THE LYNX FUND

HALF-YEARLY REPORT

2023

LYNX

THE LYNX FUND IN BRIEF

Strategy:	Model-based fund that invests in equity indices, fixed income securities, currencies and commodities.
Inception day:	1 May 2000.
Portfolio managers:	Jonas Bengtsson, Svante Bergström, Daniel Chapuis, David Jansson, Henrik Johansson and Jesper Sandin.

MANAGEMENT TARGETS

Type of return:	High risk-adjusted return.
Risk (standard deviation):	Annual standard deviation of 18 per cent.
Correlation:	Low or negative correlation with stock market.

FEES AND SUBSCRIPTIONS

Fixed management fee:	1 per cent per annum.
Performance fee:	20 per cent of the return that exceeds the hurdle.[1]
Subscription fee:	No subscription fee is charged.
Subscription for/redemption of units:	Monthly
Minimum initial investment:	SEK 500,000.
Base currency:	SEK

SUPERVISION

Licensing authority:	Finansinspektionen (the Swedish Financial Supervisory Authority). The fund management company has been under Finansinspektionens's supervision since 19 April 2000. The fund management company is registered as an AIF-manager.
Depositary:	Skandinaviska Enskilda Banken AB (publ).
Auditors:	KPMG AB, Mårten Asplund.

FUND MANAGEMENT COMPANY

LYNX ASSET MANAGEMENT AB

Company registration number:	556573-1782
Registration date:	10th June 1999.
Funds under management	Lynx, Lynx Dynamic and a number of individual accounts.
Owners:	The company is owned by the founders, other employees and Brummer & Partners AB.
Share capital:	SEK 1,500,000.
Address:	Regeringsgatan 30-32, Box 7060, SE-103 86 Stockholm
Telephone:	+46 8 663 33 60
Fax:	+46 8 663 33 28
E-mail:	info@lynxhedge.se
Website:	www.lynxhedge.se
Board of Directors:	Svante Bergström (CEO and Portfolio Manager, Lynx Asset Management AB), Marcus Andersson (Senior Advisor, Lynx Asset Management AB), Daniela Tell (Project Management, Lynx Asset Management AB), Svante Elfving (Chairman and Partner, Brummer & Partners AB) and Johanna Ahlgren (Executive Director and General Counsel, Brummer & Partners AB).
Chief Compliance Officer:	Kim Dixner
Independent Risk Control:	Elisabeth Frayon

---

[1] This means the average interest of 3-month Treasury bills on the final three banking days of the previous calendar quarter is set as the hurdle rate above the "high watermark". High watermark means that the fund pays performance fee only after any shortfall in the return in earlier periods has been recouped. In the event that the interest rate as described above is a negative interest rate, the Board of the company has decided to apply a hurdle rate of 0 per cent until further notice.

HALF-YEARLY REPORT

2023

The Board and the CEO of Lynx Asset Management AB herewith submit the following half-yearly report for the Lynx Fund for the period January 1 – June 30, 2023.

LYNX

CONTENTS

IMPORTANT INFORMATION

The Lynx Fund is a special fund as defined in Chapter 1, Section 11 of the Act (2013:561) on managers of alternative investment funds. This material shall not be regarded as investment advice. An investor considering investing in the Fund should carefully read the fund's key investor information document (KIID), subscription document and the information memorandum containing the fund rules. These documents are available for download at www.lynxhedge.se.

Investing in funds is associated with risk. Past performance is no guarantee of future return. The value of the capital invested in the Fund may increase or decrease and investors cannot be certain of recovering all of their invested capital. The Fund is classified by the fund manager as a fund with a higher risk level. Any data regarding returns in this document are not adjusted for inflation. The Fund has no investments in hard-to-value assets for which no market pricing information is available, e.g. some unlisted/private equity, or model priced instruments for which no industry standard software models are available, e.g. complex, structured, one-off contracts. The value of the units in the Fund can fluctuate significantly due to the types of financial instruments that the Fund invests in (e.g. derivatives) and the methods used by the fund management.

