

Investor information for
Kapitalforeningen Investin

Sub-fund

CABA Hedge KL

Published 31 May 2024

Investor information under Section 62 of the Danish Alternative Investment Fund Managers, etc. Act.

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INVESTMENT IN KAPITALFORENINGEN INVESTIN – CABA HEDGE KL

The legal consequences of an investor investing in one or more units of a sub-fund together are generally equivalent to any other investment in an ordinary security. When registering the unit, the investor will own a proportional share of the sub-fund to which the investment corresponds.

Liability

The investors of the fund are solely liable for their deposits, and furthermore, the investor has no liability for the obligations of the fund. Units are freely transferable and negotiable within the investor base as set out in the articles of association. No units have special rights. No investor in the fund is obliged to redeem his or her units.

Fair treatment of investors and potential preferential treatment

The manager supports fair treatment of investors in each sub-fund. No investor is given preferential treatment.

All investors will in principle have the same rights with respect to matters affecting all of the investors in the fund. For matters relating solely to investors in a single sub-fund, all investors in the sub-fund will have the same rights.

In connection with order management, there are processes to ensure that all sub-funds in the fund are treated uniformly and fairly. Therefore, trades in the same securities are issued at the same time for all sub-funds, provided that the investment decision has been made simultaneously. Special situations may arise where all sub-funds do not trade simultaneously due to circumstances over which the manager has no influence.

The manager exercises the greatest care to treat each sub-fund and its investors fairly. However, it must be emphasised that, regardless of the efforts made, it is not always possible to achieve the same treatment for all investors. The manager has processes in place to handle such situations in the best way possible.

Negotiability and tradability

The fund units are negotiable instruments, and there are no restrictions on the transferability of units.

Dissolution

The Board of Directors may propose to the investors a resolution to dissolve a fund or a sub-fund. Such a proposal may, for example, be due to an insufficient capital basis or potentially outdated investment areas in the fund or the sub-fund.

For the adoption of a resolution to dissolve, merge or split a sub-fund, the resolution must be agreed to by both at least two-thirds of the votes cast and by the portion of the wealth of the fund or sub-fund represented at the Annual General Meeting.

Transfer

There are no special rules applicable to the transfer of investors from one sub-fund to another in the fund. Transfer is considered to be a redemption with subsequent issue under general terms.

Voting rights

The investors in the sub-fund will have one vote for each unit at DKK 100. The right to vote may be exercised if the unit is registered by name in the fund's register of investors one week before the Annual General Meeting.

No voting restrictions apply.

Rights

No units have special rights.

Changing risk frameworks and investment strategy

Within the framework of the fund's articles of association, the directors may change the risk framework and investment strategy on an ongoing basis. If the requested changes are outside the framework of the articles of association, the Board of Directors will propose a change to the fund's articles of association at an ordinary or extraordinary general meeting.

Jurisdiction, choice of law and security interests

The legal consequences of investing in units of the fund are described above. The fund is established in Denmark and subject to Danish law.

Any purchase or sale of units of the sub-funds of the fund will accordingly be subject to Danish law and jurisdiction. This means that a lawsuit must be brought before a Danish court under Danish legal rules.

The sole condition applicable to security interests under Danish law is that beneficial ownership registration of units, like all other securities, must take place into or out of the fund's security depository to or from an owner's depository. Custody is assumed to be in a Danish custodian credit institution.

There are no other associated special security interests.

The investor is encouraged to seek individual advice on his or her own investment and tax circumstances.

THE FUND

Name and address

Kapitalforeningen Investin
Hørmarken 2, 2., 3520 Farum

The registered office of the Fund is the Municipality of Furesø.

Registration number

Danish Financial Supervisory Authority
registration no.: 24.046 CVR no.: 32 83 15
32.

Establishment

Kapitalforeningen Investin was established on 12 March 2010. At its Annual General Meeting on 28 March 2014, the fund changed its status to a capital fund according to the rules of the Danish Alternative Investment Fund Managers, etc. Act.

The fund comprises the following sub-funds:

- K Invest Europæiske Banklån
- CABA Hedge KL
- SRV – Fixed Income akk. KL
- Marselis Credit Fund Akk. – KL
- Marselis Corporate Bonds Akk. – KL

Purpose

According to the provisions of the articles of association, the purpose of the fund is to create a return for one or more investors in the fund by investing in liquid assets, including currency or financial instruments covered by Appendix 5 to the Danish Financial Business Act.

Base currency of the fund

DKK

Articles of association and annual reports

The fund's articles of association may be found on the fund's website cabacapital.dk/caba-hedge-kl.

The annual report of the fund will be submitted in accordance with the rules in the Danish Financial Statements Act, completed with the necessary modifications relating to the fund's special activity. The financial year follows the calendar year. The articles of association and annual reports shall be provided upon request by Fundrock Asset Management Denmark ApS. .

The funds in each sub-fund are managed and accounted separately. Separate financial statements are provided for each sub-fund. The administrative costs that cannot be allocated directly to the individual sub-fund shall be distributed among the sub-funds according to the relevant rules of the articles of association.

