

FUND RULES FOR CATELLA HEDGEFOND

§ 1 The legal status of the Fund

The name of the fund is Catella Hedgefond ('the Fund'). The Fund is a special fund pursuant to the Swedish Alternative Fund Managers Act ('AIFMA').

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 cannot acquire rights or assume obligations; nor can the Fund bring legal action before a court of law or other public authority. The Alternative Investment Fund Manager specified in § 2 (the 'AIF Manager') represents fund unitholders in all matters concerning the Fund, takes decisions concerning the property included in the fund and exercises the rights derived from the property.

The Fund is managed in accordance with these fund rules, the articles of association of the AIF Manager, the AIFMA and other applicable statutes.

The fund has six unit classes:

- A SEK retail class
- B NOK retail class
- C EUR retail class
- D USD retail class
- E SEK including conditions applying to distribution
- F SEK including conditions applying to distribution

Unit classes E and F are accessible only to:

- Investors that, within the framework of investment services in accordance with chapter 2, § 1 of the Securities Market Act (2007:528) or equivalent Swedish or foreign regulations, invest in the Fund, provided there is a written agreement between the AIF Manager 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 AIF Manager, and
- Insurance firms that, within the framework of agreements with policyholders, invest in the Fund, provided that there is a written agreement between the AIF Manager 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 AIF Manager.

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

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

The fund unit classes differ in terms of the currency used for calculation and publication of unit value, charges and in the minimum deposit as set forth in these fund rules.

§ 2 Fund manager

The fund is managed by Catella Fondforvaltning AB, corporate registration number 556533-6210 (the ‘AIF Manager’).

§ 3 The depositary and its duties

The Fund’s depositary is Swedbank AB (publ), corporate registration number 502017-7753 (the ‘Depositary’). The duties of the Depositary include executing the AIF Manager’s instructions pertaining to the Fund if the instructions do not conflict with the provisions of AIFMA, the articles of association, or these fund rules.

The Depositary shall furthermore accept, verify and hold in custody the property included in the Fund, monitor the Fund’s monetary flows and ensure that:

- sales and redemptions etc. of fund units comply with the provisions of AIFMA, the articles of association and these fund rules;
- the net asset value per fund unit is calculated in compliance with the provisions of AIFMA, the articles of association and these fund rules;
- payment for transactions that affect Fund assets is made to the Fund without delay; and that
- Fund income is applied in compliance with the provisions of AIFMA, the articles of association and these fund rules.

§ 4 Characteristics of the fund

The Fund is a hedge fund whose objective is to demonstrate consistent, positive returns regardless of performance in the equity markets. The analysis process behind the Fund's investments consists primarily of fundamental analysis, which studies the company’s earnings capacity, cash flows and so on. Complementary quantitative analysis is performed in which the historical performance of equities and their co-variations are studied. Risk analysis is a third key element of management. This involves analysis of both the aggregate risk of the Fund and the risk in each individual investment.

§ 5 Investment strategy

The Fund shall invest its assets in financial instruments, meaning transferable securities, fund units, money market instruments, accounts with credit institutions in which the underlying assets are such referred to in Chapter 5, § 12, paragraph 1 of the Swedish Investment Funds Act (‘IFA’). The fund may also invest in derivatives with commodities as the underlying assets.

The Fund’s rules differ from those that apply to UCITS funds in accordance with the Swedish Investment Funds Act (SFS 2004:46) (IFA) on the points below.

- The fund has been granted exemption from Chapter 5 § 5 paragraph 1 IFA and may invest in such transferable securities and money market instruments referred to in the cited statute corresponding to a maximum of 25 percent of the Fund's net asset value. Investments in such financial instruments issued by a single issuer shall not exceed 10 percent of the Fund's net asset value.
- The Fund has been granted exemption from Chapter 5, § 6, paragraph 1, paragraph 2 (2) and (3), and Chapter 5 § 13 paragraph 1 IFA and is permitted to take positions, both held and sold (short selling), amounting to a maximum of 30 percent of the value of the Fund in equity related transferable securities (including convertible debentures), and in interest-related transferable securities and money market instruments (excluding convertible debentures) from a single issuer or issuers in one and the same corporate group. In total, the Fund may take positions in transferable securities issued by a single issuer or issuers in the same corporate group corresponding to a maximum of 40 percent of the Fund's value. Holdings of convertible bonds or similar debt securities shall upon calculation be treated as if the debentures were converted.
- The Fund has been granted exemption from Chapter 5, § 6, paragraph 1 and paragraph 2 (1) and Chapter 5 § 13 paragraph 1 IFA, and is permitted to take positions, both held and sold (short selling), equivalent to a maximum of 50 percent of the value of the Fund in transferable securities and money market instruments from a single issuer issued by a state, a municipality or a state or municipal authority of a country within the EEA or an intergovernmental body of which one or more states within the EEA are members.
- The fund has been granted exemption from Chapter 5, § 11 IFA and is permitted to hold deposits in a single credit institution not exceeding 40 percent of the Fund's net asset value provided that the credit institution is a bank domiciled in Sweden.
- The Fund has been granted exemption from Chapter 5, § 12 IFA and Chapter 24, § 9 paragraph 2 FFFS 2013:9 and is permitted to invest in derivatives whose underlying assets consist of or are derived from commodities. Such investments are however permitted only if the derivatives are subject to trading in a financial market and the instruments do not impose any obligation to deliver the underlying asset.
- The Fund has been granted exemption from Chapter 5, § 15, paragraph 1 (3a) IFA and is thus permitted to invest in special funds and alternative investment funds referred to in Chapter 12 § 13 paragraph 2 AIFMA.

