

FUND PROSPECTUS

Excalibur is a special fund in accordance with the law (2013:561) governing Alternative Investment Fund Managers. The Fund started on April 1st, 2001 and is administered by the AIF- manager Excalibur Asset Management AB with corporate identity 556677-7396. The Alternative Investment Fund is subject to the supervision of Finansinspektionen (The Swedish Financial Supervisory Authority).

The Fund	<p>Excalibur (the Fund below) is a special fund in accordance with the law (2013:561) governing Alternative Investment Funds. The Fund Excalibur has been active as a Swedish special fund since 1 April 2001 and is administered by Excalibur Asset Management AB (the Company below) with corporate identity 556677-7396. Excalibur Asset Management AB is supervised by Finansinspektionen (The Swedish Financial Supervisory Authority).</p> <p>Special funds and common investment funds differ in several ways. The most significant differences are that special funds may have less restrictive investment rules than ordinary investment funds and that they deviate from the EU directives for ordinary investment funds. The Swedish Financial Supervisory Authority has granted the Fund Excalibur exceptions from certain limitations that apply to other investment funds and, as a result, the Fund is able to conduct a broader management of the fund than would have been possible in a normal investment fund.</p> <p>The Fund is a Fixed Income Macro Hedge Fund, and the management of the Fund concentrates primarily on the institutional debt capital markets of the European countries and the G7-area. The Fund's objective is to, in accordance with the investment policy, achieve solid capital appreciation for unitholders through active management primarily on Swedish and international markets for fixed-income financial instruments. The intention is to generate positive return regardless of price trends on bond, stock, foreign exchange, and commodities markets.</p>
Fund assets	<p>The Fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and deposits with credit institutions. Management is based on fundamental analysis. The Fund consistently invests in instruments that are characterized by good liquidity and high creditworthiness. Trading with derivative instruments is allowed as a part of the Fund's investment policy and is an integrated part of the management with the intention to adjust investments made in the Fund to the desired risk level. Trading with derivative instruments may also be carried out to protect the Fund's assets against risks related to price and foreign exchange rates. The Fund operates with leverage, created both through derivatives and repo agreements. This implies that the Fund's balance sheet, including derivatives, may be larger than the Fund capital.</p>
Target group	<p>The target group of the Fund mainly includes foundations and other institutions as well as financially strong individuals with an investment horizon of at least three to five years. Since the Fund's performance strive to have a low correlation with the development of Swedish and foreign equity and interest indices, an investment in Excalibur may be used as a tool to decrease the risk level in the total investment portfolio of an investor.</p>
Legal obligations from investment in the Fund	<p>The Fund's assets are owned jointly by the unit holders where each share represent equal right to underlying assets. The company represents the unit holders in all matters regarding the Fund. The Fund cannot acquire rights or take on obligations. The Fund cannot bring questions to a court or other authority. The assets of the Fund's assets cannot be object for foreclosure. The Fund's unit holders are not responsible for the Fund's obligations.</p>
Risk and risk profile	<p>The Fund Excalibur strives to maintain the value of capital and deliver a good return on an annual basis. In the trade-off between risk and return the development of robust marketing strategies is prioritized. This implies strategies that are consistent with the requirement to make positive profit contributions under the condition of minimizing negative outcomes.</p> <p>Investments in funds are always associated with risk. Past performance is no guarantee for future performance. The money invested in a fund can both increase and decrease in value because of</p>

managers' decisions and market developments. There is no guarantee that the full amount invested will be returned to the investors.

In terms of volatility, the Fund has a risk profile that over time has amounted to around one third of the risk involved in a broad equity portfolio. The goal of the average risk level, as measured by an annualized standard deviation over a rolling twenty-four-month period, is to be maximum eight percent. The average level of risk aimed for may, however, be exceeded in case of unusual or extraordinary circumstances.

The Fund use VaR to calculate its risk level. The Fund's VaR is calculated daily. In addition, there is a daily control that the investment restrictions stipulated in LVF and the Fund provisions is upheld in the portfolio management of the Fund. Measures to describe the Fund's historic risk profile is calculated quarterly or more often.

The Company may use leverage according to the Fund provisions through derivatives and repo agreements. By derivatives, such instruments as swaps, options, futures, and forwards are included where the underlying asset is for example interest bearing transferrable obligations, money market instruments, financial indices, interest rate fixings and foreign exchange rates and other derivatives that are listed on an exchange on a Swedish or foreign regulated market. The Fund may use derivative instruments as a part of the Fund's investment strategy.

The Fund's risk profile is proceeded by a disciplined approach to a continuous development of results. In case of negative results that exceed so-called threshold levels, the Fund's exposure is reduced with the intention of minimizing loss to the unitholders. Positive results mean that goals are achieved and that the Fund, at certain predefined levels, establishes techniques for assuring profit or, alternatively, a resolution on new positions depending on the conviction of the fund managers.

Capital invested in the Fund is exposed to various types of risks. Below is an overview of the different types of risks an investment in the Fund may be associated with. The description does not claim to be comprehensive in terms of the risks that may occur in the administration.