Assets

At the end of April 2024, the fund's assets were DKK 7.24 billion.

CABA HEDGE KL**Resolution to set up**

The decision to set up the sub-fund CABA Hedge KL was adopted at the meeting of the Board of Directors on 31 March 2017.

Purpose of the sub-fund

The purpose of the sub-fund is to provide a positive return. There is no guarantee that the target will be achieved.

Investment area

The sub-fund invests in government and mortgage bonds as well as bonds with equivalent collateral including covered bonds and covered mortgage bonds. At the time of investment, the bonds must have at least an AA rating from S&P or an equivalent rating from Moody's or another internationally recognised credit rating agency.

The sub-fund may also invest in rated and non-rated Danish junior covered bonds, and place its funds in money market instruments as mentioned in Appendix 5 to the Danish Financial Business Act.

The sub-fund may deposit cash in a credit institution in a country within the European Union or in a country with which the Union has entered into agreements in the area of finance.

The sub-fund may deposit its assets in a pledge account with the fund's depository in connection with leverage.

Investment strategy

The sub-fund predominantly invests in mortgage bonds in Denmark and Sweden and hedges its risk in the sale of, among other things, government bonds and swaps. Minimal interest rate and exchange rate risk will be sought.

The sub-fund makes use of leveraging, and the invested capital is used, among other things, for collateral.

Risk is also associated with non-measurable, unexpected events that affect investors' risk appetite. The risk and leverage in the sub-fund will vary over time due to the portfolio manager's assessments of the investment opportunities at any given time.

The sub-fund's investments are made within the following limitations:

The sub-fund may place a maximum of 700% of the sub-fund's assets in the same bond issue.

The currency exposure of the sub-fund in SEK and GBP shall be hedged to DKK or EUR. The sub-fund may gain a maximum FX exposure of $\pm 20\%$ of the sub-fund's assets for each currency.

The asset types and financial instruments mentioned must be denominated in DKK, SEK, NOK, EUR or GBP.

At the time of investment, the bonds must have at least an AA rating from either S&P, Moody's or another internationally recognised credit rating agency.

The spread risk for the sub-fund may not exceed 52% at any time. This means that the assets may fall by no more than 52% in the event that the yield spread widens by 1 percentage point.

Information according to the Sustainable Finance Disclosures Regulation

Until further notice, the sub-fund is categorised as an Article 6 investment fund according to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (Sustainable Finance Disclosures Regulation).

The sub-fund does not include sustainability risks or other sustainability aspects in its investment decisions. Nor are separate analyses or assessments of the impact of sustainability risks on the return made, other than that the sub-fund's return will reflect the sub-fund's investment strategy to invest predominantly in Danish and Swedish mortgage bonds and, in connection with this, make use of both leverage and hedging as described in the above "Investment strategy" section of this investor information – with the ESG risks this entails.

Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

Information under the Taxonomy Regulation

The investments underlying financial products do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Derivative financial instruments

The sub-fund may use derivative financial instruments for the purpose of leverage, risk hedging and optimisation of the sub-fund's return/risk profile, including repo and forward transactions for leverage and for short-term transactions, European government and mortgage bonds as well as bonds with equivalent security, including covered bonds, covered mortgage bonds.

Loans

The sub-fund may take out loans in accordance with the applicable legal regulations.

The sub-fund may borrow up to 2,000% of the sub-fund's assets as part of its investment strategy, as well as to obtain the necessary liquidity to redeem investors' units, and for temporary financing in the case of a reorganisation of the sub-fund's investments or to exercise granted subscription rights.

Leverage

Leverage will be recognised according to the gross and commitment method as defined in Commission Delegated Regulation no. 2013/231/EU. Leverage is expressed as the ratio of an AIF's exposure (including derivative financial instruments), where exposure corresponds to an equivalent position in the underlying asset, relative to the total assets. 100% means that the AIF is fully invested in non-leveraged securities.

The two methods for determining leverage targets are set out in legislation. Leverage under the gross method is recognised as exposure to all positions (excluding cash in base currency) relative to total assets. Leverage under the commitment method is recognised as exposure to all positions (including cash) relative to total assets. Under the commitment method, the level may be reduced as the regulation allows for the possibility of reducing exposure through the netting or exclusion of exposure from positions used solely for risk hedging.

The maximum leverage levels for the sub-fund are:

Gross method: The maximum level of leverage for the sub-fund calculated using the gross method: 22,000%.

Commitment method: The maximum level of leverage for the sub-fund calculated using the commitment method: 22,000%.

The sub-fund may borrow up to 2,000% of the sub-fund's assets as part of its investment strategy, as well as to obtain the necessary liquidity to redeem investors' units, and for temporary financing in the case of a reorganisation of the sub-fund's investments or to exercise granted subscription rights. Leverage is recognised as the market value of long positions in bonds divided by the sub-fund's total assets.

Benchmark

The sub-fund does not use a benchmark.

