

## KEY INVESTOR INFORMATION DOCUMENT (KIID)

*This fact sheet is aimed at investors and contains basic facts about this fund. The fact sheet is not marketing material. This information is required under law to assist you in understanding what an investment in the fund entails and the associated risks. You are advised to read it in order to make an informed investment decision.*

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### NORDIC FACTORING FUND AB (publ)

Company Registration No.: 559175-1317

ISIN: SE0012116382

AIF Manager: Finserve Nordic AB

### OBJECTIVE AND POSITIONING

The Fund is an alternative investment fund formed as a limited liability company. The Fund is regulated by the Companies Act and the Managers of Alternative Investment Funds Act. In the event of the Fund's bankruptcy, the Fund's investors risk no more than the invested capital. The Fund applies risk diversification but does not have to comply with the risk diversification and investment requirements nor the special rules on redemption of fund units that apply to mutual funds.

The Fund's objective is to achieve a high risk-adjusted return with low or no correlation to the equity, bond and commodity markets. The goal is to generate a return of about 7-9 per cent per year on invested capital after fees are deducted with low volatility.

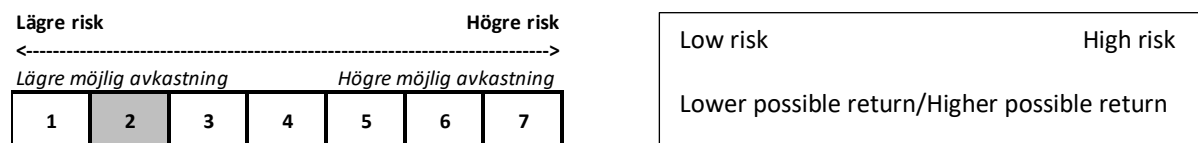
The Fund shall provide loan capital to companies and other forms of association. The Fund can, among other things invest in companies whose operations are based in mainly on so-called invoice lending, which means that the borrower mortgages claims such as bills. This can be done by lending the Fund capital and receive invoices as collateral for the borrower loans, or in the form of, for example, tripartite agreements. Loans are normally secured by pledge, the guarantee or the like, but sometimes can be unsecured. Further the fund can invest in fund units, bonds and on account in credit institution.

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Derivatives can be used to manage unwanted risks. Financial technology and derivative instruments can be used to create leverage in the Fund in order to increase returns. The Fund's performance results are highly dependent on the level of lending in the portfolio and may therefore vary over time.

An investment in the Fund involves subscription for profit participating loans issued in the Fund. The profit participating loans can be bought and sold on NGM Main Regulated, in the so-called secondary market, normally on all banking days. You can also subscribe and redeem profit participating loans directly from the fund on a yearly basis in the so-called primary market. To the extent that the fund management results in a profit, you may receive profit participating interest in accordance with applicable conditions. Any profit participating interest is reinvested in the form of new profit participating loans.

Recommendation: The Fund may be unsuitable for investors who plan to withdraw their money within three years.



The risk and return indicator illustrates the relationship between risk and possible return on an investment in the fund. The Fund's risk indicator describes how the value of a profit participating loan corresponds to the nominal amount SEK 100,000, i.e. how 100,000 units of 1 SEK. As the fund lacks five years of history, an estimate has been made based on other similar international funds.

The fund belongs to risk category 2, which implies that there is a low risk of major changes in the unit value in the fund. However, even risk category 1 does not signify that a fund is completely free of risk. Over time, the classification of the risk category for the fund may change, as the indicator is based on historical data that is not a guarantee of future risk/return. In extreme economic situations, the fund may endure credit events that may affect

the risk level. The fund's risk profile depends on different types of risk that can affect the overall risk to a varying degree and at different times. These include:

**Credit risk:** The fund intends to lend to companies and other forms of association in which the potential value increase may be associated with risk in the form of a return that may be less than expected or even fail if the company that takes out the credit defaults on the loans it has received. This means that there is a risk of losing all or part of the invested capital and that any profit participating interest cannot be paid out.

**Liquidity risk:** Profit participation loans are freely transferable and a market maker exists. However, it can be difficult to sell the profit participation loans. In the event of various credit events in the fund that have a significant impact on the value of the fund, the liquidity and market price offered by way of listing on NGM Main Regulated can be adversely affected, which in turn can make it difficult to sell the profit participation loans. Liquidity risk may also arise in the fund's holdings should the fund fail to make investments and divestments at favourable prices.

