

# INVESTOR INFORMATION

Sub-fund Formuepleje Safe KL

## **Responsibility for Investor Information**

As the Manager of Kapitalforeningen Formuepleje Safe, 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 "lov om forvaltere af alternative investeringsfonde m.v." (Act on Alternative Investment Fund Managers, etc.) requires to be made available to the Fund's investors.

Investor Information approved and published 28 March 2025

Formuepleje A/S

Peter Kjærgaard  
Manager

Morten Mikkelsen  
Chief Legal Advisor

## TABLE OF CONTENTS

Responsibility for Investor Information .....	1
<b>Introduction .....</b>	<b>4</b>
<b>Name and address of the Fund.....</b>	<b>4</b>
Registration numbers of the Fund .....	4
Formation .....	4
<b>Manager of the Fund.....</b>	<b>4</b>
<b>Conflicts of interest and community of interest.....</b>	<b>5</b>
<b>Object.....</b>	<b>5</b>
<b>Investors .....</b>	<b>6</b>
<b>Articles of association and annual reports.....</b>	<b>6</b>
Financial calendar .....	6
Assets .....	6
Sub-funds .....	7
<b>Formuepleje Safe KL .....</b>	<b>7</b>
Investor profile/The typical investor in the Sub-fund .....	7
Investment policy, strategy and investment area .....	8
ESG/sustainability categorisation.....	9
Securities Financing Transactions .....	10
Risk policy.....	11
Risk conditions and risk factors.....	11
The Sub-fund's risk framework .....	15
<b>Liquidity risk.....</b>	<b>19</b>
<b>Liquidity management.....</b>	<b>19</b>
<b>Valuation.....</b>	<b>19</b>
<b>Admission for trading on a regulated market.....</b>	<b>20</b>
<b>Unit certificates, subscription and redemption .....</b>	<b>20</b>
<b>Issue and redemption .....</b>	<b>20</b>
Price information .....	22
Units in circulation .....	23
Registration by name .....	23
Voting rights .....	23
Rights .....	23
Dissolution of the Sub-fund .....	23
Negotiability and transferability .....	23
<b>Regular information to investors.....</b>	<b>23</b>
Transfer .....	24
<b>Material agreements and costs.....</b>	<b>24</b>
<b>Total administrative expenses.....</b>	<b>28</b>
<b>Responsible investments and the integration of sustainability risks .....</b>	<b>29</b>

**Associated individuals and companies ..... 30**

**Complaints officer ..... 31**

**Investor Information, annual report, etc. .... 31**

**Personal data ..... 31**

**Special reservations ..... 31**

## 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 "lov om forvaltere af alternative investeringsfonde m.v." (Act on Alternative Investment Fund Managers, etc.) (The AIFM Act). 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: 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 "lov om forvaltere af alternative investeringsfonde m.v." (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 entered into an agreement with external financial companies and investment advisors regarding distribution of the Fund's shares for, inter alia, to increase accessibility for investors. The Fund does not pay separately for this. No conflicts of interest are deemed to exist in such agreements. The Investor may, at any time, contact the Manager with a request for disclosure of the Manager's distribution partners.

To meet the requirements in section 16, subsection 5 of the AIFM Act, on capital adequacy requirements and insurance, the Manager has taken out a professional liability insurance, however, this does not cover the full assets under management. The Manager has therefore increased the capital base so that it is able to cover any risks of liability as a result of negligence.

## 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 also reduced the risk of conflicts of interest of the Fund by not receiving earnings from trading in securities, including brokerage, surcharges on the price of securities and/or exchange rates and/or financial contracts and/or settlement costs etc. Therefore, securities etc. are not traded through related parties either.

The Manager exercises the utmost care to avoid other potential conflicts of interest and has, among other things, established business procedures and policies designed as far as possible to minimise, prevent and manage potential conflicts of interest. The current interest policy of the Manager can be found on the webpage of the Fund.

## OBJECT

The Fund aims to create a long term return, that exceeds or matches the benchmark of the Fund.

The benchmark of the Fund is:

	Equities	Bonds	Corporate bonds	Loans
Safe BM	60%	180%	10%	-150%

Equities:	MSCI ACWI NR in DKK
Bonds:	50% Nordea CM Mtg 2 & 50% Nordea CM Mtg 3
Corporate bonds:	ICE BofA Global High Yield TR DKK hedged
Loan	Cibor 3M + 0,3%

## 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 exercises the greatest possible care in order to treat the investors of the Fund fair. Any issues concerning investments in the Fund are subject to Danish law and venue.

The Manager may decide that the Manager may reimburse amounts to certain investors depending on the size of the investors' investments in this and other funds managed by the Manager.

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 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-authorised public accountant elected by the general meeting.

The Fund shall prepare a semiannual 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 semiannual and annual report, as well as the date of the general meeting.

March 28 <sup>th</sup> , 2025	Annual Report 2024
April 23 <sup>rd</sup> , 2025	Ordinary general meeting
August 27 <sup>th</sup> , 2025	Semiannual report for H1 2025

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

### Assets

As of December 31, 2025, the Fund's total assets amounted to: DKK 4.8 billion.

## 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 is aimed at the general public, although primarily at investors who have experience with and insight into securities trading, and who can accept investment in a portfolio of shares and bonds that use gearing – albeit with a loss risk corresponding to the "Medium Risk" risk category. Other investors should only invest based on concrete advice.

The Risk classification of the Fund "Medium Risk" is measured by risk of loss during a period of 24-36 months, and it is a supplement to the official risk classification (according to the PRIIPs regulation<sup>1</sup>), which is listed down below under the headline "Risk classification (PRIIPs)", and can deviate from this.

Despite the fact that the Sub-fund's loss risk is comparable to an un-g geared balanced index portfolio of shares and bonds in the "Medium Risk" category, the Sub-fund is a complex financial product. Investment in the sub-fund is therefore 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.

