

## Articles of Association, Kapitalforeningen Formuepleje Penta

### Name and registered office

**Section 1.** The capital fund's name is Kapitalforeningen Formuepleje Penta

Subsection (2). The registered office of the capital fund is in Aarhus Municipality.

### Purpose

**Section 2.** The purpose of the capital fund, as per the articles of associations' provisions in this regard, is to receive funds from one or more investors in order to generate a return for the investors into the capital fund by investing in liquid assets, including currency, or financial instruments covered by Annex 2 of the Danish Act on Stockbroking companies and Investment services and activities. The capital fund may take out loans.

### Investors

**Section 3.** Anyone who owns one or more shares of the capital fund's assets is regarded as being an investor in the capital fund.

Subsection (2). The capital fund is intended for professional and retail investors, unless otherwise stated in the description of each sub-fund in section 6.

### Liability

**Section 4.** The capital fund investors are liable only for their contributions, and cannot otherwise be liable for the capital fund's liabilities.

Subsection (2). The capital fund's sub-funds, cf. section 6, shall be liable only for their own liabilities. However, each sub-fund shall also be liable for its share of the costs shared by the sub-funds of the capital fund. If legal proceedings have been completed in vain, or if it is otherwise established that a fund cannot meet its obligations in accordance with the 2nd clause, the other sub-funds are jointly and severally liable for the fund's share of the joint expenses.

Subsection (3). The capital fund's board members and manager are not liable for the capital fund's liabilities.

### Placement of funds

**Section 5.** The investments in each sub-fund are made in accordance with the Danish Alternative Investment Fund Managers etc. Act, as well as the section 6 of the Articles of Association.

### Sub-funds

**Section 6.** The capital fund is divided into the following sub-funds:

Subsection (1) Sub-fund Formuepleje Penta KL

The sub-fund is intended for professional and retail investors.

The sub-fund's primary investments are in shares and bonds, but may invest broadly across asset classes. The investments can both be directly in securities including shares and bonds, but also indirect through sub-funds in UCITS, capital funds, AIF securities funds, additional Alternative Investment Funds and foreign (non-Danish) UCITS. The sub-fund may also invest in other financial instruments, which is settled in cash and admitted for trading through a regulated market (e.g. Exchange Traded Funds), investment companies and structured products covered by Annex 2 of the Danish Act on Stockbroking companies and Investment services and activities.

The allocation takes place among asset classes on the basis of the theory of optimal portfolios. That is, based on statistical and theoretical correlations, the sub-fund establishes a portfolio, wherein the ratio between expected return and risk is sought

optimised. The optimised portfolio can then be leveraged or be invested in other funds, who have a leveraged portfolio, whereby the sub-fund seeks to increase the expected return.

As part of the investment strategy and in connection with portfolio management, the sub-fund may make use of derivative financial instruments for hedging, optimisation of fund return and risk profile, hedging of currency risks or for leveraging of assets. The sub-fund may use derivative financial instruments admitted for trading through a regulated market, as well as instruments traded OTC. Up to 10% of the sub-fund's assets can be placed in other securities.

The sub-fund may deposit funds in a credit institution and lend out securities.

The sub-fund may invest its assets in Formuepleje Safe A/S, CVR no. 35401431, to the extent that this can be done within the framework of the fund's investment policy and risk profile.

The sub-fund may take out loans or use leverage by means of financial instruments as part of the fund's investment strategy, seeking to optimise the risk-return profile and in order to obtain the necessary liquidity to redeem investors, or obtain temporary financing by conversion of the sub-fund's investments, or to exercise assigned preemptive rights.

The sub-fund may also carry out short-term overdraft of its accounts with the capital fund's custodian as an operational part of the placement and allocation of funds. Overdrafts are considered loans.

The sub-fund may pledge assets as collateral for the fund's liabilities.

The sub-fund may choose to take out loans in foreign currencies.

Information on the maximum level of leverage is set out in the investor information provided pursuant to Section 62 of the Danish Act on Managers of Alternative Investment Funds, etc.