PERFORMANCE OVERVIEW

The Lynx Fund realized a negative return of 6.78 per cent net of fees in the first half of 2023 as gains in foreign exchange and equities were outweighed by losses in commodities and fixed income. Stubbornly high inflation despite tighter monetary conditions, an ongoing war in Eastern Europe and a regional banking crisis in the US which resulted in three of the largest bank failures in the country's history were not enough to derail the positive sentiment during the first half of the year. Equity markets climbed and bond yields declined, shrugging off much of the turmoil that defined financial markets in 2022. Additionally, commodity prices collapsed as declining industrial production and a stalled economic recovery in China resulted in sluggish demand.

While the trend-following and diversifying components of the fund both contributed to the loss, long-term models in each category were positive. In fact, the shorter-term timeframes – those that have historically performed best during developing crises and periods of heightened volatility – had a difficult period. The result brings annualized performance since inception to 9.48 per cent net of fees with an annualized standard deviation of 15.05 per cent. Performance fell short of the Société Générale CTA Index which ended the period up 0.01 per cent and also trailed traditional investment benchmarks; the MSCI World NDTR Index (local currency) and the JPM Global Government Bond Index (local currency) were up 15.12 and 1.83 per cent, respectively[1].

MARKET DEVELOPMENTS

In a welcomed outcome, tighter monetary policy across much of the Western world did not result in a global recession, spiking unemployment and collapsing stock prices in the first half of 2023. While inflation softened by most accounts, economic activity remained remarkably resilient and jobless figures held reasonably steady in both the US and Europe. Markets benefited from optimism that tighter financial conditions were beginning to have the desired impact on consumer spending without the severe adverse consequences some had feared. Easing supply chain constraints and falling energy prices bolstered the narrative that a soft landing was possible, and sentiment improved markedly from the year before.

However, while inflation readings moderated across much of the world, levels remained significantly above the targets of most developed market central banks. Many of these banks were still raising interest rates into June and indicated their intention to continue doing so until inflation was truly under control. Notably, policy diverged considerably based on geography. Benchmark lending rates in US and Europe climbed markedly during the period – with the ECB and Bank of England each tightening 150 basis points and the Fed hiking one per cent – while in Asia, the Bank of Japan maintained their extraordinarily accommodative policy stance and the People's Bank of China cut rates in the face of a faltering economic recovery. The shifting interest rate differentials had a significant impact on foreign exchange as the Japanese yen depreciated by nearly 9 per cent against the US dollar and the Chinese renminbi fell by almost 5 per cent.

In sovereign fixed income, yield curves in Europe and the US remained inverted as short-term interest rates climbed with tighter monetary policy while longer-dated bonds factored in the potential for future recession. The Australian curve inverted in June for the first time since the global financial crisis and a total of 32 countries experienced inverted curves as the first half of the year came to a close. In fact, the US curve began the second half in the deepest inversion between 2- and 10-year rates since 1981. While historically an indication that trouble was on the horizon, investors largely wrote off the phenomenon as a temporary condition until inflation eventually abates.

Higher interest rates and the inverted curve had negative consequences for the regional banks in the US. Historically low Treasury yields in recent years encouraged some banks to extend their fixed income duration to generate additional revenue. The speed and magnitude of rate hikes over the past year, and the corresponding inversion of the curve, left these same institutions with unrealized capital losses on some of their holdings. Depositors, concerned about potential insolvency, began pulling their capital and banks started collapsing. Silicon Valley Bank ("SVB") was seized by regulators on March 10th, as was Signature Bank two days later. At the time, these were the second and third largest bank failures in US history, until First Republic unseated them at number two at the beginning of May.