Risk factors

In particular, investors should be aware that base risk, financing risk, leverage risk, credit risk, liquidity risk, counterparty risk, yield and bond market risk, cash risk, credit/yield spread risk, issuer-specific risk, withdrawal risk, currency risk and valuation risk can affect the value of investment in the sub-fund.

The individual risk factors are described in more detail in the section "Risk conditions and classes".

Valuation of assets

Assets are valued in accordance with the accounting provisions in the Danish Alternative Investment Fund Managers, etc. Act with the selection of the accounting provisions in the Danish Investment Associations, etc. Act.

Bonds and derivative financial instruments are measured at fair value for the first time on the day of trading and then continuously at fair value. However, the fair value of drawn bonds is measured at the present value of the bonds. Cash is recognised at its notional value.

The fair value for bonds, bank loans and derivative financial instruments is calculated using generally accepted valuation techniques. These techniques include the use of similar recent transactions between independent parties, reference to other similar instruments and an analysis of discounted cash flows, as well as options and other models based on observable market data.

Distribution

The sub-fund is accumulating and will not make distributions, as net profit is appropriated to increase the sub-fund's assets.

Investor profile/typical investor

CABA Hedge KL W is intended for institutional investors, professional investors and semi-professional investors. As a result of the investor profile, the investor must commit to invest for a minimum of EUR 100,000.

An investment in the sub-fund is recommended to be included only as a limited part of a larger well-diversified portfolio. The investor should have an investment horizon of at least four years.

The sub-fund is best suited to forms of investment that would not have any tax disadvantages in terms of mark-to-market taxation, cf. the section on tax regulations.

Tax regulations

The sub-fund is not generally taxable as it is covered by section 3(1) no. 19 of the Danish Corporation Tax Act. However, dividends received from Danish companies and equity-based investment sub-funds are taxed at 15%, cf. the same provision.

Tax regulations for investors:

In the case of free funds, tax will be paid on returns on the units according to the tax rules for unrealised gains on securities. This means annual taxation of both realised and unrealised gains and deductions for any losses. For investors subject to the Danish Personal Income Act this tax is paid as capital income and for companies it is paid as corporate income.

In the case of pension funds, the taxation of the return of the units will be based on the tax rules for unrealised gains on securities with annual taxation according to the rules in the Danish Pension Return Tax Act.

RISK CONDITIONS AND CLASSES

Investment in units of the sub-fund entails a risk of loss in the same way as any other investment. The value of units in a sub-fund may fluctuate over time, and could therefore decrease, stay the same or increase in value at any time from the time of investment. Investors should therefore be aware that investment in a unit trust cannot be compared with deposits in a bank savings account and that its value is not guaranteed.

The sub-funds are risk classified on a scale from 1 to 7. The risk class indicates the typical correlation between the risk and return potential of investing in the sub-fund, and it is determined by the fluctuations in the sub-fund's net asset value over the last five years and/or representative data. The downside of this calculation is that it does not take into account the significant tail risk in the sub-fund. Please be aware that the sub-fund's risk class may change over time, and that the historical data on which the current risk class is based may not necessarily give an idea of the future risk profile.

The risk class of the sub-fund is shown on a scale of 1 to 7 in the table below. Risk class 1 means small exchange rate fluctuations and therefore low risk, and is typically combined with lower returns. Risk class 7 means high exchange rate fluctuations and therefore high risk, typically combined with the possibility of higher returns.

Sub-fund	Risk class scale 1–7
CABA Hedge KL	4

The fund continuously works to maintain the risk profile of the sub-fund via an appropriate spread of the sub-fund's investments within the frameworks set by law and the fund's articles of association.

See the relevant risk classes in the sub-fund's "Key investor information" on the investment advisor's website at www.cabacapital.dk or www.fundrock.com.

The sub-fund may be affected by various risk factors. A number of these possible risk factors are listed below. Please note that the list is merely intended to give examples and that other circumstances may affect the value of the investment. In particular, investors should be aware that the following risks can particularly affect the value of investment in the sub-fund.

Base risk

The risk that the price of financial instruments in a hedging strategy will change so that the strategy becomes less effective.

Financing risk

Financing risk occurs when a sub-fund's activity depends on access to leverage – either in the form of loans or repo transactions. If this access is lost, this will prevent the sub-fund from carrying out its investment strategy, and may result in a risk of positions having to be sold at adverse prices.

Leverage risk

If a sub-fund uses leverage, fluctuations in the sub-fund's returns compared to market returns may be compounded in either a positive or a negative direction. Leverage may cause the sub-fund to incur losses greater than the invested capital in the sub-fund. There may therefore be a risk that the sub-fund may go bankrupt and that the investor may lose the entire investment in the sub-fund.

Credit risk

Credit risk relates in particular to a sub-fund's investment in bonds. A bond entails a risk of loss if the issuer is not able to meet its payment obligations in the form of interest and instalments on the bond debt. The likelihood of losses is related to creditworthiness. The credit spread indicates whether the issuer has a high or low creditworthiness. The lower the issuer's creditworthiness, the greater the likelihood of losses.

