

**FUND RULES:  
AUGMENTED REALITY FUND**

**Adopted by the Board of Directors:** 15  
December 2021

**Approved by FI:** 18 January 2022

**§ 1 NAME AND LEGAL STATUS OF  
THE FUND**

The name of the fund is Augmented Reality Fund. The fund is a mutual fund in accordance with Sweden’s Act (2004:46) on mutual funds (“LVF”).

The fund’s assets are jointly owned by the fund unit holders and each fund unit carries an equal right to the assets included in the fund. The fund may not acquire rights or assume obligations. The Company specified in § 2 represents the unit holders in matters concerning the fund, decides on the assets included in the fund and exercises the rights deriving from the fund. The fund is aimed at the general public; see also § 17.

Operations are conducted in accordance with these fund rules, the articles of association of the Fund Management Company, LVF and other applicable statutes.

The fund’s assets are jointly owned by the fund unit holders. The units within each share class carry equal rights to the assets included in the fund.

The fund has the following share classes:

Share class	Minimum subscription amount	Maximum fixed fee	Performance-based fee
A	SEK 100	2.1%	20%
B	SEK 10,000,000	1.15%	20%
C	SEK 1,000,000	2.1%	None

The share classes are not dividend-paying. The minimum subscription amount refers to the initial subscription amount.

The content of the fund rules is common to all share classes unless otherwise stated. The fund consists of share classes, which means that the value of one unit in one class will differ from the value of one unit in another class.

**§ 2 FUND MANAGER**

The fund is managed by AIFM Capital AB, org. no. 556737-5562, hereinafter referred to as “the Company”.

**§ 3 THE DEPOSITARY AND ITS  
TASKS**

The Depositary is Skandinaviska Enskilda Banken AB, org. no. 502032-9081, hereinafter referred to as the Depositary. The Depositary executes the Company’s decisions regarding the fund and receives and stores the fund’s assets.

In addition, the Depositary verifies that the decisions relating to the fund taken by the Company, regarding, for example, valuation, redemption and sale of fund units, are made in accordance with laws, regulations and these fund rules.

## § 4 CHARACTER OF THE FUND

The fund is an actively managed equity fund that makes global investments in equities and in equity-related transferable securities with a focus on Augmented Reality (“AR”), Virtual Reality (“VR”), or Mixed Reality (“MR”) companies. The fact that the fund is actively managed means that the fund does not follow any index; instead investments are based on the Company’s analyses.

The aim is for the fund to exceed its benchmark index over a rolling five-year period. The fund’s benchmark index is the Dow Jones Global Index converted into Swedish kronor.

## § 5 THE FUND’S INVESTMENT POLICY

The fund’s assets may be invested in transferable securities, fund units and in an account with a credit institution.

“Transferable securities” refers to, among other things, equities and equity-related transferable securities, including, for example, depository receipts and other types of securities that give the right to acquire such transferable securities as stated above through subscription or exchange. The fund must invest at least 75% of its assets in equities and equity-related transferable securities.

The fund shall mainly invest its assets globally in shares and equity-based transferable securities issued by companies involved in activities related to Augmented Reality (“AR”), Virtual Reality (“VR”) or Mixed Reality (“MR”). Such activities may include:

- The creation or development of software that uses or enables the use of AR, VR or MR technology.
- The creation or development of hardware that uses or enables the use of AR, VR or MR technology.
- The creation or development of platforms for the use of or based on AR, VR or MR technology.
- Other products or services that use, involve, enable or are part of the use of AR, VR or MR technology.

The fund may invest a maximum of 10% of its assets in units of other funds or UCITs.

## § 6 MARKETPLACES

The fund’s trading in financial instruments shall take place on a regulated market or equivalent market outside of the EEA. Trading may also take place in another market within or outside of the EEA that is regulated and open to the general public. The fund’s trading may take place on an MTF (Multilateral Trading Platform).

## § 7 SPECIAL INVESTMENT FOCUS

The fund’s assets may be invested in the transferable securities referenced in Ch. 5, § 5 of the LVF.

The fund may not use derivative instruments. The fund’s assets may not be invested in money market instruments.

## § 8 VALUATION

The value of a fund unit is each share class's part of the fund's total value divided by the number of outstanding fund units for each share class. The value of the fund units is calculated every banking day. The value of the fund is calculated by deducting the liabilities relating to the fund from the assets. The fund's assets are valued at current market value. The current market value can be determined by different methods, which are applied in the following order:

1. If financial instruments are traded on a market as specified in Ch. 5, § 3 of the LVF, the latest price paid shall be used or, if such does not exist, the latest purchase price.
2. If the price according to method 1 does not exist or is clearly misleading, the current market value shall be derived on the basis of information about a current transaction in a corresponding instrument between independent parties.
3. If methods 1 and 2 cannot be applied, or according to the Company become misleading, the current market value shall be determined by applying a principle applicable to the financial instrument in question on the market, where applicable, if not misleading, through an established valuation model.

For such transferable securities as are referred to in Ch. 5, § 5 of the LVF, a determination of the market value is made on objective grounds according to a special valuation based on information on the most recent payment price or indicative purchase price

from the market maker if such is designated for the issuer.

