

# INVESTOR INFORMATION

Sub-fund Formuepleje Penta  
KL

## **Responsibility for Investor Information**

As the Manager of Kapitalforeningen Formuepleje Penta, 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 2 May 2024

Formuepleje A/S

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Manager

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Legal Advisor

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## INTRODUCTION

This document, entitled Investor Information, has been prepared by Formuepleje A/S (Manager), which manages Kapitalforeningen Formuepleje Penta (The Fund), in compliance with section 62 of the Danish "lov om forvaltere af alternative investeringsfonde m.v." (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 Penta  
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: 24.024  
CVR no.: 35 40 14 07

## Formation

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

The Fund comprises the Sub-fund:

Formuepleje Penta KL  
SE number: 33 49 06 90  
ISIN code: DK0060498343  
FSA (FT) number: 24.024-1  
(hereinafter: the Sub-fund)

## MANAGER OF THE FUND

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

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

Subject to special terms set out in 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 currently entered into agreements with third parties in the following areas:

- Marketing and arrangement of sales of investment certificates

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 AND COMMUNITY 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.

As a manager and investment adviser, the Manager has a long tradition of building a real community of interest between the Fund's investors and the Manager. Since May 1, 1988, when the first investment fund was launched by the Manager, the community of interest has been a prioritised focus area, which is reflected in, among other things:

1. The fee model
2. Owners and management invest in the same solutions as the Fund's investors
3. Independence of trade interests
4. Transparency

The Fund's fee model is described in the section "Material agreements and costs". The Fund's fee to the Manager must support that the Fund has an absolute return target of a long-term, high return. This is reflected in the fact that the Fund must pay the Manager less if the return is low and more if the return is high. A High-Water Mark (HWM) model is also used, which means that the Manager's fee is reduced until the price exceeds HWM again.

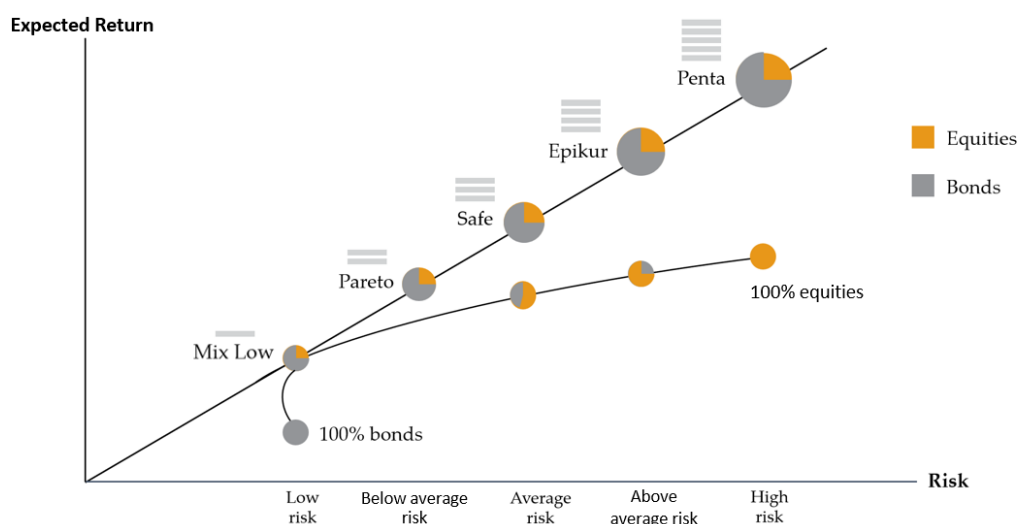
Since its founding in 1986, Formuepleje has had a tradition of both owners and management as well as the majority of employees investing in the same solutions as customers, and thus in the funds for which Formuepleje is the manager and advisor. And on the same terms offered to the Funds' investors, of course. This was further formalised in 2021, where all owners of the parent company in the Formuepleje Group, FP Kapital A/S, were required to have a significant investment in Funds managed by the Manager.

The Manager has also minimised 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 has a tradition of presenting all costs incurred by the Fund as well as the return for managed funds, including funds with balanced investment solutions. Furthermore, 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 Manager's interests policy can be found at [www.formuepleje.dk](http://www.formuepleje.dk).