The Sub-fund caters to long-term investors who typically have an investment horizon of over 4 years. The sub-fund may be suitable as an integral part of a long-term investor's total investments.

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. Investment in the Sub-fund must, however, be seen in relation to the investor's other investments and specific tax situation, which is why specific advice on this is recommended.

#### ***Risk classification (PRIIPs)***

At the time of the publication of this document, the risk of investing in the Fund according to the risk indicator of the official risk classification (according to the PRIIPs regulation) is a 4. See further info below under the headline "Risk conditions and risk scale". The most recently calculated official risk classification is available in the Key Information Document, which can be found at [www.formuepleje.dk](http://www.formuepleje.dk).

#### ***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.

---

<sup>1</sup> The PRIIPs Regulation refers to EU Regulation No. 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).



## ***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. Furthermore, the investor is not subject to Danish dividend taxation, as the sub-fund is cumulative and does not pay dividends.

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

The Sub-fund's investment policy and risk profile are set out in the Fund's articles of association, 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.

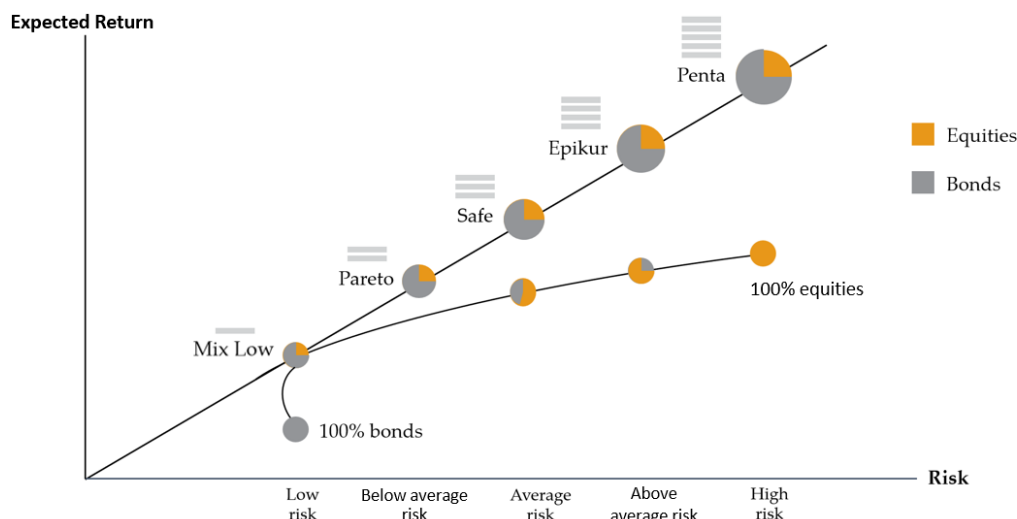
Within the articles of association, the Manager may establish a more detailed framework, as set out in this Investor Information.

The Fund can invest in liquid securities and financial contracts, including equities, bonds, financial instruments and currency, along with other financial instruments included in appendix 2 to the Danish act "lov om fondsmæglerselskaber og investeringsservice og -aktiviteter (FIA). Furthermore, the Fund can invest in other funds, that fulfils the same criteria regarding securities and financial contracts.

The Sub-fund's 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 in cash and admitted to trading on a regulated market (e.g. Exchange Traded Funds), investment companies and structured products covered by FIA Appendix 2.

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

This is illustrated in the figure below which shows, how balanced portfolios traditionally invest by investing in non-leveraged combinations of equities and bonds (the curved line). The Fund invests in a low risk portfolio, which is leveraged to a risk level, that replicates a Medium Risk non-leveraged balanced portfolio.



Source: Formuepleje A/S

Annotation: The figure shown is only an illustrative example, showing in simplified form five of the funds offered by the manager.

The Fund's assets and liabilities are also actively managed – and it will be possible to purchase additional financial instruments on an ongoing basis to hedge the Fund's market risk.

The asset mix of the Fund may differ significantly from the unleveraged balanced index portfolio, and it is to be expected that the Fund's ongoing returns volatility may also differ significantly.

In the Sub-fund, hedging instruments may be used to reduce the risk. During certain periods, both equity and bond risk can be reduced considerably and even completely eliminated, cf. elaboration on investment restrictions.

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 has the option of reusing pledged collateral or any other guarantee provided under the agreement that enables leverage. The Sub-fund may use the derivatives admitted to trading on a regulated market or OTC. Up to 10% of the Sub-fund's assets may be invested in other securities.

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

## ESG/sustainability categorisation

The Sub-Fund invests in accordance with Article 6 of the Disclosure Regulation<sup>2</sup>, and integrates sustainability risks into its investment decisions. Sustainability risk means an environmental, social or governance event or circumstance that could have an actual or potential material adverse effect on the value of an investment if it should materialise. Sustainability risks are incorporated into the investment processes on the same terms as other risks, taking into account the available data.

The Sub-Fund focuses on mitigating sustainability risks. The Sub-Fund's investments in Danish mortgage bonds are expected to have low sustainability risks and thus limited negative impact on the performance. The Sub-Fund's investments in global equities and corporate bonds may be subject to sustainability risks. This may be due to the specific sectors in which the companies operate or a lack of managerial initiative. This may have a negative impact on returns.

<sup>2</sup> Disclosure Regulation refers to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (as amended) on sustainability-related disclosures in the financial services sector.

Please refer to the section on “Responsible Investment & Integration of Sustainability Risks” for a more detailed description of how sustainability risks are integrated into investment decisions.

Taking into account differences between asset classes, the Sub-Fund endeavours to take into account the main negative sustainability impacts in the investment analysis. Selected sectors/industries are excluded, such as companies involved with controversial weapons and companies that violate international environmental, social and labour standards.