All investments in interest-bearing securities are affected by what the development of the interest rate looks like in the countries where the Fund is invested, both in Sweden and in other countries.

The Fund has exposure in foreign currencies, which gives rise to currency risks.

Trading in derivative instruments may be carried out as part of its investment policy and the Fund uses derivatives extensively as a normal investment alternative, both with the intention to create the desired risk profile and to reduce unwanted risks. The Fund may create leverage via both derivatives and through repurchase agreements (repos).

The Fund is associated with counterparty and credit risks since an issuer or counterparty may default on payments and because the Fund from time to time may have significant exposure to the Custodian. Settlement and liquidity risks are managed by the Fund's activity in marketplaces and instruments that meet high standards of liquidity and credit.

The holdings in the Fund are exposed to liquidity risks. A liquidity risk arises if a portion of the funds are difficult to value or sell at a reasonable price at a certain time. This might affect the possibility for redemption or increase in margin calls. Different types of assets have different liquidity profile and margin requirements, which creates demands on the monitoring of the composition of the fund, the repo facilities, and cash management.

Operational risks are risks associated with the Company's internal procedures.

The handling of risks is an important and integrated part of the Fund's work. The Fund uses established methods to control and measure the Fund's risk, including Value-at-Risk. Quantitative methods are supplemented with qualitative assessments.

Leverage

The Fund uses financial leverage as part of its investment strategy to generate return and streamline Fund management. Financial leverage mean that the exposure in the Fund can be

larger or smaller than if the underlying asset had been financed by the Funds own capital. Techniques used to achieve leverage are repos, and derivatives such as options, futures, and swaps.

Sustainability

Transparency regarding the integration of sustainability risks, of the promotion of environmental or social characteristic, and of sustainable investments

- Sustainability risks are integrated into investment decisions, without the fund promoting environmental or social characteristics or having sustainable investments as its objective

The investment process of the Fund includes searching for investments with low risk for value losses due to the underlying companies being involved in unsustainable activities.

Negative Screening

Products and services:

- Cluster bombs, anti-personnel mines
- Chemical and biological weapons
- Nuclear weapons
- Weapons and/or munitions
- Commercial gambling operations
- Pornography
- Coal
- Uranium

International norms

- The Fund does not invest in companies that violate international norms. The assessment is carried out either by the fund management company or a third party.
- For sustainability reasons, the fund does not invest in companies involved in certain countries/ interest bearing securities issues by certain states

The Fund Management Company influences

The fund Management company exercises its investor influence to influence companies on sustainability-related issues.

- In-house investor influence.

Subscription and redemption of fund units	<p>Subscription and redemption of fund units may only be carried out at the turn of a month, on the last calendar day of the month. Requests for subscriptions and redemptions shall be made on a special form provided by the Company and then sent to the Company by mail or e-mail along with the required attachments. Originals shall be sent by mail. Requests for subscription should be submitted four (4) business days before the last business day the month. Requests for redemption should be submitted no later than ten (10) business days before the last business day of the month. The minimum subscription amount at initial subscription in the Fund is SEK 500, 000.</p> <p>Each fund unit is equal and entitles to equal rights to the Fund's assets. Sales and redemptions are confirmed in writing by the Company and are executed by registering or deregistering the fund units in question in the Fund's unit holder register. The register is maintained by the Company. Registration of unit holding is crucial for the right to holdings in the Fund and the associated rights.</p>
Highest total subscription amount	<p>The Company may, from time to time, determine the highest total amount for subscription if the Company judges that the subscription amount could imply a significant disadvantage to the interests of the other unitholders.</p>
Fees and remuneration	<p>Remuneration will be paid to the Company for its management of the Fund out of the Fund's assets. The fixed management fee should also cover the Company's expenses for the safe keeping of the Fund's assets, the fees of the Swedish Financial Supervisory Authority and other authorities, as well as the auditing expenses of the Fund. This amounts to one (1) percent of Fund's value per annum and is charged monthly. This is the maximum fixed fee that may be withdrawn from the Fund. The Fund's value as above shall be calculated as a weighted average of the Fund's opening value of each calendar month during the fiscal year.</p> <p>The Fund is regularly charged transaction costs, such as, for instance, transaction-based payments to clearing organizations and exchange related costs.</p> <p>The performance fee corresponds to 20 percent of the total return that exceeds the Fund's hurdle rate and is charged monthly. The calculation is made after reduction for the fixed fee. The hurdle rate is defined as the market interest of a three-month treasury bill maturing in the third month of the calendar quarter to which the hurdle rate relates. The Fund applies high water mark, i.e., a unit holder only pays a performance fee when any underperformance relative to the hurdle rate from prior periods have been recovered. When a unit holder whom previously paid performance fee redeems units at a time when the value is below its hurdle rate there will not be any repayment of previously paid fees. A fee can be applied in case of a negative return in the fund if the return exceeds the return of the hurdle rate.</p> <p>The fees are charged after determination of Net Asset Value.</p> <p>The Company is entitled to a subscription fee of up to ten (10) percent of the unit value. Currently, there is no subscription charge. Conversely, there is no charge for redemption of fund units.</p>
Tracking Error	<p>The Fund has an absolute return target, which means that the target is to achieve a positive return over time, regardless of how the equity, foreign exchange and fixed income markets develop. Thus, the Funds' return is not suitable for comparison against a specific benchmark. This means that tracking error, which is calculated against a benchmark, is not calculated for the Fund.</p>
Valuation	<p>The Fund's value is determined by the Fund's assets less the Fund's debts.</p> <p>The unit's value is determined by the Fund's value divided by the number of units. All units are equally large and entitled to the same rights to the Fund's value.</p> <p>In accordance with an exception from Chapter 4, Section 10, paragraph 5 in the law for Investment Funds, the value is calculated the last calendar day each month. In addition, an indicative Fund value is calculated daily by the Company. The Company shall after each month end report the value of each unit holder's value, after fixed and potential performance fee. The calculated change in Fund value, after performance fee, shall monthly be publicized on the Company's home page.</p>

