
Information Brochure
Carneo Private Equity Solution AB

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Important information

This document constitutes the regulatory information brochure for the fund Carneo Private Equity Solution AB, Reg. No. 559116-2465 (the “**Fund**”). It has been prepared in accordance with Directive 2011/61/EU on Alternative Investment Fund Managers (“**AIFMD**”), the Swedish Alternative Investment Fund Managers Act (Sw. *lag (2013:561) om förvaltare av alternativa investeringsfonder*, “**AIFMA**”), and the Swedish Financial Supervisory Authority’s (Sw. *Finansinspektionen*) (the “**SFSA**”) regulations FFFS 2013:10.

Investors investing from a jurisdiction other than Sweden may be prohibited to invest in the Fund under applicable law in that jurisdiction. The manager, CAAM Fund Services AB, Reg. No. 556648-6832 (the “**Manager**”), has no responsibility to verify that an investment from a foreign jurisdiction is in accordance with the laws of such jurisdiction. It is therefore for any foreign investor who is interested in investing in the Fund to ensure that such investment will be made in accordance with applicable laws or regulations both in Sweden and abroad. Disputes relating to the Fund shall be settled in accordance with provisions in the documents governing the Fund.

The information contained herein is not intended as a recommendation by the Manager to invest in the Fund and it is the responsibility of each investor who wishes to invest in the Fund to make its own assessment of such an investment and the risks associated with it.

There are no guarantees that an investment in the Fund will generate a good return irrespective of any general developments in the financial markets. There are no guarantees that an investment in the Fund will not lead to a loss and past performance is no guarantee of future returns. The money invested in the Fund can increase and decrease in value and it is not certain that any amounts invested in the Fund by an investor will be returned to such investor.

The contents of this document is only being directed to professional investors who are legally permitted to receive it in the jurisdiction in which they are situated and no marketing by or on

behalf of the Manager is or will be directed at non-professional investors (as defined in the AIFMA).

This document is dated on 30 June 2021.

1. Summary

The Fund is an alternative investment fund established in accordance with the AIFMA, which primarily will invest in private equity and venture capital funds-of-funds and will as such be categorised as a “fund of fund” under 10 d) Annex IV of the EU Regulation No 231/2013. The Manager acts as the Fund’s alternative investment fund manager.

The Fund is structured as an evergreen vehicle with an intention to achieve capital growth and superior returns for its investors by building on the demonstrated success and strength of the team managing the Fund. Through creating a “one-stop shop” for global alternative investments, the Manager offers investors in the Fund the opportunity to invest in assets otherwise difficult to access.

Initially, the Fund has invested in the funds-of-funds Makena Perpetual Private Equity Fund L.P. and Makena Perpetual Venture Capital Fund L.P, established in Delaware, USA. (the “**Portfolio Funds**”).

The Fund is established as a limited liability company incorporated in Sweden and its business is conducted in accordance with terms and conditions as further set out in its fund rules (the “**Fund Rules**”). Investors wishing to invest in the Fund (“**Investors**”) will adhere to the Fund Rules through entering into an adherence agreement with the Manager and the Fund (collectively with the Fund Rules referred to as the “**Fund Agreement**”).

Investors invest in the Fund through either (i) preference shares (“**Preference Shares**”) or (ii) principal linked participating debentures (Sw. *kapitalandelslån*) (“**PPLs**”). An Investor’s financial terms under the Fund Agreement are equal, irrespective of whether such Investor invests through Preference Shares or PPLs.

The Fund is denominated in USD. An investment in the Fund shall be seen as illiquid and an Investor is subject to certain restrictions to transfer, or withdrawal from, its interests in the Fund.

At the beginning of each calendar quarter, an amount up to 31,25 basis points (0.3125 per cent) of each Investor’s capital account balance, shall be re-allocated from each Investor’s account (the “**Priority Profit Split**”). Furthermore, at the end of each financial year, an amount of no more than 15 per cent on any positive return (subject to a 6 per cent hurdle and a high-water mark test) shall also be re-allocated from the Investor’s account (the “**Conditional Profit Split**”).

By subscribing for interests in the Fund, an Investor irrevocably undertakes to provide capital to the Fund in accordance with the Fund Agreement.

Skandinaviska Enskilda Banken AB (publ.) is the Fund’s depository.

