

# PROSPECTUS

## Catella Fondförvaltning AB

### Special Funds (AIF)

#### Catella Balanserad

#### Catella Credit Opportunity

#### Catella Hedgefond

The prospectus for the funds listed above has been prepared in accordance with the Swedish Alternative Investment Fund Managers Act (“AIFMA”) and Swedish Financial Supervisory Authority (“Finansinspektionen”) Regulations FFFS 2013:10 regarding alternative investment fund managers.

This document, the fund rules and the key investor information documents for the aforementioned funds together make up the prospectus.

#### RISK INFORMATION

Investment in fund units is subject to risk. The money invested could either increase or decrease in value and it is not certain that you will be able to recover all of your investment. Historical return is no guarantee of future return. For further information, please contact us using the details below for a complete prospectus, key investor information, annual and semi-annual report. You find all documents at [catella.com/funds](https://catella.com/funds)

AIF MANAGER

Catella Fondförvaltning AB

Box 7328, 103 90 Stockholm, Sweden

Main number: +46 (0) 8 - 614 2500

Customer Service: +46 (0) 8 - 614 2520

Fax: +46 (0) 8 - 611 0130

Email: fonder@catella.se

Corporate registration number: 556533-6210

Company founded: 12 June 1996

Share capital: SEK 5,000,000

The company is insured against third-party liability.

Legal form: Limited company

Registered office and head office: Stockholm

Ownership: Athanase Industrial Partners II KB, Athanase Industrial Partners Fund II and Catella Brand AB.

*Board of directors:*

Stefan Charette, Chairman, Athanase Industrial Partner Ltd, chairman of DistIT AB and Haldex AB

Johan Claesson, Board member Catella AB (publ)

Björn Hårderup, Alternative Leaders S.A.

Joachim Gahm, Chairman in Arise AB and board member in Catella AB

Emma Stevens, Part of Danesmead Partners as a principal for advisory and directorship services.

*Executive management:*

Fredric Calles, acting

Marcus Andersson, Manager Operations and Acting CEO of the AIF Manager

Helena Frykehag, Chief Risk Officer

Catella Fondförvaltning AB (the “AIF Manager”) is regulated by the Swedish Financial Supervisory Authority (“Finansinspektionen”). The AIF Manager was authorised on 30 December 1997 pursuant to the Swedish Securities Funds Act (1990:1114) and re-authorised 22 December 2004 pursuant to the Swedish Investment Funds Act (2004:46) (“IFA”). In addition, the AIF Manager has been authorised since 29 March 2010 to engage in discretionary portfolio management, and since 3 December 2014 is authorised under the Swedish Alternative Investment Fund Managers Act (2013:561).

The AIF Manager also manages the UCITS funds Catella Avkastningsfond, Catella Småbolagsfond, Catella Sverige Aktiv Hållbarhet and Catella Sverige Hållbart Beta, and the special funds ICA Banken Modig, ICA Banken Måttlig and ICA Banken Varlig.

## DELEGATION AGREEMENTS

The AIF Manager has engaged KPMG AB to maintain the Management Company's internal auditing; and ISEC Services AB to manage fund portfolio administration for the Funds. The AIF Manager has also engaged Advokatfirman MORE Evander HB to maintain the compliance function.

The AIF Manager has identified no material conflicts of interest related to the delegation agreements.

## DISTRIBUTION

The AIF Manager has agreements with distributors on the sale and marketing of the Funds. See Appendix 2.

## DEPOSITARY

Fund assets are held in custody by Skandinaviska Enskilda Banken AB (publ), 106 40 Stockholm, Sweden, as the depositary (the "Depositary"). The Depositary's primary business is banking and financial services and related business. The duties of the Depositary include accepting and holding in custody Fund property and ensuring that sales and redemptions, etc., of fund units are carried out in compliance with applicable rules.

## THE FUNDS

The information in this prospectus relates to the special funds Catella Balanserad, Catella Credit Opportunity and Catella Hedgefond (the "Fund" or the "Funds"). The Funds are special funds regulated by The Swedish Financial Supervision Authority.

## LEGAL STATUS OF THE FUNDS AND KEY LEGAL CONSEQUENCES OF INVESTMENT IN ANY OF THE FUNDS

Investors in a Fund obtain units at a value equal to the invested capital and thus become unitholders. A unitholder has the right to redeem units on the terms and conditions stated in the fund rules for the Fund and, where applicable, to receive dividends. When units are redeemed, cash is paid to the unitholder in an amount equal to the current value of the units redeemed. The Fund is not a legal person and cannot acquire rights or assume obligations. Nor may the Fund institute legal action before a court of law or other public authority. The AIF Manager represents unitholders in all legal and financial matters concerning the Fund, takes decisions concerning the property included in the Fund and exercises the rights derived from the property. In the management of the Fund, the AIF Manager acts solely in the interests of unitholder and management is based on the objectives and investment strategy of the Fund. The assets of the Fund are held by the Depositary, Skandinaviska Enskilda Banken AB (publ), which ensures that a unitholder will not be adversely affected if the AIF Manager were to experience financial distress. The fund rules regulate the terms and conditions for the fund saver and are appended to this prospectus.

## PARTICULAR INFORMATION ABOUT FUNDS-OF-FUNDS

Catella Balanserad is a fund-of-funds and invests mainly in funds established in Sweden and Luxembourg. Catella Balanserad may also invest in funds established in other EEA and non-EEA countries. The underlying funds are specified in the monthly reports on the Fund.

## FAIR TREATMENT

All units in the Funds are of equal size and carry equal rights to the property of the Funds. However, a single Fund may include units of various types, or "fund classes". Fund classes in the same fund may be subject to different terms and conditions with respect to, among other things, dividends, charges, minimum subscription amounts and the currency in which units are subscribed and redeemed. The units within a unit class are of equal

size and carry equal rights to the property included in the Fund. This means that the AIF Manager applies the principle of fair treatment of unitholders, adjusted for any terms and conditions that apply to a particular unit class.

The AIF Manager may, where applicable, enter into agreements by which the AIF Manager pays compensation based on, and amounting to a maximum of, the management charge against the AIF Manager's managed funds. The contracts are typically made with distributors (such as banks, insurance brokers and securities companies) which broker the AIF Manager's funds on commission by the AIF Manager, but may in special cases also exist with other investors. Compensation is paid in the form of a percentage of the management charge, fixed and where relevant variable, that the AIF Manager draws on the capital invested by a distributor or investor. Compensation may also be paid to investors that make use of the AIF Manager's Funds as a component of combined structured products.

#### FUND UNIT CLASSES

Catella Credit Opportunity and Catella Hedgefond have various unit classes. Only the A SEK retail class unit in Catella Credit Opportunity and unit class A, E and H in Catella Hedgefond is currently open for trade. Other unit classes are not currently open for trade. The unit classes differ in terms of currency, charges, minimum deposit and conditions applying to distribution, as described in greater detail in this prospectus and in the fund rules.

#### UNITHOLDER REGISTER

The AIF Manager maintains a register of all unitholders and their holdings. Unitholders receive reports in the form of semi-annual and annual statements. Fund units may also be nominee-registered with a bank or securities company, which means that the unitholder is anonymous to the AIF Manager. In these cases, it is the bank or the securities company that bears responsibility towards the client for registration of the holding and distribution of information from the AIF Manager.

#### SALES (SUBSCRIPTION) AND REDEMPTIONS OF FUND UNITS AND TRANSFER OF FUND UNITS

The Funds are open for trade daily.

Requests for sale (subscription) and redemption of fund units received by the AIF Manager by 3:00 pm on a full banking day and by 11:00 am on a half banking day are settled at the selling/redemption price for that day. Payment for fund units must be in the Fund's bank account with the Depositary by 3:00 pm or 11:00 am, respectively, on the same banking day on which the AIF Manager receives the request. Requests received after 3:00 pm or 11:00 am, as above, are settled at the selling/redemption price for the next banking day. The selling price and redemption price are thus 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.

The terms and conditions of sales and redemptions of units in the Funds are otherwise provided in Section 9 of the fund rules for each Fund. Further information about sales and redemptions (as well as the required forms) is available on the AIF Manager's website or may be obtained from Customer Service on +46 (0) 8 - 614 2520.

### Transfer of fund units

Fund units are transferred between classes under the conditions set forth in each Fund's fund rules. Transfers are 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 class will correspond to the sale and redemption prices for the relevant unit classes in effect on the date of transfer.

### LIMITATION OF SALES AND REDEMPTION ORDERS

Sales and redemptions take place at a price unknown to the unitholder and cannot be limited. Information about selling and redemption prices may be obtained from the AIF Manager. Requests for sales and redemptions may be withdrawn only if the AIF Manager consent.

### GENERAL INFORMATION ABOUT SFDR, THE DISCLOSURE ORDINANCE, AND SUSTAINABILITY RISKS

In March 2018, the European Commission published an action plan for financing sustainable growth (the "EU Action Plan"), which set out an EU strategy for sustainable financing. The EU Action Plan identified several legislative initiatives, including Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related information in the financial services sector ("SFDR"). SFDR requires transparency regarding the integration of evaluations of events or conditions in the environment, social or governance that, if they occur, may cause an actual or potential significant adverse effect on the value of the investments made by a financial product ("Sustainability risk") and taking into account the negative sustainability effects of the measures for financial products and financial market participants.

At the time of this information brochure, it is difficult to predict the full scope of the SFDR's and the EU's action plan for the Fund. The Fund Company / AIFM reserves the right to adopt such arrangements as it deems necessary or desirable to ensure that the Fund meets all applicable requirements of SFDR and other applicable laws or regulations related to the EU Action Plan. The UCITS / AIFM is awaiting further consultation and / or guidance on Level 2 ("RTS") technical standards and the completion of the RTS. Once these have been published, this information brochure and / or the Fund Company's / AIF manager's website will be updated with any additional information.

