Investor Information Document

CABA Flex

in

Kapitalforeningen Wealth Invest

24. November 2023

Contents

Basic Information about Kapitalforeningen

Name and Address
Kapitalforening Wealth Invest (hereinafter referred to as the "Association")
Bernstorffsgade 50
1577 Copenhagen V
Telephone: +45 33 28 14 00
Email address: ifs@seb.dk
Association's website: sebinvest.dk

Registration numbers
The Danish Financial Supervisory Authority: FT-no. 24.062
The Danish Business Administration: Central bus. reg. (CVR) no. DK 35 48 30 55

Establishment
The Association was established on 19 June 2013. A resolution was adopted at the Association's annual general meeting on 26 March 2014 to change the Association into a capital association pursuant to Part 23 of the Danish Act on Alternative Investment Funds, etc. (lov om forvaltere af alternative investeringsfonde m.v.).

The Association currently has the following funds:

Table: Funds in Kapitalforeningen Wealth Invest

Fund Name	SE no.	ISIN	Established on	Listed (X)
TDC – Danske Aktier	34 17 72 36	DK0060501740	19-06-2013	
St. Petri L/S AKL	35 46 00 55		22-01-2018	
- AKL St. Petri L/S I	35 46 00 47	DK0060952836	22-01-2018	X
Afkast+ AKL*	39 73 90 38		26-06-2018	
- AKL Afkast+ I	39 73 90 62	DK0061067220	26-06-2018	X
Asset Opportunities	41 65 96 96	DK0061410990	31-08-2020	
Othania Stabil Investering AKL	43 07 98 91		22-02-2022	
- AKL Othania Stabil Investering	43 08 00 40	DK0061801164	22-02-2022	X
CABA Flex	**43 37 93 80**	**DK0061814068**	**06-07-2022**	
Symmetry Invest	43 70 71 32	DK0062265070	08-02-2022	
KK Aktier	**44 07 99 41**	DK0062497368	17-05-2023	
HP Engros Korte Danske Obligationer	**44 04 29 40**	DK0060438448	14-05-2012	

* On 1 October 2020, the Fund and its underlying share class changed their name from "CABA Optimal Plus AKL" to "Afkast+ AKL."

Publication of Investor Information Document
The present Investor Information Document was published on 24. November 2023.

Objective
Pursuant to the relevant provision in its Articles of Association, the objective of the Association is to receive funds from a wider group of investors to generate returns for the Association's investors by investing in cash and cash equivalents, including currencies, or financial instruments, as listed in Annex 2 of the Danish Act on Investment Firms and Investment Services and Activities (lov om fondsmæglerselskaber og investeringsservice og -aktiviteter).

The Association is a capital association within the meaning of Part 23 of the Danish Act on Administrators of Alternative Investment Funds etc., and the Fund is aimed only at professional investors, cf., Section 5 of the Danish Act on Administrators of Alternative Investment Funds etc.

Board of Directors

Annette Larsen, Chairman
Director, A.L. Virksomhedsrådgivning
Ved Hjortekæret 5
DK-2800 Kongens Lyngby

Jesper Christiansen
MSc Economics
Svanemøllevej 78
DK-2900 Hellerup

Mikkel Fritsch
Attorney
Snerlevej 7
DK-2800 Kongens Lyngby

Britta Fladeland Iversen
Director, State-authorised public accountant, practising certificate deposited
Arrenakkevej 20 B
DK-3300 Frederiksværk

Investment Management Company

Investeringsforvaltningsselskabet SEBinvest A/S
Bernstorffsgade 50
DK-1577 Copenhagen V
Tel.: +45 33 28 14 00
Central Business Register (CVR) no. 20 86 22 38

Board of Management

Investeringsforvaltningsselskabet SEBinvest A/S
Lise Bøgelund Jensen
Managing Director
Bernstorffsgade 50
DK-1577 Copenhagen V
Central Business Register (CVR) no. 20 86 22 38

Custodian Bank

Skandinaviska Enskilda Banken, Denmark
a subsidiary of Skandinaviska Enskilda Banken AB (publ), Sweden
Bernstorffsgade 50
DK-1577 Copenhagen V
Central Business Register (CVR) no. DK 19 95 60 75

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Central Business Register (CVR) no. DK 33 77 12 31

Registrar

Computershare A/S
Lottenborgvej 26 D, 1st floor
DK-2800 Kongens Lyngby

Supervision

Danish Financial Supervisory Authority
Strandgade 29
DK-1401 Copenhagen K

Depositary

The Association has entered into a depositary agreement with the Depositary for the administration and custody of the Association's financial instruments and cash and cash equivalents. The agreement may be terminated by either party upon 6-months' written notice.

Depositary's obligations
Under the agreement, the Depositary undertakes to hold the Association's financial instruments in custody.

Upon disposal of the Association's financial instruments and other assets, the Depositary is tasked with ensuring that the sales amount is deposited with the Depositary and that payment for financial instruments and other assets acquired for the Association's funds is effected only once such instruments and assets have been provided to the Depositary.

Additionally, the Depositary is tasked with ensuring that financial instruments traded on a securities exchange or, if traded outside the securities exchange or the market, on another regulated market are traded at a price that, taking into consideration the sales volume, is equivalent to or more favourable than the price attainable on the relevant securities exchange or regulated market. The Depositary shall also ensure that the purchase and sale of other financial instruments are effected at prices that are not less favourable than the fair-value price.

The Depositary may not perform activities that might create a conflict of interest between the Association, the Association's investors, the Administrator, and the Depositary, unless the Depositary has divided the performance of their depositary tasks functionally and hierarchically from the performance of other tasks that have the potential to create conflicts of interests and unless the potential conflicts of interest are fully and completely identified, managed, monitored, and disclosed to the Association's investors.