2. Eligible Investors

In general, only investors that are professional investors (as defined in chapter 8 sections 16 and 17 of the Swedish Securities Market Act (Sw. *Lag (2007:528) om värdepappersmarknaden*)) are eligible to purchase interests in the Fund. Furthermore, the Fund is not open to such investors whose subscription or holding of interests in the Fund or other participation in the Fund (i) is contrary to the provisions of Swedish or foreign law or regulation or (ii) means that the Fund or the Manager will be obliged to take registration measures or other action which the

Fund or the Manager would not otherwise be required to take. The Manager will decide in its discretion whether or not to accept a prospective investor's request for subscription of interests in the Fund.

In addition to the general representations given in the Fund Agreement, each Investor may be required to make certain representations to the Manager and the Fund, including but not limited to: (a) that it is acquiring an interest in the Fund for its own account; (b) that it has received or has access to all information it deems relevant to evaluate the merits and risks of the prospective investment; (c) that it has the ability to bear the economic risk of an investment in the Fund and (d) whether it is liable to pay tax in the United States pursuant to the Foreign Account Tax Compliance Act, FATCA.

3. The Manager

3.1 General

The Manager is established as a limited liability company incorporated in Sweden. The Manager is as of December 2014 authorised by the SFSA to act as an alternative investment fund manager and is as such under the supervision of the SFSA. The Manager is the Fund's alternative investment fund manager. The Manager holds all ordinary shares in the Fund and thereby controls the Fund (the "**Ordinary Shareholder**").

The Manager's overall goal is to deliver financial solutions that have a high risk adjusted return in combination with low systematic correlation with equity and bond markets.

3.2 Corporate Governance

The Board of Directors of the Manager consist of the following members:

Viveka Ekberg (chair of the board)

- Viveka has extensive experience within the finance sector. Previous positions include CEO at PP Pension, Head of Nordic branch of Morgan Stanley Investment Management, associate partner at Brummer & Partners, head at SEB Institutionell Förvaltning and analyst at Alfred Berg Fondkommission.
- Viveka holds an MSc in Business and Finance from Stockholm School of Economics.

Christoffer Folkebo (member of the board)

- Christoffer's wide experience from the finance sector include previous positions such as CEO at Max Matthiessen, and European management of Willis Towers Watson (investments/risk/reinsurance).
- Christoffer holds an MSc in Business, Administration and Economics from Stockholm University.

John Blomberg (member of the board)

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- John's previous experience include positions within corporate finance at Carnegie Investment Bank.
 - John holds an MSc in Industrial Engineering and Management from the Royan Institute of Technology.

Karin Burgaz (member of the board)

- Karin's previous roles include European head of customer service of Klarna Bank.
- Karin studied politics and economics at the university of Örebro.

Mats Andersson (member of the board)

- Mats' wide experience from the finance sector include previous positions such as CEO at The Fourth Swedish National Pension Fund, CIO at Skandia Liv and Head of Nordic Equities at Deutsche Bank.
- Mats holds a Bachelor of Science in Business and Economics from Stockholm University.

3.3 Delegated Functions

The Manager has adopted a strategy which enables it to focus its internal resources on the core functions relating to management of its funds. Other management functions are carried out by selected partners comprising leading suppliers in their respective fields. The Manager remains ultimately responsible for all delegated functions, including in relation to the Investors.

The Manager has delegated the following functions (relevant to the Fund):

- Fund Administration: Permian Administration AB
- Depositary: Skandinaviska Enskilda Banken AB (publ.)
- Internal Auditor: KPMG AB ("KPMG")
- Auditor: Öhrlings PricewaterhouseCoopers AB (Helena Kaiser de Carolis) Compliance: Harvest Advokatbyrå AB
- Risk Management: RPM Risk & Portfolio Management AB

The Manager does not foresee any conflicts of interest arise from its delegation arrangements. For a general description on selected partners, please see Section 10.

4. Transfers and Withdrawals

An Investor has no right to transfer, pledge or otherwise encumber its interests in the Fund without the consent of the Manager.

As further set out in the Fund Rules, an Investor has no right to require the Fund to redeem such Investor's interest in the Fund with immediate effect. However, the Manager may use reasonable efforts to sell the relevant interest, but there is no guarantee that the Manager will be able to accommodate such sale.