More information about the incorporation of sustainability risks and opportunities in day-to-day operations can be found at <https://www.catella.com/sv/sverige/catella-fonder/hallbarhet>.

### **Sustainability risks**

#### How sustainability risks are integrated into the manager's investment decision

Sustainability risks are integrated into the investment decision and risk monitoring to the extent that they constitute a potential or actual significant risk and / or opportunities to maximize the long-term risk-adjusted return. The manager takes sustainability risks into account as part of his broader analysis of potential investments and the factors considered vary depending on the security in question, but usually include ownership structure, board structure, capital allocation, remuneration to senior executives, reputation risk, labor law issues and environmental risks.

Catella Balanserad is managed with a focus on funds where the underlying companies have sustainable business models according to the criteria and the analysis described here and for each fund.

Assessment and probable effects of sustainability risks on the fund's return

Due to the nature of the fund's investment strategy and the types of securities it holds, the fund is exposed to various sustainability risks that include, but are not limited to:

- Improper handling of corporate governance (eg board structure, remuneration to senior executives);
- the rights of stakeholders (shareholders and lenders) (eg election of probable board members, capital changes, bond documentation including covenants);
- changes in regulations (eg restrictions on greenhouse gas emissions, control codes);
- environmental threats (eg extreme weather, climate change, water scarcity);
- brand and reputation risks (eg poor health and safety records, cyber-security breaches);
- supply chain management (eg increase in deaths, loss of production due to occupational injury, working conditions); and
- working methods (eg compliance with health, safety and human rights regulations).

Assets held by the Fund may be subject to partial or total impairment due to a sustainability risk due to fines, reduced demand for the asset's products or services, physical damage to the asset or its capital, disruptions in the supply chain, increased operating costs, inability to obtain additional capital or reputational damage.

A sustainability risk may arise and affect a particular investment or may have a broader impact on an economic sector, geographical or political region or country that may affect the Fund's portfolio as a whole.

Specific information on the risks of investing (including sustainability risks, where applicable) can be found in the respective fund's information later.

**Policy on Shareholder Engagement and Sustainability**

Read more in our complete policy on shareholder engagement and sustainability on our website, [catella.com/funds](https://catella.com/funds).

**ANNUAL REPORT, SEMI-ANNUAL REPORT AND THE LATEST CALCULATED NET ASSET VALUE (NAV) OF FUND UNITS.**

The AIF Manager prepares annual reports and semi-annual reports for each Fund. Upon request, the documents shall be sent free of charge to unitholders and shall be available at the AIF Manager and the Depositary not later than four months after the end of the financial year (for the annual report) and two months after the end of the half-year (semi-annual report). The documents are also available on the AIF Manager's website. The latest calculated net asset value (NAV) of one fund unit in each fund and, where appropriate, each unit class is published on the AIF Manager's website.

**CESSATION OF THE FUNDS OR TRANSFER OF FUND OPERATIONS**

If the AIF Manager decides that a Fund should cease or that the management of a Fund, following authorisation by Finansinspektionen, shall be transferred to another AIF manager, all unitholders will be informed in the manner prescribed by Finansinspektionen. If Finansinspektionen withdraws the AIF Manager's authorisation or if the AIF Manager enters into liquidation or is declared bankrupt, management of a Fund shall immediately be taken over by the Depositary.

## AUDITOR

PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden. The auditor in charge is Daniel Algotsson.

## PRINCIPLES AND PROCEDURES FOR VALUATION OF FUND ASSETS

Valuation of the property included in a Fund is based on current fair value (market value). See the respective Fund rules for further information about valuation of Fund assets.

## COMPENSATION FOR INCORRECT UNIT VALUATION

If a calculated unit value is found to be incorrect, the AIF Manager applies the Swedish Investment Fund Association's guidelines for managing compensation for incorrect unit values. This means that unitholders adversely affected by a material error are compensated.

## RISK AND RISK MANAGEMENT

Saving in funds always entails a certain measure of risk-taking, which means that investors are at risk of recovering less than the amount they invested. Risk is normally higher for savings in a dedicated equity fund than in fixed-income or mixed funds. The main risks that may occur in connection with savings in funds are covered briefly below. The list is not exhaustive.

*Market risk:* The market for an asset class, such as the price of a share, may rise or fall in price.

*Liquidity risk:* It may not be possible to trade a security at the intended time without a significant reduction in price or substantial costs.

*Currency risk:* The value of an investment may be affected by movements in exchange rates.

*Credit/counterparty risk:* An issuer or counterparty may suspend payments.

*Interest risk:* The sensitivity of a fund to movements in market interest rates.

*Operational risk:* Risk connected to the operations of the AIF Manager, such as IT systems, personnel, administration, etc.

The AIF Manager has classified the Funds according to the EU standard for risk classification, whereby the AIF Manager applies a seven-band scale known as a 'Synthetic Risk and Reward Indicator', where 1 indicates the lowest risk and 7 the highest risk. The classification of each Fund is disclosed in the key investor information documents for the Fund.

## AMENDMENTS OF FUND RULES

The AIF Manager is able to amend the fund rules for the Funds. Such amendments are subject to approval by Finansinspektionen. Amendments may affect the characteristics of a Fund or a unit class, such as investment strategy, fees and charges and risk profile. Finansinspektionen may decide that the AIF Manager must inform unitholders about the changes and that the amended fund rules may not be applied until a certain time has elapsed since the decision to approve the amendments.

## REMUNERATION

The AIF Manager's remuneration policy:

### *Decision process*

The board of directors of Catella Fondförvaltning AB, the AIF Manager, adopted an updated remuneration policy in December 2020, which is based on Finansinspektionen's regulations (FFFS 2013:9) regarding Swedish UCITS funds and (FFFS 2013:10) regarding alternative investment fund managers.

The board has appointed a Remuneration Committee composed of the chairman of the board and two designated directors.

### *Correlation between pay and performance*

The general principle is that remuneration to employees of the AIF Manager is comprised of fixed and variable pay related to the AIF Manager's development and individual performance. The pay and remuneration structure is also designed to facilitate the capacity of the AIF Manager to achieve good profitability over the short and long terms. The mix of fixed and variable pay differs among personnel categories.

### *Performance assessment and risk adjustment*

The AIF Manager has established a process for performance assessment and risk adjustment of variable pay that takes into consideration the performance of the AIF Manager, the business units and/or the Funds/discretionary mandates, as well as the individual's performance and the AIF Manager's capital and liquidity requirements. In this context, "Funds" refers to all funds managed by the AIF Manager.

Further information is available on the AIF Manager's website and may be ordered from the AIF Manager. Full details of the AIF Manager's remuneration policy are made available on the AIF Manager's website. A printout of the information is provided free of charge on request.

## TAX RULES FOR UNITHOLDERS

The Fund is a separate taxable entity but is not subject to tax on the income of the assets included in the Fund. Instead it is the unitholders that 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, provided 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.

Switch of unit classes on request of unitholder trigger taxation. Taxation will not occur when fund units are transferred between classes under the conditions set forth in each fund's fund rules in accordance with the



position taken by the Swedish Tax Agency, reference no. 131 529333-13/111 on the introduction and switch of unit classes.

#### *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 for 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. The same rules apply to estates, provided 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 unitholders, other special tax rules apply.

#### *Statements for tax returns*

The AIF Manager 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.

#### MARKETING OF FUND UNITS IN ANOTHER EEA COUNTRY

Catella Hedgefond and Catella Credit Opportunity are marketed to professional investors in Finland, Iceland, Luxembourg, the Netherlands, Norway and the United Kingdom and to non-professional investors in Finland.

#### INDEXES USED AS A BENCHMARK

EU regulations mean that benchmark administrators must be approved by and registered with the European Securities and Markets Authority (ESMA) by May 2020. The OMRX TBill index is provided by an administrator that is not yet registered with ESMA. Information whether the administrator is registered with ESMA will be provided at the latest in the prospectus that will be published no later than December 2021.

The AIF Manager has an action plan that will be taken if this index ceases to be valid or if material changes are made to it. The alternative index as a reference value is Swedish repo-interest.

If the administrator of this index is not registered with ESMA within the prescribed time, or if material changes are made to it, the AIFM will amend the fund rules for the Catella Credit Opportunity and Catella Hedgefond funds and, after authorisation by the Swedish Financial Supervisory Authority, unitholders will be notified accordingly.

#### LIABILITY

If a unitholder suffers a loss due to the AIF Manager's breach of AIFMA or the fund rules for the Funds, the AIF Manager shall be liable to compensate the unitholder for the loss. The AIF Manager shall, according to AIFMA Chapter 8 Section 28, pay compensation for loss caused to the Fund or its unitholders through breach of this law, other statutes that regulate the AIF Manager's operations, fund rules, or the articles of association. The equivalent shall apply if the Depositary has caused loss to unitholders or the AIF Manager. Further information concerning professional liability and certain limitations of liability is found in Section 16 of the fund rules.

The AIF Manager has liability insurance with Zurich Insurance Group to cover losses incurred by investors that arise if the AIF manager violates AIFMA and has allocated additional funds to its capital base to cover the risks related to liability for breaches of AIFMA.

#### PRIME BROKERS

A prime broker is, for example, a bank that offers services to professional investors primarily to finance or execute transactions in financial instruments as counterparty and which may also provide other services such as clearing and settlement of trades, custodial services, securities lending, customised technology and operational support facilities.