---

[1] *Index-figures are based on available data at the time of publication and are subject to revision.*

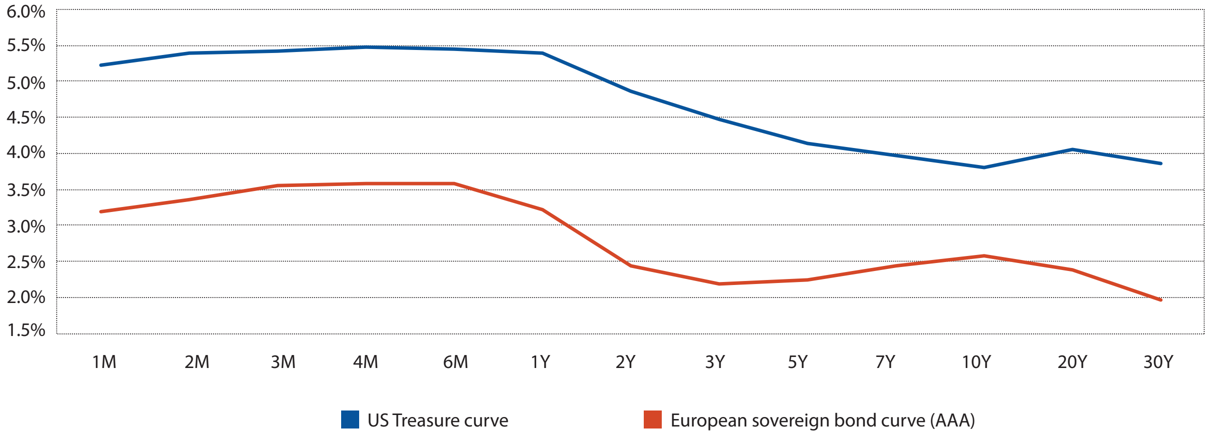

Chart 1. *Yield curves as of June 30, 2023. Source: U.S. Department of the Treasury and the European Central Bank.*

While the markets initially reacted as would be expected, essentially a classic flight-to-quality, the US Treasury and Federal Reserve quickly instituted emergency measures to quell the panic. By extending depository insurance beyond the limits of the FDIC and providing emergency loans to other banks, the government signaled that they were prepared to act as necessary to avoid widespread contagion. Interestingly, the failure of Credit Suisse later that month and the subsequent collapse of First Republic Bank did not have the same market impact as SVB and Signature. In the former case, the Swiss government brokered a deal for UBS to buy the troubled bank before the situation deteriorated further.

Equities generally ended the period higher although performance was quite mixed depending on market sector and geography. Gains in European and US equity indices were due largely to a very small group of stocks. In France, increasing Chinese demand for luxury products briefly made Bernard Arnault the richest man in the world as LVMH rallied over 25 per cent early in the year along with other distinguished high-end brands. In the US, mega-cap technology companies drove positive returns. The first six months of 2023 were the best for the NASDAQ in 40-years although the breadth of participation was remarkably narrow. The seven largest companies in the index (Microsoft, Apple, Alphabet, NVIDIA, Amazon, Tesla and Meta – also known as the "Magnificent Seven") constituted approximately 43 per cent of the overall market capitalization of the NASDAQ composite at the end of June and over 50 per cent of the NASDAQ 100. The market cap weighted average performance of these stocks in the first half was over 60 per cent, accounting for a majority of the index returns.

The extraordinary popularity of generative AI was largely responsible for the technology boom as ChatGPT brought artificial intelligence to the masses. From the forecasted demand for microchips to the potential application of machine learning in the future, investors attempted to identify those companies which would benefit from the expected revolution. Interestingly, the tech sector underperformed considerably in 2022 as investors focused on those companies' rising cost of capital and tighter margins, so the turnaround was especially remarkable.

