

# INVESTOR INFORMATION

KAPITALFORENINGEN FORMUEPLEJE SAFE

Sub-fund Formuepleje Safe KL

This document is a translation of the Danish Investor Information.  
In case of any reasonable doubt, the authentic Danish text shall prevail.

### **Responsibility for Investor Information**

Kapitalforeningen Formuepleje Safe is responsible for the content of the Investor Information.

As the Manager of the Fund, we hereby declare that, to the best of our knowledge, the details of this Investor Information are correct and contain all material information that section 62 of the Danish Act on Alternative Investment Fund Managers, etc., requires to be made available to the Fund's investors.

Aarhus, May 2, 2019

Formuepleje A/S

Søren Astrup  
Manager

Niels B. Thuesen  
Board member

## **Introduction**

This document, entitled Investor Information, has been prepared by Formuepleje A/S (Manager), which manages Kapitalforeningen Formuepleje Safe (The Fund), in compliance with section 62 of the Danish Act on Alternative Investment Fund Managers, etc. This Investor Information has been prepared in Danish and addresses Danish investors, including retail investors. It has been drawn up in compliance with Danish rules on capital associations and divisions authorised for marketing to retail investors as well as European Union legislation for alternative investment fund managers, etc.

The Investor Information is available on the Fund's website.

The Fund meets its general disclosure obligations towards investors by either sending the information to each individual investor, publishing it in the annual report or making the information available on the website.

## **Name and address of the Fund**

Kapitalforeningen Formuepleje Safe  
c/o Formuepleje A/S  
Værkmestergade 25, 8  
DK-8000 Aarhus C, Denmark  
(hereinafter: the Fund)

Website: [www.formuepleje.dk](http://www.formuepleje.dk)

## **Registration numbers of the Fund**

Reg. no. with the Danish Financial Supervisory Authority: 24.026  
CVR no.: 35 40 14 31

## **Formation**

On 20 March 2014, the Fund changed its name from Hedgeforeningen Formuepleje Safe to Kapitalforeningen Formuepleje Safe in connection with changing its legal status from that of a hedge fund to a capital association. Hedgeforeningen Formuepleje Safe was originally formed on 10 July 2013.

The Fund comprises the Sub-fund:

Formuepleje Safe KL  
SE number: 33 49 07 12  
ISIN code: DK0060498186  
FSA (FT) number: 24.026-1  
(hereinafter: the Sub-fund)

## **Manager of the Fund**

The manager of the Fund is Formuepleje A/S, Værkmestergade 25, 8., DK-8000 Aarhus C, Denmark (hereinafter: the Manager).

The Manager is responsible for portfolio management and risk management in the Fund. In addition, the Manager is responsible for the administration of the Fund, including the Fund's legal and accounting services, investor requests, valuation and pricing, compliance, distribution of dividends, issue/redemption of units, etc., see Schedule 1 to the Danish Act on Alternative Investment Fund Managers, etc.

Subject to special terms set out in the Danish Act on Alternative Investment Fund Managers, etc., the Manager may delegate functions/assignments to third parties under the Manager's responsibility. The Manager's liability towards the Fund and its investors are not affected by the Manager's delegation of assignments to third parties.

The Manager has currently entered into agreements with third parties in the following areas:

- Marketing and agency for the sale of units
- Compliance

The Manager has increased its capital base in order for it to be adequate to cover any risks of liability for damages in consequence of neglect of duty, see section 16(5) of Danish Act on Alternative Investment Fund Managers, etc.

### **Conflicts of interest**

A manager of alternative investment funds must apply any reasonable organisational and administrative arrangements in the structuring of its business that are able to identify, prevent, manage and monitor conflicts of interest in order to prevent them from harming or adversely affecting the interests of the managed alternative investment funds or their investors.

There is a potential for conflicts of interest to arise between

- the Manager and the Fund/investors in the Fund,
- the Fund and the Manager's other clients,
- the Fund and the Manager's employees,
- the Fund and its investors,
- the Fund's investors.

The Manager has inter alia minimised the risk of conflicts of interest between the Fund and its clients by not receiving income from trading in securities, including brokerage, surcharges on the price of securities and/or exchange rates, settlement costs, etc.

The Manager exercises the greatest of care to avoid conflicts of interest and has inter alia established business processes and policies designed as far as possible to minimise, prevent as well as manage potential conflicts of interest. The Manager's interests policy can be found at [www.formuepleje.dk](http://www.formuepleje.dk).

### **Object**

The object of the Fund is to generate a return for the Fund's investors by investing in liquid assets, including currency, or in financial instruments comprised by Schedule 5 to the Danish Financial Business Act, see section 3(1), no. 11, of the Danish Act on Alternative Investment Fund Managers, etc.

### **Investors**

Investors in the Fund shall be any owner of one or more shares of the Fund's assets.

The legal consequences of investing in the Fund generally correspond to those of any other investment in securities. Upon registration of the unit certificates, the investor becomes the owner of the proportionate share of the Fund that the investment equals.

All investors in the Fund enjoy the same rights with respect to issues concerning all investors in the Fund.

The investors shall only be liable to the extent of their contributed capital and shall not otherwise be liable for the liabilities of the Fund.

All investors in the Fund will receive the same treatment with respect to issues concerning the Fund, and all investors in a Sub-fund will receive the same treatment with respect to issues concerning the Sub-fund. No investors have been granted any special rights that have not been disclosed in this document. The Manager thus ensures a fair treatment of investors.

Any issues concerning investments in the Fund are subject to Danish law and venue.

With respect to certificate-issuing Sub-funds, the legal act of perfection to be observed to ensure execution and recognition in Denmark is registration with VP Securities A/S.