An Investor has a right to withdraw from the Fund in whole or in part as of the last calendar day of the year in which such Investor has held its interest in the Fund for two full calendar years. A withdrawal in whole or in part can also be requested as of such date by the Manager.

The Manager may in case of withdrawal either distribute amounts in cash or in kind. The Manager may also, at its own discretion, or following a request by the withdrawing Investor and subject to the approval of the Manager, put the withdrawing Investor's indirect holding in funds or other assets held by the Portfolio Funds in a run-off account, as further set out in the Fund Rules.

5. Financing and Profit Split

5.1 Financing of the Fund's Activities

The Fund's investments and costs are financed on an as-needed-basis by means of internally generated funds or by amounts contributed from the Investors out of their commitments.

The managers of the Portfolio Funds will not charge the Fund any fee for their management of the Fund's interest in the Portfolio Funds, instead such managers will be entitled to withhold a portion of the Priority Profit Split and the Conditional Profit Split that would otherwise have been allocated by the Fund to the Ordinary Shareholder (see Section 5.2 below). However, since the Fund is a fund-of-funds, it should be noted that the Portfolio Funds will bear fees charged by managers of the underlying funds for their management of such underlying funds.

5.2 Priority Profit Split and Conditional Profit Split

At the beginning of each calendar quarter, an amount up to the sum of 31.25 basis points (0.3125 per cent) of each Investor's capital account balance, shall be re-allocated from each Investor's account. The re-allocated amount shall, to the extent not allocated as profit split at the Portfolio Funds' level by and to the managers of the relevant Portfolio Funds, be allocated to the Ordinary Shareholder.

The Conditional Profit Split, composing of no more than 15 per cent on any positive return (subject to a 6 per cent hurdle and a high-water mark test, as further set out in the Fund Rules), shall be calculated in relation to each Investor at the end of each financial year and re-allocated from each Investor's account. Any re-allocation of the Conditional Profit Split shall, to the extent not allocated as profit split at the Portfolio Funds' level by and to the managers of the relevant Portfolio Funds, be allocated to the Ordinary Shareholder.

6. Valuation

The Manager has, for the purpose of safeguarding an open, independent, complete, and properly documented valuation procedure for the Fund, adopted a valuation policy through which it has established guidelines for valuation procedures and pricing methodology for valuing the Fund's investments and other assets. The valuation policy is based on International Private Equity and

Venture Capital Valuation (IPEV) Guidelines and ensures that the valuation is performed impartially and with all due skill, care and diligence.

The Manager is provided with valuations of its interest in the Portfolio Funds by the managers of the Portfolio Funds and the valuations so received forms the basis for the valuation of the interests in the Fund. The Manager monitors that the valuations carried out at Portfolio Fund level are compliant with applicable international standards. The Manager also assesses the quality of received information on a continuous basis and whether it is reliable as basis for the Manager's own valuation or if it needs to be investigated further. However, the Manager does not regularly confirm or review the accuracy of all valuations provided by the managers of the Portfolio Funds.

The administrator of the Fund will calculate a preliminary net asset value for the Fund interests.

7. Risks

7.1 Risk Profile

The Fund will primarily invest in private equity and venture capital funds-of-funds, whose underlying funds in turn predominantly will invest in unlisted companies. Such investments involve a high degree of business and financial risk which can result in substantial losses. In light of the foregoing, the main risk factors pertaining to an investment in the Fund, and indirectly in the Portfolio Funds and its underlying funds, are further set out below.

7.2 Risk Factors

7.2.1 Investment Risks

There is no assurance that the Manager will be able to create returns to Investors. The Fund invests in the Portfolio Funds and, as a consequence, the aggregate return of the Fund may be adversely affected by unfavourable performance of any such Portfolio Fund. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty and it is possible that underlying funds of the Portfolio Funds will not perform according to expectations. Hence, the success of the Fund will largely depend on the managers of the underlying funds of the Portfolio Funds and their ability to enter into, enhance and exit investments, which may be affected by various factors that are not within the managers control, e.g. adverse market conditions.