The AIF Manager uses Skandinaviska Enskilda Banken (publ) as prime broker for the Catella Hedgefond and Catella Credit Opportunity funds. Other Funds have no prime broker. The prime broker is used, for example, in connection with securities lending, whereby the Funds may lend shares to the primary broker against a predetermined interest rate. Furthermore, the primary broker may be used in connection with short-selling and trading in OTC derivatives. The fund receives collateral with low market and credit risk as surety for the equity loans. The use of the bank as prime broker by the Funds means that the AIF Manager transfers some responsibility for the management of the Fund to the primary broker.

Skandinaviska Enskilda Banken AB (publ) is also the depositary for the Funds, which to some extent brings a risk of conflicts of interest. This risk is managed by the bank segregating the provision of prime broker services from its activities as a depositary. The bank also has established procedures for identifying, managing, monitoring and reporting any conflicts of interest that arise in the relevant areas of operation at the bank.

#### SECURITIES FINANCING TRANSACTIONS

In the management of the Funds, the AIF Manager may use securities financing transactions. The specific information in the prospectus concerning each Fund contains further information about the extent to which such transactions are permitted, while the annual reports and semi-annual reports for the Funds contain quantitative information about actual use.

The following securities financing transactions occur in one or more of the AIF Manager's Funds:

##### *Securities lending*

The transaction involves the Fund lending (extending) securities to a borrower who is obliged at the end of the term of the loan to return equivalent securities of the same type and quantity. The Fund that lends the securities is paid a fee for doing so and the loan is thus intended to increase the Fund's return. Catella Credit Opportunity and Catella Hedgefond are permitted to extend securities loans, which refer to shares as a rule, but securities lending only occurs in Catella Hedgefond.

When the Fund extends a securities loan, it takes a credit risk in relation to the borrower. This credit risk is managed through the company's process for counterparty selection, which includes requirements that counterparties must operate a securities business under financial supervision, be established within the EEA or another country with equivalent regulations and have a very good credit rating. The company also applies collateral arrangements by which the Fund must take and control collateral from time to time whose aggregate market value covers the outstanding loan principal. The collateral is held in custody by the Fund's Depositary

and must normally be composed of liquid deposits in bank deposit accounts, but bonds issued by the Swedish government and other government securities of at least equivalent liquidity and credit rating can be accepted. Outstanding loans and collateral taken are evaluated daily and the collateral arrangements include the use of variation margins to manage the risk of daily price fluctuations. The funds do not reuse collateral taken. In addition to the credit risk described, securities lending can give rise to a certain liquidity risk because the Funds have limited opportunities to control lent securities during the term of the loan.

#### *Short selling*

In short selling, the Fund borrows securities which are then sold on the market. When the loan falls due, the Fund is obliged to return equivalent securities of the same type and quantity to the lender and the Fund therefore must repurchase securities on the market. In these proceedings, the Fund's return increases to the extent that the market price for the borrowed securities declines and vice versa. The Fund pays a fee to the lender in exchange for the securities loan. Short selling occurs mainly in Catella Hedgefond but may also occur in Catella Credit Opportunity. The securities involved are normally shares. Catella Balanserad is not permitted to short-sell securities.

Short selling entails a market risk for the Fund related to the price performance of the short-sold security. The Fund may also incur some counterparty risk in connection with short selling, as the lender requires collateral for the loan. As a rule, the collateral consists of deposits to a deposit account or of government bonds. Upon provision of collateral, a transfer of title normally occurs, which gives the counterparty the right to reuse collateral taken during the term of the loan. The counterparty risk is limited to the haircut; that is, the amount by which the value of collateral given exceeds the value of borrowed financial instruments. This risk is managed in part through the company's process for counterparty selection, which includes requirements that counterparties must operate a securities business under financial supervision, be established within the EEA or another country with equivalent regulations and have a very good credit rating, and in part through daily valuation of borrowed securities and collateral given.

#### *Margin lending*

Margin lending involves the Fund-raising monetary loans to make investments in financial instruments. The use of margin lending increases the Fund's investment scope and creates leverage in the Fund. Margin loans are typically used to increase the Fund's market risk, but the increased investment scope can also be used for hedging and thus reduce the market risk in the Fund. Margin lending occurs in Catella Hedgefond but may also occur in Catella Credit Opportunity.

In addition to the effect of loans on the Fund's market risk, counterparty risk may arise if the lender requires collateral for the loan (see above concerning the provision of collateral in connection with short selling).

#### *General information concerning risks associated with securities financing transactions*

The main risks associated with securities lending and short selling and the measures taken to manage the risks are described above. The Funds may also be exposed to certain operational risks in connection with securities lending and short selling. For example, erroneous valuation of collateral or outstanding loans may entail an elevated credit risk. As well, if the Fund enters into transactions with foreign counterparties, its position as a

lender may be affected by foreign regulations. These risks are generally managed through that lending, including collateral arrangements, is always carried out according to internationally established and proven standard agreements and through the company's robust procedures and skilled employees who manage, monitor and control the transactions.

The AIF Manager follows ESMA's guidelines and has established a liquidity risk policy for each fund.

#### LIQUIDITY RISK MANAGEMENT

The liquidity risk in the Funds is attributable to the Funds' commitments and holdings. The commitments consist of the ability of unitholders in the Funds to sell their units under the terms and conditions set forth in the respective fund rules for the Funds and other commitments in the Funds, for example, those that may arise upon issuance of derivatives or short positions in equities. On an ongoing basis, the AIF Manager verifies that all Funds have an appropriate composition of liquid assets and that the commitments are within the frameworks that apply to each Fund. For this purpose, there are both risk measurements that are monitored and may be limited, as well as procedures that must be applied before the Funds make investments. Regular stress tests are carried out to ascertain that the risk measurements and limits are appropriate and adequate. If the stress tests indicate a need for new or changed risk measurements or limits, an oversight process is initiated. If the risk measurement or limits indicate that the liquidity risk in a Fund is significantly higher than appropriate according to the Fund's risk profile, the AIF Manager must prepare an action plan to manage the liquidity risk. Liquidity risk may be higher in special funds than in UCITS funds, among else because special funds are permitted to have more concentrated portfolios.

#### REGULAR INFORMATION ABOUT RISK AND LIQUIDITY MANAGEMENT AND LEVERAGE

The AIF Manager provides regular information about risk and liquidity management and leverage as follows. Information about the current risk profile and risk management system applied and specifications of any illiquid assets are provided in the semi-annual and annual reports for each Fund. The semi-annual and annual reports for the Fund also include information about the overall level of leverage calculated according to the gross method and the commitment method. Information about changes in the highest level of leverage that may be employed on a Fund's behalf, and in the Fund's right to dispose of collateral, or in other guarantees that have been provided according to leverage rules, is provided on the AIF Manager's website. The same applies to material changes in a Fund's liquidity risk management. Information about changes of the terms and conditions for redemption of fund units and information that there is a postponement of redemption of fund units according to Chapter 4 Section 13(a) IFA or that a Fund has been closed for redemptions of fund units due to extraordinary circumstances in accordance with the fund rules must be provided to unitholders by means of letter and/or information posted on the AIF Manager's website.

#### 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 section 9 of the fund rules.

# Catella Balanserad

*Special fund registered in Sweden*

## OBJECTIVE AND INVESTMENT STRATEGY

The Fund is an actively managed fund-of-funds that invests in sustainability focused ETF's, equity- and equity index-, fixed income- and hedge funds with the investment objective to achieve a return over time that exceeds the Fund's composite benchmark index. At least 50 percent of the Fund's assets shall be invested in fund units, which includes UCIT's (index funds and index close funds), specialfunds and similar fund company's and so-called ETF's (exchange traded funds). The Fund is also able to invest its assets in accounts with credit institutions, in transferable securities and money market instruments and in derivatives whose underlying assets are financial indices, interest rates, exchange rates and foreign currencies. The Fund's investments may be made in both Swedish and international markets. Fund units in which the Fund invests must be issued by funds under satisfactory supervision.

The Fund's selection of investments takes place through a combination of financial analysis and sustainability analysis.

The Fund's assets may not be invested companies or funds and UCITS funds that invest in companies that violate any of the 10 principles of the UN Global Compact.

The Fund is permitted to have a concentrated portfolio and to invest a maximum of 50 percent of the net asset value of the Fund in a single fund.

The Fund has been granted exemption from Chapter 5, § 16, second paragraph IFA and is permitted to invest up to the entire net asset value of the Fund in such funds referred to in Chapter 5, § 15, first paragraph, 3 IFA.

At least 50 percent of the net asset value of the Fund shall be invested in fund units, meaning, among else, units in UCITS funds and special funds and corresponding fund managers and exchange traded funds (ETFs). The Fund is permitted to invest up to the entire net asset value of the Fund in special funds and other such funds referred to in Chapter 5 Section 16 second paragraph IFA.

The Fund is permitted to use derivatives, including OTC derivatives, to improve management efficiency and reduce management risk and expenses. The Fund invests in currency derivatives to hedge the currency risk.

The objective of the Fund is to generate a return over time that exceeds the Fund's composite benchmark index (as of 2019-01-01), 15 percent SIX Return Index (SIXRX), 35 percent MSCI AC World, 25 percent OMRX TBill and 25 percent OMRX TBond.

## SPECIFIC INFORMATION FOR THE FUND'S ESG OBJECTIVES

The Fund is qualified as an article 8-fund in accordance with SFDR.

The Fund's investment policy states that the Fund's assets may not be invested in funds that violate any of the UN Global Compact's 10 principles. The Fund's choice of investments is made through a combination of financial analysis and sustainability analysis.

Sustainability work is included as a natural and integrated aspect of the traditional fund manager role.

The Fund is a fond of funds and generally looks for index- and index-linked funds with a clear sustainability profile and actively managed funds where the underlying companies have a sustainable business model and conduct a clear sustainability work and which can also show attractive financial qualities, a clear business model and a clear profit. and return trend that is underestimated by the market.