#### **Exceeding the risk framework**

The risk framework can be deviated from without limits in connection with a total daily issue or redemption of more than 10% of the sub-fund's assets. The deviation can take place for maximum period of 8 business days after the date of issue or redemption. Whenever a sub-fund's risk limits are exceeded, it must be made public no later than eight days from when the exceeding occurred. The sub-fund may not actively take on additional risk in the adjustment period, beyond the risk the redemption or issue has caused.

#### **Other matters**

The sub-fund is an issuer of certificates and cumulative.

The sub-fund employs the dual pricing system for issue and redemption, cf. section 13.

Based on suitability assessments carried out by the Association, and with a view to ensuring appropriate protection of investors' interests, the Sub-Fund has decided that subscriptions and redemptions are to be managed through the use of the liquidity management tools selected below. For each tool, examples are provided of situations in which the tool may be activated or deactivated. The liquidity management tools selected for the Sub-Fund are:

- Dual pricing, cf. Section 12(2) of the Articles of Association

This tool ensures that existing investors are not burdened by transaction costs arising from new investors entering or existing investors leaving the Sub-Fund. The tool is applied on a permanent basis.

- Anti-dilution levy, cf. Section 12(3) of the Articles of Association

This is applied in extraordinary situations where the standard redemption fee or subscription fee applied under dual pricing does not cover the transaction costs arising from redemptions or subscriptions. The tool will typically be applied during periods of market stress, when trading costs are elevated.

## **Share classes**

**Section 7.** A sub-fund can be divided into share classes, to which class-specific assets may be linked.

Subsection (2). A share class has no preference to any share of the fund's assets, nor to any class specific assets. The share class only has the right to a part of the return on assets, including part of the return on the joint portfolio and the return on the class-specific assets.

Subsection (3). A sub-fund can have different types of share classes, depending on the decision of the board of directors. Apart from in name, the classes may differ in the following characteristics:

- 1) Currency denomination.
- 2) The types of investors to which the share classes are marketed.
- 3) Current costs.
- 4) Issue charges and redemption deductions.
- 5) Price calculation method.
- 6) Class-specific assets which can only be derivative financial instruments, as well as cash for use for the class' ongoing cash needs.
- 7) Allotment profile (cumulative or allotting).
- 8) Minimum investment.
- 9) Other characteristics than those listed in nos. 1-8 above, if the capital fund can demonstrate that investors in one share class are not favoured at the expense of investors in a different share class.

Subsection (4). On its website, the capital fund must state the characteristics applicable to each share class, and the principles for the allocation of costs between share classes.

Subsection (5). Subsections (1)-(3) do not apply to share classes without the right of dividends (e.g. coupon).

## **Shares in the capital fund**

**Section 8.** The shares are registered in a central securities depository and issued through this in denominations of DKK 100 or multiples thereof, unless otherwise stated for the individual sub-fund in section 6.

Subsection (2). Each sub-fund pays the full cost of registration of the sub-fund's shares in a central securities depository.

Subsection (3). The central securities depository's account statement serves as proof of the investor's share of the capital fund's assets.

Subsection (4). The capital fund shares must be registered with the name and recorded in the capital fund's record of investors.

Subsection (5). Shares are freely transferable and negotiable.

Subsection (6). No shares have special rights.

Subsection (7). No investor in the capital fund is obliged to let their shares be redeemed.

## **Valuation and determination of book/intrinsic value**

**Section 9.** The value of the capital fund's assets (assets and liabilities) is valued (recognised and measured) by the manager as per Part 6 of the Act on Managers of Alternative Investment Funds, etc. and the Order on Registration in the FSA's Register of Assessors and Regulation no. 231/2013/EU of December 19, 2012.

Subsection (2). The book value of a sub-fund is calculated by dividing the value of assets at the time of calculation, cf. subsection (1), by the number of shares issued in the sub-fund.

Subsection (3). The book value of a share class' shares is calculated by dividing the part of the sub-fund's assets which has been made up at the time in question, corresponding to the part of the joint portfolio which the share class receives a return on, adjusted for any class-specific assets and costs to be borne by the share class, by the number of shares subscribed to in the share class.

