings in unit class C are met. If neither the conditions for holdings in unit class B nor unit class C are met, the units in unit class B must be transferred to unit class A.

When the conditions for holdings in unit class C are not met, units in unit class C must be transferred to unit class B if the conditions for holdings in unit class B are met. Otherwise, the units must be transferred to unit class A.

The transfer will be executed on a banking day determined by the Management Company. On the transfer date, the investor will receive units in the unit class to which the transfer is to be made to a value equal to the value of the investor's units in the prior unit class. The value of the units in each unit class will correspond to the sale and redemption prices for the relevant unit classes in effect on the date of transfer.

#### **§ 10 Extraordinary circumstances**

The Fund may be closed for sales and redemptions if there exist extraordinary circumstances whereby a valuation of the Fund's assets cannot be made in a manner that assures the equal rights of the fund unitholders.

### **§ 11 Payments and charges**

Payment may be made from the Fund's assets for storage, management, analysis, administration, accounting and record keeping, supervision and auditing of the Fund.

The Fund applies the following maximum charges:

For unit class A SEK retail class 0.75 percent per year, of which fixed compensation to the Management Company shall not exceed 0.70 percent per year and is calculated daily on the Fund's net asset value.

For unit class B SEK including conditions applying to distribution, 0.40 percent per year, of which fixed compensation to the Management Company shall not exceed 0.35 percent per year and is calculated daily on the Fund's net asset value.

For unit class C including conditions applying to distribution, 0.33 percent per year, of which fixed compensation to the Management Company shall not exceed 0.28 percent per year and is calculated daily on the Fund's net asset value.

Fixed remuneration of the Depositary shall not exceed 0.05 percent of the Fund's net asset value per year.

Charges are deducted from the Fund monthly.

Value-added tax may be added to the above payments.

Brokerage and other expenses attributable to the Fund's purchases and sales of financial instruments and tax are paid directly from the Fund. The Fund may, to the extent permitted by current legislation, also be charged expenses for analysis.

### **§ 12 Dividends**

The Fund will not pay dividends.

### **§ 13 Financial year of the Fund**

The financial year for the Fund is the calendar year.

### **§ 14 Half-year reporting and annual reporting, changes to fund rules**

The Management Company shall prepare annual and half-year reports for the Fund within four and two months, respectively, of the end of the financial year and half-year. The half-yearly report and the annual report shall be made available to unitholders at the Management Company and the Depositary and shall, free of charge, be provided within the above time frames to those unitholders that have requested this information.

Any decision by the board of directors of the Management Company to amend these fund rules must be submitted to Finansinspektionen for approval. The decision regarding amended fund rules shall be published by being kept available at the Management Company and Depositary and be announced in the manner prescribed by Finansinspektionen.

### **§ 15 Pledging and transfer**

In conjunction with the pledge of fund units the pledge holder and/or pledging party must notify the Management Company in writing. The notice shall set forth the identity of the unitholder, the identity of the pledge holder, the fund units covered by the pledge and any restrictions on the scope of the pledge.

The notice must be signed by the pledging party. The Management Company shall record the information about the pledge in the register of unitholders and notify the pledging party thereof in writing. When the pledge has expired the Management Company shall, following notification from the pledge holder, remove the information about the pledge from the register.

The Management Company is entitled to charge the unitholder a fee for administration of the pledge.

Unitholders are permitted to transfer fund units.

### **§ 16 Limitation of liability**

#### *The Management Company*

The liability of the Management Company for damages is regulated under Chapter 2, § 21 of the Swedish Investment Funds Act.

The Management Company shall not be liable for damage arising as a consequence of Swedish or foreign legislation, acts of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that the Management Company is the subject of, or executes, such a measure.

Damage which arises in other cases than those in the first paragraph above shall not be compensated by the Management Company, where it has exercised normal care. The Management Company shall not be liable in any circumstance for indirect damage or damage caused by a – Swedish or

foreign – exchange or other market place, custodian bank, central securities depository, clearing organisation, or others that provide equivalent services, or other party retained by the Management Company in the exercise of due care, nor for damage which may arise as a consequence of restrictions on the right of disposition which may be applied against the Management Company. The same shall apply to damage caused by the above organisations or retained parties becoming insolvent.

In the event the Management Company is prevented from effecting measures as a consequence of a circumstance set forth in the first paragraph above, these measures may be postponed until such time as the impediment has ceased.

### *The Depository*

The liability of the Depository for damages is regulated under Chapter 3, §§ 14-16 of the Swedish Investment Funds Act.

In the event the Depository or a custodian bank has lost financial instruments held in custody at the Depository or a custodian bank, the Depository shall without undue delay return financial instruments of identical type or pay the corresponding value to the Management Company on the Fund's behalf. The Depository shall, however, not be held liable if the loss of the financial instruments was caused by an external event beyond the reasonable control of the Depository and whose consequences were impossible to avoid, even though all reasonable efforts were made to do so, such as loss arising from Swedish or foreign legal enactment, measures taken by the Swedish government or a foreign government, act of war, strike, blockade, boycott, lockout or comparable circumstance. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that the Depository is the object of or institutes such a measure.

The Depository shall not be liable for damage other than such damage as referred to in the preceding paragraph unless the Depository intentionally or negligently caused such other damage. Nor shall the Depository be liable for such other loss if circumstances as set forth in the first paragraph are present.

Nor shall the Depository be held liable for damage caused by a – Swedish or foreign – exchange or other market place, registrar, clearing organisation, or others that provide equivalent services, nor – for damage other than that mentioned in the first paragraph –for damage caused by a custodian bank or other party retained and regularly monitored by the Depository with due skill, care and diligence or that is referred by the Management Company. The Depository shall not be held liable for damage caused by the above organisations or retained parties becoming insolvent.

The Depository shall not be held liable for damage caused to the Management Company, investors in Funds, Funds or others as a consequence of restrictions on the right of disposition which may be imposed upon the Depository with regard to securities. The Depository shall not be liable in any circumstance for indirect damage.



If the Depositary is prevented in whole or in part from taking measures in accordance with this agreement as a consequence of a circumstance set forth in the first paragraph, these measures may be delayed until the impediment has ceased to exist. If payment is delayed, the Depositary shall not pay penalty interest.

If the Depositary is prevented from accepting payment for the Fund by reason of a circumstance set forth in the first paragraph, the Depositary shall have the right to interest for the period during which the impediment existed only in accordance with the terms in effect on the due date.

### **§ 17 Permitted investors**

The circumstance that the Fund is directed at the general public does not mean that it is directed at such investors whose purchases or holdings of units in the Fund contravene the provisions of Swedish or foreign law or regulation. Nor is the Fund directed at such investors whose subscriptions or holdings of units in the Fund would obligate the Fund or the Management Company to take registration measures or other measures that the Fund or Management Company would not otherwise be obligated to perform.

The Management Company has the right to decline to issue units to such investors referred to above.

The Fund Company may redeem a unitholder's units in the Fund – notwithstanding the objections of such a unitholder – if it proves that the unitholder has acquired units in the Fund in contravention of the provisions of Swedish or foreign law or ordinance or that the Management Company has by reason of a unitholder's acquisition of or holdings in the Fund become obligated to take registration measures or other measures for the Fund or the Management Company that the Fund or Management Company would not be obligated to perform if the unitholder did not hold units in the Fund. The units shall be redeemed on the date determined by the Management Company and in accordance with that provided in § 9 of the fund rules.