The basis of the Fund's investment philosophy and process is that there is a connection between a sustainable business model and sustainability in profitability and growth. We believe that innovative solutions to today's global challenges will be some of tomorrow's winners. It can be transformed into value creation in the Fund. Accordingly, the fund seeks good long-term returns by actively including the sustainability criterion in the investment and selection process in order to find both index funds that meet the requirements and actively managed funds that invest in companies whose long-term profitability and competitiveness are underestimated by the market. The Fund invests in funds that apply negative screening regarding international norms and conventions, controversial products and services or the production of fossil fuels. The manager integrates these goals into the Fund's investment strategy to better manage risks, generate sustainable long-term returns and promote environmental or social characteristics. The Fund's manager has a dialogue with the underlying funds' managers regarding the portfolio companies about the risks associated with ESG, it is in the underlying active funds that the ESG is selected. The work is conducted at both company and subcontractor level.

The following information describes the investment strategies used by the manager to promote the Fund's ESG objectives and the specific risks of investing in this Fund.

Investment strategies used to meet the Fund's ESG considerations

*Negative screening*

For the Fund, we exclude funds that invest in portfolio companies that produce or distribute goods and services that are associated with harmful health and environmental effects or are addictive as detailed below. The Fund selects funds that apply negative selection criteria where companies that violate the following criteria are screened out.

<b><u>International norms och conventions</u></b>		
UN Global Compact		
Controversial weapons		
<b><u>Controversial products och services</u></b>	<u>Production</u>	<u>Distribution</u>
Cluster bombs	0%	0%
Mines	0%	0%
Chemical and biological weapons	0%	0%
Nuclear weapons	0%	0%
Tobacco	0%	5%
Pornography	0%	5%
Alcohol	5%	5%

Weapons	5%	5%
Military contracts	5%	5%
Cannabis	5%	5%
Commercial gambling operations	5%	5%
<b><u>Fossil fuels</u></b>		
Oil, gas & coal	5%	5%

\*of the company's revenue

### *Positive selection*

The fund generally looks for index- and index-linked funds with a clear sustainability profile and actively managed funds where the underlying companies have a sustainable business model and conduct a clear sustainability work and which can also show attractive financial qualities, a clear business model and a clear profit and return trend that is underestimated of the market.

The basis of the Funds' investment philosophy and process is that there is a connection between a sustainable business model and sustainability in profitability and growth. We believe that innovative solutions to today's global challenges will be some of tomorrow's winners. We can turn this into value creation in our funds. Accordingly, the funds seek good long-term returns by actively including the sustainability criterion in the investment and selection process in order to find both index funds that meet our requirements and actively managed funds that invest in companies whose long-term profitability and competitiveness are underestimated by the market.

### *Use of index*

The composite index SIX Return Index (SIXRX 15 percent), MSCI AC World 35 percent, OMRX TBill 25 percent and OMRX TBond 25 percent are used to measure the Fund's performance, but this is not in line with the Fund's ESG objectives.

### Sustainability risks

#### *Risks to the Fund's financial return*

The ESG objectives of the Fund may lead the manager to invest in or exclude funds for non-financial reasons, regardless of market opportunities to achieve the stated ESG objectives. The financial return for the Fund may not correspond to or exceed that for financial indices that are not ESG-oriented.

### HISTORICAL RETURNS

Please refer to the key investor information document for the Fund for information about the Fund's historical returns.

### TARGET GROUP

The Fund is designed for investors seeking an actively managed fund-of-funds that invests in equity funds, fixed-income funds and hedge funds. The Fund may be unsuitable for investors who plan to cash out their investment within three years.



## RISK PROFILE

Fund assets are invested in funds that in turn invest in several different markets and in several different asset classes and issuers (diversification). This diversification of investments reduces the risk of large movements in performance due to a significant downturn in a particular market or a particular asset class.

The main risk associated with the Fund is normally attributable to fluctuations in the equity market, which entails higher risk than investments in the fixed-income market, but also opportunity for higher return.

Fund assets are also invested in funds that in turn invest in interest-bearing transferable securities and money market instruments. Consequently, the Fund may be exposed to interest rate risk; that is, the risk of changes in value as a result of changes in the general interest situation, as well as credit risk, meaning the risk of value changes consequent upon suspension of payments by issuers or market re-evaluation of issuers' credit ratings.

The Fund may also invest in assets where liquidity in the instrument is suboptimal. These holdings may be difficult to divest at a limited cost within a reasonable time. If large withdrawals are made from the Fund such holdings may need to be sold at unfavourable prices and result in losses for the Fund.

The Fund may also be exposed to currency risk because its assets may be invested, directly or indirectly, in financial instruments denominated in a currency other than Swedish kronor.

The Fund may employ derivatives to mitigate management risk.

The Fund will not employ complex investment strategies to more than a negligible portion of the investment strategy. The Fund therefore uses the commitment method to calculate aggregate exposure in the Fund. When calculated with the commitment method, aggregate exposure because of derivatives may not exceed 100 percent of the net asset value of the Fund.

Current risk indicator of the Fund: Category 4 (on a scale of 1 - 7). For a more detailed explanation of the risk indicator, please see the key investor information for the Fund.

### **Level of active management**

The fund is an actively managed fund-of-funds with the characteristics of a multi-asset fund that invests in other funds. Funds managed by the Management Company with appropriate exposure are used. The Fund's allocation is decided by the fund managers based on their assessment of current market outlook and individual funds are selected based on these assessments. The overall financial objective of the Fund is to achieve the highest possible value growth and a good spread of risk while observing due caution.

Management of the Fund can be compared against the Fund's benchmark index. The Fund's benchmark is a composite index consisting of 15 percent SIX Return Index, 35 percent MSCI AC World Index, 25 percent OMRX T-Bond and 25 percent OMRX T-Bill. This composite index was chosen as the benchmark because it reflects the Fund's risk profile and asset allocation over time, which makes it comparable when evaluating the Fund's performance.

**Active risk (tracking error) for the past 10 years**

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
3,88%	2,55%	2,46%	2,81%	3,64%	3,00%	1,95%	1,77%	2,69%	3,19%
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
2.55%	2.46%	2.81%	3.64%	3.00%	1.95%	1.77%	2.69%	3.19%	2.72%

The level of active management is measured using tracking error/active risk. This measure indicates how closely the Fund tracks its index. High active risk indicates that the Fund deviates sharply from its index. The measure is calculated by measuring the variation in the difference between the Fund's returns and benchmark index returns, i.e., the standard deviation of the difference based on monthly data for the past 24 months. Active risk thus indicates how much the Fund's returns can be expected to deviate from its benchmark index returns with a 68 percent probability, i.e., a fund with an active risk of 2 percent indicates that the annual return of the fund should be within  $\pm 2$  basis points of its benchmark index return (before management charges).

The Fund is actively managed, and the Fund has deviated from its benchmark index, which explains the active management measure achieved, as shown in the table. The active management measure depends on how the Fund co-varies with the market and the characteristics of the Fund's investments. Fluctuations in the active management measure depend on how the Fund's investments deviate from its benchmark index in relation to its holdings in equity funds and fixed income funds, respectively, or general changes in the market, for example. Equity returns, for instance, normally vary more than returns on fixed income securities. As the Fund is a multi-asset fund with holdings in both equity and fixed-income funds, the active management measure for the Fund is generally lower than for an actively managed equity fund but generally higher than for an actively managed fixed income fund. The Fund's benchmark index was introduced on 1 January 2019 and figures prior to that date in the table are based on this index. Since 2019, the Fund has a target range for active risk of 2-5 percent on an annual basis, which has also been its historical active risk range.

**LEVERAGE**

Leverage is defined as any method by which an AIF Manager increases the exposure of an AIF it manages through borrowing of cash or securities, the use of derivatives or by any other means. The Fund's total leverage is expressed as a ratio calculated in such a way that a Fund's exposure is divided by its net asset value. As mentioned above, the Fund will not normally use derivatives. Nor will the Fund normally create leverage using other techniques or instruments. However, under applicable law, the AIF Manager has a theoretical option to follow the rules that apply to UCITS funds in this respect. The Fund's total leverage may not exceed 200 percent calculated using the commitment method. The AIF Manager has furthermore determined that the leverage calculated using the gross method may not exceed 300 percent. \*

\* The difference between the commitment method and the gross method is, somewhat simplified, that the commitment method, but not the gross method, takes into account the risk limitations achieved through netting and hedging of positions.

The AIF Manager may use the assets of the Fund as collateral to guarantee the performance of obligations entered as an aspect of managing the Fund. Such provision of collateral may be made, for example, through a

pledge agreement, or collateral transfer or “transfer of title”, by which ownership of the property is transferred to the Fund's counterparty.

#### SECURITIES FINANCING TRANSACTIONS

In the management of the Fund, the AIF Manager may not use securities financing transactions such as securities lending, short selling or margin lending.

#### APPLICABLE CHARGES

The current fees that the Fund charges on the sale and redemption of fund units and for management of the Fund (including expenses for administration, accounting and record keeping, supervision, auditors and custody) are specified below.

Entry charge: none

Exit charge: none

Annual management fee to AIF Manager\*: 1.75 percent

Annual fee to Depositary: 0.02 percent

#### MAXIMUM CHARGES

The maximum fees that the AIF Manager may, according to the fund rules, charge upon sale and redemption of fund units and for management of the fund, see above, are specified below:

Entry charge: none

Exit charge: none

Annual management fee to AIF Manager\*: 1.75 percent

Annual fee to Depositary: 0.05 percent

Annual management fee in funds invested in 1.75 percent.

The maximum performance fee in funds invested in is 20 percent of excess return.

