

Adopted by the Board of Directors: 2019-11-28  
Approved by FI: 2020-01-30  
Applies from: 2020-01-30



### **§ 1 Name and legal status of the fund**

The fund's name is Vinga Corporate Bond. The fund is a unit trust under the Unit Trust Act (2004:46) on unit trusts (LVF).

The fund's assets are jointly owned by the unit-holders and each unit entails equal rights to the property included in the fund. The fund cannot acquire rights or assume obligations. The company referred to in § 2 represents the unit-holders in matters relating to the fund, decisions on the property included in the fund and exercises the rights arising from the fund. The fund is aimed at the general public, see further in section § 17.

Operations are conducted in accordance with these fund rules, the articles of association of the fund management company, LVF and other applicable regulations.

The fund wealth is jointly owned by the unit-holders. The shares in each share class entails equal rights to the property included in the fund.

#### **Share Classes**

The fund has the following unit classes:

- Share class A - SEK, minimum deposit 100 SEK
- Share class B - SEK, minimum deposit 5 000 000 SEK
- Share class C - EUR, minimum deposit 10 EUR
- Share class D - EUR, minimum deposit 500,000 EUR

The content of the fund rules is common to all unit classes unless otherwise stated. The Fund consists of unit classes, which means that the value of a unit in one class will differ from the value of one unit in another unit class.

The share classes differ in terms of investment currency, minimum initial subscription amounts (see section 9) and fees (see section 11) as set out in these fund provisions.

### **§ 2 Fund manager**

The fund is managed by AIFM Capital AB, org. no. 556737-5562, 'the company'.

### **§ 3 The depositary and its role**

The depositary is Swedbank AB, org. no. 502017-7753, hereinafter referred to as the 'depositary'. The depositary executes the company's decisions regarding the fund and receives and stores the fund's assets.

In addition, the depositary verifies that the decisions relating to the fund taken by the company, such as valuation, redemption and the sale of mutual fund units, are made in accordance with the law, regulation and these fund rules.

### **§ 4 Nature of the Fund**

The fund is an actively managed fixed income fund with a focus on corporate bonds with a lower credit rating (high yield). The fund mainly trades on marketplaces within the Nordic region. The fund's assets may also be invested in other interest-bearing financial instruments and on other marketplaces.

The duration of the fund may not exceed 6 years.

The fund's goal is to achieve competitive capital growth that over a period of 3 years exceeds the development of the fund's benchmark index, which is OMRX T-BILL + 2 percentage points per year. See the information brochure for additional information on the benchmark index.

### **§ 5 The fund's investment policy**

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, mutual fund units, and in credit accounts.

Underlying assets of derivative instruments shall consist of or relate to assets under Chapter 5. 12 § first paragraph LVF.

At least 70% of the fund's assets shall be invested in corporate bonds.

At least 50 percent of the fund's assets shall be invested in financial instruments admitted to trading on a marketplace within the Nordic countries or issued in Nordic currencies. The

fund may also invest in marketplaces outside of the Nordic region, such investments take place mainly in Europe and the USA.

The fund may invest in transferable securities and money market instruments with both lower (high yield) and higher credit rating (investment grade). In addition, the fund may invest in financial instruments that do not have a credit rating.

The average remaining fixed-rate period (duration) of the fund's investments is in the range of 1-6 years. The average remaining duration for the fund's securities/holdings range from 1-6 years. The maturity for individual financial instruments; or the maturity of the first repurchase date for bonds without a due date in the fund may not exceed 10 years.

Currency derivatives can be used to separate bond and currency exposure. The currency risk is not hedged and fluctuations in exchange rates may affect returns.

The fund may invest a maximum of 10 % of the fund's value in fund shares.

### **§ 6 Marketplaces**

The fund's trading in financial instruments may take place on a regulated or equivalent market outside the EEA. The trading of the fund may also take place on another market within or outside the EEA which is regulated and open to the public.