## OBJECT

The Fund aims to create a high, long-term return for the Fund's investors. The Fund's return shall be achieved such that the risk of loss over a 24-36 month period is the same or lower than the risk of loss for an un-leveraged balanced index portfolio in the risk category "High Risk", which is the investor's risk alternative. The Fund's risk classification measured by the 24-36 months risk of loss is supplementary to the official risk classification (according to the PRIIPs Regulation<sup>1</sup>) listed below under the heading Risk Classification (PRIIPs) and may deviate from this. The Fund will typically use gearing to achieve a higher long-term return at the same loss risk as for the un-g geared index portfolio. As a result, the Fund's proportions of shares and bonds may be higher than for the non-g geared index portfolio in the "High Risk" risk category. This is illustrated in the chart below, which shows how balanced portfolios traditionally invest by investing in an ungeared combination of shares and bonds (the curved line). The Fund invests in a low-risk portfolio (Mix Low), which is geared to a loss risk level corresponding to High Risk for an un-g geared index 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.

As is shown above, a higher return is to be expected for the Fund compared with the return for the un-g geared index portfolio for High Risk.

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. Therefore, the Fund must be expected to deliver higher returns after accounting for all costs.

An un-g geared index portfolio in the risk category "High Risk" is defined as a portfolio consisting of: 100% global shares.

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.

<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).

The Fund's purpose in terms of return and risk of loss is expressed below:

**Return:**

- The primary goal is to deliver a high long-term return that exceeds a hurdle rate of 7% p.a. after all costs.
- In the long term, a higher return for the Fund than the investor's risk alternative is to be expected, which is a secondary objective.

**Risk of loss**

- The same risk of loss as the investor's risk alternative over a 24-36 month term should be expected
- For shorter horizons, the risk of loss may be higher than the investor's risk alternative.

It is noted that the investors' risk alternative for High Risk (also referred to as the loss risk index) is defined as an un-gearred index portfolio composed of:

- 100% global shares

The Fund's long-term hurdle rate is 7% per annum after all costs. This is determined based on the long-term return expectations of the Council for Return Expectations (RFA).

If the long-term expected returns from RFA change significantly, the Fund's hurdle rate may change. A review of the Fund's hurdle rate is made once a year in connection with the assessment of the agreement basis with the Manager.

The Fund may invest in liquid securities and financial contracts, including shares, bonds, financial instruments and currency, as well as other financial instruments covered by Annex 2 to the Danish Lov om fondsmæglerselskaber og investeringsservice og -aktiviteter (FIA) (the Act on Investment Firms and Investment Services and Activities). In addition, investments can be made in other funds that meet the same criteria for securities and financial contracts.

**Risk classification (Priips):**

At the time of publication of the investor information, the risk of investment in the Fund is considered to have an official risk classification (according to the PRIIPs Regulation) corresponding to a risk indicator of 5. For more details, see below under the section on "Risk conditions and risk scale". The latest official risk classification calculated at any given time can be found in the key information document available at [www.formuepleje.dk](http://www.formuepleje.dk).

## **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-authorized 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.

April 3 <sup>rd</sup> , 2024	Annual Report 2023
April 22 <sup>nd</sup> , 2024	Ordinary general meeting
August 27 <sup>th</sup> , 2024	Semiannual report for H1 2024

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

### Assets

As of December 31, 2023, the Fund's total assets amounted to: DKK 6.1 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 PENTA KL

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

However, the sub-fund is primarily aimed 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 with a loss risk corresponding to the risk category "High Risk" (see description under "OBJECT"). Other investors should only invest based on concrete advice.

Despite the fact that the Sub-fund's loss risk is comparable to an ungeared index portfolio in the "High Risk" category, the Sub-fund is a complicated 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 5 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 connection with the investor's other investments and specific tax situation, which is why specific advice on this is recommended.

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

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

### ***Taxation of investors***

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

### ***Investors domiciled in Denmark***

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

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

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

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

### ***Investors not domiciled in Denmark***

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

Such investors are not subject to taxation on gains or losses on the unit in Denmark. 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 invests on the basis of a principle of an absolute return target. The Sub-fund has a long-term goal of a return that exceeds the hurdle rate of 7% p.a. after all costs.