The Sub-Fund is subject to Formuepleje’s Policy for Responsible Investment and Sustainability Risk Integration. The policy can be accessed [here](#).

The investments, that are the basis for this financial product, do not take into account the EU criteria for environmentally sustainable economic activities.

## **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 business,
- Buy-and-sell-back,
- Margin loans
- Total Return Swaps

If the Sub-fund engages in other securities financing transactions, the Investor Information will be updated with the relevant and necessary information regarding this.

### ***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 Fund, the manager has entered into an agreement with Danske Bank A/S og Nordea Denmark, a subsidiary of Nordea Bank Plc, Finland on lending securities.

Securities lending is used to increase the liquidity of the Fund. This is achieved by the Fund lending securities to the bank, 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.

Lending of shares will not take place.

### ***Risk of securities lending***

Please refer to the section on Counterparty risk below under Risk conditions and risk factors.

### ***Repo transactions***

Currently, the Sub-Fund does not itself enter into repurchase (repo) agreements. However, the Sub-Fund has invested in Kapitalforeningen FP, Sub-Fund Fokus II KL, in which repo transactions are entered into.

A repurchase agreement is a transaction in which one party transfers securities (typically bonds) and simultaneously agrees to repurchase the securities at a predetermined price and repurchase date. Danske Bank A/S, Spar Nord Bank A/S, Jyske Bank A/S, Skandinaviska Enskilda Banken AB, Nykredit Bank A/S and Sydbank A/S are used as counterparties in repo transactions in Kapitalforeningen FP, Sub-Fund Fokus II KL.

Kapitalforeningen FP, Sub-Fund Fokus II KL is included in the repo transaction as a transferor of securities and is used as loan financing.

Kapitalforeningen FP, Sub-Fund Fokus II KL's entering into repo transactions entails a risk that the counterparty may default on its agreement or be unable to return the securities. This risk is significantly mitigated by the contractual terms of the repurchase agreements and the use of creditworthy counterparties.

## Risk policy

The asset mix, gearing and general market fluctuations will affect the risk in the Sub-fund and are therefore covered by the Sub-fund's risk policy.

Although the Sub-fund is expected to provide an attractive, positive return in the long term, investing in the Sub-fund entails a risk of loss – especially in the shorter term.

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 conditions and risk factors

Risk conditions and risk scale	<p>Investing in parts of the Sub-Fund involves a risk of loss in the same way as any other investment. The value of shares of the Sub-Fund may fluctuate over time and may therefore at any time be worth less, the same or more than at the time of investment. Investors should therefore be aware that investing in shares is not comparable to deposits in a bank account and the value is not guaranteed.</p> <p>The official risk classification of the Sub-Fund, as measured by the risk indicator, can be found in the Key Information Document available at <a href="http://www.formuepleje.dk">www.formuepleje.dk</a>. The risk is expressed by a number between 1 and 7, where "1" represents the lowest risk and "7" the highest risk. The "1" category does not indicate a risk-free investment.</p>
Risk factors	<p>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.</p>
Gearing risk	<p>The Fund may leverage the balance sheet through derivatives or by borrowing several times more than the Fund's assets or by investing in associations whose portfolios 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.</p>
<u>Risk related to financing situation</u>	<p>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.</p>
Risks associated with the	<p>Investment performance is affected by risk elements such as equity, interest rate, credit, counterparty and currency risks. Examples of risk management elements are the Sub-</p>

investment markets	Funds' advisory agreements and investment policies, internal controls, and the authorisation to use derivatives (derivative financial instruments).
Risks related to investment decisions	The Sub-fund is actively managed. Any investment decision in the Sub-Fund is based on the portfolio advisors' expectations for the future. Through analyses and models, an attempt is made to form a realistic future picture of, e.g. interest rate developments, the business cycle, corporate earnings and political conditions, etc. Based on these expectations, an allocation is made between equity and bond investments. This type of decision is inherently uncertain.
Risks associated with the operation of the fund	<p>In order to avoid errors in the operation of the Sub-Fund, a wide range of control procedures and business processes are in place at the management company to mitigate these risks. Work is constantly being done to develop the systems, and the ambition is that the risk of human error will be minimised as much as possible. Furthermore, a management information system has been established which ensures continuous follow-up on costs and returns. Returns are evaluated continuously. If there are areas where the returns do not evolve satisfactorily, discussions are held with the portfolio adviser to identify what can be done to reverse the trend.</p> <p>The Manager has built systems and procedures to provide frequent and accurate prices for the Sub-Funds. If there is any doubt about an asset's valuation, the Manager's Valuation Committee will convene and, after consideration, select a more suitable valuation model instead.</p> <p>In the IT field, data and system security is a major focus. Procedures and contingency plans have been prepared which aim to enable the restoration of systems within specified deadlines in the event of major or minor crashes. These procedures and plans are tested regularly.</p> <p>The Manager's risk and compliance officers continuously monitor the quality of IT systems, data security, business processes and compliance, compliance with established risk limits and applicable legislation. Operational risks related to the operation of the fund are identified and assessed on an ongoing basis.</p> <p>The offices report regularly to the Fund's Board of Directors to facilitate monitoring the Sub-Fund's compliance with the investment limits set by the Board of Directors.</p> <p>The Manager is also subject to supervision by the Danish Financial Supervisory Authority and the Sub-Fund is subject to statutory audit by auditors appointed by the general meeting. Here, a focus on risks and checks takes precedence.</p>
General risk factors	<p><u>Country risk/geographical risk</u></p> <p>When investing in securities in a single country, there is a risk that the financial market in that country may be subject to special political or regulatory measures. In addition, market or general economic conditions in the country, including developments in the country's currency and interest rates, will affect the value of investments.</p> <p>When investing in securities from all over the world, the price movements on the international markets will determine the performance of the Sub-Fund. Specific political and regulatory measures, as well as international financial and economic developments, including interest rate and currency movements, as well as other factors affecting prices, are therefore significant risk elements for the development of the net asset value of the Sub-Fund, which cannot – or can only partially – be eliminated by risk diversification within the Sub-Fund's investment universe.</p>

### Currency risk

Investments in foreign securities entail a risk when converting from foreign currencies to Danish kroner because currency rates can fluctuate. These fluctuations may affect the value of the investments in the Sub-Fund both positively and negatively. The fluctuations depend on the extent to which the Sub-Fund hedges investments against the Danish kroner.

