

V A L B A Y

Kapitalförvaltning AB

Valbay Allocation Fund

Fact sheets / Simplified prospectus.
Swedish Registered balanced fund.
Special Fund.
Version 2011-03-21

Objectives and investment strategy

Valbay Allocation Fund (hereinafter called the Fund) is a Swedish so-called Special Fund and is intended for investors who seek to invest in an actively managed balanced fund. The Fund may make allocations between equities securities (including equity related products) and interest bearing financial instruments and can invest a minimum of 20 percent and a maximum of 80 percent in each asset class. The Fund mainly invests in negotiable securities offered for trading on Swedish regulated markets. To allow for a higher return, the Fund has a more concentrated portfolio, i.e. larger individual holdings than a traditional mutual fund. The objective is to provide a good return growth by active asset allocation and active stock-picking. No more than 20 per cent of the Fund's assets may be invested in other mutual funds in accordance with the Fund's investment objective.

The Fund shall in its investments promote companies with a responsible agenda and avoid investing in those companies whose core business or main activity as well as main turnover are associated with weapons, tobacco and pornography, amongst others.

Risks

Valbay Allocation Fund is a balanced fund that invests its assets in both equity and debt securities. Investing in equity securities may result in substantial price fluctuations. However, the Fund's risk is lower than the risk in an equities only fund as the Fund also invests in fixed income instruments.

The Fund measures its total risk in standard deviation, measured over a rolling twelve-month period. Standard deviation aims to be in the range between 10-20 per cent and shows how much the Fund's return fluctuates around its average return.

A high standard deviation implies larger fluctuations and thus a higher risk, a low standard deviation implies smaller variations and thus a lower risk.



The Fund is risk grade three on our seven-grade scale. The Fund can rise or fall in value and shareholders may not recoup the original amount invested. For a more detailed description of the risks associated with investments in the Fund please refer to the Funds information brochure.

Historical Performance

The Fund was started on the 31st of March, 2011 and therefore has no measurable historic performance.

Investor profile

Valbay Allocation Fund is suitable for investors who wish to invest in an actively managed fund containing Swedish

equity and Swedish debt securities. Any investments in the Fund should be regarded as long term.

Distributions

The Fund pays distributions to the extent necessary to ensure that fully taxable shareholders are not double taxed for the Fund's performance.

Distributions are made in the form of new shares in the Fund unless the shareholder requests in advance that the distributions are paid out in cash. Distributions are made in April the year after the accounting year where the profit occurred.

Fees

- **Fees paid directly by the Fund shareholders:**

Subscription fee	0 %
Redemption fee	0 %
- **Maximum fees paid directly out of the Fund (percentage of share value):**

Annual management fee	1.55 %
Other fees:	0.05 %
TER (Total Expense Ratio)	1.60 %

Taxes

Taxation of the Fund:

The fund is taxed on its income, but may make deductions for distributions to shareholders. In order to avoid double taxation, distributions are paid to shareholders and therefore the Fund does not pay tax.

Taxation of the Fund unit holder:

A preliminary tax is withheld for potential distributions. Capital gains or losses at redemption are reported to the Swedish Tax Agency, although no tax credit is given. Special tax rules apply if the Fund is tied to fond insurance, IPS or premium pension.

Taxation may depend on individual circumstances and those who are uncertain about any tax implications should seek expert help.

Stock information

The Fund's net asset value (hereinafter called NAV) is calculated and published daily on Morningstar and Bloomberg. You can also visit our website www.valbay.com, where the Fund's NAV is also reported.

Subscription of New Shares

Subscription of new shares may occur every banking day via subscription forms. The subscription of new shares may not legally be implemented until payment is received on the Fund's bank account. The minimum initial investment is 10 000 SEK, thereafter no size restrictions apply. Applications for subscription shall be received by the Fund Management Company no later than 14:00 on whole banking days and 11:00 on half banking days in order to facilitate same day transactions.

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Redemption of shares

Requests for share redemptions must be in writing to the Fund Management Company. Requests received by the Fund Management Company before 14:00 on whole banking days and before 11:00 on half banking days will be executed on the same banking day at the applicable NAV. Requests received after 14:00 (and 11:00 respectively) will be executed at the NAV set on the following banking day.

Other information

Fund Management Company: Valbay
Kapitalförvaltning AB
Company address: Östermalmsgatan
87 E, Stockholm
Website: www.valbay.com
Start of the Fund: 2011-03-31
Custodian: SEB
Regulator: Financial Supervisory
Authority
Auditor: PwC
Complaints can be made to: Robert Lindell

The company's license to conduct fund operations and discretionary management was obtained by the Financial Supervisory Authority on 21 March, 2011.

Application forms for subscription and redemption of shares in the Fund are available on our website, alternatively you can contact us on: +46 (0)8-505 351 45.