If such information does not exist or if the information is considered by the Company to be unreliable, the market value is determined by, for example, obtaining information from independent brokers or other external independent sources. Such information may, for example, be an issue price or knowledge that trading has been carried out at a certain price in the relevant security.

To determine the value of fund units, the Company uses the most recently reported unit value.

## § 9 SALE AND REDEMPTION OF FUND UNITS

The fund is normally open for the sale (unit holder's purchase) and redemption (unit holder's sale) of fund units every banking day. The minimum initial subscription amount is SEK 100 for share class A and SEK 10,000,000 for share class B, and SEK 1,000,000 for share class C. Thereafter there is no minimum amount.

However, the fund is not open for sale and redemption on those banking days when the valuation of the fund's assets cannot be carried out in a way that ensures the fund unit holders' equal rights as a result of one or more of the underlying funds not being open for sale and redemption.

Requests for sales and/or redemptions must be made in writing and be received by the Company before 15:00 CET on full banking days and no later than 11:00 CET on half banking days (the day

before a public holiday) in order for the sale and/or redemption to take place at the price determined at the end of the day the request was received by the Company. Sales and redemptions thus take place at a price unknown to the unit holder at the time of the request.

When purchasing fund units, the subscription payment must be posted to the account belonging to the fund no later than 15:00 CET on full banking days and no later than 11:00 CET on half banking days.

Requests for the sale or redemption of fund units may be withdrawn only if permitted by the Company.

If funds for redemption need to be procured through the sale of securities, the sale and redemption shall be executed as soon as possible. Should such a sale significantly harm the interests of other unit holders, the Company may, after notifying Finansinspektionen (the Swedish financial supervisory authority), delay the sale in whole or in part.

Requests for the sale or redemption of fund units received by the Company when the fund is closed for sale and redemption in accordance with that stated in this rule, second paragraph and in § 10, normally take place at the price on the following banking day.

The value of a fund unit is normally calculated every banking day. However, the fund unit value is not calculated if the fund is closed for sale and

redemption with regard to the circumstances specified in this rule, second paragraph and § 10. The principles used in determining the fund unit value are stated in § 8.

Information on the fund unit price is normally available from the Company and co-operating distributors on a daily basis.

#### **§ 10 CLOSURE OF THE FUND IN EXTRAORDINARY CIRCUMSTANCES**

The fund may be closed for sale and redemption in the event that such extraordinary circumstances have arisen that mean that a valuation of the fund's assets cannot be carried out in a way that ensures the equal rights of the fund unit holders.

#### **§ 11 FEES AND COMPENSATION**

From the fund's assets, a fee shall be paid to the Company for its management of the fund. The fee includes costs for depositaries – see § 3 – as well as for Finansinspektionen's supervision and for auditors. The fee is paid in an amount equal to not more than 2.10% per year of the fund's value for share classes A and C, and 1.15% for share class B. The fee is calculated daily as a 1/365 share. The value of the fund units is calculated after deduction of the fixed fee.

In addition to the above fee, a collectively calculated performance-based fee is paid to the Company for share classes A and B. The performance-based fee corresponds to a maximum of 20% of the excess return provided by the fund when compared to the yield of the Dow Jones Global Index converted into SEK ("reference rate").

The performance-based fee, which is calculated daily, is charged only when the relative value development of the fund unit class has exceeded the development of the reference rate on the day in question. In order for the performance-based fee to be charged, the unit price must also exceed the unit price on the date the performance-based fee was last charged, the so-called high-water mark.

In the case of redeeming fund units after a period when the fund unit class has performed worse than the reference rate – i.e. when the fund has an accumulated underperformance compared to the development of the index – no compensation is paid to unit holders in the form of repayment of previously deducted performance-based fees.

The value of the fund units is calculated after deductions for fixed and performance-based fees. The performance-based fee is calculated after deducting the fixed fee. See the fund's prospectus for an indication of the maximum fixed and performance-based fees that may be charged for the management of the mutual or special funds in whose fund units the funds are invested.

Brokerage and other transaction-based expenses for the fund's purchases and sales of financial instruments and tax are charged to the fund.

## **§ 12 DIVIDEND**

The fund does not pay dividends to unit holders or anyone else.

## **§ 13 FINANCIAL YEAR OF THE FUND**

The fund's financial year is the calendar year.

## **§ 14 SEMI-ANNUAL AND ANNUAL REPORTS, AMENDMENT OF FUND RULES**

The Company shall submit an annual report for the fund within four months of the end of the financial year and a semi-annual report for the fund for the first six months of the financial year within two months of the end of the half-year. The annual report and the semi-annual report must be available at the Company and the intermediary institute and be sent free of charge to unit holders upon request.

Amendments to the fund rules shall be decided on by the Board of Directors and be submitted to Finansinspektionen for approval. After approval, the fund rules shall be kept available at the Company and the Depositary and, where applicable, be announced in the manner directed by Finansinspektionen.