Subsection (4). If the board of directors has decided to issue shares without the right of dividend (e.g. coupon), the issue price and the price in case of redemption of such shares is set on the basis of the book value, cf. subsections (2) and (3), cf. subsection (1), after deduction of the value of the calculated and revised dividends for the preceding financial year (here "and the return on these in the period in which shares are issued without right of dividend" may be inserted for share sub-funds).

Subsection (5). The manager of the capital fund informs investors about the valuation and calculation of the book value, as well as of significant changes to information covered by section 62 of the Act on Managers of Alternative Investment Funds, etc. by making said information available on the capital fund's website.

## Issue and redemption

**Section 10.** The Board of directors decides on the issue of shares. The Board of directors may also decide on issue of shares without the right to dividend (e.g. coupon) from early/mid-January until the AGM. The annual general meeting shall, however, decide on the issue of fund units. Shares in the capital fund can only be subscribed to against simultaneous payment of the issue price, except when subscribing to fund units. For larger emissions of more than DKK 10 million, the manager may allow issue by contribution in kind of securities.

**Section 11.** The capital fund is open to redemption each business day.

Subsection (2). The capital fund may postpone the redemption of one or more sub-funds

- 1) when the capital fund cannot assert the book value due to market conditions, or
- 2) when, out of consideration of an equal treatment of investors, the capital fund only sets the redemption price when the capital fund has realised the assets required for the redemption of the shares.

### Liquidity Management Tools

**Section 12.** The Association may activate liquidity management tools with a view to managing subscription and redemption pressures and protecting investors' interests under extraordinary market conditions, or to ensure adequate liquidity and the protection of investors' interests under normal market conditions, so that subscriptions and redemptions do not unduly disadvantage other investors. Liquidity management tools may be applied where deemed necessary by the Association to protect the Sub-Fund's liquidity, ensure fair and equal treatment of investors and avoid the realisation of the Sub-Fund's assets under unfavourable conditions. The liquidity management tools available to each Sub-Fund are specified in the relevant Sub-Fund description. For a more detailed description of the framework and conditions for the use of each tool, reference is made to the Investor Information document.

*Subsection (2).* Dual pricing, also known as the dual pricing method. A more detailed description is provided in Section 13 of the Articles of Association.

*Subsection (3).* Anti-dilution levy. During periods including, but not limited to, market stress, high volumes of subscription, repurchase or redemption requests, or in the case of large individual or cumulative requests that may affect liquidity, a levy may be imposed on the unitholder or investor in order to compensate other unitholders or investors so that they are not unduly disadvantaged.

3)

### The double pricing method

**Section 13.** In sub-funds that use the dual pricing method, the issue price is set at the book value, cf. section 9, calculated at the time of issue, plus an amount to cover the cost of purchasing financial instruments and the necessary costs of issue, including administrative, printing and advertising costs as well as commissions for intermediaries and guarantors of the issue.

Subsection (2). The redemption price is set by the double-pricing method at the book value, cf. section 9, calculated at the time of redemption, minus an amount to cover the expenses from the sale of financial instruments and the necessary costs of redemption.

Subsection (3). The capital fund announces the issue price and redemption price every business day by making the information available on the capital fund's website.

## Annual general meeting

**Section 14.** The annual general meeting is the capital fund's highest authority.

Subsection (2). The annual general meeting is held at the capital fund's registered office or at a location chosen by the capital fund's board and manager, or held electronic without access to physical appearance.

Subsection (3). The annual general meeting is held annually before the end of April.

Subsection (4). Extraordinary general meetings are held at the request of investors who jointly own at least 5% of the total nominal value of shares in the capital fund/a sub-fund/a share class, or when at least two members of the Board of directors or the capital fund's auditor requests it.

Subsection (5). The annual general meeting is convened and the agenda announced with at least two weeks', and no more than four weeks', written notice or via email to all registered shareholders who have so requested, and by announcement on the capital fund's website and/or in the press at the discretion of the Board of Directors.

Subsection (6). The invitation shall specify the time and place of the meeting and the agenda, indicating which matters the annual general meeting will discuss. If the annual general meeting is to consider proposals for amendments to the articles of association, the essence of the proposal must be included in the invitation.