The Depositary collects interest on bonds and redeemed or called bonds as well as any taxes on dividends and interest from countries with which Denmark maintains double-taxation agreements and where the amounts in question can be reversed, and it also discharges duties related to dividend payments, etc.

For more details, please refer to the Depositary's control obligations under Part 8 of the Danish Act on Administrators of Alternative Investment Funds etc.

Holding Depositary harmless for losses from financial instruments that may be held in custody
The Depositary may request to be held harmless from third-party losses related to financial instruments that may be held in custody, if the Depositary can document that

- all delegation requirements were satisfied for the custody of the financial instruments under Section 54(2) of the Danish Act on Administrators of Alternative Investment Funds and the Regulation;
- a written agreement was entered into by and between the Depositary and the third party that expressly assigned the Depositary's liability to the relevant third party while enabling the Fund or the Administrator on behalf of the Fund to file a claim against the third party in the event financial instruments are lost or enabling the Depositary to file such a claim on behalf of the Fund; and
- a written agreement was entered into by and between the Depositary and the Fund or the Administrator on behalf of the Fund that expressly allowed this kind of hold-harmless request and that provided an objective justification for entering into such an agreement related to the Depositary's hold-harmless request. The objective justification must be limited to precise and specific items that characterise a specific activity pursuant to the Depositary's policies and decisions. It must be established that the Depositary intends to assert a hold-harmless claim on a per-item basis. The Depositary is determined as having an objective justification if, e.g., the only course of action available to them was to delegate, including whether the laws of a third country require that certain financial instruments be held in the

custody of a local entity; or the Administrator insisted on maintaining their investment in a specific jurisdiction in spite of the Depositary's warnings about the increased risk of such a course of action.

Fee
A fee for custody services is agreed for each type of security. The fee is subject to renegotiation annually in December and is calculated based on the market value at the beginning of the month and is payable half-yearly.

The fees for custody services are set out in the table in Annex 1. For holding fees paid as a percentage, the fee is calculated based on the market value with the average value of the period in question forming the basis of the calculation.

Furthermore, services provided by VP Securities A/S (hereinafter referred to as "VP") are invoiced through the Fund. Invoiced costs include i.a. fees for the volume in circulation, registration by names, investor communications and issue fees. Furthermore, the Funds pay an interbank equity fee laid down in accordance with the pricing guidelines of Finance Denmark.

The Fund also pays an invoicing fee to cover trade and transaction costs, etc., in accordance with a separate pricing agreement. The invoicing fee also appears from the table in Annex 1. Commission as well as any registration costs are also paid separately. Finally, the Fund pays an annual depositary fee corresponding to 0.002% of the average asset, but minimum DKK 100,000 + VAT and an annual issuer fee of DKK 20,000 + VAT.

Association’s Policy for Responsible Investing and Active Ownership

The policy of the Association is responsible investing. ESG factors — including human rights, employee rights, environmental, climate, and social factors as well as corruption and corporate governance are therefore taken into consideration when selecting investments for the Association's funds.

All the Association’s funds exclude from investing companies that do not comply with international conventions in respect of labour market rights, the environment and the climate, human rights, and corruption, etc. These may include but are not limited to the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Declaration of Human Rights.

In addition to generally applicable exclusions, the Association's funds are subject to a number of specific exclusion lists, see details on this in the section responsible investment, inclusion of sustainability risks and ESG matters in the investment process below.

Companies not on exclusion lists but that are not complying with one or more of the conventions above, are registered on an internal observation list. Such companies are referred to as norm breakers. A dialogue is entered into with such companies for the purpose of clarifying their position, including their desire to halt their specific, problematic conduct. If that dialogue does not yield satisfactory results, the companies may ultimately be excluded.

Countries (Government Bonds)
The Administrator similarly performs a norm-based screening for government bonds. Based on this screening, issues from countries subject to multilateral, international sanctions, and/or countries that cannot or refuse to conform with or protect basic human rights are excluded. However, exclusions will not take effect until positive measures and developments in the country’s ESG matters, if any, have been duly investigated and considered. That means that countries that are believed to start developing positively or is developing positively will not be excluded. This assessment is made by the Administrator in cooperation with external investment advisors.

Responsible investment, integration of sustainability risks and ESG matters into the investment process
The Association’s funds integrate sustainability risks alongside other, relevant risk parameters into the investment process, as described in Article 6 of the EU Regulation on sustainability-related disclosures 2088/2019 (“Regulation”).

Funds classified under Art. 6 do not promote environmental and/or social characteristics and, thus, the investments are also not targeting sustainable investments.

However, funds classified under Art. 6 of the Regulation, all comply with the Association’s policy for corporate social responsibility, responsible investment and integration of sustainability risks.
The funds are, via the policy mentioned above, covered by a number of sector-specific and norm-based investment restrictions (exclusions).

Funds classified under Art. 8 of the Regulation integrate — in addition to the integration of sustainability risks (*cf.*, Art. 6) — sustainability in the actual investment process, by integrating specific sustainability criteria and ESG factors when selecting investments. The funds promote environmental and/or social characteristics.

Funds classified under Art. 8 of the Regulation do not have sustainable investment as their objective.

Funds classified under Art. 9 of the Regulation have, in addition to integrating sustainability risks (*cf.*, Art. 6) and sustainability (*cf.*, Art. 8) into the investment process, sustainable investment as their objective. In other words, in addition to the funds’ target returns, specific sustainability targets form part of the investment strategy. The funds invest in enterprises whose goal it is to contribute to a more sustainable society. The funds' sustainability targets may also consist of, e.g., the enterprises' CO_2 emissions related to a given benchmark, the enterprises' ESG ratings, and their contribution to the UN's Sustainable Development Goals (SDG), etc.