### Liquidity risk

In some situations, (e.g. Pandemics, financial crises and wars etc.) it may be difficult to sell bonds and e.g. small cap equities at their real value. The reason for this may be that there is no interest in the bonds in the given situation. The lack of interest is typically due to the fact that it is a small bond series that is rarely traded, or extreme market situations where many investors want to sell the same type of bonds at the same time. This may be either directly on the market or through a fund that acts in the market on behalf of investors. In these situations, the difference between buying and selling prices will be great.

The liquidity risk is most pronounced when selling bonds. It expresses that you can only sell the bonds at significantly lower prices than what the bonds are officially priced at, but which reflects what you can convert smaller amounts of the bonds to. In extreme situations, where many investors choose to dispose of their shares at the same time, the liquidity risk may lead to some sub-funds sometimes being required to suspend the option of redeeming shares until the market situation allows it.

### Counterparty risk

Derivatives are used, i.a., to hedge risks or to fulfil the Sub-Fund's investment objectives and to manage the overall risk profile of the Sub-Fund. Derivatives agreements are entered into with one or more counterparties authorised by the manager. Counterparty risk arises if the counterparties to derivatives entered into are unable to honour their payment obligations and insufficient collateral is provided. The risk is minimised by daily exchanges of high-quality collateral.

When investing in depositary receipts (derivative financial instrument), such as American Depositary Receipts (ADR) and Global Depositary Receipts (GDR), where losses and gains are to be exchanged at a later date, there may be a risk that the counterparty fails to honour its obligations, resulting in losses.

The Sub-Fund may hold a larger or smaller part of its assets as cash or contractual deposits with a financial institution, including the Fund's depositary company. This puts the Sub-Fund at risk of loss if the financial institution goes bankrupt.

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 or is unable to return the securities lent, there is a risk that the value of the collateral will be less than the value of the securities lent, which may adversely affect returns. This risk is considered low due to the choice of creditworthy counterparties and the quality of collateral accepted.

### Company-specific matters

The value of an individual equity and bond can fluctuate more than the overall market and can therefore provide a return that differs from that of the market. Fluctuations in the foreign exchange market, as well as regulatory, competitive, market and liquidity conditions, may affect companies' earnings. As the Sub-Fund may have investments in a single company of varying size (in accordance with the risk limits of the Sub-Fund), the value of the Sub-Fund may vary significantly due to fluctuations in individual equities

and bonds. Companies may go bankrupt, in which case the investment in them will be lost.

#### Emerging markets risk

The term “emerging markets” covers virtually all countries in Latin America, Asia (excluding Japan, Hong Kong and Singapore), Eastern Europe and Africa. These countries may be characterised by political instability, relatively uncertain financial markets, relatively uncertain economic development and developing equity and bond markets. Investments in emerging markets may involve specific risks not present in developed markets. An unstable political system implies an increased risk of sudden and fundamental upheavals in the economy and politics. For investors, this may entail, for example, nationalisation of assets, limiting the disposal of assets or introducing state monitoring and control mechanisms. Currencies are often subject to large and unpredictable fluctuations. Some countries have either already imposed restrictions on currency exports or may do so at short notice. Market liquidity in emerging markets may be declining due to economic and political changes. The effect may also become more enduring.

#### Political risk

There may be countries where the political situation is unstable and therefore the Sub-Fund’s investments in such countries are subject to risk. Prices of bonds issued by these countries may drop sharply as a result of political or regulatory intervention following an unexpected political regime change. The mere fear that new political initiatives could jeopardise the economic development of a country could lead to falling bond prices and thus to a fall in the net value of the Sub-Fund’s assets.

Equity investment  
risk factors

#### Stock market risk

Price movements in the stock markets can sometimes fluctuate dramatically, and stock prices may fall a lot and quickly. Stock markets may be exposed to unique political or regulatory conditions that may affect the value of the sub-fund’s investments. Moreover, market, sectoral, national, regional or general economic conditions could affect the value of the sub-fund’s investment, both positively and negatively.

Bond investment  
risk factors and  
yield spreads

#### Credit risk

Within different types of bonds – government bonds, mortgage bonds, emerging markets bonds, credit bonds etc. – there is a credit risk regarding, whether the bonds correspond to real prices, and whether governments, home owners and companies can meet their debt obligations. When investing in bonds there is a risk, that the issuer’s rating will be lowered, or that the issuer will fail to meet the obligations. Credit spread expresses the yield difference between credit bonds and traditional safe government bonds issued in the same currency and with the same running time. The credit spread shows the premium, you as an investor get for undertaking the credit risk.

#### Interest rate risk and bond market risk

A sub-fund that invests in bond markets will be exposed to the risk of fluctuating interest rates. Interest rates are affected by both national and international macroeconomic factors, such as state of the market, fiscal and monetary policy and inflation expectations. When the interest rate level rises, the price of bonds falls, so the value of a sub-fund’s investments decreases. Interest rate risk can be described by the term duration which, amongst other things, is an expression of the price risk on the bonds that the sub-fund invests in. The lower the duration, the more stable the bond prices are if interest rates change.

#### 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.

#### Option-adjusted Spread

Increased uncertainty about conversion rates as a result of among others volatility in the interest rate levels, may have a negative effect on the price for the mortgage bonds in which the Sub-fund has invested.