\* The management fee paid to the AIF Manager is calculated daily on the net asset value of the Fund. Double charges do not occur. If the Fund invests in any of the AIF Manager's other managed funds, the fee, and if applicable variable fee (performance fee) is discounted and reversed in the underlying fund.

#### OTHER INFORMATION ABOUT CHARGES

Brokerage fees and other expenses connected with the Fund's purchase and sale of financial instruments and tax are paid directly from the Fund and are additional to the above fees. The Fund may, to the extent permitted by current legislation, also be charged expenses for analysis.

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

Please refer to the preceding year's annual report for information about the amount of fees paid to the AIF manager and the Depositary as well as the Fund's performance and growth.

# Catella Credit Opportunity

*Special fund registered in Sweden*

## OBJECTIVE AND INVESTMENT STRATEGY

The Fund is an actively managed special fund that invests primarily in interest-related transferable securities and money market instruments as well as equity related transferable securities, fund units and derivatives to the extent these have a risk and return profile similar to these stated financial instruments. This is conducted with the objective of achieving positive return regardless of general market performance.

The Fund is a special fund and thus is permitted to have a concentrated portfolio. However, a maximum of 10 percent of Fund assets may be invested in financial instruments issued by the same issuer, provided that those holdings in excess of 5 percent represent a maximum of 70 percent of the net asset value of the Fund. In addition, the Fund must always hold financial instruments issued by at least 13 different issuers and comply with investment limitations otherwise imposed by law and fund rules.

At least 70 percent of the Fund's assets must be invested in interest-related financial instruments and deposits with credit institutions. At least 50 percent of the Fund's assets must be invested in financial instruments issued by or derivatives exposed to issuers domiciled in or whose shares are admitted to trading on a regulated market or other marketplace in the Nordic region. The fund may invest a maximum of 25 percent of the Fund's assets in so-called unlisted financial instruments. No more than 10 percent of the Fund's assets can be invested in fund units in accordance with the Fund's investment strategy.

## SPECIFIC INFORMATION FOR THE FUND'S ESG OBJECTIVES

The Fund is qualified as an article 8-fund in accordance with SFDR.

The Fund's investment policy contains broad social criteria for the environment and governance ("ESG objectives").

Sustainability work is included as a natural and integrated aspect of the traditional fund manager role, where we appreciate the portfolio company's potential for repayment ability and profitability. The fund, which is a fixed income fund, focuses on initial offers with the aim of taking the environment into account and that the issuer does not act in any area that the Fund includes in its negative screening such as international norms and conventions, controversial products and services or fossil fuel production. The manager integrates these goals into the Fund's investment strategy to better manage risks, generate sustainable long-term returns and promote environmental or social characteristics.

The following information describes the specific risks of investing in this Fund and the investment strategies used by the manager to promote the Fund's broad ESG objectives.

Investment strategies used to meet the Fund's ESG considerations

*Negative screening*

The Fund exclude portfolio companies that produce or distribute goods and services that are associated with harmful health and environmental effects or are addictive as detailed below. The fund applies negative selection criteria where companies that violate the criteria below are screened out.

<b><u>International norms och conventions</u></b>		
UN Global Compact		
Controversial weapons		
<b><u>Controversial products och services</u></b>	<u>Production</u>	<u>Distribution</u>
Cluster bombs	0%	0%
Mines	0%	0%
Chemical and biological weapons	0%	0%
Nuclear weapons	0%	0%
Tobacco	0%	5%
Pornography	0%	5%
Alcohol	5%	5%
Weapons	5%	5%
Military contracts	5%	5%
Cannabis	5%	5%
Commercial gambling operations	5%	5%
<b><u>Fossil fuels</u></b>		
Oil, gas & coal	5%	5%

\*of the company's revenue

*Positive selection*

In general, we are looking for issuers who are driven by sustainability and can also demonstrate attractive financial qualities, a sustainable business model, and a clear ability to repay. For our equity and mutual fund funds, we start from the UN's agenda 2030 for sustainable development to map business models that can benefit structurally by offering a solution to one or more of Agenda 2030's 17 goals. We have identified four themes that we believe may be a source of structural growth and profitability for portfolio companies with exposure to these themes. We also try to apply these themes in fixed income management, where we are also looking for green bonds that correspond to the Fund's investment focus, risk profile and are assumed to be in line with the taxonomy.

Use of index

No index is used other than to calculate performance-based fee.

Sustainability risks

*Risks to the fund's financial return*

The broad ESG objectives of the Fund may lead the manager to invest in or exclude securities for non-financial reasons, regardless of market opportunities to achieve the stated ESG objectives. The financial return for the Fund may not correspond to or exceed that for financial indices that are not ESG-oriented.

## DERIVATIVES AND OTHER FINANCIAL TECHNIQUES

Fund assets can be invested in derivatives whose underlying assets consist of transferable securities, money market instruments, currencies and financial indices. The Fund is able to invest in OTC derivatives. Derivatives are used as an aspect of the Fund's investment strategy and are aimed at achieving the Fund's objective of generating returns regardless of market performance. Thus derivatives can be employed to both increase and decrease the risk in the Fund.

Derivatives may be employed by the Fund for both long and short positions and to create combinations of such positions. Interest derivatives are employed in the form of options and futures, partly to protect the capital, but also to opportunistically increase the return. Credit Default Swaps (CDSs) may be used primarily to protect the capital but may also be part of a strategic transaction.

When price declines are anticipated, the Fund is permitted to use short selling strategies ("legitimate" short selling only) and through such strategies also create leverage in the Fund. The Fund may also borrow against its assets with the aim of increasing leverage in a controlled manner and seeking to increase the return on all or parts of the Fund's assets.

The Fund is permitted to raise cash loans, provided that such loans do not exceed 50 percent of the net asset value of the Fund and have a term of not more than three months.

## SECURITIES FINANCING TRANSACTIONS

The Fund is permitted to extend securities loans corresponding to a maximum of 20 percent of fund assets, secured against adequate collateral and on customary industry terms. This occurs only in exceptional cases and rarely at a share of the Fund exceeding 5 percent. The assets considered for securities lending are shares.

The Fund is permitted to enter into short selling transactions corresponding to a maximum of 50 percent of Fund assets. This occurs as an aspect of the investment policy and the outstanding short-sold volume varies depending upon the managers' market outlook. This occurs only in exceptional cases and rarely at a share of the Fund exceeding 5 percent. The assets considered for short selling are shares and interest-bearing negotiable securities.

The Fund is permitted to raise margin loans corresponding to a maximum of 50 percent of fund assets. This type of loan is used to increase the investment scope and may be used for investments in all asset classes permitted in the Fund. Loans are used only in exceptional cases.

## FUND UNIT CLASSES

The fund has eight unit classes: A SEK retail class; B NOK retail class; C EUR retail class; D EUR institutional class; E USD retail class; F USD institutional class; G SEK including conditions applying to distribution; and H SEK including conditions applying to distribution. The fund unit classes differ in terms of the currency used for calculation and publication of the net asset value of fund units, charges and the minimum deposit and conditions applying to distribution, as described in greater detail in this prospectus and in the fund rules.

When the new fund rules entered into force on 10 September 2015 and 1 January 2018, respectively, all existing units were placed in the Fund's unit class A. The other unit classes are not currently active.

#### HISTORICAL RETURNS

Please refer to the key investor information document for the Fund for information about the Fund's historical returns.

#### TARGET GROUP

The Fund is designed for risk-conscious investors with a medium to long investment horizon who are seeking exposure to a flexible and diversified fixed-income market and are prepared to accept high risk in exchange for the opportunity to achieve higher expected returns. The Fund may be unsuitable for investors who plan to cash out their investment within three years.

#### RISK PROFILE

The Fund's holdings consist mainly of interest-bearing transferable securities and money market instruments, such as bonds and certificates, which generally have lower risk than the stock market.

The risk associated with investing in fixed-income funds is affected by the Fund's interest rate risk and credit risk, among else. The interest rate risk in the Fund arises largely from the Fund's investments in interest-bearing transferable securities that have longer fixed-rate terms. This increases the interest rate risk because the market value of such securities is affected more by movements in interest rates than are securities that have shorter fixed-rate terms. The credit risk in the Fund is affected by the Fund's investments in corporate bonds, which usually have a higher credit risk than government bonds, for example. This is because the risk that an issuer will be unable to perform its payment obligations is greater when the issuer is a company rather than a government, for example, and because the value of corporate bonds may therefore be affected more by changes in market assessments of the company's credit rating.

The Fund's assets are invested globally but with some focus on Nordic interest-bearing financial instruments. The Fund makes active use of currency hedging in order to limit its exposure to currencies other than the Swedish krona. Unit class A SEK retail class is affected only to a limited extent by foreign exchange fluctuations. The prices of other unit classes are affected by changes in the exchange rate between the denomination currency of the unit class and the Swedish krona.

The Fund may also invest in assets where liquidity in the instrument is suboptimal. These holdings may be difficult to divest at a limited cost within a reasonable time. If large withdrawals are made from the Fund such holdings may need to be sold at unfavourable prices that may result in losses for the Fund.

Derivatives may be used in the Fund to both increase and decrease the Fund's risk.

The Fund may employ complex investment strategies to more than a negligible part of the investment strategy and therefore uses an absolute Value-at-Risk model (VaR model) with a confidence level of 95 percent and a one-day horizon to calculate aggregate exposure in the Fund. The Fund's Value-at-Risk will not normally exceed 1.00 percent.

Current risk indicator of the Fund: Category 4 (on a scale of 1 - 7). For a more detailed explanation of the risk indicator, please see the key investor information for the Fund.