### **Articles of association and annual reports**

The Fund's financial year is the calendar year. For each financial year, the Board of Directors of the Fund shall prepare an annual report in accordance with the provisions of the legislation applying to Danish

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UCITS, consisting, as a minimum, of the management's review, statement by the management for the Fund and financial statements for each Sub-fund consisting of balance sheet, income statement and notes, including a presentation of the accounting policies.

The annual report is audited by at least one state-authorized public accountant elected by the general meeting.

The Fund shall prepare an interim report for each Sub-fund consisting of an income statement for the period 1 January to 30 June and a balance sheet as at 30 June.

The most recent audited annual report can be obtained from the Fund's website as well as from the Fund's Manager on request. In addition, annual reports will be sent directly to investors registered by name making a request to this effect. Annual reports are also published via Nasdaq Copenhagen A/S.

The Sub-fund's assets are subject to management and keeping of accounts, and an annual report is prepared for the Sub-fund.

### **Financial calendar**

Expected publication dates of the interim and annual report, as well as the date of the general meeting.

March 2019	Annual Report 2018
April 2019	Ordinary general meeting
August 2019	Interim report for H1 2019

The exact dates are set out in the financial calendar published via stock exchange announcement.

### **Assets**

As at December 31, 2019, the Fund's total assets amounted to: DKK 5.531,5 million.

### **Sub-funds**

The Sub-funds of the Fund are separate entities in relation to liability. The Fund has only one Sub-fund, which is dealt with in the following section of the Investor Information.

### **Formuepleje Safe KL**

#### **Investor profile/The typical investor in the Sub-fund**

The Sub-fund addresses the investing public, although primarily financially strong investors with experience in and insight into securities trading, who can accept investments with a high risk and who only invest on the basis of specific advice.

The Sub-fund is a complex financial product and investment in the Sub-fund is not appropriate or suitable for all investors. The Sub-fund is suitable for investors who either possess the requisite expertise prior to investment or have obtained specific advice based on their own situation.

Prior to investment, investors in the Sub-fund should seek advice on this, including to ascertain whether the investor is suitable and whether the investment is suitable for the investor. An investment in the Sub-fund should only make up a small element of a larger, well-diversified portfolio, and should have a minimum investment horizon of four years.

The risk in the Sub-fund is expected to differ from traditional investment in equities and bonds where the market risk dominates. The Sub-fund can consequently be used to obtain greater spreading of risk in a portfolio.

The Sub-fund is best suited for investment forms that do not entail disadvantages for mark to market taxation, see the section on tax and duty rules.

### **Taxation of the Sub-fund**

The Fund's Sub-fund is cumulative and comprised by the section 3(1), no. 19, of the Danish Corporation Tax Act.

### Taxation of investors

The following is a general description of the Danish tax rules that are expected to apply. Investors who are subject to special rules or use the unit certificates for business purposes are not comprised by the description. Further information on the tax rules may, to a limited extent, be obtained from the Manager. For more detailed and individual information, investors should consult their own advisors.

#### Investors domiciled in Denmark

When investing in the Sub-fund, taxation follows a mark to market principle. This means that an investor is taxed by the difference between the market value of the unit at the start of the income year and its market value at the end of the income year. If the units are acquired during the investor's income year, the difference taxed is that between the acquisition price and the closing value. If the unit is sold during the investor's income year, the difference taxed is that between the opening value and the sales price.

When investing for free funds, the gain is taxed as capital income while losses are deducted as capital income. For companies, both gains and losses are included in the corporate income subject to taxation.

Investment in the Sub-fund may take place under the Danish Business Tax Scheme. Gains and losses are included the company income.

When investing pension funds, the taxation follows the rules in the Danish Pension Yield Tax Act.

#### Investors not domiciled in Denmark

Investors who are not domiciled in Denmark are subject to taxation in accordance with the rules in the country in which they reside/are registered for taxation.

Such investors are not subject to taxation on gains or losses on the unit in Denmark. In addition, the investor is not subject to Danish dividend taxation, as the Sub-fund of the Fund is cumulative and does not distribute dividends.

### **Investment policy, strategy and investment area**

The Sub-fund's investment policy and risk profile are set out in the articles of association of the Fund which are available on the Fund's website. Any amendments to the articles of association must be decided at the Fund's general meeting in accordance with the provisions of the articles of association to this effect.

Within the framework of the articles of association, the Manager may establish additional frameworks as set out in the present Investor Information.

The Sub-fund may use a fund of funds strategy.

The Sub-fund primary investments are in shares and bonds. The investments can both be directly in shares and bonds, but also indirect through units in UCITS, capital associations, AIF securities funds, other alternative investment funds and foreign (non-Danish) UCITS. The Sub-fund may also invest in other financial instruments that are settled directly (not on credit) and are admitted to trade on a regulated market (e.g. Exchange Traded Funds), investment companies and structured products covered by Appendix 5 of the Danish Financial Business Act.

The allocation takes place among asset classes on the basis of the theory of optimal portfolios. This means that the Sub-fund uses statistical and theoretical reasoning to put together a portfolio, aiming to optimise the relationship between expected return and risk. The optimised portfolio can then be leveraged or investment can be made in associations whose portfolios are leveraged, whereby the Sub-fund, seeks to increase the expected return. The strategy is based on the return/risk profile being different to traditional association funds which invest in bonds and equities.

The Sub-fund invests its assets based on a principle of absolute return targets. The target is for the Sub-fund to generate a total return of 60 % measured by net asset value over a period of five years.

The Sub-fund may, as part of the investment strategy and in connection with managing the portfolio, make use of derivatives with a view to hedging, optimising the Sub-fund's return and risk profile, hedging currency risks or leveraging assets. The Sub-fund may use derivatives admitted to trade on a regulated market, as well as instruments that are traded OTC. Up to 10% of the Sub-fund's assets may be placed in other securities.

The Sub-fund may deposit funds in a credit institution and carry out lending of securities.