The Fund has been granted exemption from Chapter 5, § 15, paragraph 1 (3c) IFA and is thus permitted to invest in special funds and alternative investment funds that apply investment rules regarding gearing, short selling and borrowing and lending that are not equivalent to that which apply to UCITS funds.

The Fund has been granted exemption from Chapter 5, § 15, paragraph 1 (3d) IFA and is thus permitted to invest in special funds and alternative investment funds that do not provide a half-yearly report or equivalent.

- Under an exemption from Chapter 5 § 15 last paragraph IFA, the fund may invest in other funds or UCITS companies which, according to their fund rules or articles of association, may invest more than 10 percent of their assets in units in other funds/fund companies.
- Under an exemption from Chapter 5, § 19 paragraph 1 (2 and 3) IFA, the fund is permitted to hold bonds and other debt instruments or money market instruments corresponding to a maximum of 25 percent of these bonds and other debt instruments or money market instruments issued by a single issuer.
- The Fund has been granted exemption from Chapter 5, § 19 paragraph 2 (4) IFA and is permitted to hold a maximum of 50 percent of the units/shares in a single fund/fund company. For limited periods of up to six months, such as during start-up phases or temporary periods in which capital invested by other unitholders in the underlying fund is lower, the Fund may, however, own up to 80 percent of the units in a single fund/fund company with the goal of eventually reducing the Fund's ownership interest.
- The Fund has been granted exemption from Chapter 5, § 20, paragraphs 1 and 2 IFA. Aggregated shareholdings in the AIF Manager's funds may correspond to a maximum of 40 percent of the company's votes.
- As a consequence of the above exemptions the Fund may, despite the limitations under Chapter 5, §§ 21 and 22 IFA, also take positions, both held and sold (short selling), with regard to a single issuer or issuers in the same corporate group amounting to a maximum of 40 percent of the Fund's value through such investments referred to in the said provisions.
- The Fund has been granted exemption from Chapter 5, § 23, sub-§ 3 IFA and is permitted to sell transferable securities, money market instruments, fund units or derivatives that are not included in the Fund ('naked short selling'). The fund also has the option to sell financial instruments included in the Fund but which the Fund acquired through lending ('legitimate short selling'). Securities loans raised may not exceed 50 percent of the Fund's net asset value and shall be raised on customary terms in the industry.
- The Fund has been granted exemption from Chapter 5, § 23, sub-§ 1 IFA and is permitted to raise cash loans, provided such loans do not exceed 50 percent of the Fund's value and have a term of no longer than three months. The Fund's assets may be used as collateral for the loans.
- The Fund has been granted exception from Chapter 25 § 21 paragraph 1 FFFS 2013:9 and is permitted, with regard to such non-cash settled instruments referred to in the paragraph, to use derivatives without having the capacity to deliver underlying assets or other liquid assets. That set forth in Chapter 25 § 15 paragraph 3 FFFS 2013:9 shall instead apply.

The Fund has been granted exemption from Chapter 25 § 21 paragraph 3 FFFS 2013:9 and is permitted to extend securities loans, which shall not exceed 50 percent of the Fund's net asset value at any time.

Risk level and risk measurement

In accordance with Chapter 25, § 4 of FFFS 2013:9, the Fund uses an absolute Value-at-Risk model (VaR model) with a confidence level of 95 percent and a one-day horizon to calculate the total exposure of the Fund related to derivatives. The Fund's target is to have a VaR and thus risk level that is higher than for Swedish fixed-income funds but lower than for Swedish equity funds. The application of a VaR model means the Fund's total exposures resulting from derivatives (measured using the commitment approach) may exceed the value of the Fund.