Sustainability relating to Environmental Objectives under the Taxonomy
In addition to the Regulation referred to above special rules apply to economic activities qualified as environmentally sustainable according to the EU's Taxonomy Regulation ("Taxonomy"). An economic activity — e.g., an investment — is considered environmentally sustainable under the Taxonomy if it contributes significantly to one of the Taxonomy's six established environmental targets without causing significant harm to the other environmental targets (the "do-no-significant-harm principle"), meets a number of international minimum safeguards, and conforms to the EU's technical screening criteria.

The Association's funds' investments are believed to contribute to the environmental targets established in the Taxonomy based on how they conform to the Association's policy for corporate social responsibility, responsible investment and integration of sustainability risks. The Association is not yet taking into consideration the Taxonomy's criteria for environmentally sustainable economic activities. For that reason, the Association's funds' minimum share of investments made in economic activities that qualify as environmentally sustainable under the Taxonomy is considered to be 0%.

Active Ownership by Exercising Voting Rights and Dialogue
The Association's Administrator has contracted with Institutional Shareholder Services Inc. (ISS) to assist the Administrator with the operational part of exercising voting rights related to Association funds that invest in shares. However, for some funds voting rights are exercised by the designated Administrator. In all cases, the exercise of voting rights must comply with the principles set out in the Association's policy for active ownership. For more details, please refer to the relevant policy.

Investment Profile and Strategy

Investment Profile
The Fund, which has a defined maturity and right of redemption, is aimed solely at professional investors, *cf.*, Art 3(2) of the Association's Articles of Association.

The Fund invests in government and mortgage credit bonds as well as bonds with a corresponding level of security, including covered bonds. The bonds must, at a minimum, be investment grade level at the time of investment.

The investment strategy contains an element of leverage. The leverage of the Fund's assets is primarily achieved by entering into repo transactions.

The Fund may deposit assets into a custodian account for leveraging purposes.

The Fund may deposit cash and cash equivalents in a credit institution in an EU Member State or a country with which the EU has entered into an agreement in the financial services area.

The Fund may invest its funds in money-market instruments as detailed in Annex 2 of the Danish Act on Investment Firms and Investment Services and Activities.

The Fund may utilise derivative financial instruments for portfolio management, risk hedging, and leveraging purposes.

Under Art 8 of the Articles of Association, the Fund may raise short-term loans for up to 10% of its assets, except for loans raised for investment purposes.

The Fund is not permitted to issue loans or guarantees.

Investment Strategy
The Fund invests in mortgage credit bonds (covered bonds) in Denmark, Norway, or Sweden and hedges its interest rate risk by selling, among other things, government bonds and swaps.

Bonds are required to have a minimum rating or expected rating of AA from either S&P, Moody's, or another internationally recognised credit ratings agency at the time of investment.

Bonds are required to have a term to maturity of less than 5.5 years at the time of investment. In principle, the bonds are held for 3 years at which point the portfolio is realised. If considered advantageous no later than 3.5 years after the subscription date, bonds may be held to maturity.

Interest rate risk is hedged using swaps or government bonds in the local currency.

The Fund may leverage up 25 times using repo facilities in DKK, SEK, NOK, EUR and Danish, Swedish, and Norwegian bonds but only to the extent that positions upon establishment are leveraged up to 15 times.

<u>Provision of collateral and reuse of collateral for repo transactions</u>
As part of its strategy, *cf.*, above, the Fund has the option of entering into repo transactions with counterparties who are also parties to a Global Master Repurchase Agreement. A repo transaction is an agreement between two parties where a party sells a bond to the counterparty at the bond's market price at the time of sale with an agreement to repurchase the bond at a later date at a repurchase price agreed at the time of entering into the transaction. The repo transaction is considered a loan where the bond functions as collateral. The Fund raises liquidity as seller of the bond with the bond simultaneously providing collateral for the obtained liquidity.

The obtained liquidity may be reused to acquire new assets whereby leverage occurs just as the counterparty may reuse the bond.

As of today, the Fund has entered into a Global Master Repurchase Agreement with Danske Bank A/S, *cf*.,"Global Master Repurchase Agreement" in the section "Costs and Cooperation Agreements."

Sustainability
The Fund is subject to the category definitions set out in Art 6 of EU Regulation on sustainability-related disclosures 2088/2019; for more details, please refer to the section "Investment Policy."

List of other restrictions
The asset types and financial instruments listed must be denominated in DKK, SEK, NOK, or EUR.

The spread risk for the Fund may not exceed 1.25% at any time. In other words, assets may not decline by more than 1.25% if a widening in the interest-rate spread occurs of 1 bp.

The Fund's foreign exchange exposure in SEK and NOK must be hedged against DKK or EUR. The Fund's FX exposure may not exceed +/- 20% of the Fund's asset for each currency.

As part of its investment strategy, the Fund may leverage up to 2.500% of the Fund's assets through repo facilities in DKK, NOK, SEK, EUR, and Danish, Norwegian, and Swedish bonds.

Assets and liabilities must, in principle, be hedged in the same currency.

The interest rate risk for the Fund may not exceed 10% at any time. In other words, its assets may decline by no more than 10% in the case of a 100-bp change. The portfolio's weighted duration may therefore not exceed 10%.

Derivatives
The Fund is permitted to use the following types of derivatives:

- Repos and reverse repos
- Interest rate swaps
- Currency swaps
- Futures
- Forward transactions

Benchmarks
The Fund is not using a benchmark.