7.2.2 Liquidity Risks

An investment in the Fund shall be viewed as illiquid. There is no public market for the interests and no such market is expected to develop. The interests are only transferable with the prior consent of the Manager. In light of the foregoing, Investors must be prepared to bear the risks of owning interests in the Fund for an extended period of time.

Distributions from the Fund may be subject to restrictive provisions in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and other applicable laws and regulations. While the Manager does not expect this to be the case, investments may be distributed in specie to the Investors with the effect that they may hold minority interests in the securities of, and/or loans to, a number of companies for which there is no public market. Furthermore, there can be no assurance that the underlying funds will be able to realise investments in a timely manner and

the timing of cash distributions to, and from, the Portfolio Funds are uncertain and unpredictable.

7.2.3 Fund Risks

The success of the Fund is dependent on the Manager's ability to procure that the Fund will be allocated investment opportunities in the Portfolio Funds. The Manager's ability will be dependent upon its management team's continued involvement in the business of the Manager and the team members' ability to maintain or increase the Fund's commitments into the Portfolio Fund.

If an Investor defaults in making a required capital contribution, such Investor will be subject to certain adverse consequences pursuant to the provisions of the Fund Agreement.

7.2.4 Legal and Tax Risks

Legal, tax and regulatory changes may adversely affect the Fund, the Portfolio Funds, the underlying funds and/or the Investors.

Changes to taxation treaties or tax laws could affect the amount of income derived, and the amount of capital returned, from the Fund's investments and may result in adverse tax liabilities. Furthermore, the Fund and/or the Investors may be subject to taxation in the jurisdictions in which investments are made. Local taxes incurred may not entitle Investors to either a credit against tax that may be owed, or a deduction against taxable income, in their respective home jurisdictions.

The tax consequences of the Portfolio Funds' investments in private equity are highly complex. All Investors are urged to consult their own tax advisors and make their own assessment of the potential tax risks with an investment in the Fund.

The AIFMD regulates the Manager's fund managing activities and marketing of fund interests. The Manager and/or the Investors may become subject to additional regulatory or compliance obligations which may result in the Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund. For instance, the Manager may be required to provide detailed information relating to the Fund and its investments to regulators and third parties.

7.2.5 Currency Exchange Risks

Fund interests are denominated in USD, and contributions and distributions from the Fund will generally be made in USD. Investors for whom the USD is not the local currency should note that exchange rate movements may have an adverse effect on the value of their interests in the Fund and on any capital returned to them.

7.3 Liquidity- and Risk Management

The Manager strives to minimise the Fund's investment risks through well-defined investment processes and through continuous quantitative risk management processes. The Manager has established policies, procedures and governance structures to identify and manage, *e.g.*, investment management and liquidity. The Manager implements appropriate risk management systems in order to detect, measure, manage and monitor the risks associated with the Fund and their effect on the overall risk profile of the Fund.

As part of the Manager's risk management, the board of directors has developed extensive and detailed guidelines and policy documents for the organisation. The CEO is responsible for establishing an organisation that is following established rules and guidelines. In addition to the control and monitoring performed during the ordinary course of the business, there are three separate and independent control functions: Risk Management, Compliance and Internal Auditing.

The Risk Management function is independent from the Manager's portfolio management function and is responsible for monitoring the Fund's risks, primarily market risk and liquidity risk. The Manager has engaged RPM Risk & Portfolio Management AB as the Risk Management function.

The Compliance function is independent from the Manager's portfolio management function. In order to ensure the Fund's compliance with the regulatory framework of financial markets, the Manager has engaged Anna Cumzelius with Harvest Advokatbyrå AB as compliance officer. The compliance officer assists the board and management in monitoring and assessing the internal procedures developed to achieve an effective compliance. The function also evaluates the measures taken by the board or management in relation to any compliance related matter.

In order to ensure an effective risk management and governance of the Fund, the Manager has engaged KPMG as the Internal Audit function. The function is independent from business operations and examines the ongoing operations in the organisation and the Manager's and the Fund's various risk control measures. The internal audit's work is based on an annual audit plan that defines the most likely risks of the Fund and objectives of the audit. The function reports to the board of directors.