### **§ 7 Special investment policy**

The fund may invest in the transferable securities and money market instruments referred to in Chapter 5. Section 5 of the Swedish Investment Fund Act (2004:46).

The fund may according to Chapter 5 Section 8 LVF, indefinitely hold bonds and other debt securities issued or guaranteed by a state, a municipality or a state or municipal authority in a country within the EEA or by any intergovernmental body in which one or more states in the EEA are members. However, the debt obligations must come from at least six different

issues and those that come from the same issue must not exceed 30 percent of the fund's value. The issuers or guarantors who issue or guarantee debt securities in which the fund can be invested at more than 35 percent of the fund's value are the United States, the Swedish State, Swedish municipalities, states or municipal authorities in the EEA or intergovernmental bodies in which: one or more EEA States are members.

The fund's assets may be invested in derivative instruments as part of an investment policy. The fund may invest in derivative instruments as set out in Chapter 5, Paragraph 12(2) of the LVF, so-called OTC derivatives.

### **§ 8 Valuation**

The fund's value is calculated by deducting from the fund's assets from the liabilities relating to the fund. Since the fund consists of unit classes, the value per unit of the fund will be determined by taking into account the conditions associated with each class of shares. The value of a unit in a unit class in the fund is determined by the value of the unit class divided by the number of outstanding units in the current unit class. The value of the fund shares is calculated on a business day. The fund's assets are valued at current market value. The current market value can be determined by different methods, which are applied in the following order:

1. If financial instruments are traded on a market as specified in Chapter 5, Section 3 of the LVF, the latest price paid shall be used or, if unavailable, the latest bid price.
2. If the rate referred to in 1 does not exist or is manifestly misleading, the current market value shall be derived from information about a current transaction carried out in a corresponding instrument between independent parties.
3. Unless method 1 or 2 is applicable, or according to the company becomes misleading, should the current market value be determined with the help of an, for the individual instrument, applicable principle on the market. Where applicable, if not misleading, through an established valuation model.

To determine the value of mutual fund units, the fund manager uses the last recognized unit value for transferable securities and money market instruments referred to in Chapter 5; 5 § LVF that establishes a market value on objective grounds according to special valuation. The special valuation is based on data on the latest price paid or indicative bid price from the independent market-maker if appointed. If this information is missing or not deemed reliable, the market value is determined by independent brokers or other external independent sources.

For OTC derivatives, there is normally no public data on the latest price paid as well as the latest bid and ask price. The market value of OTC derivatives is therefore normally determined on the basis of generally accepted valuation models, such as the value of the product. Black & Scholes, or valuation provided by independent third parties.

#### **§ 9 Subscription and redemption of fund units**

The fund is normally open for sale, (unit-holder purchase) and redemption (unit-owner's sale) of mutual fund units, each business day.

However, the fund is not open for sale and redemption on business days where valuation of the fund's assets cannot be carried out in such a way as to ensure the equal rights of unit-holders as a result of the non-opening of one or more of the underlying marketplaces for trading.

The request for sale and/or redemption must be in writing and must be received by the company before 12:00. 15.00 full business days and no later than 15.00. 11.00 on half bank days (day before public holiday) for the sale and/ or redemption to take place at the rate determined at the end of the day that the request was received by the company. Sales and redemptions are thus made at a rate unknown to the unit-holder at the time of the request.

In the case of purchases of mutual fund units, the subscription proceeds shall be recorded in the fund's associated account no later than 12.00 (0) cet. 15.00 full business days and no later than 15.00. 11:00 a.m. on half-day banking days.

The request for the sale or redemption of fund shares may be withdrawn only if the company so permits.

If funds for redemption are to be raised through the sale of securities, the sale must take place and redemption shall be enacted as soon as possible. Should such a sale substantially disadvantage the interests of other unit-holders, the company may upon notification to the Swedish Financial Supervisory Authority, postpone the redemption of fund shares in whole or in part.