### **Securities Financing Transactions**

The Sub-fund may enter into securities financing transactions as part of the general portfolio management. Securities financing transactions could be one of the following:

- Securities lending and deposits
- Repo transactions
- Buy- and sell-back
- Margin loans

Currently the Sub-fund uses repo transactions and securities lending, which is explained below. If the Sub-fund plans to engage in other securities financing transactions, the Investor Information will be updated with the relevant and necessary information.

#### Repo transactions

The Sub-fund may conclude repo transactions. Repo transactions are transactions in which a party transfers securities (typically bonds) and simultaneously agrees to repurchase the securities at a predetermined rate and repurchase date.

The Sub-fund concludes the repo transaction as transferor of securities, and is used as loan financing.

The Sub-fund's conclusion of repo transactions entails the risk that the counterparty dishonours the agreement or cannot return the securities. This risk has been substantially reduced by the contractual terms of the repo transactions and the use of creditworthy counterparties.

#### Securities lending

Currently, securities lending is used by the Sub-fund as a method of borrowing. There is no maximum limit on the proportion of assets that can be lent.

On behalf of the Sub-fund, the manager has entered into an agreement with Nordea Denmark, branch of Nordea Bank Abp, Finland (hereinafter referred to as 'Nordea Denmark') on lending securities.

Securities lending is used to increase the liquidity of the Sub-fund. This is achieved by the Sub-fund lending securities to Nordea Denmark, which in return provides cash as collateral. This corresponds, in practice, to taking out a cash loan.

Securities lending may be discontinued at short notice, after which loans and collateral are stated at market value.

Securities lending will not take place within time periods where the companies pay out dividends.

The time period defined as five days prior to and five days after the dividend date.

#### Risk of securities lending

Securities lending entails a counterparty risk, though this is significantly reduced through the terms of the lending agreement, including the requirement for collateral.

If the counterparty defaults on the agreement or is unable to return the lent securities, there is a risk that the value of the collateral will be less than the value of the lent securities, which can negatively impact performance.

This risk is very low, as the collateral consists of cash.

## **Risk policy**

The Sub-fund's risk policy in generating long-term capital growth outperforming the market return via portfolio investment, mainly in bonds and equities, is to ensure the best possible risks management. Factors such as asset composition, gearing and general market fluctuations will affect the risk in the Sub-fund.

The risk of losses in the Sub-fund can be expected to be below the historically registered level for equities.

Investment in the Sub-fund implies a risk of losses, as well as the chance for gains. The investor must be aware that an investment in the Sub-fund is in no way to be considered on a par with a deposit in a bank or the similar. There are several risk factors that may affect the price development for the Sub-fund.

Investment in the Sub-fund should only take place after prior specific advice, including information on the risks associated with the investment.

The Sub-fund's risk profile is sought maintained by investment in a portfolio of securities so as to comply with the risk framework set out in the articles of association and this Investor Information. The Manager monitors the exploitation of this framework continuously.

The risk factors involved in investment are described in the section below.

## **Risk factors**

The following is an outline of a number of characteristics and risk factors entailed by investment in the comprised financial instruments and possessed by the applied investment techniques. These characteristics and risk factors can affect the price development to a varying degree and thus also the risk of losses. The stated risk factors are not considered an exhaustive list of potential risks.

### Gearing risk

The Sub-fund may leverage the balance sheet using derivative financial instruments (derivatives) or by taking out loans multiple times larger than the Sub-fund's assets or by investing in funds whose portfolio are leveraged. There may consequently be a risk that the Sub-fund goes bankrupt and that the investor thus loses his entire investment in the Sub-fund.

### Investment advisor risk

The investment strategy is based on an active investment philosophy using historical model calculations. There is no guarantee that these calculations or the assessments will result in a positive return in the future.

### Conversion risk

As the Sub-fund may invest in convertible mortgage bonds, there may be a risk that the redemptions become larger than expected, which may result in losses for the Sub-fund.

### Risk related to changes in convexity, volatility and interest-rate curve

Convexity, higher volatility in the market and changes to the interest-rate curve profile may adversely affect the price of the mortgage credit bonds in which the Sub-fund has invested. If the developments deviate from the expectations, the Sub-fund may suffer a loss.

### Risk related to yield spread

The Sub-fund may make investments with an attempt to exploit the development in the yield spread between two interest rates (e.g. the yield on mortgage-credit bonds and swaps). If the yield spread develops counter to expectations, this will entail a risk of losses.



### Market risk

The Sub-fund engages in investments on the global securities markets. A higher volatility in the market may adversely affect the prices of the securities in which the Sub-fund has invested. If the developments deviate from the expectations, the Sub-fund may suffer a loss.

### Liquidity risk

Under normal circumstances, the market for many securities in different asset classes is regarded as liquid. Any changes in the market may result in a greater difference in rates between buying and selling rates and/or reduced liquidity of the Sub-fund's investments.

### Counterparty risk

The Sub-fund may, among others, invest in other investment associations, capital associations, alternative investment funds, investment companies, structured products and other collective investment schemes, where there may be counterparty risk. Correspondingly, there is a counterparty risk associated with securities lending and deposits with the custodian, as well as when taking out financing. The Sub-fund may also use derivative financial instruments, which may give rise to a counterparty risk during the life of the instrument.

The counterparty risk is attempted limited by collateral or by engaging with one or several large, robust banks as counterparties. Generally speaking, accepted counterparties must be so-called Investment Grade companies. The accepted counterparties must be licensed to conduct financial business, considered to have a high creditworthiness and sufficient credit rating.

### Risk related to financing situation

Any changes to the Sub-fund's conditions for obtaining finance may result in rising financing costs or restriction of financing, which means that certain profitable investments may be avoided to the detriment of the return development in the Sub-fund.