The Manager and the Risk Management function ensure that the Fund has an appropriate level of liquidity in relation to its underlying obligations and monitors the liquidity of the Fund's assets, paying particular attention to the holdings that may have a significant impact on liquidity and essential liabilities and commitments of the Fund. The Manager and the Risk Management function should also take into account the profile of the Fund's Investors, including factors such as the type of Investor and the relative size of the investments. The Manager measures the liquidity of the Fund to evaluate the quantitative and qualitative risks of positions and planned investments that may have a significant impact on the liquidity profile of the Fund's assets.

8. Tax information

8.1 Background

This section outlines the principal Swedish tax consequences for the Investors. This section does not discuss all aspects of Swedish tax law that may be relevant, nor does it make any projections as to the taxes payable by the Investors, the Fund or any underlying investments. No ruling has been or will be sought from any tax authority regarding the tax consequences relating to the matters discussed herein. Consequently, no assurance can be given that a tax authority would not assert, or that a court would not sustain, a position contrary to those stated below. This information brochure should be regarded as general information only and should not be seen or construed as legal or tax advice to Investors. Investors should consult their own tax advisors concerning the tax consequences in light of their particular circumstances, as well as any consequences arising under the laws of any foreign jurisdiction. This information brochure is limited to Swedish tax law.

8.2 Tax issues for the Investors

8.2.1 Preference Share Investors

It is generally envisioned that Investors who are tax resident in Sweden will invest through Preference Shares. In general, dividends and capital gains on Preference Shares should be tax exempt for Investors tax resident in Sweden due to the fact that such Investors:

- (a) are exempt from income tax (certain institutional investors, such as the AP-funds, life insurance companies, pension foundations *etc.* are income tax exempt); or
- (b) will hold their Preference Shares through limited liability companies and thereby be able to receive tax exempt dividends and capital gains under the Swedish participation exemption regime (Sw. *näringsbetingade andelar*).

Swedish withholding tax is normally imposed on dividend payments on Swedish shares to investors *not* tax resident in Sweden. The withholding tax rate is 30% but is often reduced in tax treaties between Sweden and other countries. Moreover, dividends paid to corporate investors similar to Swedish limited liability companies and resident in a tax treaty jurisdiction (and covered by the treaty) or otherwise subject to taxation similar to that of a Swedish company, are normally exempt from Swedish withholding tax under domestic Swedish tax law if the holding meets the requirements under the participation exemption regime.

8.2.2 PPL Investors

It is generally envisioned that Investors not tax resident in Sweden will invest through PPLs pursuant to the Swedish Companies Act, unless such investors can receive dividends exempt from Swedish withholding tax (see above under Section 9.2.1), as distributions on PPLs will not be subject to Swedish withholding tax.

Capital gains on the PPLs and repayment of the PPLs should generally not be taxable in Sweden to PPL Investors that are not Swedish tax residents and do not have a permanent establishment in Sweden to which the PPLs are attributable. Hence, a PPL investor that does not otherwise have any connection to Sweden should not become taxable in Sweden by making an investment in the PPLs. Withholding tax will not be imposed on any payments made to PPL Investors.

9. Sustainability related information

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

- The fund targets sustainable investments
- The fund promotes environmentally or socially characteristics
- Sustainability risks are adhered to in the investment decision, yet the fund does not promote environmentally or socially characteristics or targets sustainable investments
- Sustainability risks are not relevant

The Fund offers a long exposure towards unlisted assets within private equity and venture capital through holdings in the partnering fund manager's Portfolio Funds. The Portfolio Funds

are fund-of-funds containing a selection of around 35 external fund managers each. As part of the selection process when deciding upon a partner fund manager, the Manager's expectations on sustainability and ESG were central parameters, amongst others a well-developed ESG approach and satisfactory follow-up.

The Fund has no ability to influence directly the investments made by the Portfolio Funds or underlying funds that the manager of the Portfolio Funds chooses to invest in. The Fund is however given the opportunity to follow up on the manager of the Portfolio Funds' work within ESG on a quarterly basis. The Fund does not have the possibility to exclude any specific holdings invested in by the Portfolio Funds.

In order to be able to assess the principal adverse impact of investment decisions on sustainability factors, the negative consequences that arise in the investments made in the Portfolio Funds need to be able to be screened and measured in a reliable manner. In order to be able to carry out such measurements, there needs to be standardized data from the portfolio companies (e.g. through the work currently underway within the IOSCO Sustainable Finance Network). Given the current lack of data, the Manager does not consider it possible to measure the principal adverse impact of investments for sustainability factors in a reliable manner. The Manager follows developments on the subject and intends to comply with the principal adverse impact of investment decisions for sustainability factors as soon as dependable measurements can be made and reliable information can be provided.