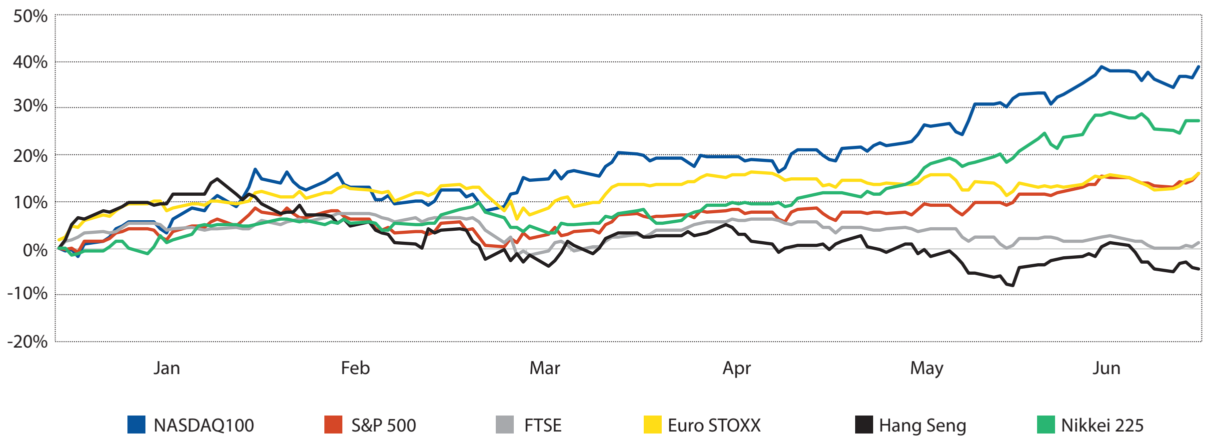

Chart 2. *Global stock index performance during first six months of 2023. Source: Bloomberg.*

Meanwhile in Asia, accommodative monetary policy in Japan, a renewed focus on corporate earnings with improving governance rules, and the much anticipated return of inflation all contributed to a 27 per cent gain in the Nikkei Index. The positive result marked the strongest start to a calendar year in the nation since the onset of "Abenomics" a decade ago. Korean stocks similarly climbed, led primarily by technology companies, although the positive performance was not experienced across the region. Major indices in China, Hong Kong, Singapore and Thailand all ended the period in negative territory driven primarily by concern regarding global growth and the health of the Chinese economy.

With few exceptions, most notably gold, commodity prices weakened in the first half of the year. Industrial metals and energies declined as manufacturing slowed and global demand fell short of expectations. After three-years of quarantines, lockdowns and other restrictions under their strict "zero-COVID" policy, optimism was high when China began rolling back many of these provisions in late 2022. However, the economic recovery that many predicted has yet to materialize. Imports have declined sharply, falling every month from October 2022 through May 2023. In agricultural commodities, grain prices slumped to multi-year lows after fluctuating broadly amid drought conditions in North America early in the planting season. Improving weather and increased planted acreage now have forecasters calling for record US production. Meanwhile, the price of gold approached an all-time high in the spring despite rising policy rates and lower inflation readings, although gave back some of those gains later in the second quarter.

Geopolitical tensions remained elevated as the war in Ukraine passed its one-year anniversary without an end in sight. Western support of Kiev remained strong allowing the country to limit territorial losses and Ukrainian forces were in the midst of a counteroffensive as the first half came to a close. While official statistics indicated that GDP began expanding during the second quarter in Russia, additional sanctions on individuals and companies linked to the Putin regime limited the country's access to global financial markets resulting in declining growth expectations in the years to come.

Meanwhile, increasing signs of internal opposition to the way in which the conflict has been managed created uncertainty regarding the stability of the political and military hierarchy in Russia. Late in June, Yevgeny Prigozhin, the controversial leader of the Wagner private military company, pulled his troops off the front lines where they fought alongside Russian soldiers and began a march towards Moscow. Speculation regarding his intentions abounded, although the apparent insurrection was called off before fighting ensued and mercenaries were given the option to rejoin Russian forces as professional soldiers, return to Russia or head to exile in Belarus.

Elsewhere, tensions between the US and China were raised when spy balloons – purported to be gathering weather data by Beijing – were identified and shot down over the Americas. The incidents added to an already stressed relationship between the two nations due to the longstanding disagreement over the sovereignty and status of Taiwan. Contentious trade relations worsened with threats of new embargoes and punitive tariffs on top of those still in place from the Trump presidency, although US-China trade hit a record early in the year before additional restrictions were later implemented.