EXCALIBUR

The financial instruments managed by the Fund are marked to market. The market value for OTC derivatives is based on common valuation models such as FX forward value, boot strap zero coupon Black and Scholes, Black -76 etc. If any such market value is missing, or obviously wrong, the Company will be based on objectiveness set a valuation rate. For any unlisted instruments, i.e., instruments listed in Chapter 5, Section 5 of LVF, this could mean that information for market valuation may be collected from independent market participants.

Unit holder register	Excalibur Asset Management AB keeps a register of all holdings in the Fund known as the unitholder register.
Transfer and pledging	Units can be pledged and, under certain circumstances, transferred. More detailed information is provided in the fund rules.
Dividend	The open share class A does not pay dividend.
Extraordinary circumstances	The Fund may be closed to entry and exit in the event of extraordinary circumstances that prevent the valuation of the Fund's assets in a way that ensures equal rights of the unitholders.
Historical performance	The table below shows past performance net of all fees since January 2010. More information about the Fund's historic performance can be found on the Company home page.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual return	Hurdle rate
2021	1,31	1,44	-0,81	0,3	-1,19	-0,23	0,08	0,65	0,13	0,98	0,26	0,40	4,01	-0,27
2020	-0,66	-0,38	-2,81	2,24	3,51	1,88	1,01	2,36	0,34	0,41	2,42	0,24	10,9	-0,28
2019	0,07	0,19	-0,16	-0,58	-1,23	0,29	-1,04	0,51	0,34	1,21	0,57	0,66	0,81	-0,58
2018	-0,12	-0,41	0,47	-0,36	0,08	-0,11	0,18	-0,41	0,13	0,04	-1,12	0,1	-1,52	-0,86
2017	0,31	-0,54	0,47	-0,24	-0,19	0,31	0,06	-0,02	0,38	-0,11	-0,32	0,43	0,54	-0,83
2016	0,01	-0,84	0,2	0,5	0,21	-0,62	0,41	0,55	0,17	0,41	0,83	0,23	2,04	-0,73
2015	0,45	0,57	-0,15	0,16	-0,87	-1,49	0,34	-0,33	-0,69	0,33	0,08	-0,50	-2,09	-0,31
2014	0,49	0,21	0,28	0,5	0,19	0,37	0,78	0,32	0,51	-0,57	0,21	0,21	3,53	0,42
2013	0,08	0,04	0,24	0,63	0,42	-0,35	0,14	0,15	-0,17	0,31	0,12	0,15	1,77	0,78
2012	1,43	0,97	0,39	0,44	0,18	0,9	1,05	0,80	0,56	0,66	0,52	0,29	8,49	1,08
2011	-0,31	0,86	0,72	0,26	0,4	0,63	0,04	-0,34	0,45	0,01	0,64	0,45	3,87	1,51

The performance of the Fund as a whole may differ from an individual investor's performance as the performance-based fee was calculated individually until December 2015.

Distribution of the Fund	The Fund may be subscribed to directly by notifying the Company. The Fund may also be subscribed to by approaching an external distributor. For the moment, Avanza Bank AB and Nordnet Bank AB as well as several distributors connected to Allfunds Sweden AB and MFEX Mutual Funds Exchange AB act as distributors of Fund units.
Change in Fund provisions	With the permission of the Swedish Financial Supervisory Authority, the Company is entitled to change the fund provisions for the Fund. The changes may affect the properties of the Fund, such as, for instance, its investment policy, fees, or risk profile. The Swedish Financial Supervisory Authority may decide that the fund provisions, as amended, may not apply before a certain amount of time has passed after the decision of approval, that the unitholders concerned should be informed about the changes and that the unitholders concerned should have the right to get their fund units redeemed before the changes in the fund provisions are applied.
Cessation and transfer of the Fund	If the Swedish Financial Supervisory Authority should revoke the license of the Company or if the Company goes into liquidation or bankruptcy, or in case the Company wishes to cease management of the Fund, the management of the Fund should be taken over by the Custodian. In such case, the Custodian shall, as soon as possible, transfer the management of the Fund to another Alternative Investment Fund Company, following approval by the Swedish Financial Supervisory Authority. Otherwise, the Fund shall be dissolved by selling the assets and distributing the net profit to the unitholders. Notification to this effect shall be published in Post och Inrikes Tidningar (PoIT, Swedish for "Post and Domestic Times") and be available through both the Custodian and the Company.