Information regarding the EU taxonomy for environmentally sustainable economic activities

The EU taxonomy is a classification system aiming at establishing mutual criteria's for environmentally sustainable economic activities.

The underlying investments in this fund does not consider the EU-criteria's for environmentally sustainable economic activities.

Active ownership

Corporate influence – by ourselves

The Manager is given the opportunity to follow up on the ESG-related work with the manager of the Portfolio Funds quarterly, and has an indirect possibility to influence underlying fund managers through the manager of the Portfolio Funds.

Corporate influence – in cooperation with other investors

The Fund has the possibility to cooperate with other larger investors in the Portfolio Funds and raise questions in quarterly or annual meetings.

Corporate influence through external suppliers/consultants

Voting

Participates in nomination committees

Other

10. General information

Use of leverage

The Fund will not use leverage at the level of the Fund, nor will it employ any collateral and asset reuse arrangements.

Changes to the Fund Rules

The Manager has the possibility to change the Fund Rules (including the Fund's investment strategy) on the terms set out in Clause 19 (*Amendments*) of the Fund Rules.

Conflicts of interest

There may be occasions when the Manager and/or its affiliates encounter potential conflicts of interest in connection with the management of the Fund. If any matter arises that the Manager determines in its good faith judgement as constituting an actual and material conflict of interests the Manager shall take such actions as it deems necessary or appropriate to alleviate the conflict (and upon taking such actions the Manager will be relieved of any responsibility for such conflict). In carrying out its duties, the Manager will consider the investment and tax objectives of the Fund and its investors as a whole and not the investment, tax or other objectives of any investor individually.

Fair Treatment of Investors

The Manager intends to treat all investors in a uniform manner except to the extent that the Fund Agreement permits the Manager to treat investors in a non-uniform manner. The Manager may enter into arrangements with some or all of the Investors in the Fund. These arrangements may amend the rights and terms (including economic terms) of the Fund Rules or any adherence agreement in so far as it relates to the relevant investor.

Historic Return, NAV and Latest Annual Report

The historic returns of the Fund are as follows: 2018 – 2020: 13,0% in SEK (average per year).

The NAV of the fund is SEK580 million as per 31 December 2020.

The latest annual report is attached.

Depositary

Skandinaviska Enskilda Banken AB (publ), 106 40 Stockholm.

The depositary receives and stores the Fund's assets. In addition, the depositary monitors and verifies that the decisions by the Manager relating to the Fund does not conflict with the provisions of the AIFMA or the Fund Rules. The depositary shall act independently of the Manager and exclusively in the interest of the Investors.

Fund Administration

The Manager has entered into an agreement with SEB Fund Services S.A for the administration of the Fund.

The mandate for the administration of the Fund includes accounting, management of Investors and the management of subscriptions. The agreement also includes the information required to perform these tasks.

Compliance Function

The Manager has entered into an agreement with Harvest Advokatbyrå AB regarding the compliance function of the Fund. The motivation behind this decision is to increase the safety of the Investors by ensuring high skills and quality in the performance of the necessary tasks.

Regulatory compliance of the Manager is ensured through information, training, supervision and monitoring by the compliance function. Anna Cumzelius at Harvest Advokatbyrå AB, who is also the Manager's compliance officer, is responsible for the compliance function.

Internal Auditing

Due to its size and number of employees, the Manager has delegated the internal audit function to PwC. The internal audit function reports directly to the board of directors of the Manager.

Auditor

Öhrlings PricewaterhouseCoopers AB (Helena Kaiser de Carolis)

Prime Broker

The Fund will not engage any prime brokers.

Disclosure of information and reports

The Manager shall establish an annual and quarterly report for the Fund. These reports shall be made available as soon as practicably possible after the end of each respective reporting period.

A net asset value will be calculated for the Fund on a quarterly basis and made available to Investors in the Fund's quarterly report.