#### Redemption risk

The Sub-Fund invests in callable mortgage bonds and there may therefore be a risk of extraordinary redemptions. This can result in losses for the Sub-Fund if the redeemed bonds have a price above 100 and the redemption was not expected by the market.

Risk factors of  
mixed  
investments

#### Allocation risk

As the Sub-Fund's investments are based on a tactical asset allocation that reflects the investment horizon and risk profile of the Sub-Fund, this will normally result in both equity and bond exposure through investment in equity and bond-focused UCITS. The net asset value of the Sub-Fund may therefore decrease as a result of adverse price movements in both equity and bond markets.

Sustainability  
risks

The Sub-Fund may be exposed to environmental, social, governance events or circumstances that may have an actual or potential material adverse effect on the value of an investment if they should materialise. Efforts are made to identify and minimise sustainability risks for the Sub-fund by integrating sustainability risks into investment decisions. Please refer to the section "Responsible Investment & Integration of Sustainability Risks" for a more detailed description.

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

Within the articles of association's investment and risk policy, the Manager's board of directors sets risk limits for the Sub-fund which must be complied with 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 affected 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***

	<b>Timing of investments</b>		<b>Absolute</b>
	<b>Lower</b>	<b>Upper</b>	<b>Upper</b>
<b>Investment area (Geographical)</b>			
No restrictions			
<b>Investment area (Instruments)</b>			
<i>Equities</i>			
Largest single stock in % of the equities portfolio.	0 %	10%	
Total stock exceeding 5% in % of the equities portfolio.	0 %	40%	
Net equity exposure <sup>1</sup> as a percentage of assets.	0 %	90%	
<i>Bonds</i>			
Length of time in the bond portfolio.	-1	6	
Individual issuer of mortgage credit, etc., as a percentage of the bond portfolio	0 %	80%	
Danish mortgage-credit, accumulated	0%	300%	
Exposure against Swedish mortgage credit bonds as a percentage of assets. Of this, a maximum of 10% relative to assets can be an open position, the remaining part of the exposure must be financed in SEK or hedged against DKK or EUR.	0 %	100%	
Other bonds as a percentage of assets.	0 %	10%	
<i>Corporate bonds</i>			
- Total exposure Global High Yield strategy in % and Emerging Markets Corporate Debt strategy in % of assets	0 %	15%	
<i>Derivatives</i>			
Hedging of exchange rate risks	0 %	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.	0 %	10%	
<b>General restrictions</b>			

Gross exposure as a percentage of assets.	0 %	850%	
Long positions as a percentage of assets <sup>2</sup> .	0 %	500%	
Loans as a percentage of assets <sup>3</sup> .	0 %	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.	0 %	10%	

<sup>1</sup> The calculation hereof observes the principles of Chapter 3 of the Danish "Derivatbekendtgørelse (BEK nr. 762 17/06/2014)" (Executive Order on Danish UCITS' Use of Derivative Financial Instruments) on portfolio level.

<sup>2,3</sup> Regarding to the potential 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.

The risk limits above are described in more detail below.

## ***Investment area***

There are no geographical restrictions on 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 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.
- A maximum of 15 % of the Sub-fund's assets at the time of investing may be invested in Global High Yield-strategy and Emerging Markets Corporate Debt-strategy.
- The Sub-fund's exposure against Swedish mortgage credit bonds may not exceed 180% at the time of investing. Of this, a maximum of 10% of the Wealth must be an open position. The remaining part of the exposure must be financed in SEK or hedged against DKK or EUR.

### Derivatives (derivative financial instruments)

- The Sub-fund may, in whole or in part, choose to hedge exchange rate risk on 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 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**

The Sub-fund's return for the past up to 10 years is shown in the table below:

	Sub-fund	Benchmark
2024	13,9%	17,9%
2023	12,14%	-
2022	-21,6%	-
2021	13,1%	-
2020	1,8%	-
2019	23,5%	-
2018	-2,5%	-
2017	10,6%	-
2016	15,0%	-
2015	4,0%	-
2014	8,2%	-

Source: Bloomberg and Formuepleje A/S

The Sub-fund got a benchmark on August 29, 2024. Before this the Sub-fund did not have a benchmark.

The return of the Sub-fund is calculated after deduction of costs to administration, trade etc. Please note that past performance cannot be used as a guarantee for future return of the Sub-fund.

### **Former information regarding the loss risk index**

	Sub-fund	Index
2023	12,14%	13,30%
2022	-21,6%	-12,2%
2021	13,1%	12,2%
2020	1,8%	5,0%
2019	23,5%	16,8%
2018	-2,5%	-2,9%

2017	10,6%	6,5%
2016	15,0%	9,4%
2015	4,0%	3,8%
2014	8,2%	11,2%

Formerly, there has been information regarding the investor's possible risk alternative (called risk loss index). The risk loss index was not a benchmark. The return of the risk loss index is still shown above for historical and informational purposes.

### **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 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.

## **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.

### Illiquid assets subject to special measures

At the latest update of this Investor Information, no assets were subject to special measures, cf. section 64 (1) of the Danish "lov om forvaltelse af alternative investeringsfonde m.v." (Act on Alternative Investment Fund Managers, etc.)

## **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 "lov om forvaltelse af alternative investeringsfonde m.v." (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 the articles of association, 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.