Regular reporting	The Company provides information such as fact sheets, fund prospectus, monthly letters, annual reports, and semi-annual reports on the Company's website, www.excaliburfonder.se . The information may also be obtained directly from the Company or Custodian. The Fund Net Asset Value is publicized monthly on the Company's home page www.excaliburfonder.se
Information about Excalibur Asset Management AB	The Fund Excalibur (ISIN: SE0001097080) is managed by the AIF manager Excalibur Asset Management AB. Excalibur Asset Management AB was founded in 2006 and the equity capital amounts to SEK 1,250,000. The Company has its headquarters in Stockholm with the address: Birger Jarlgatan 15 111 45 Stockholm Tel: 08-599 295 10 Corporate identity: 556677-7396 www.excaliburfonder.se
Professional liabilities risks	The Company has in accordance with Chapter 7, Section 5 in LAIF, chosen to cover its professional liabilities risks through extra means in the Company's own capital. The Company continuously analyzes and calculates the capital requirements in accordance with the Commission's directive nr 231/2013.
Board members and other senior executives	The Board of the Company consists of the following people: Rune Andersson, born 1944 Johan Andersson, born 1978 Thomas Pohjanen, born 1961 Björn Suurwee, born 1965 The Managing Director of the Company is Thomas Pohjanen. The Deputy Managing Director is Björn Suurwee. Managers of the Fund are Thomas Pohjanen (Responsible Manager), Björn Suurwee and Marek Ozana. None of the leading managers of the Company have any other occupations that may conflict with the Company. Anna Blom has been appointed as responsible for the compliance function as Compliance Officer. The registered auditing firm KPMG AB has been appointed as auditors and Dan Beitner as Chief Auditor.
Custodian	The assets of the Fund are kept by Skandinaviska Enskilda Banken AB (publ) acting as the Fund's Custodian. SEB's headquarters are in Stockholm and its main business is in banking and securities. The Custodian has a system for managing conflicts of interest when executing its depositary assignments. The Custodian shall act solely in the interests of the Fund investors and independently of the Fund and the Fund company. The Custodian bank has routines to identify, manage and monitor any conflicts of interest. The Custodian bank conducts a broad business, which means that conflicts of interest may arise from time to time. To prevent conflicts of interest from occurring, various operations are kept separate and, in cases where conflicts of interest cannot be avoided, internal rules are in place to ensure correct handling of customers. Areas where conflicts of interest may arise are, for example, between the Custodian's duties as a Custodian and when the Custodian is a counterparty to the Fund company regarding other services such as trading in financial instruments. Information about the Custodian bank, its activities and the conflicts of interest that may arise can be obtained from the fund company on request.
Prime Broker	The Fund appoints no Prime Broker
Outsourced Functions	Harvest Advokatbyrå AB has been appointed responsible for the internal audit function. Anna Cumzelius is responsible officer.

FCG Fonder AB has been appointed responsible for the external risk function. Mikael Olausson is the responsible officer.

The Company has entered into an agreement with ECIT Services AB regarding bookkeeping, accounting and reporting for the Company.

LC24 ITASSISTANS AB has been contracted for IT services.

Distribution agreements regarding fund units have been made with Avanza Bank AB and Nordnet Bank AB as well as other distributors connected to MFEX Mutual Funds Exchange AB and Allfunds Sweden AB. Visit www.excaliburfonder.se for a complete list.

Tax rules for the Fund and the unit holders

Swedish mutual funds are not liable to taxation. However, private persons liable for taxation in Sweden are taxed based on their holdings in the Fund. If the Fund is linked to an investment savings account, fund insurance, IPS or premium pension special tax rules apply. Special rules apply to legal persons and unitholders that reside abroad. Taxation may depend on individual circumstances. If you are uncertain about any tax implications, you should seek expert help.

Damages

Neither the Company nor the Custodian is liable for any damages ensuing from Swedish or foreign statutes, actions of Swedish or foreign public authorities, acts of war, strikes, blockades, boycotts, and lockouts or any other such events. The exemption from liability in the case of strikes, blockades, boycotts, and lockouts applies even if the Company and/or the Custodian is itself the object or originator of such actions.

Neither the Company nor the Custodian will indemnify any damages arising from other circumstances, assuming that due care has been observed. Neither the Company nor the Custodian is in any circumstance liable for indirect damages.

If there is an obstacle that prevents the Company and/or the Custodian from taking action on the basis of circumstances specified above, the action may be postponed until the obstacle has ceased to exist.

In other respects, the Company and the Custodian are liable for damages according to Chapter 8, Section 2, and Chapter 9, Section 22 in the law on Alternative Investment Funds.

Publication date

This Fund Prospectus was published on 28th of January, 2022.