**Counterparty risk:** The fund is exposed to borrowers who have entered into a loan agreement with the fund. Counterparty risk also arises in entered into derivative contracts and repurchase agreements. Derivatives and financial instruments: The fund uses leverage, partly to exploit price differences and partly to reduce unwanted risks. Increased leverage may increase the fund's exposure to credit risk and liquidity risk.

**Operational risk:** The Fund may invest in holdings with different characteristics, which may entail risk primarily related to the Fund's operational activities such as business flow, cash and liquidity management, evaluation, IT systems, routines etc.

## FEES

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### One-off fees charged before or after you invest:

Subscription fee	0,00 %
Redemption fee	0,00 %

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*The above is the maximum that can be charged prior to investing/before paying out on the unit holding.*

### Fees taken from the Fund in 2019:

Annual Fee*	1,76 %
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### Charges taken from the Fund under special circumstances:

Profit Share**	0,76 %
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\*Annual fee shows how much you paid for management, administration, marketing and other costs of the fund such as costs in the underlying funds. The annual fee does not include variable costs for securities trading (brokerage). The Fund's actual fees are stated in the Fund's annual and biannual reports.

\*\* Thereafter, the Fund's shareholders shall receive a performance-based payment of 20 percent of the portion of the total return on the Portfolio that exceeds the Minimum Interest Rate. The performance fee is calculated monthly and is taken out of the Fund at the end of each calendar month. The performance-based remuneration is calculated in accordance with the High Watermark principle and after deduction of the Minimum Interest Rate. The minimum interest rate must never be lower than zero percent, even if the reference rate SSVX3M is negative, so-called "minus interest rate".

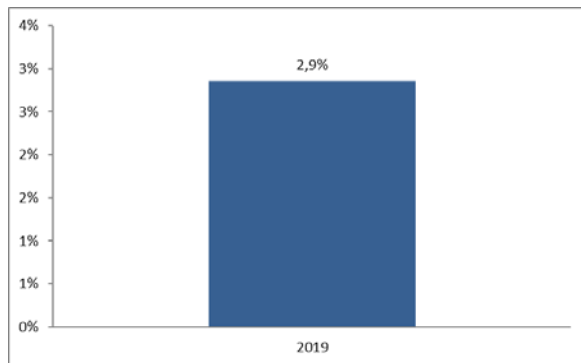
The fees constitute payment for the fund's costs, including marketing and distribution. These reduce the fund's potential return.

When trading over the stock exchange, a commission fee is normally paid. Information about the brokerage fee that applies to trading on the stock exchange can be obtained from your dealer.

For more information on the fees charged to the Fund, please refer to the Information Brochure and the General Terms and Conditions for Profit Participating Loans.

## PREVIOUS RESULTS

The fund commenced in July 2019, and therefore it is not possible to provide information on results from years other than the following.



The diagram shows the fund's return (earnings) after deduction of the annual fee and profit participation as described above. The value for all years is calculated in Swedish Crowns (SEK).

Historical returns are no guarantee of future returns.

### **PRACTICAL INFORMATION**

- Further information about the fund can be found in the Information Brochure and General Terms and Conditions for Profit Participating Loans, as well as the annual and biannual reports. These can be downloaded at [www.finserve.se](http://www.finserve.se) and [www.kreditfonden.se](http://www.kreditfonden.se).
- The share value is calculated monthly and published on [www.finserve.se](http://www.finserve.se), [www.kreditfonden.se](http://www.kreditfonden.se) and [www.ngm.se](http://www.ngm.se).
- AIF Manager for the Fund is Finserve Nordic AB, company registration number 556695-9499, [www.finserve.se](http://www.finserve.se).
- The AIF Manager may be held liable solely on the basis of a statement contained in this document that is misleading, incorrect or inconsistent with the relevant sections of the Fund's General Terms and Conditions.
- The depositary for the fund is Danske Bank A / S, (Sweden Branch), company registration number 516401-9811.
- The tax legislation applied in the Fund's country of authorization may have an impact on your personal tax situation.
- This fund is registered in Sweden and the Swedish Financial Supervisory Authority (SW:Finansinspektionen) exercises supervision over the fund manager: Finserve Nordic AB.
- This KIID is valid as of 7 February, 2020.