The Sub-Fund has no benchmark.

This long-term return target must be seen in the context of investors' un-gearred alternative at the same loss risk, namely:

- 100% Global Share Index

The above unleveraged index portfolio is comparable in terms of risk to the Sub-Fund as the risk of loss is expected to be the same over 24-36 months.

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 Sub-fund may use a fund of funds strategy.

The Sub-fund primary investments are in shares and bonds. The investments can both be directly in shares and bonds, but also indirect through units in UCITS, capital associations, AIF securities funds, other alternative investment funds and foreign (non-Danish) UCITS. The Sub-fund may also invest in other financial instruments that are settled 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.

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.

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<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 and total return swaps 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 and 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>
Risk related to financing situation	<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 investment markets	<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-Funds' advisory agreements and investment policies, internal controls, and the authorisation to use derivatives (derivative financial instruments).</p>

Risks related to investment decisions	<p>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.</p>
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> <p><u>Currency risk</u></p> <p>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</p>

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

	Timing of investments		Absolute
	Lower	Upper	Upper
<b>Investment area (Geographical)</b>			
No restrictions			
<b>Investment area (Instruments)</b>			
<i>Equities</i>			
Largest single stock in % of the equities portfolio.	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 %	130%	
<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%	500%	
Exposure against Swedish mortgage credit bonds as a percentage of assets. Hereof maximum 10% of the assets may be an open position, the rest of the exposure must be financed in SEK or hedged in DKK or EUR.	0 %	180%	
Other bonds as a percentage of assets.	0 %	10%	
<i>Derivatives</i>			
Hedging of exchange rate risks	0 %	100%	
<i>Alpha</i>			
Exposure as a percentage of assets.	0 %	13%	14.95%
<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 %	1450%	
Long positions as a percentage of assets <sup>2</sup> .	0 %	500%	
Loans as a percentage of assets <sup>3</sup> .	0 %	500%	
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 above risk frameworks 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.
- 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 13% 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 14.95% 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 1,500% of the Sub-fund's total assets, and 1,450% 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 500% 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 and loss risk index**

The Sub-fund's risk profile measured by loss risk can be compared with an un-gearred global share index portfolio with a High Risk (hereinafter referred to as the loss risk index), cf. the description under "OBJECT".

The loss risk index reflects an un-gearred global share index portfolio that has the same loss risk as the Sub-fund measured over 24 months with 95% certainty. Return on the Sub-fund will have a larger standard deviation compared to the standard deviation of the return for the Loss Risk Index. On the other hand, the Sub-fund has a higher expected long-term return. Over a period of 24 months or longer, the higher expected return compensates for the higher standard deviation, so that better wealth preservation can be expected in the event of large and persistent price declines.

The Sub-fund's loss risk index is:

100% NDUEACWF          MSCI World All Countries NR

The Sub-fund's and loss risk index's return for the past 10 years is shown in the table below:

	Sub-fund	Index
2023	19,87 %	18,35%
2022	-33,3%	13,0%
2021	15.4%	27.4%
2020	3.1%	6.2%
2019	33.7%	29.1%
2018	-2.0%	-4.6%
2017	15.2%	9.0%
2016	21.6%	10.7%
2015	9.2%	9.0%
2014	13.3%	18.4%

Source: Bloomberg and Formuepleje A/S

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

### **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 Penta 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 Penta KL: DK0060498964

### **Paying agent**

Formuepleje A/S  
Værkmestergade 25, 8.  
DK-8000 Aarhus C, Denmark  
Tel.: +45 87 46 49 00  
Fax: +45 87 46 49 01

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.:	0.50%
Marketing, etc.:	0.00%
Subscription, sales and guarantee commission, etc.:	0.00%
Total:	0.50%

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

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

## **Delivery of purchased units**

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

## **Redemption**

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

Redemption shall be 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.:	0.50%
Marketing, etc.:	0.00%
Subscription, sales and guarantee commission, etc.:	0.00%
Total	0.50%

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

Redemption may be suspended at the discretion of the Manager if it is assessed, for instance, that the Fund cannot determine the net asset value due to market conditions, or if, to ensure equal treatment of

investors, the Fund does not determine the redemption price until the Fund has realised the assets required for redemption of the units. Any suspension and resumption of redemption after suspension will be published via Nasdaq Copenhagen A/S and on the Fund's website.