FUND PROVISIONS

§ 1 Legal Status of the Fund

The name of the Fund is Excalibur (the “Fund”).

The Fund is a special fund as defined in the Swedish Law on Alternative Investment Funds Managers (2013:561), (below called “LAIF”).

The Fund assets are jointly owned by the unit holders and each unit entitles the holder to equal rights to the property of the Fund. The unit holders are not liable for obligations of the Fund.

The Fund may not acquire rights or assume obligations. Nor shall the Fund have legal capacity to sue in, or be brought before, courts of law or any other public authority. Property of the Fund may not be subject to attachment (*Sw. utmätning*). The Company represents the unit holders in all matters concerning the Fund, makes decisions concerning the property of the Fund and exercises all of the rights in connection with the property.

The Fund is directed to the public and not to a limited group of people.

§ 2 Management Company

The Fund is managed by Excalibur Asset Management AB, corporate identity no 556677-7396, (the “Company”).

§ 3 The Custodian

The Fund’s assets are entrusted to Skandinaviska Enskilda Banken AB (publ), corporate identity no. 502032-9081, (the “Custodian”) for safe keeping.

The Custodian implements decisions by the Company pertaining to the Fund. The Custodian takes receipt of and holds in custody the property of the Fund and ensures that the Company acts in accordance with the Law regulating Investment Funds 2004:46 (LVF), these Fund Provisions and those other regulations issued by the Swedish Financial Supervisory Authority regarding the investments of the Fund, sale and redemption of units and valuation of units.

§ 4 The Structure of the Fund

The Fund is a hedge fund that concentrates principally on the interest markets of the European countries and the G7-area. The Fund’s objective is to, in accordance with the investment policy, achieve solid capital appreciation for unit holders through active management primarily on Swedish and international markets for fixed-income financial instruments. The intention is to generate such return regardless of price development on bond, stock, foreign exchange, and commodities markets. The Fund will use different kinds of derivatives strategies, loans and short sale, *i.e.*, sale of financial instruments that the Fund does not own but disposes over.

§ 5 Investment Policy

§5.1 General

The Fund’s assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and deposits with credit institutions.

Derivative instruments mean instruments such as swaps, options and futures, where the underlying asset is or relate to *e.g.* interest-bearing transferable

securities, money market instruments, financial indexes, interest rates or currency exchange rates and other derivative instruments which are listed on a Swedish or foreign regulated market or an equivalent market outside of the EEA in accordance with § 6 below. The management will also include the entering into agreements on repos and buy/sell back transactions of financial instruments according to established industry practice, as well as the raising and granting of securities loans.

A maximum of 10 per cent of the Fund assets may be invested in units of other funds or foreign fund management companies. A maximum of 10 per cent of the Fund assets may be deposited with credit institutions. The Fund may always hold the liquid assets necessary for the management.

§ 5.2 Exceptions from statutory provisions and the Swedish Financial Supervisory Authority's Regulations

The Fund has been granted the following exemptions in respect of the investment policy from the provisions of the LVF and the Swedish Financial Supervisory Authority's regulations on Investment Funds (FFFS 2013:9).

With exemption from Chapter 5, Section 6, first paragraph and second paragraph 3 LVF, a maximum of 40 per cent of the Fund assets may be invested in interest-bearing transferable securities and money market instruments issued by a single issuer. The exposure is calculated as the market value in on-balance instruments and the underlying market value in off-balance instruments. Interest-bearing transferable securities and money market instruments issued or guaranteed by a state or municipal authority in a state within the EU and EFTA, and Australia, Hong Kong, Japan, Canada, Singapore, and the USA, or a public international body of which one or more of the mentioned federations or countries are members, are not covered by the restriction above, providing that the possession of issued or guaranteed transferable securities and money market instruments of a single issuer derive from at least two different issues, and that one issue does not exceed 50 percent of the Fund's value. The latter investment opportunity is an exemption from Chapter 5, Section 6, second paragraph 1 LVF. In addition, the Fund's assets must always be invested according to the principle of risk-spreading.

With exemption from Chapter 5, Section 13, second paragraph, LVF, the total exposure arising from derivative instruments may exceed the Fund value. However, the level of risk exposure arising from derivative instruments is limited by the provisions in § 7.2 below.

With exemption from Chapter 5, Section 14, LVF the exposure to a single counterparty in conjunction with transactions with such derivative instruments as are referred to in Chapter 5, Section 12, second paragraph, LVF may not exceed 25 per cent of the Fund value. In this context, exposure means collateral requirements.

With exemption from Chapter 5, Section 19, subsection 2 and 3, LVF the Fund may not, hold more than 25 per cent of money market instruments, bonds and other debt securities, issued by any single issuer.

With exemption from Chapter 5, Section 21 and 22, LVF the Fund's total exposures towards a single company or towards companies in a single company group may not exceed 50 per cent of the Fund value.

With exemption from Chapter 5, Section 23, first paragraph, subsection 1 and second paragraph, LVF the Fund may raise cash loans. Such cash loans may not exceed 50 per cent of the Fund value.