Liquidity risk

In exceptional cases, local, national or global conditions may make some securities and currencies difficult to buy and/or sell. This may, for example, be because only a few securities of that kind have been issued, so larger purchases or sales may push the market price of securities either up or down significantly. This may in itself affect the value of the sub-fund's investments.

There will also be bonds that are traded less often than others, making pricing and bond sales more difficult.

In addition, there may be instances, such as a financial crisis or a situation where the issuer's financial situation is more uncertain, which may make it more difficult to sell. In some cases, lack of liquidity may mean that the sub-fund has to suspend the redemption and sale of new investment certificates for a shorter or longer period. At the same time, it may also mean that it is necessary to sell at a lower price.

Counterparty risk

Where a sub-fund invests in derivative financial instruments and depositary receipts, such as ADRs and GDRs, or loans out securities, there may be a risk that the counterparty fails to meet its commitments. This could mean a loss to the sub-fund.

Interest rate and bond market risk

A sub-fund investing in bond markets will be exposed to risk through fluctuating levels of interest rates. Interest rate level is affected by both national and international macroeconomic conditions such as business cycle, financial and monetary policy and inflation expectations. When the level of interest rates rises, it means a decline in the price of bonds, so that the value of a sub-fund's investments declines. Interest rate risk can be described by the term duration, which is, among other things, an expression of the price risk of the bonds in which the sub-fund invests. The lower the duration, the more stable the price of the bonds will be if interest rates change.

Cash risk

A sub-fund may hold a larger or smaller proportion of its assets as cash or fixed-term deposits in a financial institution, including in the fund's custodian company. This means a risk of loss to the sub-fund if the financial institution goes bankrupt. The sub-fund in question has no explicit framework for

cash deposits, which means that during some periods the sub-fund may have a larger cash deposit balance.

Credit span/yield spread risk

Credit spread/yield spread expresses the difference between secure government bonds and other bond types issued in the same currency and with the same maturity. The credit spread shows the premium in the form of extra interest that the investor receives in order to take on an additional credit risk for investments in the other, less secure bonds. In periods of unrest in the financial markets, interest rate spreads can widen rapidly and significantly, which may cause a fall in the price of a sub-fund's investments.

The sub-fund invests primarily in bonds with greater credit risk than, for example, government bonds which are safer because their credit risk is usually very small. This is due to the risk of bankruptcy with corporate bonds.

Issuer-specific risk

A single security may fluctuate more in value than the total market, and may thus generate a return that is very different from that of the market. The value of the individual security will depend, among other things, on the earnings of the issuer, e.g. the company behind a share or corporate bond, which may in turn be affected by, for example, regulatory, competitive and liquidity conditions. If a sub-fund invests a large percentage of its assets in a single security, it becomes more sensitive to the developments of that issuer, and the value of the sub-fund may vary greatly. If the issuer goes bankrupt, the sub-fund may suffer a loss.

Withdrawal risk

If a sub-fund invests in convertible mortgage bonds, there may be a risk of extraordinary redemptions. The sub-fund may suffer a loss if the redeemed bonds have a value of more than 100, and the redemption was not expected in the market.

Currency risk

Investments in foreign securities pose a risk when converting from foreign currencies to Danish kroner because exchange rates can fluctuate. These fluctuations may affect the value of investments in a sub-fund that invests in foreign securities, in either a positive or a negative direction. A sub-fund that invests in Danish securities has no direct currency risk, while a fund that invests in European securities has limited currency risk. A sub-fund that systematically hedges against Danish kroner has a very limited currency risk. Under the investment area of each sub-fund, it will be stated whether it carries out such rate hedging.

Valuation risk

For investments in securities that are not traded on a regulated market or are rarely traded, there may be a risk in the ongoing valuation. A sub-fund that invests significantly in unlisted securities must base its calculations of net asset value on periodic financial reports and other communications. These reports will most often be based on calculated valuations that depend on valuation models as well as estimates regarding future earnings and cash flow. As a result, valuation may be exposed to sudden changes in an upward or downward direction. MANAGEMENT ETC.

Share of illiquid assets

The sub-fund invests primarily in listed Danish and Swedish government and mortgage bonds as well as listed Danish junior covered bonds with a rating at the time of investment of at least AA from either S&P, Moody's or another internationally recognised credit rating agency. In addition, the sub-fund may invest in derivative financial instruments for leverage/optimisation and/or hedging of the portfolio.

As investments are primarily made in listed bonds which by their nature are considered liquid, there will therefore be no separate publication of the proportion of illiquid assets for the sub-fund.

The fund may postpone redemption of the sub-fund

1. when the fund cannot determine its net asset value due to market conditions; or
2. where, in order to ensure equal treatment of investors, the fund does not fix the redemption price until the fund has realised the assets necessary for the redemption of the shares.

Liquidity and risk profile information:

- 1) The percentage of the assets that are subject to special measures as a result of their illiquid nature will be specified in the up-to-date investor information.
- 2) All new arrangements for managing the liquidity of the sub-fund. Where new special measures are taken regarding liquidity management or redemptions, this will be stated in the up-to-date investor information.