§ 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 executed at the respective fund manager, AIF Manager, or fund company.

§ 7 Special investment strategy

The Fund is permitted to invest its assets invested in transferable securities and money market instruments referred to in Chapter 5, § 5, paragraph 1 IFA.

The Fund is permitted to invest in derivatives as part of its investment strategy.

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

The Fund is permitted to invest in OTC derivatives (according to Chapter 5 § 12 paragraph 2 IFA).

§ 8 Valuation

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

Financial instruments included in the Fund are valued at fair value (market value). The last price paid is normally used to determine the fair value of financial instruments. If such price information is unavailable or misleading, the latest bid and/or ask price is used. If the AIF Manager 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 the AIF Manager, fair value is determined according to generally accepted valuation models based on information from independent brokers or other external independent sources.

The fair value of transferable securities and money market instruments as referred to in Chapter 5 § 5 IFA 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 net asset value per fund unit in each unit class is the net asset value of the Fund divided by the number of outstanding fund units. The AIF Manager calculates the net asset value per fund unit in each unit class each banking day and publishes this information on the AIF Manager's website. The value per fund unit is calculated and published in the following currencies for the various unit classes.

- A SEK retail class: Swedish krona
- B NOK retail class: Norwegian krone
- C EUR retail class: Euro
- D USD retail class: US dollar
- E SEK including conditions applying to distribution
- F SEK including conditions applying to distribution

§ 9 Sales (subscription) 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 AIF Manager. Sales can be made both through one-time deposits and monthly savings. No fees are charged for the sale and redemption of fund units. For unit classes E SEK including conditions applying to distribution and F SEK including conditions applying to distribution, sales and redemptions of fund units only can be done provided there is a written agreement between the AIF Manager 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 AIF Manager on a form provided by the Management Company or according to instructions by the Management Company. Requests for sales and redemptions cannot be limited. Requests for sales and redemptions may be withdrawn only if the AIF Manager consents. More detailed terms and conditions for sales and redemptions of fund units are provided in the prospectus.

When fund units are redeemed, payment is normally made within five banking days after the redemption is executed.

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 selling price and redemption price are unknown

as of the date of the request. The AIF Manager posts information on selling and redemption prices for fund units each banking day on the AIF Manager's 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 acquired through sale of the Fund's assets, such sale shall take place and redemption shall be executed as soon as possible. If such a sale would significantly disadvantage the interests of other unitholders, the AIF Manager may delay the sale following notification to Finansinspektionen.

The Fund is not open for sales and redemptions on banking days when the Fund's assets cannot be valued in a manner that assures fair treatment of all unitholders; for example, due to the partial or full closure of one or more of the markets on which the Fund trades and/or underlying funds or due to such extraordinary circumstances referred to § 10.

Transfer of fund units

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

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

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

The transfer will be executed on a banking day determined by the AIF Manager. 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 in extraordinary circumstances that prevent valuation of the Fund's assets in a manner that assures fair treatment of all unitholders.

§ 11 Fees and charges

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

The Fund applies the following maximum fixed charges:

1.15 percent per year for unit classes A SEK retail class, B NOK retail class, C EUR retail class and D USD retail class, of which fixed fees paid to the AIF Manager shall not exceed 1.0 percent per year and shall be calculated on a daily basis.

0.65 percent per year for unit class E SEK including conditions applying to distribution, of which fixed fee paid to the AIF Manager shall not exceed 0.50 percent per year and shall be calculated on a daily basis.

0.55 percent per year for unit class F SEK including conditions applying to distribution, of which fixed fee paid to the AIF Manager shall not exceed 0.40 percent per year and shall be calculated on a daily basis.

Fixed fees paid to the Depositary shall not exceed 0.15 percent per year.

Charges are deducted from the Fund on a monthly basis.

A collectively calculated performance fee shall also be paid to the AIF Manager of 20 percent on the part of the total return for the Fund that exceeds a level of return, referred to below as the reference rate, which is defined as the OMRX-TBILL treasury bill index. For holders of unit classes B NOK retail class, C EUR retail class and D USD retail class, the reference rate is adjusted in such a manner that the size of the performance fee is not influenced by changes in exchange rates between SEK and the currency of each unit class.