In US national politics, Republicans took control of the House of Representatives as the 2023 session commenced after gaining a slight majority in midterm elections. An unusually controversial selection of House Speaker requiring 15 rounds of voting illustrated the rather fractured nature of the legislature. Later in the year, negotiations between the Biden administration and Congressional leaders over raising the debt ceiling came into focus as investors weighed the implications of a potential default on US obligations. Despite concern that a deal would not be reached, stock and bond markets

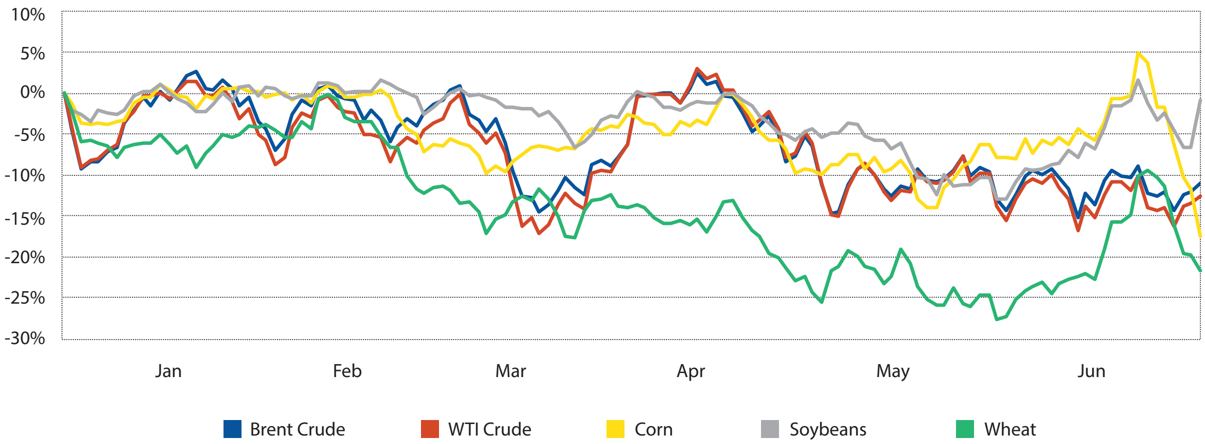

Chart 3. *Crude oil and grain price development during first six months of 2023. Source: Bloomberg.*

remained relatively stable on expectations that central bank policy would pivot in an adverse outcome.

In France, over one million people reportedly gathered in January to protest the government's plan to push back the retirement age by two years to 64. Strikes and demonstrations continued as the year progressed. In China, the National People's Congress unanimously reelected Xi Jinping to an unprecedented third term as the nation's president. Elsewhere in the world, the shift towards nationalism continued in April as the Finns Party, Finland's largest rightwing party, secured enough seats to gain a place in the new coalition government in the Lower House of the Eduskunta. Elections across the European continent similarly saw conservative, largely anti-immigration parties increasing in popularity.

Unfortunately, climate change continued to have an adverse effect on the globe. Land and sea temperature records were set and broken in quick succession and the average global temperature eclipsed the 1.5°C /2.7°F threshold above preindustrial levels set at the 2015 Paris Climate Accords multiple times. Abnormally hot and dry weather in Canada created a ripe environment for wildfires during the spring and blazes have continued virtually unabated since. Smoke from these fires has created hazardous air quality conditions across North America and even made their way across the Atlantic to Europe. In Asia, Cyclone Freddy formed in the Indian Ocean during February and became the most powerful – and one of the deadliest – tropical cyclone in history. While agricultural commodities have not seen significant changes in yield expectation due to the hot and dry conditions, forecasts for an El Nino weather phenomenon to develop later in the year could change that quickly.

ANALYSIS OF RESULT

The Lynx Fund ended the first half of 2023 down 6.78 per cent net of fees, as losses in commodities and fixed income outpaced gains in currencies and equities. In aggregate, both the trend-following and diversifying components of the fund realized losses with shorter-term timeframes having particular difficulty on a risk-adjusted basis. Meanwhile, long-term models in each category were positive as they were less prone to the periodic, short-lived reversals that occurred over the first six months of the year.