### **Level of active management**

The Fund is an absolute return fund whose objective is to deliver positive returns regardless of market trends and thus does not have a benchmark index. The Fund is an actively managed fund mainly oriented towards investments in Swedish and Nordic corporate bonds. The Fund invests only in companies that meet the Fund's criteria, such as the investment strategy and sustainability criteria. The Fund's investments are selected according to the personal assessments of fund managers. Investments are based on fundamental analysis of individual companies and traditional macroanalysis. Composition of the fund reflects Catella's outlook on the conditions for return in relation to risk in respect of credit and interest rate risk. Derivatives are used to create an asymmetrical return profile. Each investment is evaluated individually. The overall financial objective of the Fund is to achieve the highest possible value growth and a good spread of risk while observing due caution.

### **Active risk (tracking error) for the past 10 years**

There is no relevant benchmark index that reflects the Fund's asset allocation, risk profile or investment strategy.

### **LEVERAGE**

Leverage is defined as any method by which an AIF Manager increases the exposure of an AIF it manages through borrowing of cash or securities, the use of derivatives or by any other means. The Fund's total leverage is expressed as a ratio calculated in such a way that a Fund's exposure is divided by its net asset value. As mentioned above, the Fund will normally use derivatives. The Fund may also create leverage through use of other techniques or instruments and through raising cash loans with a term of not more than three months. The Fund's total leverage may not exceed 600 percent, calculated using the commitment method, and 800 percent using the gross method.

The Fund also applies limits and indicators for how much leverage may be generated through derivatives. Unlike that which applies to calculation of the Fund's total leverage, this considers only the Fund's derivative positions.

The fund rules mean that the total leverage due to derivatives, measured using the commitment method, may not exceed 500 percent. Leverage measured using the gross method is typically expected to be in the range of 100–500 percent. However, leverage measured using the gross method may, if the manager deems it effective, be higher than this stated expected level.\*

\* The difference between the commitment method and the gross method is, somewhat simplified, that the commitment method takes into account the risk offsetting achieved through netting and hedging of positions, but the gross method does not.

The AIF Manager may use the assets of the Fund as collateral to guarantee the performance of obligations entered into as an aspect of managing the Fund. Such provision of collateral may be made, for example, through a pledge agreement, collateral transfer or "transfer of title", by which ownership of the property is transferred to the Fund's counterparty.



#### APPLICABLE CHARGES

The current fees that the Fund charges on the sale and redemption of fund units and for management of the Fund (including expenses for administration, accounting and record keeping, supervision, auditors and custody) are specified below.

UNIT CLASS	A SEK retail class	B NOK retail class	C EUR retail class	D EUR institutional class	E USD retail class	F USD institutional class	G SEK including conditions applying to distribution	H SEK including conditions applying to distribution
Entry charge	None	None	None	None	None	None	None	None
Exit charge	None	None	None	None	None	None	None	None
Ongoing charges to the AIF Manager*	0.95%	0.95%	0.95%	0.45%	0.95%	0.45%	0.475%	0.43%
Ongoing charges to Depository	0.03%	Not active	Not active	Not active	Not active	Not active	Not active	Not active
Performance fee to the AIF Manager**	20%	20%	20%	20%	20%	20%	20%	20%

#### MAXIMUM CHARGES

The maximum fees that the AIF Manager may, according to the fund rules, charge upon sale and redemption of fund units and for management of the Fund, see above, are specified below:

UNIT CLASS	A SEK retail class	B NOK retail class	C EUR retail class	D EUR institutional class	E USD retail class	F USD institutional class	G SEK including conditions applying to distribution	H SEK including conditions applying to distribution
Entry charge	None	None	None	None	None	None	None	None
Exit charge	None	None	None	None	None	None	None	None
Ongoing charges to the AIF Manager*	0.95%	0.95%	0.95%	0.45%	0.95%	0.45%	0.475%	0.38%
Ongoing charges to Depository	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Performance fee to the AIF Manager**	20%	20%	20%	20%	20%	20%	20%	20%

\* The management fee paid to the AIF Manager is calculated daily on the net asset value of the Fund. Double charges do not occur. If the Fund invests in any of the AIF Manager's other managed funds, the management fee, and if applicable variable fee (performance fee) is discounted and reversed in the underlying fund.

\*\*Performance fee: A performance fee shall also be paid to the AIF Manager of 20 percent on the part of the total returns 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, D EUR institutional class, E USD retail class and F USD institutional 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 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 the 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 what cumulative total return the unit class must achieve in order for the performance fee to be deducted, a high water mark is used (HWM). Each day the HWM is raised (lowered) by that day's percentage rise (fall) in the Fund's benchmark index. If the unit class's unit price after fixed expenses exceeds the high water mark for that day, twenty 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 the 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. If dividends are paid to unitholders, the NAV and HWM are adjusted equally in percentage terms. The performance fee may be payable even though the return is negative, provided that the unit class's return exceeds the reference rate. An example of how performance fees are calculated is provided below.

#### OTHER INFORMATION ABOUT CHARGES

Brokerage fees and other expenses connected with the Fund's purchase and sale of financial instruments and tax are paid directly from the Fund and are additional to the above fees. The Fund may, to the extent permitted by current legislation, also be charged expenses for analysis.

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

Please refer to the preceding year's annual report for information about the amount of fees paid to the AIF Manager and the Depositary as well as the Fund's performance and growth.

## Example of how performance fees are calculated for Catella Credit Opportunity

*The performance fee is calculated as follows:*

The unit class's unit price and high water mark (HWM) are both set to SEK 100 on the Fund's inception date, 24 November 2014. Each day, the HWM is adjusted upwards by the percentage change in OMRX-TBILL. If that day's fund unit price exceeds the new HWM, a performance fee is charged at 20 percent of the difference between the unit price and the HWM. A new unit price is thereafter calculated, which takes the fee charged into account and the HWM is raised to this new price. When the Fund pays dividends, the HWM is adjusted downwards by the same percentage that the fund unit price is adjusted downwards, so that the difference, expressed as a percentage, between the HWM and the fund unit price before and after the dividend distribution is the same.

Day	Bench mark index	Value growth, %	High water mark	Unit value	Performance fee	Remarks
1	123.50		100.00	100.00		The unit class's unit value and high water mark are set to SEK 100 on inception day
2	124.00	0.40%	100.40	100.30		No fee: the unit class's unit value is lower than the high water mark
3	124.50	0.40%	100.81	102.00	0.24	Fee of 20% of the difference between the unit class's unit value and the high water mark.
			101.76	101.76		New unit class's unit value and high water mark.
4	124.75	0.20%	101.97	101.85		No fee: the unit class's unit value is lower than the high water mark.
5	124.00	-0.60%	101.35	101.50	0.03	Fee of 20% of the difference between the unit class's unit value and the high water mark.
			101.35			
			101.47	101.47		New unit class's unit value and high water mark.
6	125.00	0.81%	102.29	102.00		No fee: the unit class's unit value is lower than the high water mark.
7	125.25	0.20%	102.49	102.25		No fee and before dividend of SEK 10.
			92.47	92.25		After dividend of SEK 10.
8	126.00	0.60%	93.02	91.00		No fee: the unit class's unit value is lower than the high water mark.
9	126.50	0.40%	93.39	94.00	0.12	Fee of 20% of the difference between the unit class's unit value and the high water mark.
			93.88	93.88		New unit class's unit value and high water mark.

# Catella Hedgefond

*Special fund registered in Sweden*

## OBJECTIVE AND INVESTMENT STRATEGY

The objective of the Fund is to demonstrate consistent, positive return regardless of the performance of Nordic capital markets.

The Fund takes positions in the Nordic countries in the asset classes of equities, bonds and currencies. In order to manage risk and generate excess return, positions are taken in index-linked derivatives or individual instruments on the Nordic equity, bond and currency markets. Investments in bonds and money market instruments may be issued by central governments, municipalities, housing institutions or corporations. The Fund invests in corporate bonds rated investment grade, high yield as well as non-rated bonds, but also in corporate bonds where there is no investment grade rating and where an internal assessment is made.

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.

The Fund invests its assets in financial instruments, meaning transferable securities, fund units, money market instruments and derivatives whose underlying assets may comprise transferable securities, money market instruments, financial indices, interest rates and exchange rates. A maximum of 10 percent of the Fund's assets may be invested in fund units.

At least 2/3 (two-thirds) of the Fund's value is invested in financial instruments focusing on the Nordic region.

The investment strategy focuses on the Nordic region.

## SPECIFIC INFORMATION FOR THE FUND'S ESG OBJECTIVES

The Fund is qualified as an article 8-fund in accordance with SFDR.

The Fund's investment policy contains broad social criteria for the environment and governance ("ESG objectives").

Sustainability work is included as a natural and integrated aspect of the traditional fund manager role, where we value the portfolio company's potential for future growth, profitability, and repayment ability. The fund, which is a hedge fund / alternative fund, focuses on investments with the aim of taking the environment into account and that the portfolio company / issuer does not act in any area that the Fund includes in its negative screening such as international norms and conventions, controversial products and services or fossil fuel production. The manager integrates these goals into the Fund's investment strategy to better manage risks, generate sustainable long-term returns and promote environmental or social characteristics. The fund's manager maintains a continuous dialogue with the portfolio companies on the risks associated with ESG at both company and

subcontractor level and calls on the portfolio companies to be transparent in the area, as an integral part of the fundamental analysis.

The following information describes the specific risks of investing in this Fund and the investment strategies used by the manager to promote the Fund's ESG objectives.

**Investment strategies used to meet the Fund's ESG considerations**

*Negative screening*

The Fund exclude portfolio companies that produce or distribute goods and services that are associated with harmful health and environmental effects or are addictive as detailed below. The fund applies negative selection criteria where companies that violate the criteria below are screened out.