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

The Fund's units are offered as a tap issue through 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 Manager also maintains the Fund's register of investors in which the registration by name of the Fund's units is made.

The Sub-fund in the Fund pays a fixed fee of 0.22% of the assets as remuneration for the Manager's administration services. Remuneration is calculated and invoiced monthly in arrears corresponding to 1/12 of 0.22% = 0.018333% of the net assets of the Sub-fund, before the Manager's fixed fee and performance fee. The fee is calculated at the end of each month on the basis of the Sub-fund's assets, which are calculated at the official closing price on the third-to-last trading day of each month. The fee is settled on the second-to-last trading day of each month.

The remuneration to the Fund covers the payment of the daily handling and management of the fund including but not limited to: The legal services of the Fund, customer inquiries, valuation and pricing, compliance, issue and redemption of shares, establishment of agreements etc.

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

The Manager has drawn up a policy for conflicts of interest to meet the potential conflicts of interest that may arise in connection with the delegation. The current policy for handling conflicts of interest can be accessed via the Fund's website.

The Fund's additional costs, including among other: costs related to the board of directors, accountants, the Danish Financial Security Authority and other public authorities, stock market, holding of the general meeting, register of shareholders, market making, VP Securities A/S, fees to the custodian due to depositary services etc. and usually bank services, are all hold be the Fund itself.

### ***Investment advisory services***

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

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

A fixed fee for the management and a variable performance fee are paid as remuneration for the advisory service. The performance fee can be positive or negative.

The management remuneration includes but is not limited to payment of portfolio management in the Sub-funds of the Fund, monitoring of risks and control of the Sub-funds in the Fund, investment analyses and screenings, index data and market data for the purpose of analysis and reporting, development of model

portfolios, execution of trade within the best execution framework. ESG analyses/screenings/reporting/evaluations, evaluation and control of the performance by external sub-advisors, general market analysis, general marketing of the Sub-funds of the Fund, including customer analyses to the usage of marketing along with general marketing information. Formuepleje itself determines its marketing initiatives in relation to promoting the sale of the units of the Fund, and the Fund can alongside Formuepleje initiate its own marketing of the units of the Fund.

#### Fixed fee (Management remuneration)

The fixed 2.78% p.a. of the Sub-fund's net assets, before the Manager's fixed fee and performance fee, and is settled monthly, cf. below under Crystallisation frequency. To avoid misunderstandings, it should be emphasised that the fixed fee is calculated before settling any fixed fee for the management of the Fund.

The fixed fee must be viewed in connection with the fact that the Sub-fund's average assets over a 10-15 year period are expected to constitute 500% of the net assets. Added to this are investments in hedging strategies and handling liabilities and risk hedging instruments. This corresponds to a cost per AuM krone of  $2.78\% / 5 = 0.556\%$  pa of the average AuM. When the fixed fee is set, the active management of assets, liabilities and investment in hedging instruments are accounted for. Furthermore, the Manager does not receive transaction earnings from the Fund's securities dealers, including currency and financial contracts. Additionally, there is no double payment in the situations where the Fund invests in other funds managed by the Manager. The same applies to trades via related parties.

The fact that a fixed fee is paid on the net assets (before performance fees) supports a common interest between the Manager and the Fund that gearing is only done if it creates value for the Fund.

The fixed payment must also be seen in the light of the Manager reimbursing any advisory costs for the funds in which the Fund has invested – including funds not managed by the Manager. If these funds are also managed by the Manager, corresponding administrative costs are reimbursed, with the Manager accruing the net amount. This amounts to a principle that supports a community of interest between the Manager and the Fund, as the Manager is only paid for the service once.