To the extent any periodic disclosures are required pursuant to Articles 23(4) and (5) of the AIFMD, such disclosures will be made as part of or in conjunction with the relevant quarterly and/or annual report unless the Manager is required to do so on a more urgent basis (to the extent that such disclosure provisions apply to the Manager at the relevant time for disclosure). Such disclosures may compromise the following:

- (i) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
- (ii) any new arrangements for managing the liquidity of the Fund;
- (iii) the current risk profile of the Fund and the risk management systems employed by the Manager to manage those risks;
- (iv) any changes to the maximum level of leverage which the Fund may employ, as well as any right relating to the reuse of collateral or any guarantee granted under a leveraging arrangement; and
- (v) the total amount of leverage employed by the Fund.

The Manager

CAAM Fund Services AB, Reg. No. 556648-6832. The Manager shall ensure that it has such additional own funds as are appropriate to cover potential liability risks arising from professional negligence.

The Manager received approval from the SFSA to conduct fund activities and other business on March 19, 2004 and authorization to act as an alternative investment fund manager in

accordance with the AIFMA on December 22, 2014.

Board and CEO of the Fund

The management consists of the following members:

- Roger Johanson (born 1959), CEO and board member.
- Mathias Wallerström (born 1971), chairman of the board.
- Max Odlander (born 1988), deputy board member.

Termination and transfer of the management of the Fund

The board of the Fund may at any time replace the Manager with another company as the manager (in which case any reference to the Manager herein shall be a reference to such other company). Such replacement can be made without the consent of the Investors as long as the new manager is a company directly or indirectly controlled by Carneo AB, Reg. No. 559035-5920. The Investors shall be notified of the replacement of the Manager as soon as such replacement has occurred.

Liability

Neither the Manager nor the shareholders, directors or employees of the Manager or the directors or employees of the Fund (jointly the "**Indemnified Persons**" each being an "**Indemnified Person**"), shall be liable to the Fund or any Investor in relation to the activities carried out in relation to the Fund for any direct or indirect damages, other than for acts or omissions by any Indemnified Person that constitutes (i) a material breach of the Fund Rules that, if curable, is not cured within 30 days after notice of such breach, (ii) wilful misconduct or (iii) gross negligence.

The Fund shall indemnify each Indemnified Person against all claims, damages, liabilities, costs and expenses, including legal fees, to which such Indemnified Person may be or become subject by reason of its acts or omissions in relation to the activities of the Fund (reduced by any payments under applicable insurance programs or other similar payments from a third party) other than for (A) acts or omissions by any

Indemnified Person that constitutes (i) a material breach of the Fund Rules that, if curable, is not cured within 30 days after notice of such breach, (ii) wilful misconduct or (iii) gross negligence, (B) legal fees incurred in the defence of a claim against an Indemnified Person brought by Investors representing no less than 75 per cent of aggregate commitments to the Fund unless a court of competent jurisdiction in a final judgement has adjudicated in favour of the Indemnified Person; and (C) to the extent incurred as a result of a claim against an Indemnified Person brought by another Indemnified Person.

- Ambassadors, bribery officers and senior officers within the armed forces; and
- People in high positions in state-owned company's administrative, managerial or supervisory bodies.

Immediate family refers to spouses, partner considered by national law as equivalent to spouses, children and their spouses or partners as well as parents.

Legal implications of investing in the Fund

By subscribing for interests in the Fund, an investor irrevocably undertakes to provide capital to the Fund in accordance with the Fund Agreement. An Investor is also subject to certain restrictions to transfer, or withdrawal from, its interests in the Fund, as set out in the Fund Agreement.

The Manager and the Fund are limited liability companies, each incorporated in Sweden and subject to Swedish jurisdiction and Swedish law. In addition, the Fund Agreement is governed by Swedish law.

KYC-matters

Investors who fall within the scope of politically exposed persons (“**PEP**”) must report this at the time of subscription of interests. The SFSA’s definition of PEP includes persons who have or have had an important public function or post and the immediate family members and close associates of such persons. An important public function refers to but is not limited to:

- Heads of States, Government ministers and assistant ministers;
- Members of parliament;
- Supreme court judges, judges in constitutional courts or other legal high level bodies whose decisions may only be exceptionally appealed;
- Senior officials in government auditing authorities and members of the policy committees of central banks;

11. Contact Information

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Appendix 1 – Fund Rules