## **The Sub-fund's risk framework**

Within the framework of the investment and risk policies set out in the articles of association the board of directors of the Manager defines a risk framework for the Sub-fund to be met when investing the individual Sub-fund's assets.

Any non-compliance with the risk framework for the individual Sub-fund must be terminated immediately. The Manager must announce any non-compliance no later than eight business days after it was established. The announcement may be made on the Fund's website or via stock exchange announcement.

The board of directors of the Manager may change the risk framework. No later than eight business days after making a decision to change the risk framework of the Fund or a Sub-fund, the Manager shall inform the investors registered by name about the changes and make an announcement of the changes. The changes may not be effected until the investors in the Sub-fund have been able to redeem their units.

With a view to maintaining the Sub-fund's risk profile, the board of directors of the Manager has established the following risk frameworks for the Sub-fund.

The Fund uses look through as far as exposure to asset classes is concerned.

### **Risk framework**

	Timing of investments		Absolute
	Lower	Upper	Upper

<b>Investment area (Geographical)</b>			
No restrictions			
<b>Investment area (Instruments)</b>			
<i>Equities</i>			
Largest single stock in % of the equities portfolio.		10%	
Total stock exceeding 5% in % of the equities portfolio.		40%	
Net equity exposure as a percentage of assets.		90%	
<i>Bonds</i>			
Length of time in the bond portfolio.	-1	6	
Individual issuer of Danish mortgage credit, etc., as a percentage of the bond portfolio		80%	
Exposure against Swedish mortgage credit bonds as a percentage of assets. Hereof maximum 10% of the assets may be an open position, the rest of the exposure must be financed in SEK or hedged in DKK or EUR		100%	
Other bonds as a percentage of assets.		10%	
<i>Corporate bonds<sup>1</sup></i>			
Exposure Global High Yield strategy in % of assets		7.5%	
Exposure Emerging Markets Corporate Debt in % of assets		7.5%	
<i>Derivatives</i>			
Hedging of exchange rate risks		100%	
<i>Alpha</i>			
Exposure as a percentage of assets.	0	9%	10,35%
<i>Other securities</i>			
Other securities as a percentage of assets.		10%	
<b>General restrictions</b>			

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Gross exposure as a percentage of assets.		850%	900%
Long positions as a percentage of assets <sup>2</sup> .		500%	
Standard deviation/Return fluctuation			
- 1 year		34%	
- 3 years		24%	
- 5 years		21%	
Loans as a percentage of assets <sup>3</sup> .		300%	
Loans in currencies other than DKK and EUR should be matched by assets, but a net exposure of maximum 10 % of the sub-funds' assets, in other currencies can be allowed.		10%	

<sup>1</sup> Unutilised capacity in a specific investment strategy may be used in another strategy in the category Corporate bonds.

<sup>2,3</sup> Regarding to the use of Repo transactions double exposure are allowed without it is considered as an exceeding of the determined limit. This presupposes that the underlying active to the lapsed Repo is identical with the underlying active for the continuing Repo, plus that the value date for expiration of the old Repo and the beginning of the new Repo must be the same.

### Liquidity risk

The Manager routinely evaluates, based on a self-developed liquidity model, whether the overall composition of the portfolio has the desired liquidity. This is particularly relevant in the event that the portfolio has to be reduced quickly or 100 % realised.

The above frameworks are described in more detail below.

### Investment area

There are no geographical restrictions regarding where the Sub-fund may make investments.

#### Equities

- A maximum of 10% of the Sub-fund's equity positions may be invested in a single net equity position at the time of investment,
- The sum total of net equity positions that each individually exceeds 5% of the total equity exposure may not exceed 40% of the Sub-fund's total equity portfolio at the time of investing,
- The sum total of combined net equity positions at the time of investing may not exceed the value of the Sub-fund's assets.

#### Bonds

- The Sub-fund's option-adjusted duration (interest rate risk) at the time of investing must be in the range of -1 to 6,
- A maximum of 80% of the Sub-fund's bond portfolio may be invested in bonds issued by an individual Danish mortgage institution or issuer of covered bonds (SDO),
- A maximum of 10% of the Sub-fund's assets at the time of investing may be invested in bonds that are not Danish or Swedish mortgage credit bonds or bonds guaranteed or issued by the Danish or Swedish government.
- The Sub-fund's exposure against Swedish mortgage credit bonds may not exceed 180% at the time of investing. Hereof maximum 10% of the assets may be an open position, the rest of the exposure must be financed in SEK or hedged in DKK or EUR.

#### Derivatives (derivative financial instruments)

- The Sub-fund may choose to fully or partially hedge exchange rate risks for all investments. Derivatives and financial instruments of all types used for hedging and optimisation hereof are included in the calculation of the framework.

#### Alpha

- A maximum of 9% of the Sub-fund's equity may be invested in the Alpha strategy at the time of investment. Furthermore, any such investment may never exceed 10,35% of the Sub-fund's assets.

#### Other securities

- A maximum of 10% of the Sub-fund's assets at the time of investing may be invested in securities that are not subject to the above rules.

#### General restrictions

- The Sub-fund's gross exposure may not exceed 850% of the Sub-fund's total assets, and 900% at the time of investing,
- The total of all long positions may not exceed 500% of the Sub-fund's assets with the addition of costs payable,
- The Sub-fund's standard deviation must be within the framework when calculating a weighted allocation of the past returns for the Sub-fund's current composition of the main groups of equities, bonds and outside financing,
- The sum total of loans must not exceed 300% of the Sub-fund's assets,
- Loans in currencies other than DKK and EUR should be matched by assets, but a net exposure of maximum 10 % of the sub-funds' assets, in other currencies can be allowed.

#### Return/Benchmark

The Sub-fund does not have a benchmark.