Establishment of Investment Strategy and Risk Framework and Related Changes
The Fund's investment strategy and risk profile are established in the Fund's governing rules and are specified in Art 6 of the Association's Articles of Association. Changes to the Fund's investment strategy must be adopted by the Fund's investors at an annual general meeting in accordance with the relevant provisions in the Articles of Association.

The Administrator is tasked with establishing the risk framework –– fund instructions –– for the Fund within the boundaries of the investment strategy and risk profile of the Articles of Association, *cf*., the administration agreement for the Association, including the Fund, that is entered into by the Administrator. The Administrator may amend the established risk framework for the Fund at any time, on the condition that change is confined to the Fund's applicable investment strategy and risk profile.

Risk Factors and Framework

The Fund’s risk profile is composed of the market, credit, and hedging risks as they relate to the Fund’s relevant markets and the liquidity and operational risks related to the Fund’s administration.

Effective 1 January 2023, material changes have been implemented to the calculation method of risk indicator even as risk categories continue to be measured in the existing manner, i.e., on a scale from 1 to 7. The basis of calculation is now significantly more detailed, and now considers individual risk types, including market risk, credit risk, and liquidity risk. The risk categories, however, remain the same. The calculation basis has changed but the same scale remains in use, and this will lead to a risk category reduction in many scenarios. However, this does not mean that investments in the Fund are associated with a lower risk than before; only that the calculation basis has changed.

The portfolio's fluctuations in returns are measured relative to historical data. Based on the new basis of calculation and the historical returns for a ten-year period — and/or representative data during which the Fund did not have 10 years’ historical data available —the Fund’s risk as an investment is assessed as category 4 on a scale from 1 to 7.

Risk categories relative to fluctuations from the last 10 years’ historical returns are set out in the table.

Table: Risk categories

Risk category	Annual variations in return in percent (historical data)
7	Higher than 80
6	30-80
5	20-30
4	12-20
3	5-12
2	0.5-5
1	Less than 0.5

Placement on the risk scale does not remain fixed over time as it is based on historical fluctuations in returns. In other words, the Fund's placement on the risk scale might change in the future.

The types of risks relevant to the Fund are set out below.

Market Risk
All types of investments are associated with a natural risk of constant value fluctuations. A number of factors influence the pricing of the financial instruments, e.g. the economic development in society or individual business or as regards issuer of the financial instruments. Furthermore, changes in monetary and finance policies or changes in inflation expectations may influence value fluctuations. The market risk is explained in a number of ways, including as interest-rate and currency risks or equity exposure.

<u>Market risk associated with bonds and money market instruments (interest rate risk)</u>
The interest-rate markets, including the bond markets, are affected by the general economic conditions in society, including, in particular, inflation expectations. Add to the above the more specific circumstances surrounding the individual issuers, including their ability to meet their obligations. Price fluctuations on the bond markets are usually less pronounced than the case may be on the share market, and the fluctuations do not necessarily correlate.

<u>Market risk associated with currencies (currency risk)</u>
The Fund is denominated in DKK and there is therefore an inherent risk present when investing in currencies other than DKK. The Fund’s foreign exchange exposure to SEK and NOK is hedged against DKK and EUR. The Fund's FX exposure may not exceed +/- 20% of the Fund's assets for each currency.

Credit Risk or Counterparty Risk
Credit risk is the risk of loss as a consequence of a debtor not fulfilling its payment obligation. A Credit risk is often referred to as "issuer risk" when dealing with standardized instruments. Credit risk can be divided into two types of risks: settlement risk and counterparty risk/issuer risk.

The Fund primarily invests in Danish government and mortgage credit bonds, which generally maintain high credit ratings and whose credit/counterparty risks are minimal.

Settlement Risk
The settlement risk means the risk that a trading counterparty does not deliver the traded asset or settles payment to the Association in connection with a transaction. The risk is small or often non-existing as the settlement of a financial instrument takes place via a settlement system for financial instruments with delivery against payment.

Counterparty Risk
Funds engaged in OTC trading are exposed to risks relating to the counterparty's creditworthiness and its ability to fulfil its obligations under the contracts entered into with such counterparty. This means that in an OTC trade, the Fund is exposed to a risk of the counterparty not fulfilling its obligations pertaining to the relevant transaction.

Liquidity Risk
Liquidity risk means the risk that an instrument or a derivative instrument cannot be traded at the right time and at the right price due to low or no activity on the relevant market.

Liquidity risk may arise as a consequence of sudden crises on the financial markets or collapses on stock exchanges and other regulated markets. Furthermore, liquidity risk may be associated with instruments not listed or traded on a stock exchange or another regulated market.

Management of Liquidity Risk and Investors' Redemption Rights
Liquidity refers to an asset's convertibility to cash at a limited discount rate compared to the asset's book value in the Fund. A more detailed characterisation is that an asset's liquidity is a function of how quickly and cost effectively it can be converted into cash subject to various market conditions.

The objective is to have a liquidity risk management framework that is bifurcated:

To monitor the Fund's liquidity to ensure that the liquidity level reflects the investment and liquidity profile. Additionally, the liquidity level reflects the underlying obligation and the expected access to the instrument under normal and extraordinary circumstances.

To provide the opportunity to realise the liquidity premiums for investors that are part of the asset transfer to a fund without incurring risk to Association's general liquidity.

The Association's funds are included in the general risk management processes and are thereby subject to appropriate liquidity-level monitoring. The monitoring occurs for the purpose of ensuring a sufficient level of liquidity so that investors' redemption requests can always be accommodated.