Risk profile and risk management systems

The total risk to the sub-fund measured by the standard deviation of the weekly return for the past year was 5.92% at the end of the year, corresponding to risk level 3 in respect of class A shares and risk level 4 in respect of class W shares on a risk scale of 1 to 7 as at 31st May 2024, where 1 corresponds to low risk and 7 corresponds to high risk.

The spread risk and leverage risk are high.

Information on risk profile and risk management systems:

The relevant risk profile and risk management systems used to manage the risks of the sub-fund will be set out in the up-to-date investor information.

Leverage

The sub-fund actively uses leverage, and the leverage in the sub-fund is high.

The sub-fund may borrow up to 2,000% of the sub-fund's assets as part of its investment strategy, as well as to obtain the necessary liquidity to redeem investors' units, and for temporary financing in the case of a reorganisation of the sub-fund's investments or to exercise granted subscription rights.

The maximum leverage levels for the sub-fund are:

Gross method: The maximum level of leverage for the sub-fund calculated using the gross method: 22,000%.

Commitment method: The maximum level of leverage for the sub-fund calculated using the commitment method: 22,000%.

The sub-fund may take out loans specifically for the leverage of its investments so that leverage of investments forms an active part of the sub-fund's investment strategy.

Overdrafts are considered loans and are included in the loan framework.

The sub-fund may not provide loans.

Information on leverage:

- 1) Any change to the maximum leverage ratio available for the sub-fund's investment advisor to use on behalf of the sub-fund, and any right to reuse secured collateral or any other guarantee provided in relation to the agreement which enables leverage, will be stated in the up-to-date investor information.

The total amount with which the sub-fund is leveraged will be shown in the up-to-date investor information.

FUND UNITS, SUBSCRIPTION AND REDEMPTION

Units

The sub-fund is certificate-issuing. The units are registered in Euronext Securities at DKK 100 and multiples thereof.

Place of subscription

Nykredit Bank A/S
Kalvebod Brygge 47
DK-1780 Copenhagen V
Tel.: +45 44 55 18 96
Fax: +45 44 55 13 33

Nykredit Bank A/S is the certificate-issuing institute for the fund. The units will be kept free of charge in custody by the custodian or other Danish financial institutions. However, for inventory changes in the account at Euronext Securities, a general fee is payable to Euronext Securities.

Ongoing issue

Subscriptions to the sub-fund are made in accordance with the articles of association. Issues have no set maximum amount. The Board of Directors is authorised to carry out the ongoing issue of the fund's units.

The sub-fund is open for issue every Tuesday when a subscription request is made before 15:00 CET. If a given Tuesday is a public holiday, the sub-fund will be open for issue on the next banking day thereafter.

Settlement will take place two banking days after subscription.

Ongoing issue may be suspended at the Board's decision, if, for example, there is considered to be significant doubt about the value of the sub-fund's resources at the time of issue.

For large issues of DKK 10 million and above, the fund manager may permit issues in contributions in kind of securities.

Issue costs

The issue price is determined using the dual pricing method in accordance with section 4(1) of the Executive Order on the calculation of issue and redemption prices for the subscription and redemption of units of Danish UCITS etc. by dividing the value of the total assets on issue by the notional value of the units subscribed. An amount will be added to cover the costs of purchasing financial instruments and the costs necessary on issue.

Issue costs include the following maximum expenditures as a percentage of net asset value:

CABA Hedge KL A

Brokerage and direct costs for purchasing instruments	0.00%
Other market-led trading expenses	1.00%
Administration:	0.00%
Marketing:	0.00%
Public expenditure etc.:	0.00%
Subscription, sales and guarantee commission etc.:	<u>0.00%</u>
Total	1.00%

CABA Hedge KL W

Brokerage and direct costs for purchasing instruments	0.00%
Other market-led trading expenses	1.00%

Administration:	0.00%
Marketing:	0.00%
Public expenditure etc.:	0.00%
Subscription, sales and guarantee commission etc.:	<u>0.00%</u>
Total	1.00%

The maximum issue costs indicated may be exceeded during periods of unusual market conditions resulting in an increase in the other market-derived expenses incurred in purchasing and selling the sub-fund's instruments.

Redemption

Redemptions can be made every Tuesdays with five banking days' notice. If a given Tuesday is a public holiday, redemption may take place on the next banking day thereafter. Settlement will take place two banking days after redemption.

Any investor has the right to redeem their units in whole or in part at any time. The redemption price is calculated using the dual pricing method in accordance with Section 4(2) of the Executive Order on calculation of issue and redemption prices for the subscription and redemption of units of Danish UCITS etc. at the net asset value calculated at the time of redemption using the same principles as used in the annual report, by dividing the value of the total assets at the time of redemption by the notional value of units subscribed less an amount to cover the costs of selling financial instruments and the costs necessary for the redemption.

On redemption, costs for spreads and other trading costs are estimated to be no more than 1.00% of net asset value.