<b><u>International norms och conventions</u></b>		
UN Global Compact		
Controversial weapons		
<b><u>Controversial products och services</u></b>	<u>Production</u>	<u>Distribution</u>
Cluster bombs	0%	0%
Mines	0%	0%
Chemical and biological weapons	0%	0%
Nuclear weapons	0%	0%
Tobacco	0%	5%
Pornography	0%	5%
Alcohol	5%	5%
Weapons	5%	5%
Military contracts	5%	5%
Cannabis	5%	5%
Commercial gambling operations	5%	5%
<b><u>Fossil fuels</u></b>		
Oil, gas & coal	5%	5%

\*of the company's revenue

*Positive selection*

In general, we are looking for portfolio companies / issuers that are driven by sustainability and can also demonstrate attractive financial qualities, a clear / sustainable business model, a clear profit and return trend / repayment ability. For our equity and mutual fund funds, we start from the UN's agenda 2030 for sustainable development to map business models that can benefit structurally by offering a solution to one or more of Agenda 2030's 17 goals. We have identified four themes that we believe may be a source of structural growth and profitability for portfolio companies with exposure to these themes. Finally, we examine the extent to which the portfolio companies' income statements and balance sheets are affected by sustainability. By integrating sustainability with financial analysis, our understanding of the long-term potential in the business model increases. We also try to apply these themes in fixed income management, where we are also looking for green bonds that correspond to the Fund's investment focus, risk profile and are assumed to be in line with the taxonomy.

### Use of index

No index is used other than to calculate performance-based fee.

### Sustainability risks

#### *Risks to the fund's financial return*

The ESG objectives of the Fund may lead the manager to invest in or exclude securities for non-financial reasons, regardless of market opportunities to achieve the stated ESG objectives. The financial return for the Fund may not correspond to or exceed that for financial indices that are not ESG-oriented.

### DERIVATIVES AND OTHER FINANCIAL TECHNIQUES

The Fund is permitted to a substantial extent to invest its assets in derivatives where the underlying assets may comprise transferable securities, money market instruments, financial indices, interest rates and exchange rates. This is conducted as an aspect of the Fund's investment strategy. The Fund is thus, inter alia, permitted to take positions by buying and selling (writing) call options and put options and buying and selling futures. The Fund may combine the above positions. The focus of derivatives trading by the Fund may mean the Fund's capital growth and the total net asset value of the Fund are to some extent at risk. The Fund may invest in OTC derivatives.

The Fund attempts to take advantage of situations in which price falls can be expected by using short selling strategies; that is, sales of financial instruments that the Fund does not own but has disposal over in what is called "legitimate" short-selling.

The Fund may also borrow against its assets to increase leverage in a controlled manner and to seek to increase returns on all or parts of the Fund's assets.

### SECURITIES FINANCING TRANSACTIONS

The Fund is permitted to extend securities loans corresponding to a maximum of 20 percent of fund assets secured against adequate collateral and on customary industry terms. This occurs seldom and rarely at a share of the Fund exceeding 15 percent. The assets considered for securities lending are shares.

The Fund is permitted to enter into short selling transactions corresponding to a maximum of 50 percent of fund assets. This occurs as an aspect of the investment policy and the outstanding short-sold volume varies depending upon the managers' market outlook. The share of short-sold securities will, however, rarely exceed 30 percent of the net asset value of the Fund. The assets considered for short selling are shares and interest-bearing negotiable securities.

The Fund is permitted to raise margin loans corresponding to a maximum of 50 percent of fund assets. This type of loan is used to increase the investment scope and may be used for investments in all asset classes permitted in the Fund. Loans are used only in exceptional cases and rarely exceed more than 10 percent of the net asset value of the Fund.

## FUND UNIT CLASSES

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 and F SEK including conditions applying to distribution. The fund unit classes differ in terms of the currency used for calculation and publication of the net asset value of fund units, charges and the minimum deposit and conditions applying to distribution, as described in greater detail in this prospectus and in the fund rules. When the new fund rules entered into force on 10 September 2015 and 1 January 2018, respectively, all existing units were placed in the Fund's unit class A. Unit class E started on 23 January 2018 and unit class F 12 April 2018. The other unit classes are not currently active.

## HISTORICAL RETURNS

Please refer to the key investor information document for the Fund for information about the Fund's historical returns.

## TARGET GROUP

The Fund is designed for investors who are seeking consistent returns associated with low risk. Because the return has low co-variation with the stock market and the fixed-income market, the Fund is a good complement to equities and fixed-income investments.

## RISK PROFILE

Fund assets are invested in financial instruments primarily on the Nordic market.

The Fund may be unsuitable for investors who plan to cash out their investment within 3 years.

The risk associated with the Fund arises mainly from the equity market, because this market is more volatile than the fixed-income market, but because the Fund invests a significant portion of its assets in other asset classes, some of the risk in the Fund may be eliminated by diversification.

The Fund also invests in fixed-income securities and is thus exposed to interest rate risk and credit risk. The interest rate risk in the Fund largely relates to the Fund making investments in interest-bearing transferable securities with long fixed-interest terms. This increases the interest rate risk since the market values of such securities are influenced to a greater extent by changes in interest rates than securities with shorter fixed-interest terms. The credit risk in the Fund is, among else, affected by the Fund's investments in corporate bonds, which usually have a higher credit risk than government bonds, for example. This is because the risk that an issuer will be unable to perform its payment obligations is greater when the issuer is a company rather than a government, for example, and because the value of corporate bonds may therefore be affected more by changes in market assessments of the company's credit rating.

Since the Fund invests in the Nordic countries the Fund may also have an element of currency risk. The Fund makes active use of currency hedging in order to limit its exposure to currencies other than the Swedish krona. Unit class A SEK retail class is affected only to a limited extent by foreign exchange fluctuations. The prices of other unit classes are affected by changes in the exchange rate between the denomination currency of the unit class and the Swedish krona.

Derivatives can be used in the Fund to both increase and decrease risk in the Fund.

Because the Fund concentrates its investments in one region, the Fund has higher risk than a Fund that spreads holdings among several regions. Individual investments may comprise a relatively large share of the portfolio's net asset value and the Fund's returns may therefore be affected by isolated events in these companies.

The Fund invest in assets where liquidity in the instrument is suboptimal. These holdings may be difficult to divest at a limited cost within a reasonable time. If large withdrawals are made from the Fund such holdings may need to be sold at unfavourable prices that may result in losses for the Fund.

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 aims to have a VaR, and therefore a risk level, that is higher than Swedish fixed-income funds and lower than 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.

Current risk indicator of the Fund: Category 4 (on a scale of 1 - 7). For a more detailed explanation of the risk indicator, please see the key investor information for the Fund.

### **Level of active management**

The Fund is an absolute return fund whose objective is to deliver positive returns regardless of market trends and thus does not have a benchmark index. The Fund is an actively managed multi-strategy fund oriented towards investments in Swedish and Nordic equities and corporate bonds. The Fund invests only in companies that meet the Fund's criteria, such as the investment strategy and sustainability criteria. The Fund's investments are selected according to the personal assessments of fund managers. Investments are based on fundamental analysis of individual companies and traditional macroanalysis. The Fund holds long and short (short-sold) equities and fixed-income investments. Composition of the fund reflects Catella's outlook on the conditions for return in relation to risk in respect of equity, credit and interest rate risk. Derivatives are used to create an asymmetrical return profile. Each investment is evaluated individually. The overall financial objective of the Fund is to achieve the highest possible value growth and a good spread of risk while observing due caution.

### **Active risk (tracking error) for the past 10 years**

There is no relevant benchmark index that reflects the Fund's asset allocation, risk profile or investment strategy.

### **LEVERAGE**

Financial leverage is defined as a method an AIF Manager may use to increase the exposure of a managed fund. This may occur through loans of cash or securities, as well as through the use of derivative instruments. The Fund's overall financial leverage is expressed as a percentage value, which is calculated so that the Fund's exposure, the total market value of all assets including all financial instruments and all liabilities, is divided by the net asset value of the Fund. The fund manager normally uses derivative instruments to manage leverage, but may (as mentioned above) also use other techniques to create leverage.

The total gross value of the Fund's held positions in financial instruments may constitute a maximum of 350 percent of the net asset value of the Fund and the total positive net value a maximum of 150 percent of the net



asset value of the Fund. In this context, the total positive net value (thus, a maximum of 150 percent of the Fund's net asset value) refers to the Fund's total (long) market exposure minus the Fund's short positions. Measured using the gross method (thus, a maximum of 350 percent of the net asset value of the Fund), the Fund's leverage is normally expected to be in the range of 100-250 percent.

The Fund's overall exposure calculated in accordance with the commitment method (as set out in Article 8 of the Commission Delegated Regulation (EU) No. 231/2013) may constitute a maximum of 300 percent of the net asset value of the Fund. In somewhat simplified terms, the difference between the commitment method and the gross method is that the commitment method takes into consideration the offsetting of risks achieved through netting and hedging of positions, which the gross method does not.

The AIF Manager may use the assets of the Fund as collateral to guarantee the performance of obligations undertaken as an aspect of managing the Fund. Such provision of collateral may be made, for example, through a pledge agreement, collateral transfer or "transfer of title", by which ownership of the property is transferred to the Fund's counterparty.

#### APPLICABLE CHARGES

The current fees that the Fund charges on the sale and redemption of fund units and for management of the Fund (including expenses for administration, accounting and record keeping, supervision, auditors and custody) are specified below.