The funds' liquidity profiles are monitored and computed based on the requirements set out in Art 16 of the Alternative Investment Fund Managers Directive AIFMD, 2011/61/EU of 8 June 2011, as well as in Arts 46-49 of the Commission Delegated Regulation (EU) No 231/2013, including in the Annex 4 FAIF filing with the Danish Financial Supervisory Authority.

The purpose of measuring a portfolio's liquidity is general in nature: to estimate the size of the portion that can be divested within a defined period at an acceptable cost.

The Fund's liquidity profile is computed using a model that, among other things, relies on the individual assets' average trading volumes. Based on that, the model then estimates how long it will take to dispose of a given position. The total and weighted calculation of the positions' liquidity provides a snapshot of the liquidity profile, which can be used to determine whether the redemption obligation to investors can be met.
Calculations are made based on both current and historical data, according to which various liquidity stress test scenarios are prepared.

Investors' redemption rights under both normal and extraordinary circumstances are described in the section "Offering and Subscription of Units" and in Art. 13 of the Articles of Association.

Geographic Risk
Investments within a limited geographic area may involve a higher level of average risk because of the higher degree of concentration, less market liquidity or increased sensitivity to changes in the market.

Leverage Risk
Leverage risk here is defined as the risk related to investing in borrowed funds and/or unhedged investments in financial derivative instruments.

The Fund has the option of using derivative financial instruments, including the ability to enter into repo transactions (loans) and securities lending to finance the investment strategy's leverage component. Loans (leverage) of a maximum of 2.500% of the Fund's assets may be raised through repo transactions; see, however, below.

The Fund is exposed to leverage risk, since funds applying leverage may experience that fluctuations in their returns relative to market returns might be amplified positively or negatively.

Leverage might produce losses for the Fund that are greater than the Fund's contributed capital. Therefore, there is a risk that the Fund might enter into insolvency proceedings and that investors lose their entire investment in the Fund.

Under Art 6 of Regulation (EU) No 231/2013, leverage should be expressed as the ratio between a fund's exposure and its net asset value.

It is required that the Fund's exposure be calculated in accordance with the gross method and the commitment method, as described in Arts 7 and 8 of the Regulation mentioned above.

The methods both use exposure as their valuation objective. In other words, to calculate exposure under the two methods, the derivative financial instruments need to be converted to the corresponding positions of their underlying assets (subject to the provisions set out in Annex II of Regulation (EU) No 231/2013).

Exposures in funds using derivative financial instruments will therefore be greater than the relevant funds' assets and thereby be leveraged — as defined in the Regulation.

<u>Gross method:</u>
Calculated as the sum of the absolute value of exposures across all positions in a holding.

<u>Commitment method:</u>
Also calculated as the sum of the absolute value of exposures across all positions.

Contrary to the gross method, the calculation of exposure under the commitment method takes into account offsetting (netting) for positions whose sole purpose is to eliminate risks, such as foreign exchange hedging.

Maximum allowable leverage
The Fund's maximum allowable leverage under the gross method: 2.500%

The Fund’s maximum allowable leverage under the commitment method: 2.500%
Maximum allowable leverage is expressed as a percentage (%) of assets.

Loans
According to Art. 8 of the Articles of Association, the Association has the possibility to raise short-term loans of maximum 10% of a fund's assets except from loan with investment purposes**.**

Financial Derivative Instruments
The Fund may utilise derivative financial instruments for portfolio management, hedging of risk, and leverage.

The Fund will enter into repo transactions in DKK, SEK, NOK, and EUR with Nordic bonds as underlying instruments and FX forward transactions.

Cash
Cash holdings in excess of 20% for more than 5 days must be approved by the Management Board.

Operational Risk
The operational risk of the fund is managed by the Administrator in pursuance of the administration agreement. The Administrator shall report on the system and IT risks, procedure risks, the company's competencies, including legal competencies, and the management of the various risks at least once annually.

Finally, the Administrator shall take out directors’ and professional liability insurance policies to cover any losses arising as a consequence of operational errors.

Sustainability Risk
Sustainability risk is defined as an environmental, social, or governance event or circumstance that, were it to occur, might have a negative, material impact on the value of the Association’s investments.

The Association’s exclusion of certain companies and sectors from its investment universe is expected to reduce the Association’s sustainability risk.

Obversely, by limiting the investment universe by excluding companies, a fund’s concentration risk might be increased.

Measures to Maintain the Fund’s Risk Profile
The Administrator uses the existing risk management function of the organisation and the associated procedures with a view to maintaining the Fund’s risk profile.

Receipt of Supplementary Information
Any investor may contact the Administrator and receive supplementary information regarding the fund/share class pertaining to the quantitative limits applicable to the Association’s risk management and the methods chosen by the Administrator with a view to ensuring that these limits are observed at all times, as well as information about recent developments as regards the most important risks and the return on the individual instruments or on any category of instruments.

Exercising Voting Rights
The Association’s Board of Directors has decided that voting rights may only be exercised where a vote may have positive consequences for the return. In case of a potential loss, the investments shall be sold rather than voting rights exercised.

The Administrator has drawn up a policy in this regard and on behalf of the fund has entered into an agreement with the portfolio manager, *cf.* below, for the monitoring of and guidance on relevant company events to be put to the vote.