The fund shall withhold dividend tax on the redemption in accordance with applicable tax rules.

The redemption may be postponed by decision of the Board if, for example, the fund is deemed not to be able to determine its net asset value due to market conditions or when, for the sake of equal treatment of the investors, the fund determines the redemption price, when the fund has realised the assets necessary for redemption of the units.

The maximum redemption costs indicated may be exceeded during periods of unusual market conditions resulting in an increase in the other market-derived expenses incurred in purchasing and selling the sub-fund's instruments.

The sale or redemption of units may take place through the investor's financial institution against the payment of standard trading costs.

In exceptional cases, the fund may request that the redemption price be determined after the sub-fund has realised the assets necessary to accommodate the redemption.

With large redemptions of DKK 10 million and more, the fund's investment management company may settle redemption payments using securities if the investor so wishes, and if this would not be to the detriment of the remaining investors. The redemption deduction will deviate from the aforementioned estimated costs.

No investor shall be obliged to redeem his or her units in whole or in part.

Fund code/ISIN

The sub-fund is registered in Euronext Securities with the following fund code/ISIN:

CABA Hedge KL A: DK0060814523

CABA Hedge KL W: DK0061677804

Name listing

The fund units should be listed by name and noted in the fund's register of investors held by Apex Fund Services S.A.. Name listing is done by the financial institution in which the units are in custody.

Exchange rate information

The calculated daily net asset value as well as the issue and redemption price of units, calculated every Tuesday, are disclosed on the adviser's website www.cabacapital.dk

Net asset value

The net asset value of the sub-fund as at 30 April 2024 was:

CABA Hedge KL A: DKK 119.19 per unit

CABA Hedge KL W: DKK 119.23 per unit

Admittance to trading on a regulated market

Until further notice, the sub-fund will not apply to be listed for trading on Nasdaq Copenhagen A/S.

SIGNIFICANT AGREEMENTS AND COSTS

Director

The sub-fund has entered into a manager agreement with FundRock Management Company S.A. having its registered office 33 rue de Gasperich, L-5826 Hesperange, Luxembourg registered with the Luxembourg register of commerce and companies under number B 104196. FundRock Management Company S.A. is a Luxembourg management company acting as an alternative investment fund manager in accordance with the provisions of Chapter 2 of the Luxembourg law of 12 July 2013 on alternative investment fund managers.

The manager has organised its activities with an adequate capital basis that may be deemed appropriate to cover any liability risks arising from negligence, cf. section 16(5) no. 1 of the Danish Alternative Investment Fund Managers, etc. Act. The manager's equity as at 31 December 2022 was: EUR 10 million

Under the agreement, FundRock Management Company S.A. assumes the administrative and investment and marketing tasks of the fund as well as day-to-day management. These tasks shall be managed by FundRock Management Company S.A in accordance with the Danish Alternative Investment Fund Managers, etc. Act, the provisions of the Luxembourg Regulatory Authority (the CSSF) and the Danish Financial Supervisory Authority, the articles of association of the fund, the instructions of the Board and the agreements entered into by the fund.

The agreement may be terminated by either party with four months' notice. In the event of a material breach by either party, the other party shall be entitled to terminate the agreement with immediate effect.

As remuneration for the manager's services, inclusive of the administrator services are based on the below table, deducted from the sub-funds assets.

AIFM & Administration fee	AUM based up to DKK 1bn.	0,30 % p.a.
	AUM based above DKK 1 bn.	0,25 % p.a.

Administration Agent

FundRock Management Company S.A. has delegated the administration functions, including the registrar and transfer functions to Apex Fund Services S.A., having its registered office at 3, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg register of commerce and companies under number B 241514. In its capacity as administration agent for the sub-fund, Apex Fund Services S.A. processes all subscriptions, redemptions, conversions, cancellation and transfers of units and is keeping the register of unitholders of the sub-fund.

Apex Fund Services S.A. is part of Apex Group Ltd, a global financial services provider established in Bermuda in 2003. With 97 offices worldwide and 12,000+ employees in 39 countries, Apex Group delivers an expansive range of services to asset managers, financial institutions, private clients and family offices. The Group has continually improved and evolved its capabilities to offer a single-source solution through establishing the broadest range of services in the industry; including fund services, digital onboarding and bank accounts, depositary, custody, super ManCo services, corporate services including HR and Payroll and a pioneering ESG Ratings and Advisory solution.

Delegation of agreements

Currently, the manager has delegated tasks relating to investment advice and tasks relating to the distribution and sale of units of the sub-fund, cf. below.

Apart from the rights set out in the applicable law, the investor does not have any special rights in relation to suppliers of services to the fund.

Depository

The fund has entered into a depository agreement with The Bank of New York Mellon ("BNY Mellon"). BNY Mellon undertakes, as depository, to hold and manage securities and cash for each of its sub-funds in accordance with the Danish Alternative Investment Fund Managers, etc. Act, the Executive Order on depositories and the provisions of the Danish Financial Supervisory Authority. BNY Mellon undertakes the control duties and obligations laid down in legislation. Nykredit Bank A/S performs the duty of the certifying institute of the fund.