#### Variable performance fee

The performance fee, which can be positive or negative, is triggered if the Sub-fund's return differs from the High Water Mark (HWM). Specifically, the performance fee is calculated as:

Performance fee =  $10\% * [\text{Net asset value before (t)} - \text{HWM (t)}] * \text{Circulating units (t)}$

=  $10\% * [\text{Net asset value (t)} - \text{HWM (t)}] / 0.9 * \text{Circulating units (t)}$

- (t) indicates the time of settlement,
  - Net asset value before (t) indicates the Sub-fund's net asset value at the time of settlement of the performance fee, plus non-settled performance fee per Sub-fund unit
  - HWM (t) indicates HWM immediately after the performance fee was last settled
  - Net asset value (t) is the Sub-fund's net asset value after all costs at time (t) and is the Sub-fund's official net asset value.

If the return is smaller (previously non-settled performance fee), a negative performance fee is triggered – and vice versa, cf. this in more detail below.

The new HWM valid after settlement time (t) is determined as:

HWM (t+1) = the higher of:

$$[\text{Net asset value (t)}] * [1 + 7\%^{(1/12)}]$$

or

$$\text{HWM(t)}$$

HWM can therefore never be reduced.

### Elaborating on hurdle rate

.The Sub-Fund's hurdle rate of 5% p.a. is determined on the basis of return expectations for the next 10 years from the Council for Return Expectations (RFA), which is used to calculate an expected annual return for a comparable leveraged index portfolio including loan financing.

Over a 10-15 year business cycle, the Sub-Fund is expected to have an average market exposure equivalent to 240% of net assets. A comparable market return would therefore be approximately 240% invested in an index portfolio consisting of 25% equities and 75% bonds, including loan financing.

The Sub-Fund is actively managed and it is expected that the Sub-Fund's return after all costs will exceed the hurdle rate in the long term

### Settlement of performance fees is elaborated below:

As of 1/1/2023, settlement has been made with a hurdle rate set at 7.00% p.a.

The hurdle rate is added to the Sub-fund's net asset value from the last time the performance fee was settled.

Immediately after settlement of a positive performance fee, HWM is revalued to the Sub-fund's net asset value at the time of settlement plus 7% p.a. until the next settlement date. Settlement is made monthly.

If, at the time of the monthly settlement, the Sub-fund's net asset value is 200.00 (including settlement of performance fee) at the time of a positive settlement of the performance fee, the new HWM =  $200.00 * (1+7\%)^{(1/12)} = 201.13$  at the next settlement date one month later, cf. below.

If the performance fee is negative, the principle is similar, but HWM will never be able to drop.

### **Positive performance fee; Net asset value is higher than HWM – and regulation of HWM**

If the Sub-fund's net asset value is higher than HWM after all costs, a positive performance fee must be settled. The performance fee is then calculated as:

10% of the difference between the Sub-fund's net asset value plus non-settled performance fee per Sub-fund unit and HWM.

The above result multiplied by the Sub-fund's number of units at the time of settlement will then correspond to the performance fee for the month.

In the event of a positive performance fee, a maximum amount can be paid that corresponds to the Sub-fund having paid a cumulative 7% in performance fees of the Sub-Fund's average net assets over the last 12 months.

HWM is revalued after settlement of performance fees to the net asset value which corresponds to the Sub-fund's net asset value at the time of settlement of the performance fee, plus 7% p.a., until the next settlement date one month later.

This settlement principle means that the long-term investor immediately pays a performance fee, which corresponds to the return that they have achieved.

### **Negative performance fee; Net asset value is lower than HWM – and regulation of HWM**

If the Sub-fund's net asset value is lower than HWM after all costs, a negative performance fee is settled, which the Manager offsets in the fixed fee that the Manager receives monthly. The performance fee is then calculated as:

10% of the difference between the Sub-fund's net asset value plus non-settled performance fee per Sub-fund unit and HWM.

The above result multiplied by the Sub-fund's number of sub-fund units at the settlement date will then correspond to the performance fee for the month (which will be negative).

HWM at the next settlement (one month later) is determined as the higher of the most recent HWM and the Sub-fund's net asset value at the time of settlement of the performance fee, plus 7% p.a. until the next settlement date.