With exemption from Chapter 5, Section 23, first paragraph, subsection 3, LVF the Fund may sell interest-bearing transferable securities, money market instruments

and derivative instruments which are not included in the Fund (so called genuine and non-genuine short sale).

§ 5.3 Objectives of Levels and Measurement of Risk

The objective of the Fund's average level of risk, measured as an annual standard deviation over a rolling twenty-four-month period, is to be maximum 8 per cent. However, it should be noted that the average level of risk aimed for might be either higher or lower in case of unusual market situations or extraordinary situations.

The Fund utilizes historical Value at Risk ("VaR") as its calculating statistical risk measurement tool. The Fund's calculated VaR, based on positive and negative exposures, may not exceed four per cent of the Fund value. If the Fund's exposure exceeds the limit, it shall be corrected as soon as possible. Reasonable considerations to the unit holders must, however, be taken.

To describe the historical risk profile of the Fund, measurements are used such as:

- Standard deviation
- Best/worst time period
- Maximum loss
- Maximum time for recovery of loss
- Longest period of zero return
- Negative results

The VaR of the Fund is calculated daily with a confidence interval of 99%. Furthermore, there is an automated check-up daily, to ensure that the limitations on investments pursuant to LVF and these Fund Provisions are complied with in the management of the Fund. Measurements to describe the historical risk profile of the Fund are calculated at least quarterly.

§ 6 Marketplaces

The Fund's assets may be invested in a regulated market, or equivalent market outside EES, and in other markets, within or outside EES, who are regulated and open to the public and included in the Fund's Investment Policy.

§ 7 Special Investment Policy

§ 7.1 Non-listed transferable securities and money market instruments

The Fund may contain such non-listed interest-bearing transferable securities and money market instruments described in Chapter 5, Section 5 LVF, however, not exceeding 10 per cent of the Fund value.

§ 7.2 Derivative instruments

The Fund may utilize derivative instruments as a link in its investment policy. The Fund will to a large extent utilize such derivative instruments that are mentioned in Chapter 5, Section 12, second paragraph, LVF (so called OTC derivatives).

§ 7.2.1 Options

The Fund's total market value of options held must not exceed a maximum of 25 per cent of the Fund value. Accordingly, this is the maximum risk of losses the Fund may be exposed to at any time arising from purchased option positions. The Fund's total collateral requirement for options written may not exceed 25 per cent of the Fund value. Options written, where the risk of losses is eliminated through long or short positions in the underlying instrument, should be excluded in the aforementioned calculations.

§ 7.2.2 Futures, swap agreements, repos and buy/sell back transactions

The collateral requirement ensuing from the Fund's trading in futures, swaps, repos and buy/sell back transactions must not exceed a maximum of 80 per cent of the Fund value.

§ 7.2.3 Currency derivatives

The sum of all positive net exposures in any particular currency in respect of futures and options (with the exception of SEK) must not exceed 50 per cent of the Fund value and the sum of all negative net exposures must not fall below 50 per cent of the Fund value.

§ 7.2.4 Total collateral requirement

The Fund's total collateral requirement for options, futures, swaps, repos, buy/sell back transactions and securities loans must not exceed a maximum of 90 per cent of the Fund value. Collateral provided as security for credit obtained through cash loans is not included in this calculation.

§ 7.3 Repos, buy/sell back transactions etc.

The Fund may use such techniques and instruments as described in Chapter 25, Section 21 of FFFS 2013:9 to reduce cost and risk in the Fund, or with the purpose to increase return or create leverage in the Fund, for instance by entering into agreements concerning repos and buy/sell back transactions of financial instruments, as well as enter and exit from securities loans.

§ 8 Valuation

The Fund value corresponds to the Fund assets after deducting the liabilities of the Fund.

The net asset value per unit is equivalent to the Fund's total net asset value divided by the number of units in the Fund. All units are equal in size and entitle the holders thereof to equal rights in the Fund assets.

The Company will determine the value of the Fund assets on a daily basis. With exemption from Chapter 4, Section 10, paragraph 5, LVF the net asset value per fund unit is calculated as above as per the last day of each month. Furthermore, an indicative net asset value per unit is calculated daily by the Company. After the last banking day of each month, the Company will inform the unit holders of the calculated value of the units and each individual unit holder of the calculated value, net of accrued performance fees, if any, of their respective units. The calculated change in the Fund assets net of total accrued performance fees, if any, will be published monthly on the Company's website www.excaliburfonder.se.

The Company will value the Fund's financial instruments on the basis of applicable market values. Market value for OTC derivatives will be based on commonly used valuation models, such as FX futures valuation, the bootstrap zero-coupon method, Black & Scholes, and Black -76. If such market value is unavailable or is clearly misleading, the Company will determine the market value in an objective manner. In respect of non-listed holdings, i.e. such holdings described in Chapter 5, Section 5, LVF, this may entail that information regarding market valuation variables may be obtained from independent market actors.