Costs and Cooperation Agreements

Portfolio management
As part of their management of the Fund, the Administrator has entered into a Portfolio Management Agreement on behalf of the Association with:

Fondsmæglerselskabet CABA Capital A/S (”Portfolio Manager”)
Toldbodgade 55, 3rd Floor
DK-1253 Copenhagen K
Central Business Register (CVR) No 38 10 25 75

The Portfolio Manager is tasked with providing the Fund with discretionary portfolio management for the Fund’s investments. The Portfolio Manager will, subject to the Fund’s expectations of attainable returns, monitor the Fund's portfolio regularly and adjust the portfolio’s composition and allocations across individual investments. The Portfolio Manager will perform investments independently and to the best of their ability and knowledge. Portfolio management will occur in accordance with and within the scope of the investment guidelines as they apply at all times, *cf.*, the Portfolio Management Agreement.

The Portfolio Management Agreement may be terminated by the Administrator and the Association without notice but remains non-terminable for the Portfolio Manager for the term of the Fund.

Fees
The Portfolio Manager will receive a fixed fee as well as performance-based remuneration for services performed for their discretionary portfolio management under the Portfolio Management Agreement.

The fixed fee is 1.00% per year of the Fund's average assets. The fee is calculated and paid out in arrears quarterly at ¼ of the specified rate.

Additionally, the Fund will pay a performance-based fee (“Performance Fee”) of 15% of the Fund’s absolute returns over the High-Water Mark plus a hurdle rate of 3%. The Performance Fee is calculated based on the Fund’s absolute returns, where the term “returns” is defined as total net earnings before calculating the Performance Fee.

The Performance Fee, excl. VAT, is calculated and set aside each day based on the Fund's balance sheet ahead of the calculation of the Fund’s book value. The fee is paid out annually subject to the Board of Directors’ approval of the annual financial statement.

In order to trigger the Performance Fee, the book value must exceed the most recently established High-Water Mark + a hurdle rate of 3%. The term “High-Water Mark” (“HMW”) is defined as the Fund’s book value at year-end of the last disbursement of the Performance Fee. At the start of the Fund, the HMW stands at 100, which corresponds to the subscription price, less surcharges.

Partnership Intermediation Agreement
The Administrator has entered into a partnership intermediation agreement (distribution agreement) on behalf of the Association with Fondsmæglerselskabet CABA Capital A/S (“Distributor”) for the sale of the Fund's units to investors who qualify for acquiring units in a capital association fund without a marketing authorisation under the provisions of Sec 5 of the Danish Act on Administrators of Alternative Investment Funds etc.

The Distributor undertakes — taking into consideration the provisions in the Articles of Association related to target groups, etc. — to facilitate and support a sales mechanism, incl. a website, which means that the Fund's certificates may form part of the Distributor's product palette, and to handle related administrative tasks.

The Distributor generally undertakes to discharge responsibilities related to entering into the dialog with and advise the Distributor's customers regarding the Fund, including making available relevant information about the Fund's performance, etc.

The Distributor may assume and execute subagreements with subdistributors under and within the scope of the executed agreement.

Fees
The Fund is not paying any fees for the services listed above.

However, the Distributor may have documented outlays reimbursed on a case-by-case basis and upon agreement with the Administrator and subject to proper documentation.

Fees for any subdistributors shall remain a matter solely between the Distributor and the subdistributors.

Term and Termination of Agreement
The agreement may be terminated by both parties with 3 months' written notice effective at the end of a calendar month.

However, the agreement — provided it is believed to be in the Association's best interest — may be terminated by both parties with immediate effect.

ISDA Agreement with related CSA
The Fund may utilise forward exchange contracts to hedge foreign exchange risk.

The Administrator has entered into an ISDA agreement with a related Credit Support Annex ("CSA") with Danske Bank A/S ("Danske Bank") for the purpose of facilitating the Fund's forward exchange contracts.

ISDA is a standardised framework agreement between two parties that regulates the terms for using OTC derivatives, including forward exchange contracts between parties. The framework agreement is prepared and maintained by the International Swaps and Derivatives Association ("ISDA"), is typically accompanied by a CSA that provides more detailed regulations relating to the agreement, and is signed by both parties.

Global Master Repurchase Agreement
The Fund may perform hedging as part of its investment strategy. The hedging of the Fund's assets will primarily be performed by means of repo transactions.

The Administrator has entered into a Global Master Repurchase Agreement ("GMRA") with Danske Bank A/S ("Danske Bank") for the purpose of facilitating the Funds' repo transactions.

GMRA is a standardised framework agreement between two parties that sets out a number of standard contractual provisions to regulate the repo transactions that the parties enter into. The agreed contractual provisions regulate all repo transactions between the parties. The framework agreement is prepared and maintained by the International Capital Market Association ("IMCA"), which represents the European bond and repo markets.

Clearing Agreement
The Administrator has entered into a Clearing Agreement with Skandinaviska Enskilda Banken AB (publ) ("SEB") on behalf of the Association for the purpose of clearing the Fund's OTC derivatives transactions.

Collateral Management Agreement
The Administrator has entered into a Collateral Management Outsourcing Agreement with Skandinaviska Enskilda Banken AB (publ) (”SEB”) on behalf of the Association for the purpose of handling collateral transactions.

Total Administrative Costs
The total administrative expenses, including costs for the Board of Directors, administration, IT, audit, supervision, marketing, provision of funds, custodian bank and non-performance related fees for investment advisors shall not exceed 5.0% of the average asset value in the Fund in the financial year according to the Articles of Association of the Association.

The Fund’s total administration-related costs, incl. any remuneration pegged to results, may not exceed 10% of the Fund’s average assets for the financial year

If total administration-related costs for the Fund exceed the maximum allowed, *cf*., above, a deduction will be made from the Portfolio Manager’s Performance Fee, alternatively –– if deductions from the Performance Fee is insufficient to meet the exceedance of the maximum allowed administration-related costs specified in the Articles of Association –– in the fixed annual remuneration of the Portfolio Manager.