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 87 46 49 00

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

Danske Bank A/S (hereinafter: Danske Bank) 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:

Commission for external parties and other entities when purchasing securities, etc. :	0.35%
Marketing, etc.:	0.00%
Subscription, sales and guarantee commission, etc.:	0.00%
Total:	0.35%

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 affected 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 affected 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:

Commission for external parties and other entities when purchasing	
Securities etc.:	0.35%
Marketing, etc.:	0.00%
Subscription, sales and guarantee commission, etc.:	0.00%
Total	0.35%

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 Danske Bank 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, no. 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.
- Semiannual report



Regularly when publishing the Investor Information (and where applicable):

- The department applies a fund-of-funds strategy. At the latest update of this Investor Information, the underlying funds were registered in Denmark and Luxembourg.
- The manager uses a combination of standard purchasing systems and proprietary risk management systems to manage the risks in the Department.
- Certificates as a percentage of the assets of the Sub-Fund, which, due to their illiquid nature, are subject to special measures (see the section on Illiquid assets subject to special measures).
- All new schemes for managing the Fund's liquidity (see the Liquidity Risk and Liquidity Management sections in this Investor Information).
- Any change in the maximum leverage level that the Manager may use on behalf of the Fund, and any right to reuse pledged collateral or any other guarantee provided under the agreement that allows the leverage. The maximum leverage level is shown in the section on Risk limits. In addition, the Investor Information will contain information on whether there is a right to reuse provided collateral etc.

In addition, the following information is provided (where applicable):

- Changes/exceeding of risk frameworks (by stock exchange announcements, such as publication on the website)
- The Sub-fund's current risk profile (appears at all times in the Factsheet for the Sub-fund, which is published on the website, [www.formuepleje.dk](http://www.formuepleje.dk))
- The total amount of gearing in the Sub-fund. Information on this can be found in the Factsheet for the Sub-fund on the website.

The Investor Information is updated regularly, and the latest document can be found on the website, [www.formuepleje.dk](http://www.formuepleje.dk).

## 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 (Manager). The Manager is approved by the Danish Financial Supervisory Authority as Manager of alternative investment funds (FAIF) (FSA no. 17.104).

The Fund pays a fixed fee to the Manager covering administration, portfolio management, and marketing according to the below listed rates. Furthermore, the Fund pays the manager a result fee based on the return relative to the benchmark. This is described in the following section.

The fixed administration fee, portfolio management fee and marketing fee is calculated and invoiced monthly back equivalent to 1/12 of the mentioned rate of the net worth in the table for the Sub-fund before all fixed fees and potentially result fees to the Manager. The fee is calculated ultimo every month on the basis of the total assets of the Sub-fund, which is settled to the official closing rate the third last stock exchange day every month. The fee is calculated on the second last stock exchange day every month.

The management agreement can be terminated by each part with 6 months' notice, with the possibility of a shorter notice if both parties can agree on this.

The Fund pays the following fixed fees to the Manager – Table A:

Sub-fund	Administration fee	Portfolio management fee	Marketing fee
Safe	0,25%	1,00%	0,50 %

## **Administration fee**

The tasks of the Manager are among other things regular secretariat tasks, reporting to the board of the Fund and servicing the board, accounting and assurance, daily calculation and reporting of the net asset value of the Fund along with issue- and redemption prices, handling of trades, handling of corporate actions, supervisions of investment limits (pre and post), operation of accounting and portfolio management system, operation of inventory-, return- and instrument databases, issuing and redemption of shares, changes of issuing add-ons and redemption reductions (with subsequent notice to the board of the Fund), accounting closure, correspondence with authorities, business partners and investors, including the manufacturing and broadcasting of written investor information, distribution and submission of a surplus, compliance with regulation, product governance and so forth.

Other costs regarding the Fund, including among other things costs concerning the board, revision, Finanstilsynet and other public authorities, the stock market, general assembly, registration of owners, pricing, VP securities A/S, fees to the depository bank undertaking the depository tasks as well as ordinary banking services, is held by the Fund itself.

## **Marketing fee**

Furthermore, the Manager is responsible for the marketing and the distribution of the shares of the fund in compliance with the current regulation, providing customer analyses for marketing usage, general information regarding the market and tasks relating to communication. The purpose of this, is to ensure a solid foundation for the sale of the shares of the Fund. The Manager has the opportunity of choosing suitable business partners regarding sale and marketing of the shares of the Fund. The Manager establishes its own marketing measures to ensure the sale of the shares of the Fund, and the Sub-fund can simultaneously with this perform its own marketing of the shares.

## **Portfolio management fee**

The Sub-fund assumes the Manager to perform the asset management, including the asset management of the Sub-funds of the Fund. Furthermore, the Manager undertakes risk monitoring and control of the Sub-funds, the purchase of index- and market data for the purpose of reporting and analysis, investment analyses and screening, assessment of model portfolios and the ongoing securing of coverage ratio, the execution of orders within the framework of best execution, ESG analysis, ESG screening and ESG evaluation (including the purchase of data), correspondence, sparring and evaluation of and with sub advisers, control of managers and manager assessments, ongoing external communication/reporting revolving progression and expectations in the Sub-funds and general market analysis.

## **Variable performance fee**

Furthermore, the Sub-fund Safe pays a variable performance fee based on the return of the Sub-fund relative to a benchmark.

Variable performance fee<sub>t</sub> = Max { 0, [ Return<sub>t</sub>(A) – Return<sub>t</sub>(BM)]\*15% } \* INV<sub>t</sub> \* circulating shares<sub>t</sub>,  
whereas

Return<sub>t</sub>(A) = The return of the Sub-fund since the most recent settlement of the variable performance fee

Return<sub>t</sub>(BM) = The return of the benchmark since the most recent settlement of the variable performance fee

INV<sub>t</sub> is the inner value at time t before any variable performance fee

The return of the Sub-fund is settled as  $INV_t/INV_0 - 1$ , whereas

INV<sub>0</sub> is the official inner value on the day of the latest settlement (including all costs)

INV<sub>t</sub> is the inner value at time t before any variable performance fee

Benchmark return is calculated as  $BM_t/BM_0 - 1$ , whereas

BM<sub>0</sub> is the indexed benchmark value on the day of the most recent settlement

BM<sub>t</sub> is the indexed benchmark value at time t

Individual benchmarks are established for the Sub-fund (see description below)

### **Settlement of the variable performance fee**

The variable performance fee is settled every quarter based on the return of the Sub-fund and the return of the benchmark per the third last stock day in the quarter (official inner values based on closing prices). If the return of the Sub-fund is higher than that of the benchmark a variable performance fee is settled as 15 % of the excess return. If the return of the Sub-fund is lower than that of the benchmark no variable performance fee is settled. The calculation of the return is always in relation to the latest positive settlement of a variable performance fee. Any negative excess return in relation to the benchmark therefore has to be caught up, before it is again possible to realize a variable performance fee.