§ 9 Subscription and Redemption of Units

§ 9.1 General

The subscription and redemption of units may, with exemption from Chapter 4, Section 13, first sentence, LVF be affected through the Company monthly on the last banking day prior to the end of each month. Requests for subscriptions or redemptions should be submitted in a specific form obtainable from the Company and be forwarded to the Company by facsimile, mail or e-mail, together with required enclosures. Originals and enclosures should thereafter be sent to the Company by mail. The unit holder is liable for ensuring that the relevant form is duly signed, and the correct account number stated.

A request for subscription or redemption of units shall be submitted no later than ten banking days prior to month end. If the Company receives the request for subscription or redemption later than ten banking days before month end, the Company reserves the right to reject approval of such request to subscribe or redeem.

§ 9.2 Subscription amount

The minimum initial investment in the Fund is SEK 500,000. The subscription amount should be on the bank account for subscriptions at the latest by 3 pm two bank days before the month end. Should the subscription amount arrive later than that, the Company reserves the right not to accept the subscription for the relevant month.

In the event that the Company deems that the size of the subscription of new units would significantly prejudice the interest of the other unit holders, the Company may decide on the maximum amount for subscription of new units from time to time. In such case, the Company shall primarily ensure that each subscriber is allotted units corresponding to the minimum investment allowed as described above, after which the excess subscription amount is reduced through a pro rata reduction of each single investor's subscribed amount. The Company will in such case notify the subscriber of the Company's decision, the amount that has been allotted and offer the investor the possibility to subscribe for new units at the following subscription date.

§ 9.3 Redemption

Requests for redemption may be revoked only if the Company accepts it. Requests for redemption cannot be limited.

Fund units are redeemed by utilizing the Fund assets. If assets for redemption must be acquired through sale of the Fund assets, such sale and payment of the redemption amount will be affected as soon as possible. In the event such sale would significantly prejudice the interest of the other unit holders, the Company may, following notification to the Swedish Financial Supervisory Authority, postpone such sale.

§ 9.4 Unit price

The price of a unit is the market value of the unit at month end. The Company may charge a fee not exceeding 10 per cent of the subscription amount. Such fee represents remuneration to the Company for subscribing for units.

The redemption price of a unit is the market value of the unit on the redemption date. No fees are payable when units are redeemed.

Subscriptions and redemptions are made at prices unknown to the unit holder at the time of submitting the request for the subscription or the redemption. Information regarding unit prices is sent to the unit holders after each month end and can be obtained from the Company.

§ 9.5 Extraordinary circumstances

The Fund may be closed for entry and exit in extraordinary circumstances when it is impossible to value the Fund assets in a manner that ensures the unit holders' equal rights.

§ 10 Fees and Remuneration

§ 10.1 General

Remuneration will be paid to the Company out of the Fund assets. The remuneration to the Company comprises a fixed fee and a performance fee.

Costs for the purchase and sale of financial instruments are charged to the Fund. Such costs include customary brokerage, registration expenses, and transaction charges.

§ 10.2 Fixed fee

Remuneration will be paid to the Company for its management of the Fund out of the Fund assets. The remuneration also covers the Company's costs for administration of the Fund, the fixed costs of the Custodian, and the supervisory fees to the Swedish Financial Supervisory Authority. It also covers remuneration to the Company's auditors for review of the Fund's books. The fixed fee will be payable at 1.0 per cent of the Fund value per year. The fee will be paid monthly in arrear and be based on the opening Fund value in the relevant calendar month's first day.

§ 10.3 Performance fee

The performance fee corresponds to 20 per cent of the total return, after deducting the fixed fee, each unit holder receives above the benchmark return. The benchmark return is defined as the market yield of Treasury Bills maturing in the third month of the calendar quarter to which the benchmark return relates. Market yields are defined as the median value of the offered rate published by Swedish National Debt Office resellers at the close of the Swedish bond market on the final banking day of that calendar quarter preceding the calendar quarter to which the benchmark return relates.

The performance fee is paid in arrear at the turn of each calendar month. If a unit holder receives a return that is below the benchmark return, no performance fee is payable until the shortfall (the difference between the actual return and the benchmark) has been compensated. On such occasion when a unit holder whom earlier have paid performance fee, redeems units at a time when the return from the Fund is lower than the benchmark return, earlier fees are not repaid.

The Fund will pay the performance fee, although this fee will be charged to each unit holder pro rata with the returns such unit holder has received, by amending the number of units held. Each holder's number of units is calculated based on the unit holder who pays the highest performance fee per unit. This unit holder's net asset value per unit constitutes the base for calculating the new number of units of the Fund. The number of units is rounded up to four decimals. The performance fee is rounded downwards to the nearest Swedish krona (SEK).

§ 11 Dividends

The Fund will not pay dividends.

§ 12 Fiscal Year of the Fund

The fiscal year of the Fund is the calendar year.

§ 13 Annual Report and Semi-Annual Report

The Company will prepare an Annual Report and Semi-Annual Report. The Annual and the Semi-Annual Reports will be available from the Company and from the Custodian and will be published on the website of the Company within four months of the end of the fiscal year (the Annual Report), and within two months of the end of the relevant reporting period (the Semi-Annual Report). The Annual and Semi-annual reports will be sent free of charge to the unit holders upon request.