The negative performance fee may not exceed 0.75% p.a. of the Sub-fund's net assets – and a maximum of 1/12 of this per month. If a situation arises in which this limitation comes into force, the new HWM(t+1) for the next time of settlement is determined as follows at the monthly settlement, as whichever is the higher of:

The old HWM(t)

or

Net asset value(t) revalued by +7% p.a. until the next time of settlement.

In the example of a negative performance fee, the new HWM(t+1) (one month later) will be above the Sub-fund's net asset value(t) and at least on a par with the old HWM(t). A discount can therefore be expected at the next settlement, unless the Sub-fund's net asset value at the next settlement reaches the level of (or exceeds) the new HWM.

In a situation where a negative performance fee is settled only by what corresponds to the maximum negative performance fee for a settlement period:

- The long-term investor will therefore experience a staggering of periods in the payment of the negative performance fee, as the negative performance fee is repeated in the coming periods, until the Sub-fund's net asset value exceeds HWM again.
- New investors who buy units in the Sub-fund may benefit from the net asset value being below HWM, but this is not taken from the Sub-fund's other investors, as the Manager's payment in the form of a negative performance fee to the Sub-fund instead increases if net assets increase, and the Sub-fund's net asset value continues to be below the new HWM at the next time of settlement.
- Investors who want to sell units in the Fund will, however, miss out on a possible future negative performance fee, as the first increases in the Sub-fund's net asset value do not trigger a positive performance fee.

For the Manager, this means that even in an extreme market situation, there will continue to be a minimum current income, so that considerable resources can continue to be allocated to the management of the Fund's assets.

The table below shows a made up example of the significance of different return developments for the settlement of fixed fees and performance fees, over a period of six months.

	End of December	End of January	End of February	End of March	End of April	End of May	End of June
Return before fixed and variable costs -> -> -> -> ->		0,50000%	1,00000%	0,50000%	1,00000%	0,50000%	1,00000%
<b>New model</b>							
HWM	200,00	201,13	201,69	203,17	203,74	205,22	205,80
Net asset value before costs		201,00	202,57	203,03	204,62	205,09	206,69
Net asset value after fixed costs		200,50	202,06	202,53	204,10	204,58	206,17
Net asset value after all costs (IV)	200,00	200,5608	202,02	202,59	204,07	204,64	206,13
Fixed fee		0,503	0,506	0,508	0,512	0,513	0,517
Variable fee		-0,063	0,037	-0,064	0,037	-0,065	0,037
Fixed monthly payment from Manager	0,00	- 20.000,00	- 20.000,00	-20.000,00	-20.000,00	-20.000,00	-20.000,00
Fee in total (price point)		0,4388	0,54253	0,44321	0,54802	0,44769	0,55356
total fee I % of IV		0,21877%	0,26855%	0,21877%	0,26855%	0,21877%	0,26855%

Note: Administration fees paid to the Manager are included in the calculations.

As shown in the table above, HWM can never drop below a previous HWM, even if a negative performance fee has been settled.

### **Crystallisation frequency (settlement period) and the period in between**

Settlement of fixed fees and performance fees takes place monthly at official closing prices on the third-to-last trading day of the month (crystallisation frequency).

Within a settlement period, provisions are made daily for both fixed fees and positive or negative performance fees so that the Sub-fund's net asset value reflects a correct value on a daily basis.

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

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

The calculation method and principles for this are described in more detail in the management agreement and associated appendices between the Fund and the Manager. From this, it also appears that the transition to a new settlement method (January 2022) cannot result in the Fund paying more on an annual basis than the Fund was obliged to under a previous agreement.

### **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.

### **Marketing of the Fund**

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

There is no separate fee for distribution of the Fund. The relevant agreement is governed by the advisory agreement with the Manager. In contrast, the Fund pays for general marketing as a part of the management fee - this is described further in the section on Investment advisory services.

### **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 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, 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.

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

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<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.



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.

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 and Henry Høeg  
Værkmestergade 25, 8.  
DK-8000 Aarhus C, Denmark  
CVR no. 18 05 97 38

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

Formuepleje A/S  
Management, Peter Kjærgaard and Henry Høeg  
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  
CRN (CVR) 30 70 02 28

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

Danske Bank A/S  
Holmens Kanal 2-12  
DK-1092 Copenhagen K  
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.