The request for the sale or redemption of fund shares received by the company when the fund is closed for sale and redemption as set out in this provision, second paragraph, and § 10 normally takes place at the following bank day's price.

The value of the unit of the fund is normally calculated each business day. However, Net Asset Value calculation is not made if the fund is closed for sale and redemption considering the circumstances set out in the second subparagraph of this provision and § 10. The principles used in determining the N.A.V. value is set out in § 8.

An indication of the unit price is normally available at the company and cooperating distributors on a daily basis.

Subscription in each share class is made with the following minimum first subscription amount:

- A Minimum initial subscription amount SEK 100.
- B Minimum initial subscription amount SEK 5,000,000.
- C Minimum initial subscription amount EUR 10.
- D Minimum initial subscription amount EUR 500 000.

#### **§ 10 Closure of the fund due to extraordinary circumstances**

The fund may be closed for sale and redemption in the event of exceptional circumstances which prevent a valuation of the fund's assets from being carried out in such a way as to ensure the equal rights of unit-holders.

## § 11 Fees and remuneration

### *Fixed fee*

From the fund's resources, a fee shall be paid to the company for its management of the fund. The fee includes costs for depositaries, see § 3, as well as for the Financial Supervisory Authority and for auditors.

For unit classes A and C, a fixed fee equal to a maximum of 2,5 % per year of the fund's value is paid.

For unit classes B and D, a fixed fee equal to a maximum of 1.99 % per year of the fund's value is paid.

The fee is paid monthly in arrears and is calculated daily with 1/365 part. The applicable fixed fee is shown in the information brochure. The value of the fund units is calculated after deduction of the fixed fee.

Commissions and other transaction-based costs of the fund's purchases and sales of financial instruments and tax are charged to the Fund.

### *Performance-based fee*

In addition to a fixed fee, a collectively calculated performance-based fee of no more than 20% of the return that the fund gives over its benchmark index OMRX T-BILL +2 percentage points.

OMRX T-BILL is a standard index that is a recognized benchmark index of the competing funds against which the fund compares. The fee is calculated daily and is charged from each share class in arrears on the last business day of each month. The remuneration is calculated after the fixed fee has been withdrawn from the fund. The fund's return in each unit class is calculated after deduction of fixed and performance-based remuneration. If the fund's return is negative, but still exceeds the benchmark index, performance-based contributions may be paid. The performance-based fee is calculated daily but is deducted from the fund's account monthly.

The fund applies an eternally high watermark. This means that if a share class one day receives a sub-return, ie. a return that is lower than the return threshold applied to the share class, and there is an excess return in the latter day, ie. If a return is higher than the return threshold, no

performance-based compensation shall be paid until the previous day(s) of sub-return has been compensated. The compensation is calculated collectively for each share class. This results in all unit-holders in a share class being treated equally regardless of the time of investment. A person who subscribes for fund shares after the unit class has received an under-return does not have to pay performance-based remuneration until the unit class as a whole has withdrawn the sub-return. Similarly, unit-holders who request redemption may have paid performance-based compensation without having received a return that exceeds the return threshold. If shares in these cases are redeemed, ie. when the unit-holder has accumulated an under-yield, no previously paid performance-based compensation will be refunded. The sub-return that will be offset by future excess return before the profit-based fee is charged changes with the development for the benchmark index.

The basis for performance-based fees is calculated after deduction of management fees and other costs.

## § 12 Dividends

None of the fund's unit classes pay dividends.

## § 13 The fund's financial year

The financial year of the fund is the calendar year.

## § 14 Semi-annual annual reporting, amendment of fund rules

For the fund, the company shall submit an annual report within four months of the end of the financial year. Also, a semi-annual report for the first six months of the financial year will be submitted within two months of the end of the six-month period.

The annual report and the semi-annual report shall be available from the company and intermediary institutions and shall be sent free of charge to the shareholders who have requested this information.