Investment Management Company
The Fund has entered into a management agreement with the Administrator for the Administrator to perform the Fund’s administrative and investment-related tasks as administrator in accordance with Annex 1, Nos 1 and 2 in the Danish Act on Administrators of Alternative Investment Funds etc. and the general instructions provided by the Fund’s board of directors.

In extension of this, please note that, under the executed management agreement, the Administrator has undertaken, among other things, to handle the management of the Fund’s liquidity and risks, by means of the Administrator's systems in the two areas. Managing the Fund’s risks is based on a prior assessment of the risks relevant to the Fund’s investment strategy and risk profile.

The Administrator is authorised to administer alternative investment funds by the Danish Financial Supervisory Authority.

With respect to the Administrator's capital structure, the Administrator has increased their capital base so that it is adequate to cover any risks related to liability in damages caused by professional negligence, *cf*., Sec 16(5) of the Danish Act on Administrators of Alternative Investment Funds etc.

Fees
The Administrator’s administration fee is calculated at the rates below:

- 0.250% of average assets under mDKK 500.
- 0.200 % of average assets over mDKK 500.

The Fund has a minimum payment of DKK 400,000 per year. Fondsmæglerselskabet CABA Capital A/S (“CABA Capital”) has committed itself to pay the Fund’s annual management fee to the Administrator on behalf of the Fund, for the purpose of guaranteeing the Administrator's annual minimum management fee of DKK 400,000. CABA Capital guarantees the Administrator’s annual minimum fee until the Fund’s assets reach a level that triggers payment in excess of the minimum fee of DKK 400,000 at which point the agreement in question lapses.

In relation to this, CABA Capital has confirmed that CABA Capital will waives any and all claims against the Fund resulting from CABA Capital’s payment of the management fee for the Fund under the relevant agreement executed by and between CABA Capital and the Administrator. Additionally, CABA Capital will pay and indemnify the Fund for any taxes, levies, or duties that might be imposed on the Fund as a result of CABA Capital’s payment of the management fee.

Term and Termination of Agreement
The management agreement entered into with the Administrator may be terminated subject to 6 months' notice to expire on the last day of a calendar month.

Ongoing Costs and Total Transaction Costs

Ongoing costs
Ongoing costs cover operations of the Fund.

Costs limit the Fund's possible returns.

The figure for ongoing costs is based on 2021 figures or an estimate for 2022 and might be subject to change from one year to the next.

Total transaction costs
Total transaction costs comprise direct and indirect transaction costs.

Table: The Fund's ongoing costs and total transaction costs are specified as percentages.

Fund	Ongoing costs (%)	Total transaction costs (%)
CABA Flex	1.300	0.23

Offering and Subscription of Units

The units are issued to the bearer but may be registered in the name of the owner in the Association's books upon request to the owner's account-holding institution, the Association or the Custodian Bank. The register of bearers is kept by Computershare A/S.

Issue and Redemption

Fund certificates are offered as a tap issue after the end of the subscription period and until the Fund's assets have reached mDKK 500 (Market Cap) with an issue premium of 0,95% to investors who meet the criteria in Sec 5 of the Danish Act on Administrators of Alternative Investment Funds etc. for acquiring units in a capital association fund without authorisation to market the units to retail investors in Denmark. Investors who meet the criteria in question must provide a statement to that effect when subscribing for units in the Fund. Additionally, once the Fund's assets have reached mDKK 250, the Administrator reserves the right to close for new issues.

Investors' units in the Fund may be redeemed daily at a redemption fee of 0,95%.

Valuation of Units and No Current Prices

Valuation of units in the Association is performed according to their book value, i.e., based on a valuation of the Association's assets. The Association's assets are listed at the official price in respect of the financial instruments listed in a regulated market. Other assets are valued by the Administrator at their estimated fair value.

In cases where it is not possible to calculate the net asset value based on current prices, the most recently updated prices or most recently updated indices will be used to estimate the net asset value. If there is no access to current prices due to unrest and the closing of market places, the calculation of the net asset value may be postponed until the reopening of the market places.

Publication

Issue and redemption prices are calculated daily and published on www.seb.dk/sebinvest or are available on request to the Association, the Administrator or the Depositary.

Securities exchange listing

No request has been made to have the Fund listed for trade.

Certificate-issuing Institution

Skandinaviska Enskilda Banken, Denmark, a subsidiary of Skandinaviska Enskilda Banken AB (publ), Sweden
Bernstorffsgade 50
DK-1577 Copenhagen V.
Central Business Register (CVR) no. DK 19 95 60 75

Rights of Units

The Fund is accumulating and therefore no dividend payments are made.

Annual General Meeting
The Association's annual general meeting is held annually before the end of the month of April.

Voting Right
All investors are entitled to attend the annual general meeting provided that they have an access card from the Association's office no later than five days prior to the annual general meeting, and provided that the card is given to the investor against presentation of the requisite documentation of his/her units. Each investor has one vote for every nominal unit of DKK 100.00.

The authority exercised by the Association's annual general meeting shall be exercised at such general meeting by the investors of a fund as regards following issues:

- adoption of the annual report of the Fund;
- amendment of the provisions of the Articles of Association with regard to investment of the assets of the Fund;
- the dissolution or merger of the Fund; and
- other questions concerning only the Fund.

Voting rights can be exercised for the units registered in the name of the relevant member in the Association's register not less than one week prior to the annual general meeting.

No units have special rights.

Dissolution/Merger of a Fund or an Investment Share Class
At the recommendation of the members of a fund or an investment share class or at the initiative of the Board of Directors, a resolution to dissolve a fund or an investment share class may be passed at an annual general meeting. The dissolution of a fund or an investment share class may, e.g., be triggered by declining asset value or a lack of investor interest.