The Sub-fund's return for the past five years:

	2014	2015	2016	2017	2018
Return (%)	8,16%	3,97%	15,00%	10,61%	-2,45%

Please note that past performance cannot be used as a guarantee for future return of the Sub-fund..

The goal is for the Sub-fund to generate a return of 60 % measured by net asset value over a period of five years.

#### Further details

Further details about the quantitative limits mentioned in the section on the Sub-fund and about the methods applied by the Manager to ensure compliance with these limits may be obtained by contacting the Manager. In addition, the investor can obtain information about the most recent developments in the most important risks and returns for the categories of the individual instruments in the Sub-fund.

## **Liquidity management**

Liquidity shall be taken to mean the ability of an asset to be converted to cash with a limited price discount compared to the recognition of the asset in the Sub-fund's net asset value. More specifically, an asset's liquidity is a function of how fast and cost-effectively it can be converted to cash under different market conditions.

The purpose of a risk management framework for liquidity is dual:

1. Monitoring the Sub-fund's liquidity to ensure that the liquidity level reflects the investment and liquidity profile. The liquidity level also reflects the underlying obligation and the expected disposals under normal and extraordinary circumstances.
2. Enabling, on behalf of the investors, the realisation of the liquidity premiums that are part of the added value in a Sub-fund without risk to the Fund's overall liquidity.

The Fund's Sub-fund are subject to appropriate monitoring with a view to ensuring a sufficient liquidity level to be able to counter outflows under normal circumstances.

## **Risk-scale position**

The Sub-fund is placed in category 5 on a risk scale from 1–7, where 1 is low and 7 is high. A risk scale shows the relation between risk and return for different investments. Note that category 1 is not synonymous with a risk-free investment. The Sub-fund's position on the scale will be determined by the fluctuations in the net asset value of the Sub-fund in the past five years.

Large fluctuations equal a high risk and a position high on the scale. Small fluctuations equal a lower risk and a low position on the scale. The Sub-fund's position on the scale is not fixed. The position may change over time depending on the Sub-fund's open positions and the market development.

Historical data do not necessarily convey a true picture of the Sub-fund's future risk profile. The risk indicator does not consider political interventions, financial crises and currency fluctuations, which may all result in sudden losses on securities.

## **Valuation**

The value of the Fund's wealth (assets and liabilities) is determined (recognised and measured) by the Manager pursuant to Part 6 of the Danish Act on Alternative Investment Fund Managers, etc., as well as the Order on registration in the Danish FSA register of valuation experts and Commission Delegated Regulation (EU) No 231/2013.

The net asset value in a Sub-fund is calculated by dividing the value of the assets at the time of statement by the number of units subscribed for in the Sub-fund.

The net asset value of the units of a unit class is calculated by dividing such portion of the assets of the Sub-fund made up at the time of calculation as corresponds to the portion of the joint portfolio generating return to the unit class, adjusted for any class-specific assets and costs incurred by the unit class, by the number of units subscribed for in the unit class.

Where the board of directors has resolved to issue units without dividend entitlement (ex coupon), see article 11, the issue price and the price on redemption, if any, of such units will be calculated on the basis of the net asset value less the value of the calculated and audited dividends for the preceding financial year (for an equity division, the following may be added: "and the return thereon during the period when units without dividend entitlement are issued").

The Manager of the Fund informs investors of the assessment and calculation of net asset value by making this information available on the Fund's website.

## **Admission for trading on a regulated market**

The Sub-fund Formuepleje Safe KL is listed at Nasdaq Copenhagen A/S.

## **Unit certificates, subscription and redemption**

### Unit certificates

The Sub-fund issues certificates. The unit certificates are registered with VP Securities A/S in denominations of DKK 100 and multiples thereof.

### ISIN code

The Sub-fund is registered in VP Securities A/S with the following ISIN codes

Sub-fund Formuepleje Safe KL: DK0060498186

### Paying agent

Formuepleje A/S  
Værkmestergade 25, 8.  
DK-8000 Aarhus C, Denmark  
Tel.: +45 8746 4900  
Fax: +45 8746 4901

Orders may also be placed through all other banks and securities companies.

Nordea Denmark, Branch of Nordea Bank Abp, Finland is the certificate-issuing agent. The unit certificates are held in custody accounts with Danish banks at no charge. However, portfolio changes in the VP account are subject to ordinary VP fees.

## **Issue and redemption**

Issue and redemption prices are calculated at net asset value at the time of issue or redemption respectively, according to the same principles used in the annual report, see section 4 of the Executive Order on Calculation of Issue and Redemption Prices for Subscription and Redemption of Units in Danish UCITS, etc.

To calculate the issue price, the value of assets at the time of issue is divided by the nominal value of units subscribed for, with the addition of an amount towards the covering of the expenses associated with buying financial instruments and any necessary expenses incidental to issuing.

To calculate the redemption price, the value of assets at the time of redemption is divided by the nominal value of units subscribed for, with the deduction of an amount towards the covering of the expenses associated with selling financial instruments and any necessary expenses incidental to redemption.

The issuing and redemption price are fixed by application of the dual-pricing method, see the principles to this effect in the Executive Order on Calculation of Issue and Redemption Prices for Subscription and Redemption of Units in Danish UCITS, etc.

### Tap issue

Subscription in the Sub-fund is made in accordance with the provisions of the articles of association without a fixed upper amount limit. Subject to the Manager's decision, the Sub-fund is open for new issues on every banking day. Settlement is effected two banking days after subscription by registration of the certificates in the investor's account with VP Securities A/S. The issue price is calculated every day. The Manager may perform tap issues of the Fund's units on an ongoing basis.

Tap issues can be suspended at the discretion of the Manager if it is assessed, for instance, that there is significant doubt about the value of the Sub-fund's assets at the time of issue. Any suspension and resumption of issues after suspension will be published by announcement via Nasdaq Copenhagen A/S and on the Fund's website.