Up to date information about the depository, its retention duties and any conflicts of interest that may arise may be obtained from the fund manager at any time.

The sub-fund pays a fee of DKK 105,918 p.a. on these payments, plus a country-dependent deposit fee. In addition, there is a minimum annual fee charged to the sub-fund of DKK 210,000 plus VAT for the depository function. In addition for the depository function, the sub-fund will pay on a sliding scale based on assets under management ranging from 0.6bps to 1.25bps .

Portfolio management

The fund and the manager have entered into an agreement with Fondsmæglerselskabet CABA Capital A/S for investment advice on the investment by the fund.

Under the agreement, advisors shall continuously follow the fund's portfolio and advise on customisation of the portfolio's composition and allocation of individual investments in accordance with expectations of the achievable return. The advice must follow the guidelines set by the Board of the fund for the sub-fund.

CABA Hedge KL A:

The sub-fund pays an asset-dependent fee of 1.00% per annum.

The portfolio manager receives a performance fee that amounts to 15% of the return and is calculated in accordance with the formulae below. The fee in question may not exceed 10% of the highest assets of the sub-fund, and the total costs may in any case not exceed 12% of the highest assets in any financial year.

Calculation of the fee in terms of return takes place monthly and is calculated per unit based on the formulae below. The investment advisor is paid based on a total of the number of units circulating at the end of the individual settlement period.

$PF_{total_t} = PF_t \times \text{number of circulating units (at the end of the month)}$

$PF_t = \text{Max } [0, (NAV^*_t - HWM_{t-1}) \times 15\%]$

$HWM_t = \text{Max } [NAV_t, HWM_{t-1}]$, where $NAV_0 = HWM_0 = 100$

$PF_{total_t} = \text{Total performance fee in month } t$

$PF_t = \text{Performance fee per unit in month } t$,

$NAV^*_t = \text{Net asset value at the end of month } t$, defined as the net asset value per unit at the end of month t before calculation of any performance fee for period t ,

$HWM_t = \text{High water mark at the end of month } t$,

NAV_t = Net asset value at the end of month t, defined as the net asset value per unit at the end of month t

The calculation is therefore based on the high water mark principle.

Please see worked example below:

Year 1	
Opening/Launch price	€ 100.00
HWM	€ 100.00
NAV before performance fees (GAV)	€ 110.00
Profit/Loss	€ 10.00
Performance Fee per share (at 15%)	€ 1.50
NAV per share after performance fees	€ 108.50

Year 2	
Opening/Launch price	€ 108.50
HWM	€ 108.50
NAV before performance fees (GAV)	€ 105.00
Profit/Loss	-€ 3.50
Performance Fee per share (at 15%)	€ -
NAV per share after performance fees	€ 105.00

Year 3	
Opening/Launch price	€ 105.00
HWM	€ 108.50
NAV before performance fees (GAV)	€ 115.00
Profit/Loss	€ 6.50
Performance Fee per share (at 15%)	€ 0.98
NAV per share after performance fees	€ 114.03

Year 4	
Opening/Launch price	€ 114.03
HWM	€ 114.03
NAV before performance fees (GAV)	€ 120.00
Profit/Loss	€ 5.97
Performance Fee per share (at 15%)	€ 0.90
NAV per share after performance fees	€ 119.10

Year 5	
Opening/Launch price	€ 119.10
HWM	€ 119.10
NAV before performance fees (GAV)	€ 115.00
Profit/Loss	-€ 4.10
Performance Fee per share (at 15%)	€ -
NAV per share after performance fees	€ 115.00

CABA Hedge KL W:

The sub-fund pays a management fee of 0.90% p.a.

The portfolio manager will receive a performance fee if the return is greater than a three-year swap rate for a period, although a three-year swap rate cannot be set at less than 0% p.a. The performance fee amounts to 20% of the yield over the three-year swap interest p.a.

Calculation of the fee in terms of return takes place monthly and is calculated per unit based on the formulae below. The portfolio manager is paid based on a total of the number of units circulating at the end of the individual settlement period.

$PF_{total_t} = PF_t \times \text{number of circulating units (at the end of the month)}$

$PF_t = \text{Max} [0, (NAV^*_t - HWM_{t-1} \times (1 + HR_t)) \times 20\%]$
 $HWM_t = \text{Max} [NAV_t, HWM_{t-1} \times (1 + HR_t)]$, where NAV_0
 $= HWM_0 = 100$

$PF_{total_t} = \text{Total performance fee in month } t$

$PF_t = \text{Performance fee per unit in month } t$,

$NAV^*_t = \text{Net asset value at the end of month } t$, defined as the net asset value per unit at the end of month t before calculation of any performance fee for period t ,

$HWM_t = \text{High water mark at the end of month } t$,

$NAV_t = \text{Net asset value at the end of month } t$, defined as the net asset value per unit at the end of month t

$HR_t = \text{HRT} = \text{Hurdle rate in month } t$, defined as 1/12 of the three-year DKK swap rate (vs 6M CIBOR or an alternative floating rate should 6M CIBOR cease to exist) quoted end-of-day on the last trading day of the previous month, but no less than 0%.