§ 14 Pledge or Transfer of units

Units may be pledged. The Company must be notified in writing about the pledge and such notice must be signed by the owner of the units (the "Pledgor"). The notification shall specify the Pledgor, the number of units pledged, the owner of the units and any limitations on the pledge. The Company will register the pledge in the unit holders' register and notify the registration of the pledge to the unit holder in writing. When the pledge is terminated, the Pledgor will notify the Company in writing.

Transfer of units may only be made:

- a) by gift,
- b) in order to complete the division of joint property of husband and wife,
- c) in order to complete a transfer between different legal entities within the same group (*Sw. koncern*), or
- d) in order to enforce a pledged unit.

Upon transfer, a notice, signed by the buyer and the seller, shall be given to the Company. Upon the transfer, accumulated over- or shortfall return will be transferred to the buyer. If the buyer already holds units, the acquired units will be dealt with separately when the performance fee is calculated.

§ 15 Limitation of Liability

In case the Custodian has lost financial instruments, which are in custody with the Custodian or its depot bank, the Custodian shall instantaneously return equivalent financial instruments or a value equivalent to the financial instruments to the Fund. The Custodian is, however, not liable in case the loss of the financial instruments, or other damage, is caused by something outside of the Custodian's control, such as damage relating to Swedish or foreign statutes, an act from a Swedish or foreign authority, an act of war, strikes, blockades, boycotts, lockouts, or other similar happening. The Company is not liable for damage caused outside of its control. The exemption from liability in the case of strikes, blockades, boycotts, and lockouts applies even if the Company is itself the object or originator of such actions. Neither the Custodian, nor the Company is liable to a damage caused by – Swedish or foreign – exchange or other marketplaces, central custodian or clearing organisation.

Neither the Company nor the Custodian is liable for damages to the Fund or unit holders or other parties because of any restriction on dispositions with respect to financial instruments imposed on the Company and/or the Custodian.

The Custodian is not liable for losses in financial instruments which is in custody by a depot bank/Custodian or other contractor that the Custodian has retained with due care for custody of financial instruments and with whom the Custodian

has agreed transfer of liability, with rights for the Company to make demands directly to the Custodian. Such transfer of liability from the Custodian to depot bank is a consequence of the Custodian asking the depot bank to keep in custody foreign financial instruments in a local market in such a way as stipulated in the current custody agreement between the Custodian and the Company.

Neither the Company nor the Custodian will indemnify any damages arising from other circumstances, assuming that due care has been observed, and unless it is not a consequence of relevant mandatory law.

Neither the Company nor the Custodian is in any circumstance liable for indirect damages.

If there is an obstacle that prevents the Company and/or the Custodian from wholly or partly taking action on the basis of circumstances specified in the second paragraph above, the action may be postponed until the obstacle has ceased to exist. If the Company and/or the Custodian is prevented by such circumstances from making or accepting payment, neither the Company, the Custodian nor the unit holder will be liable to pay penalty interest. If interest is deemed, the Company or the Custodian shall pay interest based on the interest rate on the maturity day. If the Custodian due to circumstances specified in the second paragraph is prohibited to receive payment for the Fund, the Custodian has right to interest for the time there has been an obstacle only according to the terms applicable at the maturity day.

The Company is not liable to damage caused by the Custodian or its depot bank. Neither is the Company liable for damages occasioned by a unit holder or other party violating any law, ordinance, stipulation or these Fund Provisions. In this context, unit holders' attention is drawn to their liability for ensuring that instructions provided to the Company are correct and duly signed and that the Company is informed of changes to the information provided.

The Company is liable according to Chapter 8, Sections 28-31, LAIF. The Custodian is liable according to Chapter 9, Section 22, LAIF.

§ 16 Sales Restrictions

The Fund is not registered in accordance with the United States Securities Act 1933 or the US Investment Companies Act 1940 or any applicable US law. As a result, shares of the Fund may not be offered, sold or otherwise distributed to persons in the United States. Furthermore, shares in the Fund may not be offered, sold or otherwise distributed to any natural or legal person if the Company's assessment is that this would involve or result in a risk of

- (i) violation of Swedish or foreign law or regulation,
- (ii) the Fund having to take special measures for registration or other measures, or suffer significant disadvantages from a tax or economic perspective, and if this cannot be reasonably required of the Company, or
- (iii) the Fund suffering damage or costs that are not in the interest of the Shareholders.

Those who wish to acquire units in the Fund shall declare their national domicile to the Company and at the Company's request, confirm that he or she is not subject to the above restrictions. Unit holders are also liable to, if appropriate, notify the Company of any change regarding national domicile.

If the Company judges that it has no right to offer, sell or otherwise distribute fund units in accordance with the first paragraph, the Company has the right to refuse execution of such a commission as the purchase of shares in the Fund, and, where appropriate, without prior consent, redeem the possession of fund units of such a unit holder on his behalf and disburse such additional funds to him.