For large issues in excess of DKK 10 million, the Fund's board of directors may allow issues by non-cash contribution of securities.

### Maximum issue costs

The following maximum expenses in per cent of the net asset value are included in the issue cost:

Brokerage and other costs of purchasing securities, etc.:	0,50%
Marketing, etc.:	0.00%
Subscription, sales and guarantee commission, etc.:	0.00%
Total:	0,50%

The stated maximum issue costs may be exceeded in periods of unusual market conditions and fee changes which result in an increase in other market-related costs of purchasing and selling the Sub-fund's instruments. In the event that such a situation arises, the Fund will inform about specific issue costs via Nasdaq Copenhagen A/S and on the Fund's website during this time, and it will also be announced when the stated maximum issue premium applies again.

The costs for the Fund will be lower than the rates stated above in case of large issues. For large issues, the Fund thus reserves the right to reduce the issue premium for the Fund in specific instances. However, the issue premium cannot be lower than the costs of purchasing securities, etc., unless the issue takes place in connection with non-cash contribution of securities in the Sub-fund.

### Delivery of purchased units

Units purchased in tap issues are customarily settled concurrent with the registration of the units with VP Securities A/S on the investor's account.

### Redemption

At the request of an investor, the Fund shall redeem the investor's share of the Sub-fund's assets.

Redemption shall be effected in accordance with the articles of association, and the Manager has decided that the Sub-fund is open for redemption on a daily basis without notice. Settlement is effected two banking days after redemption.

In connection with redemption, an amount shall be deducted towards covering the expenses associated with the sale of the redemption amount that the Sub-fund's assets and liabilities reflect, including financial instruments and any loans as well as any necessary expenses incidental to the redemption.

For redemptions of DKK 10 million or above, the Manager may, at the request of investors, undertake redemptions by withdrawal in kind of securities. In the case of withdrawal in kind, the redemption deduction may deviate from the maximum redemption costs stated in the Investor Information, as there would not be any costs in connection with selling securities in the market in connection with the redemption.

### Maximum redemption costs:

The following maximum expenses in per cent of the net asset value are included in the redemption deduction:

Brokerage and other costs of purchasing securities, etc.:	0,50%
Marketing, etc.:	0.00%
Subscription, sales and guarantee commission, etc.:	0.00%
Total	0,50%

The stated maximum redemption cost is typically expected to be lower. The redemption costs are made available daily on the Fund's website.

Redemption may be suspended at the discretion of the Manager if it is assessed, for instance, that the Fund cannot determine the net asset value due to market conditions, or if, to ensure equal treatment of investors, the Fund does not determine the redemption price until the Fund has realised the assets required for redemption of the units. Any suspension and resumption of redemption after suspension will be published via Nasdaq Copenhagen A/S and on the Fund's website.

The stated maximum redemption costs may be exceeded in periods of unusual market conditions and fee increases, etc. which result in an increase in other market-related costs of purchasing and selling the Sub-fund's instruments. In the event that such a situation arises, the Fund will publish the specific redemption costs via Nasdaq Copenhagen A/S and inform about them on the Fund's website during this time, and it will also be announced via Nasdaq Copenhagen A/S and on the Fund's website when the stated maximum redemption deduction applies again.

The Fund's units are offered as a tap issue through Nordea Denmark, Branch of Nordea Bank Abp, Finland as the certificate-issuing agent for VP Securities A/S. Subscription orders may also be placed through other banks and by application to the Manager.

In special cases, the Fund may demand that the redemption price be determined after the Fund has realised the assets required for accommodating the redemption.

No investors are obliged to have their units redeemed in full or in part.

### **Price information**

Net asset value, issue and redemption prices for units in the Sub-fund are calculated on every banking day.

Assets and liabilities are measured at fair value. The fair value is stated on the basis of the established market value on an approved market. If the asset or liability is not traded on an approved market, a price is obtained from a third party, or the price is calculated in accordance with an approved model. The net asset value in the Sub-fund is calculated by dividing the value of the assets at the time of statement by the number of units subscribed for in the Sub-fund.

The Fund announces the net asset value daily. The net asset value and the issue and redemption price is announced via Nasdaq Copenhagen A/S, first before the market opening at 9.45 a.m. and then between 12 noon and 1 p.m. and between 3.30 p.m. and 4.30 p.m. In addition, any significant changes to the values must be announced separately. The information is also published on the Fund's website.

### **Units in circulation**

The Fund will publish the number of unit certificates for the Sub-fund in circulation on a daily basis and before the market opening at 9.45 a.m.

### **Registration by name**

The units shall be registered in the name of the holder and registered in the Fund's register of investors which is kept by the Manager. The registration by name is made by the bank in which the units are held in custody.

### **Voting rights**

Each investor has one vote for each DKK 100 unit. Voting rights may be exercised provided that the unit is registered by name in the Fund's register of investors one week prior to the general meeting.

### **Rights**

No units carry any special rights.

### **Dissolution of the Sub-fund**

The board of directors of the Fund may make a recommendation at a general meeting for the investors to dissolve the Sub-fund. Among the reasons for such a recommendation could be an insufficient capital base or obsolete investment areas in the Sub-fund, if applicable.

The adoption of any resolutions to dissolve, merge or split the Sub-fund requires that at least two thirds of the votes cast and of the part of the Sub-fund's assets represented at the general meeting vote in favour of the resolution.



## **Negotiability and transferability**

The units are freely transferable and negotiable. No units carry any special rights.

### Right of redemption

Subject to the terms following from the Fund's articles of association and as described above in this document, the investor may also make a request for the full or partial redemption of its units in Sub-funds of the Fund.