Subsection (7). The agenda and the complete proposals and, for the annual general meeting, the annual report with the auditor's certificate, must be made available to investors at least 2 weeks prior to the general meeting.

Subsection (8). Investors who wish to submit proposals for consideration at the annual general meeting must submit the proposal in writing to the Board of directors no later than six weeks before the general meeting.

Subsection (9). The Board of directors can decide that the Fund's annual general meeting should be held electronic without access to physical appearance. Participation in the annual general meeting will in this case take place by the internet on the Fund's website or alternatively another web address announced on the Fund's website.

**Section 15.** The Board of directors appoints a chairman to lead the annual general meeting. The chairman shall decide in all matters relating to the annual general meeting's legality, the negotiations and voting.

Subsection (2). The capital fund shall keep minutes of negotiations. The minutes must be signed by the chairman. The annual general meeting protocol or a certified copy must be made available to investors in the capital fund's office within two weeks from the general meeting.

**Section 16.** The agenda for the annual general meeting must include:

- 1) Presentation of the annual report, management report for the past financial year and any proposals for the use of proceeds from asset realisations, as well as approval of the board members' remuneration
- 2) Proposals made by investors or the board of directors
- 3) Election of members for the board of directors
- 4) Choice of auditor
- 5) AOB

**Section 17.** By presenting their access card, any investor in the capital fund has the right to attend the annual Access cards are requisitioned from the manager no later than 5 business days prior, against submission of the necessary proof of ownership of shares in the capital fund.

Subsection (2). Investors can only exercise their voting rights for the shares which, at least one week prior to the annual general meeting, have been noted in the investor's name in the capital fund's books.

Subsection (3). The powers exercised by the capital fund's annual general meeting fall to a sub-fund's investors as regards approval of the sub-fund's annual report, amendment of the articles of association's rules concerning the placement of sub-fund assets, the sub-fund's liquidation or merger and other matters relating exclusively to the sub-fund.

Subsection (4). The powers exercised by the capital fund's annual general meeting fall to a share class' investor as regards changes to the share class' particular characteristics, the share class' liquidation and other matters relating exclusively to the share class.

Subsection (5). Each investor has one vote for each DKK 100 nominal share. In sub-funds denominated in other currencies, the number of votes is calculated by multiplying the nominal value of the investor's number of shares with the officially set exchange rate against Danish kroner on the list of exchange rates published by the National Bank of Denmark 7 days prior to the annual

general meeting, and dividing the result by 100. The number of votes identified in such a manner is then rounded down to the nearest integer. However, each investor has at least one vote.

Subsection (6). Every investor has the right to attend the annual general meeting by proxy. The proxy must be presented signed and dated. Proxy for the Board of directors cannot be granted for more than one year and must be issued for a specific annual general meeting with an agenda known in advance.

Subsection (7). The annual general meeting shall decide by simple majority, except for the cases specified in section 17.

Subsection (8). There are no restrictions on voting rights.

Subsection (9). Voting rights cannot be exercised for the shares which a sub-fund owns in other sub-funds of the fund.

Subsection (10). The Board of directors decides whether the press will be allowed to make audio and video recordings at the AGM.

## **Changes of articles of associations, mergers, divisions and liquidations etc.**

**Section 18.** Decisions on amendments to the articles of association and decisions on the capital fund's liquidation, demerger or merger are only valid if adopted by at least 2/3 of both the votes cast and the share of the assets represented at the general meeting.

Subsection (2). Decisions to amend the articles of association's rules for placement of a fund's assets, a fund's liquidation, demerger, the transfer of a sub-fund or merger of the discontinuing unit at the annual general meeting fall to the sub-fund's investors. A decision on this is only valid if adopted by at least 2/3 of both the votes cast and of the share of sub-fund assets represented at the meeting.

Subsection (3). Decisions to amend the Articles of Association concerning a share class' specific characteristics and a share class' liquidation at the annual general meeting fall to investors in that share class. A decision on this is only valid if adopted by at least 2/3 of both the votes cast and of the share of the share class' assets represented at the annual general meeting.

Subsection (4). Decisions on merger for the continuing unit are made by the Board of directors, regardless of section 17, subsection (1).