The fund entered 2023 with a sizeable net short position in bonds and short-term interest rates and realized a sharp loss as rates declined precipitously on optimism that that global central banks might scale back the pace of future rate hikes. Although German 10-year bund yields subsequently climbed to their highest level since 2011 midway through the first quarter, the banking crisis in March disproportionately impacted longer-dated securities and yield curves in the US and Europe became more steeply inverted. Ultimately, the fund generated a modest gain of 0.5 per cent gross of fees in short-term interest rates which correlated to expected central bank policy but realized sharp losses of 5.9 per cent gross of fees in global bonds. Short positions in long-dated German and US bonds were particularly unprofitable. Trend-following models were responsible for a majority of the loss and had difficulty across timeframes. In aggregate, diversifying models were also unprofitable although modest gains were generated by the longer holding periods.

The fund similarly maintained a net short position in equities at the beginning of January but reversed course as stocks rallied on improving sentiment. Models tactically adjusted exposure in response to changing market conditions yet remained net long until late June. Performance was mixed by geography as positioning in Japan was particularly profitable, modest gains were generated in Europe, and losses accrued in the US and the rest of Asia. Ultimately, the asset class contributed a positive 0.7 per cent gross return largely due to long positions in the Nikkei and TOPIX indices. By model category, trend-followers generated gains across timeframes with longer-term models outperforming others on a risk-adjusted basis. In the diversifying segment, short-term models were the only positive timeframe, while long-term models underperformed the rest.

In foreign exchange, profitable trading in emerging market currencies and the Japanese yen was largely responsible for the 3.7 per cent gross gain in the asset class. As central bank policy diverged considerably during the period, models quickly responded to shifting exchange rate differentials, pivoting between short to long net US dollar exposure multiple times. Ultimately, largest gains were generated in a long Mexican peso position and short positions in the Japanese yen and Chinese renminbi. By model family, medium- and long-term timeframes in trend-following performed well, although short-term models were challenged as they were out of phase with the price action. In the diversifying component of the strategy, gains were generated across timeframes with medium- and long-term models performing particularly well.

Finally, the 6.3 per cent gross loss in commodities was spread across sectors as energies, metals and agricultural markets all detracted from the result. Unprofitable trading in energies resulted in a 3.0 per cent loss as crude oil and distillate prices vacillated broadly within a wide range, ultimately ending the period lower on concerns over global growth and indications of a waning Chinese recovery; a gain in natural gas offset some of the negative performance. Meanwhile, the 1.9 per cent gross loss in metals was split between base and precious metals as gold, silver and copper all contributed negatively. Finally, grains were primarily responsible for the 1.4 per cent gross loss in agricultural commodities as the fund had particular difficulty with the moves in the soybean complex and corn. Trend-following and diversifying models lost money across timeframes, with short-term trend and medium-term diversifiers generating the largest losses.

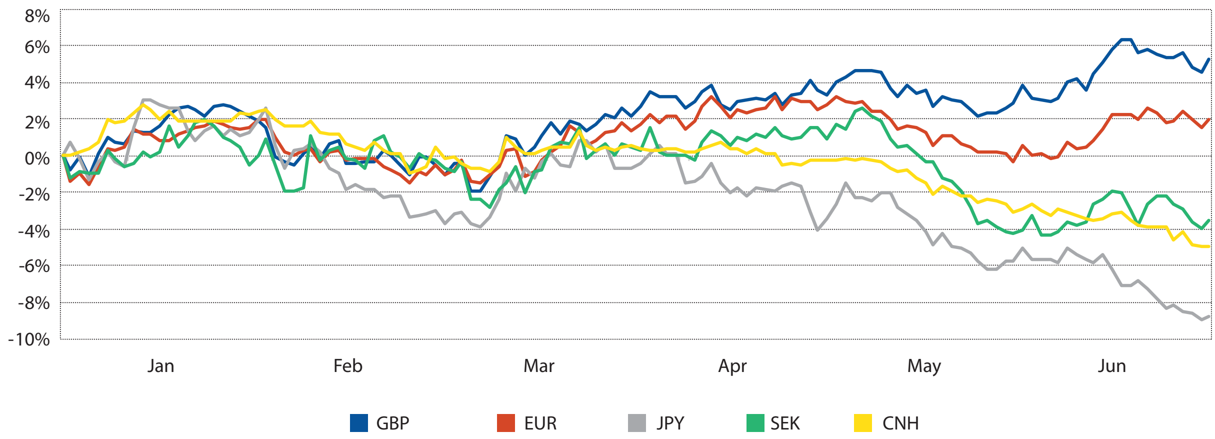

Chart 4. *Foreign exchange rates during the first six months of 2023 against the US dollar. Source: Bloomberg.*