UNIT CLASS	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
Entry charge	None	None	None	None	None	None
Exit charge	None	None	None	None	None	None
Ongoing charges to the AIF Manager*	1.00%	1.00%	1.005	1.00%	0.50%	0.40%
Ongoing charges to Depositary	0.03%	Not active	Not active	Not active	0.04%	0.04%
Performance fee to the AIF Manager**	20%	20%	20%	20%	20%	20%

## MAXIMUM CHARGES

The maximum fees that the AIF Manager may, according to the fund rules, charge upon sale and redemption of fund units and for management of the fund, see above, are specified below:

UNIT CLASS	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
Entry charge	None	None	None	None	None	None
Exit charge	None	None	None	None	None	None
Ongoing charges to the AIF Manager*	1.00%	1.00%	1.00 <sup>3</sup>	1.00%	0.50%	0.40%
Ongoing charges to Depositary	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Performance fee to the AIF Manager**	20%	20%	20%	20%	20%	20%

\* The management fee paid to the AIF Manager is calculated daily on the net asset value of the Fund. Double charges do not occur. If the Fund invests in any of the AIF Manager's other managed funds, the management fee and if applicable variable fee (performance fee) is discounted and reversed in the underlying fund.

\*\*Performance fee:

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 what 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, twenty 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. If dividends are paid to unitholders, the NAV and HWM are adjusted equally in percentage terms. The performance fee may be payable even though the return is negative, provided that a unit class's return exceeds the reference rate. An example of how performance fees are calculated is provided below.

#### OTHER INFORMATION ABOUT CHARGES

Brokerage fees and other expenses connected with the purchase and sale of financial instruments and tax are paid directly from the Fund and are additional to the above fees. The Fund may, to the extent permitted by current legislation, also be charged expenses for analysis.

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

Please refer to the preceding year's annual report for information about the amount of fees paid to the AIF Manager and the Depositary as well as the Fund's performance and growth.

## Example of how performance fees are calculated for Catella Hedgefond

*The performance fee is calculated collectively as follows:*

The unit class's unit price and high water mark are initially at the same level, SEK 100 in this example. Each day, the high water mark is adjusted upward by the percentage change in OMRX-TBILL for that day. If that day's fund unit price exceeds the new high water mark, a collective performance fee is charged at 20 percent of the difference between the unit price and the high water mark. A new unit price is thereafter calculated, which takes the fee charged into account, and the high water mark is raised to this new price. When the Fund pays dividends, the high water mark is adjusted downward by the same percentage that the fund unit price is adjusted downward, so that the percentage difference between the high water mark and the fund unit price before and after the dividend distribution is the same.

Day	Bench mark index	Value growth	High water mark	Unit value	Performance fee	Remarks
1	123.50		100.00	100.00		The fund unit value and high water mark are set to SEK 100 on inception day.
2	124.00	0.40%	100.40	100.30		No fee: the unit value is lower than the high water mark.
3	124.50	0.40%	100.81	102.00	0.24	Fee of 20% of the difference between the unit value and the high water mark.
			101.76	101.76		New unit value and high water mark.
4	124.75	0.20%	101.97	101.85		No fee: the unit value is lower than the high water mark.
5	124.00	-0.60%	101.35	101.50	0.03	Fee of 20% of the difference between the unit value and the high water mark.
			101.35			
			101.47	101.47		New unit value and high water mark.
6	125.00	0.81%	102.29	102.00		No fee: the unit value is lower than the high water mark.
7	125.25	0.20%	102.49	102.25		No fee and before dividend of SEK 10.
			92.47	92.25		After dividend of SEK 10.
8	126.00	0.60%	93.02	91.00		No fee: the unit value is lower than the high water mark.
9	126.50	0.40%	93.39	94.00	0.12	Fee of 20% of the difference between the unit value and the high water mark.
			93.88	93.88		New unit value and high water mark.

## Appendix 2

### Distributors

February 2021

Alpcot AB, company number 556963-4180  
 Avanza Bank AB, company number 556573-5669  
 Coeli AB, 556608-7648  
 Consortum Capital Investments AB, company number 556113-4643  
 Erik Penser Bankaktiebolag, company number 556031-2570  
 Folksam Fondförsäkringsaktiebolag, company number 516401-8607  
 Folksam LO Fondförsäkring AB, company number 516401-6619  
 Folksam Ömsesidig Livförsäkring AB, company number 502006-1585  
 Fossar Markets hf, company number 660907-0250  
 Försäkringsaktiebolaget Skandia, company number 502017-3083  
 Garantum Fondkommission, company number 556668-1531  
 Humle Kapitalförvaltning AB, company number 556544-8015  
 ICA Banken AB, company number 516401-0190  
 Länsförsäkringar Fondliv Försäkringsaktiebolag, company number 516401-8219  
 MFEX Mutual Funds Exchange AB, company number 556559-0634  
 Allfunds Sweden AB (formerly Nasdaq Broker Services AB), company number 556405-0127  
 Nord Fondkommission AB, company number 556832-1342  
 Nordnet Bank AB, company number 516406-0021  
 Pensionsmyndigheten, company number 202100-5034  
 SkandiaBanken AB, company number 516401-9738  
 Skandinaviska Enskilda Banken AB (publ), company number 502032-9081  
 Sparbanken Syd, company number 548000-7425  
 SPP Liv Fondförsäkring AB, company number 516401-8599  
 Storebrand Livsforsikring AS – Filial Sverige, company number 516403-6997  
 Storebrand Livsforsikring AS, company number NO 958995369  
 Swedbank AB, company number 502017-7753  
 Söderberg & Partners Securities AB, company number 556674-7456  
 UBS AG Zurich  
 Von Euler & Partners AB, company number 556630-5487  
 Ålandsbanken Abp (Finland) Swedish branch, company number 516406-0781

# Sustainability information Special funds

	SPECIAL FUNDS		
	Catella Balanserad	Catella Credit Opportunity	Catella Hedgefond
<b>TRANSPARENCY ON THE INTEGRATION OF SUSTAINABILITY RISKS, ON THE PROMOTION OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS, AND ON SUSTAINABLE INVESTMENT</b>			
The fund aims for sustainable investment	–	–	–
The fund promotes, among other things, environmental or social characteristics	X	X	X
Sustainability risks are integrated into investment decisions, without the fund promoting environmental or social characteristics or having sustainable investment as a goal	–	–	–
Sustainability risks are not relevant (explanation below)	–	–	–
<b>SUSTAINABILITY-RELATED CHARACTERISTICS PROMOTED IN THE MANAGEMENT OF THE FUND, OR WHICH IS PART OF THE FUND'S OBJECTIVE</b>			
Environmental aspects (eg companies' impact on the environment and climate).	X	X	X
Social aspects (eg human rights, labor rights and equal treatment).	X	X	X
Corporate governance aspects (eg shareholders' rights, issues of remuneration to senior executives and anti-corruption).	X	X	X
Other sustainability aspects	–	–	–
The fund company's comment	See below under <i>Methods</i>	See below under <i>Methods</i>	See below under <i>Methods</i>
<b>REFERENCE VALUES:</b>			
The fund has the following index as a reference value:	15% SIX RX, 35% MSCI AC World, 25% OMRX T-Bill, 25% OMRX T-Bond	OMRX Tbill	OMRX Tbill
No index has been selected as the reference value	–	X	X
The fund company's comment	Indexes are used to measure the Fund's performance but do not meet ESG targets.	Indexes are not used for anything other than the calculation of performance-based fees.	Indexes are not used for anything other than the calculation of performance-based fees.
<b>METHODS USED TO INTEGRATE SUSTAINABILITY RISKS, PROMOTE ENVIRONMENTAL OR SOCIAL PROPERTIES OR TO ACHIEVE SUSTAINABILITY RELATED GOAL</b>			
<b>The fund chooses:</b>	X	X	X
The fund company's comment	The fund is a mutual fund. Sustainability aspects are taken into account in the selection of all underlying fund holdings.	In general, we are looking for issuers who are driven by sustainability and can also demonstrate attractive financial qualities, a sustainable business model, and a clear repayment ability.	The fund focuses on 4 of the UN's 17 sustainability goals: Health and Safety, Energy efficiency, Sustainable production / consumption, Counteracting negative environmental impact.
<b>The fund excludes:</b>			
The fund does not invest in companies that are involved in the following products and services. A maximum of five percent of the turnover in the company where the investment takes place may refer to activities that are attributable to the specified product or service.			
<b>Products and services</b>			
Cluster bombs, anti-personnel mines	X	X	X
Chemical and biological weapons	X	X	X
Nuclear weapons	X	X	X
Weapons and/or defence materiel	X	X	X
Alcohol	X	X	X
Tobacco	X	X	X
Commercial gambling activities	X	X	X
Pornography	X	X	X
Fossil fuels (oil, gas, coal)	X	X	X
Uranium	–	–	–
Genetically modified organisms (GMOs)	–	–	–
Other	–	–	–

# Sustainability information Special funds

	SPECIAL FUNDS		
	Catella Balanserad	Catella Credit Opportunity	Catella Hedgefond
<b>International norms</b>			
The fund does not invest in companies that violate international standards.	X	X	X
The fund does not invest in companies that do not take action to come to correct identified problems or where the fund deems that the companies will not remedy the problems for a period that the fund company deems reasonable in the individual case.	–	–	–
<b>Countries</b>			
For sustainability reasons the fund does not invest in companies involved with certain countries/ fixed income securities issued by certain nations.	–	–	–
Other	–	–	–
<b>THE FUND MANAGEMENT COMPANY INFLUENCES</b>			
<b>The fund management company exercises its rights to influence companies on sustainability issues.</b>			
<i>the fund management company maintains contact with companies in order in order to influence them in a more sustainable direction.</i>			
Influences companies independently	–	X	X
Influences companies in cooperation with other investors	–	–	X
Company influence through external suppliers / consultants	–	–	–
Votes at general meetings	–	–	X
Participates in nomination committees to influence the composition of the board	–	–	X
Other company influences	X	–	–
The fund company's comment	Can be done indirectly through a dialogue with the manager of the underlying funds.	–	–