## **The Board of Directors**

**Section 19.** The capital fund is managed by a Board of Directors elected by the annual general meeting, and consisting of at least three and at most six members.

Subsection (2). The Board of Directors elects its own Chairman and Vice-Chairman.

Subsection (3) Every year, the two longest-serving board members are up for election. If several board members have been serving for equally long, those up for election are found by draw. Members may be re-elected.

Subsection (4). Board members must resign no later than at the annual general meeting following the end of the financial year in which they turn 70 years of age.

Subsection (5). The Board of directors is competent to transact business when at least half, and at least three, of its members are present. Decisions are made by simple majority. In the event of a tie, the Chairman has the casting vote.

Subsection (6). Board members receive an annual remuneration to be approved by the annual general meeting.

**Section 20.** The Board of directors must ensure that the capital fund's activities are performed properly in accordance with the law and the articles of association, which includes ensuring that accounting and asset management is monitored satisfactorily.

Subsection (2). The Board of directors is authorised to make such changes to the capital fund's articles of association as are made necessary by changes to the law or required by the Financial Supervisory Authority.

Subsection (3). The Board of directors may establish new sub-funds and is authorised to implement the necessary changes to the articles of association. Furthermore, the Board may create new share classes, cf. section 7, subsection (3), nos. 1-8.

Subsection (4). The Board of directors decides whether the capital fund must submit an application for admission for trading of shares in one or more sub-funds or share classes in a regulated market.

## Administration/manager

**Section 21.** The Board of directors must appoint a manager authorised to manage alternative investment funds, cf. the Act on Managers of Alternative Investment Funds. The Board of directors may decide to change the fund's manager.

Subsection (2). The manager constitutes the capital fund's daily management.

Subsection (3). On the capital fund's website, the manager publishes the information and any significant changes to this which must be made available to investors in accordance with the Act on managers of alternative investment funds, etc.

Subsection (4). The manager can decide that the manager will refund an amount to certain depending on the size of the investments made by the investor in the funds managed by the manager.

## Powers to bind

**Section 22.** The capital fund is represented by:

- 1) two members of the board in unison, or
- 2) one board member and a member of the manager's executive board.

Subsection (2). The Board of directors may grant powers of procuration.

Subsection (3). The Board of directors decides who exercises voting rights over the capital fund's financial instruments.

## Costs

**Section 23.** Each of the capital fund's sub-funds and share classes bear their own costs.

Subsection (2). By joint expenses is meant the costs that cannot be attributed to individual sub-funds or share classes, cf. subsection (1).

Subsection (3). Joint costs are shared between sub-funds/share classes, taking into account both their investment and administrative expenses during the period and their average assets during the year.

Subsection (4). If a sub-fund or share class has not existed for the full financial year, it bears a proportionate share of the joint expenses.

## Depositary

**Section 24.** The capital fund's financial assets are managed and held by a depositary authorised to act as a depositary.

Subsection (2). The Board of directors decides on the choice of depositary.

Subsection (3). The capital fund is exempt from liability if the laws of a third country requires that certain financial instruments are held in custody by a local entity, and there are no local entities which satisfy the delegation requirements in the Act on managers of alternative investment funds, etc. Section 54, subsection (2), no. 5.

## Annual report, audit and profits

**Section 25.** The capital fund's financial year follows the calendar year. For each financial year, the capital fund's board of directors presents an annual report in accordance with the Danish UCITS' current legislation, consisting as a minimum of a management's review and a management's statement for the capital fund and a financial statement for each sub-fund consisting of a balance sheet, an income statement and notes, including disclosure of accounting policies. Statement of accounting policies may be developed as a joint presentation for the sub-funds. Information contained in the management's review, which is the same for all of the capital fund's sub-funds, may be presented at the fund level with a clear and precise indication of the information being common to all the sub-funds of the capital fund.

Subsection (2). The capital fund prepares semi-annual reports for each sub-fund, including income statement for the period 1 January to 30 June and a balance sheet per 30 June.

Subsection (3). The capital fund may present the annual report and semi-annual reports in English.

Approved by the Board of Directors of the Fund by electronic signature