## **Regular information to investors**

Pursuant to section 62(25) of the Danish Alternative Investment Fund Act, the Manager shall describe how and when the information comprised by sections 64 and 65 in the Act are published.

The Manager publishes the following information regularly on the Fund's website:

Daily:

- Net asset value as well as issue and redemption prices.

Annually:

- Annual report.
- Interim report

Regularly (where applicable):

- Changes/exceeding of risk frameworks
- Updates to this document.
- Units in per cent of the assets in the Sub-fund which are subject to special measures due to their illiquid nature.
- All new schemes for managing the Sub-fund's liquidity.
- The Sub-fund's current risk profile and the risk management systems applied by the Manager to manage the Fund's risks.
- Any changes to the maximum gearing level that can be utilised by the Manager on behalf of the Sub-fund and any right to reuse security or other guarantees provided under the agreement facilitating the gearing.
- The total amount of gearing in the Sub-fund.

## **Transfer**

The Fund only has one Sub-fund, and it is consequently not possible for investors to move from one Sub-fund to another in the Fund.

## **Material agreements and costs**

### Management agreement

The Fund has entered into a management agreement with Formuepleje A/S. The Manager is approved by the Danish Financial Supervisory Authority as Manager of alternative investment funds (FAIF) (FSA no. 17.104).

The Manager also maintains the Fund's register of investors in which the registration by name of the Fund's units is made.

The Sub-fund in the Fund pays a fixed fee of 0.22% of the assets as remuneration for the Manager's services.

Either party may terminate the management agreement subject to six month's notice, or shorter notice if agreed by the parties.

The Manager has delegated the following management tasks to Formuepleje Holding A/S:

- Compliance control

The Manager has drawn up a policy for conflicts of interest to meet the potential conflicts of interest that may arise in connection with the delegation. The policy of conflicts of interest in force from time to time is available on the Fund's website.

### Custodian

The assets of the Fund must be kept separate from the Manager and held by a custodian meeting the pertinent conditions set out in the Danish Act on Alternative Investment Fund Managers, etc.

Under an agreement with Nordea Denmark, Branch of Nordea Bank Abp, Finland (hereinafter: Nordea Denmark) and in accordance with the Danish Act on Alternative Investment Fund Managers, etc., the Fund has appointed the bank as custodian for the Fund. The custodian function at Nordea Denmark is functionally and organisationally separated from the bank's other customer-oriented activities.

With the agreement, the custodian assumes responsibility for holding and monitoring the Fund's financial assets, monitoring investment and gearing limits, including checking the Fund's cash flows and ensuring that they are booked correctly in the Fund's accounts, for instance in connection with investors' issues and redemptions in the Fund.

In addition, the custodian shall ensure

- that the sale, issue, repurchase, redemption and annulment of units in the Fund are effected in accordance with the legislation and the Fund's articles of association
- that the net asset value calculation and the associated procedures are effected in accordance with applicable law and the Fund's articles of association
- that the consideration in relation to transactions entered into by the Fund is made to the Fund within customary time-limits
- that the income of the Fund is applied in accordance with applicable law and the Fund's articles of association.

The custodian is liable towards the Fund or its investors for any loss of financial instruments held in custody that is caused by the custodian or any third party to whom this assignment has been delegated; see below for further details. However, the custodian shall not be liable for the loss of instruments if it can be substantiated that the loss is due to an external event that the custodian could not reasonably have been expected to control and whose consequences would have been unavoidable also if the custodian had taken all reasonable measures.

Furthermore, the custodian is liable for any other loss in consequence of the custodian's negligent or wilful neglect of its obligations, see above.

Subject to the pertinent conditions in the Danish Act on Alternative Investment Fund Managers, etc., the custodian may delegate the holding of the Fund's financial instruments which are held in a custody account (securities) to a third party (sub-custodian). As a predominant general rule, the custodian's (Nordea Denmark) liability towards the Fund and the Fund's investors is not affected by any delegation. In special instances, the custodian may, by agreement with the applicable third party and the Fund, take measures aimed at transferring the liability from the custodian to the applicable third party. No measures have been taken to transfer the custodian's liability to such sub-custodians.

The Fund's foreign securities are held in custody accounts abroad with recognised international financial undertakings. The custodian agreement between the Fund and the custodian may be terminated by either party subject to six months' notice to expire at the end of a calendar month. The price is calculated monthly on the basis of the fund's total AUM at the end of each month.

As remuneration for these services, the Fund pays a custody fee of 0.03% p.a. plus VAT.

### Accountants

The Fund's auditors perform the regular external task of auditing for the Fund and, on an ad hoc basis, may be given other duties relating to accounting, tax and non-auditing services. Furthermore, based on the information underlying the work done, the auditors shall submit conclusions and information about the Fund and audit the Fund's annual report.

### Investment advisory services

The Fund has entered into an investment advisory agreement with the Manager. The Manager comes under the supervision of the Danish FSA, FSA no. 17.104.

The agreement implies inter alia that the Manager prepares macroeconomic analyses and investment proposals for use as input in working out and carrying out the investment strategy. Advice is given in accordance with applicable regulations, the articles of association of the Sub-fund, as well as other of the Manager's guidelines, including risk frameworks (as included in the present Investor Information).

As remuneration for the advisory service, a fixed fee of 1,53% of the Sub-fund's assets plus a performance fee of 10% of the Sub-fund's return above High Water Mark is paid. The performance fee and the fixed fee is settled monthly.

The performance fee is calculated in accordance with the investment returns, after the fixed fee, but before the performance fee.

The calculation methods and principles here fore is described in the management agreement and the accompanying appendixes, between the Fund and the Administrator.

High Water Mark will not be adjusted in consequence of issues and redemptions but must be adjusted if denomination of the units is changed.

Before a performance fee is triggered, the net asset value must exceed the most recently determined High Water Mark. The performance fee is not paid until the net asset value is higher than the last time a performance fee was payable.