The return of the Sub-fund is calculated after the fixed payment of administration fee, portfolio management fee and marketing fee.

The variable performance fee is daily set aside in the accounting based on the contemporary returns of the Sub-fund and the benchmark.

The variable performance fee is also settled in periods, where the return of the Sub-fund is negative.

### **Elaboration on the choice of the benchmark**

There is established an individual benchmark for the Sub-fund. The benchmark is aligned with the investment strategy of the Sub-fund, so that the long term risk-profile is the same. This means, that certain risk indicators such as investment universe, length, leverage level, beta exposure, credit risk and so on, will be comparable long term. The risk-profile of the Sub-fund can in some periods deviate from the benchmark with the purpose of optimizing the expected return.

The benchmarks are put together by acknowledged index suppliers, who are all certified benchmark administrators.

### **Examples of the calculation of the variable performance fee**

The table below is illustrating fictive examples of the settling of the variable performance fee. The individual quarters are described below the table.

Quarter	FP- Return	BM-Return	Excess return	Collective excess return since last settlement	Variable performance fee (15%)
1	6%	4%	2%	2%	0,30%
2	2%	3%	-1%	-1%	
3	5%	1%	4%	3%	0,45%
4	1%	4%	-3%	-3%	
5	0%	-1%	1%	-2%	
6	-2%	-5%	3%	1%	0,15%

Quarter 1: The Sub-fund has a return after all fixed costs on 6 % against the benchmark on 4 %. A variable performance fee is settled based on the excess return,

Quarter 2: The Sub-fund has a return after all fixed costs on 2 % against the benchmark on 3 %. A variable performance fee is not settled.

Quarter 3: The Sub-fund has a return after all fixed costs on 5 % against the benchmark on 1 %. A variable performance fee is settled based on the latest positive settlement in quarter 1.

Quarter 4: The Sub-fund has a return after all fixed costs on 1 % against the benchmark on 4 %. A variable performance fee is not settled.

Quarter 5: The Sub-fund has a return after all fixed costs on 0 % against the benchmark on -1 %. A variable performance fee is not settled, because the excess return since the latest positive settlement in quarter 3 is still negative.

Quarter 6: The Sub-fund has a return after all fixed costs on -2 % against the benchmark on -5 %. A variable performance fee is settled based on latest positive settlement in quarter 3.

#### Transition from former variable performance fee model

With the implementation of the new variable performance fee model described above, the former model ceases to exist, and furthermore, new fixed fees are being implemented. To ensure a fair treatment of the Sub-fund, the new variable performance fee model only enters into force for the individual Sub-fund, when the Sub-fund reaches its contemporary high water mark (historically highest inner value). The calculation of the return of the Sub-fund and the return of the benchmark (in relation to the new variable performance fee model) commences the first day whereas the inner value (closing price) of the Sub-fund is above the high water mark. The first potential settlement will then be the third last banking day of the quarter.

As long as the Sub-fund is below high water mark, the Sub-fund will only pay the fixed fees. The collective fixed fee is not higher than the collective fixed fee, that existed prior to the implementation of the new variable performance fee model deducted the maximal negative variable performance fee.

The high water mark of the Sub-fund is 211,20 dated august 29, 2024.

### **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 "lov om forvaltelse af alternative investeringsfonde m.v." (Act on Alternative Investment Fund Managers, etc.).

Under an agreement with Danske Bank and in accordance with the Danish "lov om forvaltelse af alternative investeringsfonde m.v." (Act on Alternative Investment Fund Managers, etc.), the Fund has appointed the bank as custodian for the Fund. The custodian function at Danske Bank 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 affected in accordance with the legislation and the Fund's articles of association
- that the net asset value calculation and the associated procedures are affected 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 "lov om forvaltere af alternative investeringsfonde m.v." (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 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 deposited abroad with recognised, international financial companies.

As remuneration for the services handled by the custodian the Fund pays a basic fee of 27.000 DKK per sub-fund per year. For foreign securities, a country-dependent deposit fee of between 0.0075% and 0.33% p.a. of the market value of the Fund's foreign securities. The deposit agreement can be terminated by the Association and Danske Bank with 6 months' notice.

## **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.

## **Market maker**

The Fund has entered into an agreement with Nordea Danmark, Filial af 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 market maker agreement can be terminated by either party with 1 months' notice.

## **TOTAL ADMINISTRATIVE EXPENSES**

The performance fee may not exceed 7% of the Sub-Funds' highest asset value in the financial year.

The total cost of administrative expenses can be found in the Fund's annual rapport.

### Fees to the Danish Financial Authority and the Board of Directors

The overall fee to the Danish Financial Authority is paid once a year and is determined by the Danish Financial Authority by the end of the calendar year,

The overall fee to the Fund's Board of Directors is approved on the Fund's general meeting.

The fees to the Danish Financial Authority and the Board of Directors can be in the Fund's annual rapport.

## RESPONSIBLE INVESTMENTS AND THE INTEGRATION OF SUSTAINABILITY RISKS

Formuepleje aspires to achieve a long-term attractive return based on a focused risk management including assessments of environmental, social and governance-related (ESG) conditions, also taking into consideration the actual or potential significant negative effect of these on the value of the investment.