Changes to the fund rules shall be decided by the company's Board of Directors and shall be submitted to the Financial Supervisory Authority for approval. Upon approval, the fund rules shall be made available to the company and

the depositary and, where applicable, be announced in a manner indicated by the Swedish Financial Supervisory Authority.

#### **§ 15 Pledging and transfer of fund units**

Pledging is made by written notification to the company or intermediary institution. The notification shall indicate the unit-holders, pledge holders, the units covered by the pledge and any restrictions on the extent of the lien. Registration of pledges takes place in the unit-holders register. The company shall notify the unit-holder in writing of such registration. The pledge ends when the company or intermediary institution has received notice from the pledge holder that the pledge has ceased and that the register has been deregistered in the register of interests.

Unit-holders may transfer their fund units to another free of charge by written notification to the company or intermediary institutions. The notification of transfer shall indicate the transfer, the transfer to whom the fund shares are transferred and the purpose of the transfer. Transfer is only accepted if the transferee assumes the transferor's cost.

#### **§ 16 Limitation of liability**

The liability of the company and the depositary does not limit the right of shareholders to compensation under Chapter 2. 21 § and Chapter 3 respectively. 14-16 §§ LVF. The company and the depositary are not responsible for damage caused by Swedish or foreign law, Swedish or foreign authority action, war event, strike, blockade, boycott, lockout or other similar circumstance.

The reservation in respect of strike, blockade, boycott and lockout applies even if the company or depositary itself is subject to or takes such conflict action.

Damage incurred in cases other than those referred to in the first subparagraph above shall not be compensated by the company or depositary if they have been normally careful. The company and the depositary are not responsible in any case for indirect damage, nor shall they be liable for damage caused by the custodian bank or other contractors engaged by the company or the depositary with due care or

for damage that may be due to a restriction of disposal which may be applied to the company or depositary.

If the company or depositary is prevented from taking action on the basis of the circumstance referred to in the first subparagraph above, the measure may be postponed until the circumstance has ceased to exist.

#### **§ 17 Permitted investors**

The fund is aimed at the general public, but not to investors whose subscription of a share in the fund is contrary to provisions of Swedish or foreign law or regulation. The fund is also not directed at investors whose subscription or holding of units in the fund implies that the fund or the fund manager is obliged/obliged to take registration action or any other measure that the fund or the fund manager would otherwise not be obligated/obliged to take. The fund manager has the right to refuse subscription to the investors referred to in this paragraph. The fund manager may redeem the interests of unit-holders in the fund despite the shareholder's objection if it were found that the unit-holder subscribed for a share in the fund in violation of provisions of Swedish or foreign law or regulation or that the fund manager is obliged to take registration action on the basis of the unit-holder's subscription or holding in the fund or other measure for the fund or fund management company that the fund or fund manager would not be obliged/obliged to take if the unit-holder would not hold units in the fund. *Especially if U.S. investors.*

The fund or the units in the fund are not and do not mean to be registered in accordance with the United States Securities Act 1933 or the United States Investment Companies Act 1940 or any other applicable law of the United States. Units in the fund (or rights to fund units) may not or will not be offered, sold or otherwise distributed to or on behalf of U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

The person wishing to acquire units in the fund shall declare national domicile to the fund manager. Shareholders are also obliged, where

appropriate, to notify the fund manager of any changes in national domicile. Purchasers of units in the fund shall further confirm to the fund company that he or she is not a U.S. person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S. Subsequent transfer of the depositary in respect of securities. The shares or rights thereof may only be made to a non-US person and shall be made through a transaction outside the United States subject to an exemption under Regulation S.

If the fund company considers that it is not entitled to offer, sell or otherwise distribute fund units as described above, the fund company is entitled, on the one hand, to refuse execution of such assignment for the purchase of units in the fund and, where appropriate, without prior consent to redeem the holding of shares in the fund by such unit-holders on their behalf and thus paying the additional assets to them.