The performance fee is payable collectively on the unit class's overall performance, which may differ from the performance for the individual unitholder. The performance fee is calculated after deduction of fixed expenses and is recorded daily, which means that each unit class's daily NAV price indicates the value per unit after all fees and charges. The accrued fee is payable to the AIF Manager after the end of each month. In order to know the cumulative total return each unit class must achieve in order for the AIF Manager to deduct a performance fee, a high water mark (HWM) is used. Each day the HWM for each unit class is adjusted up (down) by that day's percentage rise (fall) in the Fund's reference rate. If a unit class's unit price after deduction of fixed expenses exceeds the high water mark for that day, 20 percent of the excess return is deducted as a performance fee and the NAV price is adjusted to reflect this. The HWM is raised to this new higher rate so that fees for the excess return are only paid once. If a unit class's cumulative return on any particular day is below the HWM, no performance fee is payable until the unit class's price per unit again exceeds the HWM. The performance fee may be payable even though the return is negative, provided that a unit class's return exceeds the reference rate.

VAT may be due and payable on the above fees and charges.

Brokerage fees and other expenses related to the Fund's purchases and sales of financial instruments and taxes 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 shall not pay dividends.

§ 13 Financial year

The financial year for the Fund is the calendar year.

§ 14 Half-year reports, annual reports and amendments to fund rules

The AIF Manager shall prepare annual reports for the Fund within four months of the end of the financial year and half-yearly reports within two months of the end of the half year. The annual report and the half-yearly report shall be available to unitholders at the AIF Manager and the Depositary and provided free of charge within the stated time frames to unitholders that have requested this information.

Any decision by the board of directors of the AIF Manager to amend these fund rules shall be subject to the approval of Finansinspektionen. Decisions that entail amendment of the fund rules shall be published by being made available at the AIF Manager and the Depositary and shall be announced in the manner prescribed by Finansinspektionen.

§ 15 Pledging and transfer

Unitholders are permitted to pledge fund units. In conjunction with the pledge of fund units the pledge holder and/or pledging party must notify the AIF Manager in writing. The notice shall state 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 AIF Manager shall record the information about the pledge in the unitholder register and notify the pledging party thereof in writing. When the pledge has expired the AIF Manager shall, following notification from the pledge holder, remove the information about the pledge from the register.

The AIF Manager is entitled to charge the unitholder a fee for administering such a pledge.

Unitholders are permitted to transfer fund units.

§ 16 Limitation of liability

If the Depositary has lost financial instruments held in custody at the Depositary or its custodian bank, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay.

The AIF Manager and the Depositary shall not, however, be liable for loss of financial instruments or other loss caused by an external event beyond the reasonable control of the AIF Manager or the Depositary, such as loss consequential upon Swedish or foreign legislation, acts of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other comparable circumstances. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that the AIF Manager or the Depositary is the subject of or takes such a measure.

Loss that has arisen in cases other than those referred to in the second paragraph above shall not be compensated by the AIF Manager or the Depositary if the organisations have exercised due care. The AIF Manager and the Depositary shall not be liable in any circumstance for indirect loss or loss caused by a Swedish or foreign stock exchange or other marketplace, custodian bank, central securities depositary, clearing organisation, or other entities that provide equivalent services, or other delegates retained by the AIF Manager or the Depositary with due care, nor for loss which may arise as a consequence of restrictions on the right of disposition which may be imposed upon the AIF Manager or the Depositary. The same shall apply to loss caused by the insolvency of the aforementioned organisations or delegates.

If the AIF Manager or the Depositary is prevented from taking measures as a consequence of a circumstance set forth in the second paragraph above, these measures may be delayed until the impediment has ceased to exist. If payment is delayed, the AIF Manager or the Depositary shall not pay penalty interest. If interest has been previously agreed, the AIF Manager or the Depositary shall pay interest at the rate in effect on the due date.

If the Depositary is prevented from accepting payment for the Fund by reason of a restriction of the right of disposition specified in the third paragraph above, 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.

The AIF Manager shall not be liable for loss caused by the Depositary or its custodian bank. Nor shall the AIF Manager be liable for loss caused by a unitholder's breach of law or other statute or breach of these fund rules. Unitholders are hereby notified that unitholders are responsible for ensuring that the documents they provide to the AIF Manager are true, accurate and duly signed and for ensuring that the AIF Manager is informed of any changes pertaining to information provided.

The professional liability of the AIF Manager and the Depositary is otherwise regulated under Chapter 8, §§ 28-31 and Chapter 9, § 22 AIFMA.

§ 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 AIF Manager to take registration measures or other measures that the Fund or AIF Manager would not otherwise be obligated to perform.

The AIF Manager has the right to decline to issue units to such investors referred to above.

The AIF Manager 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 AIF Manager 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 AIF Manager that the Fund or AIF Manager 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 AIF Manager and in accordance with that provided in § 9 of the fund rules.