## **§ 15 PLEDGING AND TRANSFER**

Pledging takes place through written notification to the Company or intermediary institution. The notification must state the unit holders, pledgee, which units are covered by the pledge and any restrictions on the scope of the lien. The pledge is registered in the unit holder register. The Company must notify the unit holder in writing of such registration. Pledging ceases when the Company or intermediary institution has received notification from the pledgee that the pledge has ceased and deregistration in the unit holder register has taken place.

Unit holders may transfer their fund units to another party free of charge through written notification to

the Company or intermediary institution. The notification of transfer must state the transferor, to whom the fund units are being transferred and the purpose of the transfer. A transfer is approved only if the acquirer takes over the transferor's acquisition value.

#### **§ 16 LIMITATION OF LIABILITY**

In the event that the Depositary or a Custodian has lost financial instruments that are deposited with the Depositary or the Custodian, the Depositary shall return financial instruments of the same type or an amount corresponding to their value to the Fund Management Company on behalf of the fund without undue delay. The Depositary is, however, not responsible for the loss of financial instruments caused by external events outside of the reasonable control of the Depositary, the consequences of which were impossible to avoid despite all reasonable measures being taken, such as damage due to Swedish or foreign legislation, Swedish or foreign government action, war incidents, strikes, blockades, boycotts, lockouts, or other similar circumstances. The proviso in respect of strikes, blockades, boycotts, and lockouts applies even if the Depositary is the subject of or itself takes such industrial action. Similarly, the Company and the Depositary are not responsible for damage due to Swedish or foreign legislation, Swedish or foreign government action, war incidents, strikes, blockades, boycotts, lockouts or other similar circumstances. The proviso in respect of strikes, blockades, boycotts and lockouts applies even if the Company or the Depositary itself is the subject of or takes such industrial action.

If the Company or the Depositary inflicts damage on unit holders by violating the LVF or these fund rules, the Company or the Depositary shall compensate such damage (Ch. 2, § 21 and Ch. 3, §§ 14-16 of the LVF).

Damage that has arisen in cases other than those referred to in the first paragraph above shall not be compensated by the Company or Depositary if they have taken normal care. The Company and the Depositary are not liable in any case for indirect damage, nor are they liable for damage caused by a custodian bank or other contractor hired by the Company or the Depositary with due care or for damage that may arise due to a restriction that may be applied against the Company or the Depositary.

If there is any obstacle to the Company or the Depositary taking action due to a circumstance specified in the first paragraph above, the action may be postponed until the obstacle no longer exists.

#### **§ 17 ALLOWED INVESTORS**

The statement in § 1, that the fund is aimed at the general public, does not mean that it is aimed at such investors whose sale of units in the fund or whose participation in the fund otherwise conflicts with the provisions of Swedish or foreign laws or regulations. Nor is the fund aimed at such investors whose sale or holding of units in the fund means that the fund or Company becomes obliged to take a registration measure or other measure that the fund or Company would not otherwise be obliged to take. The Company has the right to refuse sales to such investors referred to above in this paragraph.

## CALCULATION EXAMPLE, AUGMENTED REALITY

Calculation example, variable fee, collective model for share classes A and B. Twenty percent fee on accumulated excess return, daily trading. The reference rate is the Dow Jones Global Index.

	DAY 0	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
The fund's unit price, previous day		100	100.83333	101.46733	100	101
The fund's unit price before calculating variable fees but after deducting fixed fees		101.00	101.50	100.00	101.00	102.00
The fund's performance before calculating variable fees		1.00%	0.66%	-1.45%	1.00%	0.99%
Reference rate index value	3000	3005	3020	3020	3030	3050
Index performance since the previous day		0.18%	0.50%	0.00%	0.33%	0.66%
The fund's high-water mark adjusted for the reference rate	100	100.17	101.34	101.47	101.80	102.48
The fund's excess return per unit		0.83	0.16	0.00	0.00	0.00
Performance-based fee per unit (20%)		0.17	0.03	0.00	0.00	0.00
Performance-based fee as a percentage		0.17%	0.03%	0.00%	0.00%	0.00%
The fund's unit price after calculating variable fees	100	100.83	101.47	100.00	101.00	102.00
Fund performance after calculating variable fees		0.83%	0.63%	-1.45%	1.00%	0.99%

The example reflects events over five days. At the start, the NAV price is 100 and the index for the Dow Jones Global Index is at 3000.

- Day 1: a performance-based fee is charged because the fund has performed better than the index for the reference rate. The price after the variable fee is therefore 100.83 as the excess return per unit equals 0.83. Twenty percent of this is charged as a variable fee, which is 0.17 per unit or 0.17%.
- Day 2: a variable fee is charged again because the fund performs better than the index for the reference rate. The excess return per unit amounts to 0.16, which means the variable fee amounts to 0.03 (20% of 0.16).
- Day 3: the value of the fund decreases and thus no variable fee is charged.
- Day 4: the unit value of the fund certainly increases and it increases more than the reference rate, but the unit value is lower than the fund's high-water mark adjusted for the accumulated rise in the reference rate.
- Day 5: the unit price of the fund increases again and the unit price is higher than before. However, as the fund underperformed compared with the reference rate, no variable fee is charged on this day.