Formuepleje assesses investment risk in all investment decisions. A sustainability risk in the form of a climate- and environment-related, social or governance event or circumstance can constitute an investment risk on a par with interest rate risk, liquidity risk and other market risks.

Formuepleje has endorsed the UN PRI ("United Nations Principles for Responsible Investment"), which describes a set of principles for responsible investment. UN PRI is a global initiative to promote responsible investment and was established by some of the world's largest investors in co-operation with the UN. Formuepleje has endorsed these principles and conducts an annual reporting and assessment process under the guidelines of the PRI. Part of this report is published on the PRI website. Formuepleje works on the basis of a number of principles in relation to responsible investment which, among other things, mean that ESG analyses are included in investment- and decision processes, and that Formuepleje refrains from investing in companies whose risk of violation of international principles of corporate social responsibility is assessed as unacceptably high.

At Formuepleje, we believe that investing in companies that understand and manage sustainability-related risks – including respecting international principles for corporate social responsibility – results in healthier returns generation, lower risk and thus higher long-term risk-adjusted returns, in addition to the societal benefits of such investments.

At Formuepleje, we favour the selection of companies that are strong in relation to sustainability risks, rather than systematically opting out of certain industries and sectors.

At Formuepleje, we consider active ownership a natural part of the investment process, prioritising a focus on the negative impacts of sustainability factors<sup>3</sup> and sustainability risks in order to ensure the long-term responsible generation of returns for our investors. Active ownership can be exercised both directly, through voting at general meetings, and indirectly, through contact with companies ("engagement"). Please refer to our Policy for active ownership and voting rights for further details and which can be found on the website [www.formuepleje.dk](http://www.formuepleje.dk).

### Integration of sustainability risks in the Sub-Fund

Sustainability risks are defined as an environmental, social or governance (ESG) event or circumstance which, if materialised, could have a material adverse effect on the value of an investment. These are sustainability (ESG) factors that can negatively affect the value of companies and thus the return on investment for investors.

Formuepleje collaborates with an external partner that provides ESG risk data for use in calculating sustainability risk. The external partner specialises in analysing companies' ESG matters and is one of the largest global data suppliers within the ESG area. All companies are assigned an ESG risk score, which is based on both the risk exposure and the governance measures taken to limit risk.

Formuepleje has as its objective that the Sub-Fund has a lower overall ESG risk than a comparable market index.

The Sub-Fund does not invest in companies that use or distribute weapons restricted by international conventions.

---

<sup>3</sup> Sustainability factors are understood as environmental, social and personnel (governance) issues, as well as issues relating to respect for human rights and the fight against corruption and bribery.

#### Integration of sustainability risks **before** the investment is made

All equity companies in which the Sub-Fund invests have been subject to a fundamental analysis, as well as an in-depth sustainability risk analysis.

In the fundamental analysis of individual companies, sustainability risks are quantified as a negative contribution to the present value of future earnings. In other words, the higher the sustainability risks, the lower the estimated value of the company overall, which is an element in the final investment decision.

When the Sub-Fund invests in corporate bonds, the average sustainability risk is typically higher than in global equities, for example. This is partly due to a higher proportion of issuances from emerging markets and a lower proportion of sectors such as healthcare and technology, which are generally associated with lower risk, in this universe. All investments in corporate bonds are subject to the same screening process as the other asset classes, but selected sectors with particularly high sustainability risk are subject to a specialised analysis to identify companies that are able to manage the specific sector risk, for example, in mining.

The issuers of Danish mortgage bonds are subject to the same screening as other bond issuers, but currently it is not possible to differentiate between the individual issuers and the individual issues in relation to sustainability risks. As issuers increase their ESG reporting and more data becomes available, sustainability risks will be increasingly included in the investment process for Danish mortgage credit bonds. In general, the sustainability risk for Danish mortgage bonds is assessed to be low.

#### Integration of sustainability risks **after** the investment has been made

The Sub-Fund is routinely screened for sustainability risks and an overview is kept of the companies with the highest risk. An external partner is used to provide data for this screening. Individual sustainability risks are assessed, and companies that figure in the highest risk category require special follow-up and justification for their continued eligibility in the individual portfolios, while Formuepleje reserves the right to exclude companies that are not deemed to meet Formuepleje's overall principles of responsible investment and acceptable level of social responsibility.

## **ASSOCIATED INDIVIDUALS AND COMPANIES**

### ***Board of Directors of the Fund***

Managing Director, cand.silv., E\*MBA, HD(F)  
Carsten With Thygesen (chairman)

Professor, PhD, Institute of Law, cand.merc.(jur.)  
Hanne Søndergaard Birkmose

Attorney-at-Law, Partner, DLA Piper Denmark Advokatpartnerselskab, cand.jur.  
Michael Vinther

Director, cand.oecon  
Lars Sylvest

### ***Manager of the Fund***

Formuepleje A/S  
Management, Peter Kjærgaard  
Værkmestergade 25, 8.  
DK-8000 Aarhus C, Denmark  
CVR no. 18 05 97 38

### ***The Fund's Investment Advisor***

Formuepleje A/S  
Management, Peter Kjærgaard  
Værkmestergade 25, 8.  
DK-8000 Aarhus C, Denmark  
CVR no. 18 05 97 38

### ***The Fund's auditors***

EY Godkendt Revisionspartnerskab  
Dirch Passers Allé 36  
DK-2000 Frederiksberg  
CVR no. 30 70 02 28

### ***The Fund's Custodian***

Danske Bank A/S  
Bernstoffsgade 40  
1577 København V  
CVR no. 61 12 62 28

## **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://formuepleje.dk/kontakt/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.

The shares cannot be supplied or traded in USA and Canada and this Investor Information cannot be handed over to investors domiciled in these countries.

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.