High Water Mark of the Sub-fund Formuepleje Safe KL can be found on the Funds website.

If deemed in the interest of the Fund, the Fund may terminate the agreement effective immediately. If the termination is not caused by material breach of this agreement, then after termination of the agreement, the Manager will be entitled to receive the performance fee in the current month and for six months thereafter.

The investment advisor also assists in connection with securities trading and provision of loans for the Fund's Sub-fund. Trading in bonds is usually settled at net prices and the Manager must concurrently ensure that the Fund's trading costs (brokerage, price spreads, etc.) are maintained within the rates stated under issue and redemption costs.

### Marketing of the Fund

The Fund and Manager have entered into a collaboration agreement on marketing of the Fund. Under the agreement, the Manager undertakes to distribute the Fund's Sub-fund and ensure that the Manager's employees have completed training and obtained the necessary certifications to entitle them to perform this activity in a qualified manner.

There is no separate fee for marketing or distribution of the Fund. The relevant agreement is governed by the advisory agreement with the Manager.

### Market maker

The Fund has entered into an agreement with Nordea Denmark, Filial of Nordea Bank Abp, Finland for the latter to quote prices for the units in the Divisions, for instance in the Nasdaq Copenhagen A/S trading systems, on every trading day apart from in exceptional situations. The purpose is to promote liquidity through trading in the units. Market-making must include purchase and sale prices and be based on current issue and redemption prices. The Fund pays a semi-annual fee of DKK 25,000 for this service. The agreement may be terminated upon one month's notice.

### **Total administrative expenses**

In accordance with articles of association, the total administrative expenses, including expenses relating to the board of directors, administration, IT, auditing, supervision, marketing, fixed fee to the

investment advisor and the custodian, for each Sub-fund, may not exceed 3% p.a. of the average asset value of the Sub-fund within a financial year, excluding any performance fee to the advisor.

The total administrative expenses for the Sub-fund, including the performance fee may not exceed 10% of the highest asset value in the financial year, however no more than 20% of the average asset value in the financial year.

The annual expense ratio (APR) includes administrative expenses, transaction costs for operating activities and the investor's transaction costs in the form of maximum issue premiums and redemption deductions. The amount is calculated under the assumption that the investment is held for seven years.

### **Associated individuals and companies**

#### Board of Directors of the Fund

Carsten With Thygesen (chairman)  
Ahornvej 64  
DK-8680 Ry, Denmark

Project advisor  
Jørn Nielsen  
Christianslund 110 A  
DK-8300 Odder, Denmark

Attorney-at-Law, Partner, LETT  
Michael Vinther  
Skovholmvej 19  
DK-2920 Charlottenlund, Denmark

Managing Director Lars Sylvest  
Orionsvej 6B  
DK-8270 Højbjerg, Denmark

#### Manager of the Fund

Formuepleje A/S  
Management, Søren Astrup and Henry Høeg  
Værkmestergade 25, 8.  
DK-8000 Aarhus C, Denmark  
CVR no. 18 05 97 38

#### The Fund's Investment Advisor

Formuepleje A/S  
Management, Søren Astrup and Henry Høeg  
Værkmestergade 25, 8.  
DK-8000 Aarhus C, Denmark  
CVR no. 18 05 97 38

#### The Fund's auditors

Ernst & Young P/S, Approved Revisionspartnerskab  
By Thomas Hjortkjær Petersen og Klaus Skovsen  
Osvold Helmuths Vej 4  
DK-2000 Frederiksberg  
CVR no. 30 70 02 28

This document is a translation of the Danish Investor Information.  
In case of any reasonable doubt, the authentic Danish text shall prevail.

### The Fund's Custodian

Nordea Denmark, Branch of Nordea Bank Abp, Finland, Finland  
SGrønlandsvej 10  
Postbox 850  
DK-2300 Copenhagen S Denmark  
CVR no. 25 99 21 80

### **Complaints officer**

In accordance with the Danish Financial Business Act, investors in the Fund may file a complaint with the Fund's complaints officer with the Fund's Manager. Complaints guidelines are available on the website <https://www.formuepleje.dk/om-os/klagevejledning/> and can also be obtained by contacting the Manager.

### **Investor Information, annual report, etc.**

Key Investor Information, Investor Information and annual reports are published on the Fund's website.

### **Personal data**

You can read more about how we process personal data in the Privacy policy which is available on [www.formuepleje.dk](http://www.formuepleje.dk). If you have any questions regarding the use of personal data you are very welcome to contact the Fund's Manager. You can contact Legal & Compliance on [legal@formuepleje.dk](mailto:legal@formuepleje.dk).

### **Special reservations**

This Investor Information, which has been prepared in Danish, addresses Danish investors and has been drawn up in accordance with Danish rules and legislation.

This Investor Information is approved by Finansinspektionen in Sweden for the purpose of selling and marketing units to retail customers in Sweden. The Investor Information is not approved by or registered with other foreign authorities with a view to sale and marketing of units to retail clients outside Denmark.

Information contained in this Investor Information does not constitute advice concerning investments or any other issues, and does not constitute an offer or solicitation of an offer to buy or sell. Investors are encouraged to obtain individual advice on their own investment situation and related issues.

The details of this Investor Information do not constitute an offer or a solicitation of an offer in any jurisdiction where such offer or solicitation of an offer is not allowed or to individuals to whom such offer or such solicitation of an offer is not allowed.

Any information contained in the present Investor Information, including in relation to investment strategy and risk profile, is subject to change as resolved by the Manager within the framework of legislation and the articles of association.

This version of Investor Information supersedes any and all previous versions of Investor Information in relation to the matters herein addressed. The wordings of any and all previous versions therefore cease to be valid as of the date of publication of this Investor Information.