For a resolution to dissolve or merge a fund or an investment share class to be valid, the quorum for the resolution is a minimum two-thirds of the votes cast as well as of the assets of the fund represented at the annual general meeting.

Equal treatment of investors
There are no investors in the share class with preferential status over other investors in the share class.

Transfer
When transferring from one fund in the Association to another fund in the Association, the applicable redemption and issue prices are normally charged plus trading expenses in the member's own bank, if applicable.

Taxation

The description of the tax consequences of investing in the fund is of a general nature, and a number of special provisions and details are therefore not described.

The description concerns only the provisions for Danish members fully liable to tax in pursuance of the provisions in force at the time of the signing of this Prospectus. It is recommended that investors consult their own tax advisor (e.g. accountant or legal advisor) regarding the individual tax consequences of purchasing, selling and holding units.

This Fund is accumulating.

The Fund itself is not subject to taxation, but investors may be liable to dividend or withholding tax on foreign investments.

Accumulating fixed Income-based Fund
Accumulating funds normally do not distribute dividends. All returns are therefore added to the equity of the funds in question on an ongoing basis.

Investors investing their private available funds are liable to capital income tax according to the market value principle.

Investors investing pension funds are subject to pension tax according to the market value principle.

Investors investing as a company will be subject to corporation taxation according to the market value principle.

The Market-Value Principle
According to the principle of market value, tax is imposed on gains and losses based on the value at the beginning of the income year (or the acquisition price as regards units purchased during the year) and the value at the end of the income year (or the sales price as regards units sold during the year). This means that tax is payable on profits or an allowance is gained for losses, respectively, even though the certificate has not been sold. You can find further taxation guidelines at www.seb.dk/sebinvest.

Available Funds
The Fund is accumulating and therefore the entire return is added to the Fund's equity on an ongoing basis, thus giving the investor a capital gain. Capital gains tax is payable on this gain. A loss may be deducted from the capital income.

However, if the year's total net gains/loss on investment certificates in bond-based funds and regular bonds exceed the minimum amount of DKK 2,000, gains and losses are included only in capital gains. If the minimum amount of DKK 2,000 is exceeded, all gains are liable to tax and all losses are deductible.

For a more detailed description of tax-related consequences related to investments in the Fund, please refer to the Administrator's Tax Guide from 2021, which is available at the Administrator's website and at the following link: IFS_SEBinvest_skatteguide_2021.pdf (sebgroup.com).

For tax-related information about the Fund in the Administrator's Tax Guide, see the section on accumulating bond-based funds.

Additional Information

Annual and Interim Reports
The financial year of Kapitalforeningen is the calendar year. Each financial year, the board of directors of Kapitalforeningen present an annual report as set out in the Danish Act on Investment Associations, etc. as it applies to Danish UCITS. At a minimum, the annual report will comprise a management review, a management statement, and financial statements for each fund, which will consist of an income statement, a balance sheet, and notes, including a statement related to applied accounting policies. The statement of applied accounting policies may be prepared as a shared statement for the funds.

Kapitalforeningen prepares a half-yearly report for each fund with an income statement for the reporting period 1 January - 30 June as well as a balance sheet with a reporting date of 30 June. The annual report is audited by a state-authorised public accountant appointed by the general meeting.

Table: Five-year key figures of the Fund/Share Class*

Key ratios	2017	2018	2019	2020	2021
Fund return in %	-	-	-	-	-
Development in benchmark in %	-	-	-	-	-
Administrative costs in %	-	-	-	-	-
Investors' assets end of period (DKK '000)	-	-	-	-	-
Net result (DKK '000)	-	-	-	-	-

* The Fund was established on 6 July 2022 and therefore has no five-year key ratios yet. Please note that historical returns are no guarantee of future returns.

Fee
The table below shows the Fund's various expenses.

Table: Costs in the Fund

Fund		Budget 2022 (DKK '000)	
	Board of Directors	IFS adm.	FSA
CABA Flex	11	0	5

(The statement does not include trading costs, fees to VP and the Depositary, audit and various office expenses, etc.)

Method and time for publication of disclosures under Secs. 64 and 65
Under Sec 62(25) and Secs 64 and 65 of the Danish Act on Administrators of Alternative Investment Funds etc., the capital association's administrator is required to make available to the capital association's investors the information set out in this section as well as any material changes to this information.

The Administrator will publish the information on the website, in the Investor Information Document, and the Key Investor Information Document.

Key Investment-related Legal Consequences
Investors are solely liable for their contributions when investing in Kapitalforeningen.

The investors' investment in Kapitalforeningen are governed by Danish law, which means that investor ownership of units in Kapitalforeningen is secured by registration in VP Securities A/S. It is the responsibility of the individual investors' own financial institution to ensure that the ownership is registered with VP Securities A/S.

Annex 1 – Fee for Custody Services and Invoicing

Table: Fees for custody services and invoicing for the Fund

Market	Fee for custody services (bps)	Invoicing fee (DKK)
Australia	1.00	110
Belgium	1.00	100
Canada	1.00	100
Denmark	0.50	100
Finland	0.50	100
France	1.00	100
Netherlands	1.00	100
Hong Kong	1.00	100
Ireland	1.00	100
Italy	1.00	100
Japan	1.00	100
Korea	1.00	100
Luxembourg	2.00	100
New Zealand	1.00	100
Norway	0.50	100
Portugal	1.00	100
Spain	1.00	100
Sweden	0.50	100
Switzerland	1.00	100
Germany	1.00	100
UK	1.00	100
USA	0.08	100
Austria	1.00	100