The calculation is therefore based on the high water mark principle.

Calculation according to the high water mark principle ensures that a performance fee is only settled when the sub-fund's assets have achieved a positive increase in value and that a performance fee is not paid on the same return more than once.

Cooperation agreements

The fund and the manager have entered into a marketing agreement with Fondsmæglerselskabet CABA Capital A/S for the purpose of delegating the sale and marketing of the fund's units. The aim is also to ensure a good basis for selling fund units and to improve the quality of the advice through the distribution channels of the investment company.

The agreement may be terminated by either party with three months' notice. The agreement may, however, be terminated by the fund or the manager without notice, provided that this may be in the interests of the fund, in return for compensation of documented expenses.

The fund has also entered into an agreement on price arrangements with Nykredit Bank A/S. The bank undertakes to set both a purchase and a sales price in the sub-fund once a week during business hours.

Board of Directors

The remuneration of the Board of Directors shall be approved by the Annual General Meeting. The distribution of the fee between the individual sub-funds in the fund is covered by the provisions of the articles of association on this.

The Danish Financial Supervisory Authority

The fee to the Danish Financial Supervisory Authority is settled according to invoice.

Auditor

The auditor of the fund shall be chosen by the Annual General Meeting.

The fund's auditor exercises the fixed external audit activity in the fund and may be assigned other tasks relating to accounting, tax and non-audit services on an ad hoc basis.

EY Godkendt Revisionspartnerselskab has been selected as auditor of the fund.

Administrative costs

In accordance with the articles of association, each of the fund's sub-funds shall bear its own costs.

The ongoing administration costs of the sub-fund in 2023 were:

CABA Hedge KL: 13.358 (expressed in DKK 1.000 as per the audited Financial Statements)

YCP

Yearly costs as a percentage (YCP) are to be incurred in accordance with the definition of the Danish Investment Association.

The YCP includes administration costs, trading costs related to ongoing operations as well as investor trading costs in the form of the maximum front-end load and redemption deduction. The amount is calculated on the basis that the investment is held for seven years.

The current YCP of the sub-fund is:

CABA Hedge KL A: 1.72% (+1.70% in indirect trading costs)

CABA Hedge KL W: 1.64% (+1.70% in indirect trading costs)

Tax situation

The remuneration and fees in the fund's agreements are exclusive of any taxes or duties.

ASSOCIATED PERSONS AND COMPANIES

Board of Directors of the fund

Partner Kim Høibye, lawyer, Chairman
Lund Elmer Sandager

Director, CBS Board Leadership Education, Tine
Roed

Director

Fundrock Management Company S.A.

H2O building, 33,
rue de Gasperich
L-5826 Hesperange,
Luxembourg

RCS number B 104196

Administration Agent

Apex Fund Services S.A.
3, rue Gabriel Lippmann
L-5365 Munsbach
Luxembourg
RCS number B 241514

Depositary

The Bank of New York Mellon Tuborg
Boulevard 12, 3.
DK-2900 Hellerup
CVR no. 41 82 00 63

Managing Director Vincents Johansen
Roskilde Fællesbageri ApS

Auditor

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

Adviser

Fondsmæglerselskabet CABA Capital A/S
Toldbodgade 55B, 3. sal.
DK-1253 Copenhagen K
CVR no.: 38 10 25 75

Person responsible for appeals

Under the Danish Financial Business Act, private investors of the fund may lodge a complaint addressed to the person responsible for appeals for the fund with the fund manager. Appeals guidelines can be obtained from the fund manager.

Appeals body

Private investors in the sub-fund may appeal any matters relating to the fund or the sub-fund to:

Danish Financial
Complaint Board Store
Kongensgade 62, 2. DK-
1264 Copenhagen K
sek@fanke.dk
Tel. +45 35 43 63 33

SPECIAL CONDITIONS

This investor information, prepared in Danish, is intended for investors in Denmark and has been prepared in accordance with Danish rules and legislation. The investor information has been prepared in accordance with chapter 10 of the Danish Alternative Investment Fund Managers, etc. Act. The investor information has not been approved by or registered with any foreign authority for the sale and marketing of fund units outside Denmark.

Information in this investor information may not be considered advice regarding investment or other matters. Investors are encouraged to seek individual advice on their own investment and related circumstances.

Distribution of this investor information may be restricted in certain countries. Persons who come into possession of investor information are obliged to inspect and observe such restrictions themselves. The fund units covered by the investor information may not be offered or sold in the United States, Canada and the United Kingdom and such investor information may not be provided to investors domiciled in those countries.

Information in such investor information is not an offer or invitation to make a tender in any jurisdiction where such offer or solicitation of a tender is not permitted, or to persons to whom such offer or solicitation of a tender is not permitted.

All information in this investor information, including investment strategy and risk profile, may be changed within the framework of legislation and articles of association, following a decision by the Board of Directors.