The tables below illustrate a summary of gross returns by asset class and model category, respectively.

RETURN BY ASSET CLASS	
Currency-related investments	3.7%
Equity-related investments	0.7%
Fixed income-related investments	-5.4%
Commodity-related investments	-6.3%
Other (management fees, interest etc.)	0.5%
TOTAL NET RETURN	**-6.8%**

RETURN BY MODEL TYPE		
Trend-following models		**-5.6%**
Of which,	short-term	-3.2%
	medium-term	-3.0%
	long-term	0.6%
Diversifying models		**-1.7%**
Of which,	short-term	-0.4%
	medium-term	-1.7%
	long-term	0.4%
Other (management fees, interest, etc.)		**0.5%**
TOTAL NET RETURN		**-6.8%**

PERFORMANCE SINCE INCEPTION

The table on page 15 shows key figures for Lynx since the fund's inception in May 2000 and comparative figures for a global equity index and bond index (MSCI World NDTR Index (local currency) and JP Morgan Global Government Bond Index (local currency)) over the same period. It also shows key figures for a representative industry benchmark index (Société Générale CTA Index).

RISK UTILIZATION

To achieve the fund's volatility target of 18 per cent annualized volatility, the average Value at Risk ("VaR") for the portfolio should equate to approximately 1.9 per cent (1-day, 95 per cent confidence interval). During the first half of 2023, the average VaR for Lynx was around 1.4 per cent.

The fund's risk utilization is decided by the underlying models and the risk is directed to those markets where the models identify the most attractive opportunities. The chart below illustrates the overall risk development during the year as measured by VaR (1 day, 95 per

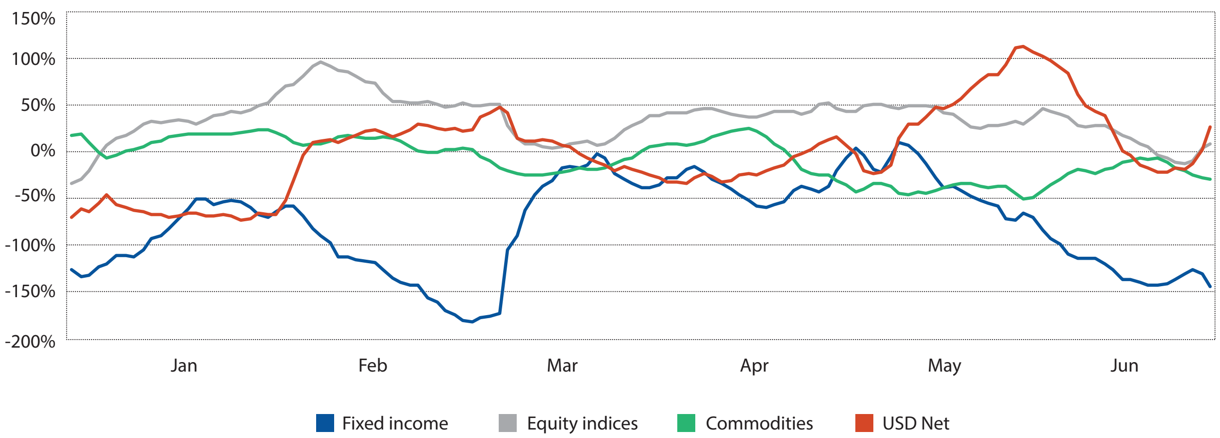

Chart 5. *The Lynx Program net exposure by asset class during first six months of 2023.*

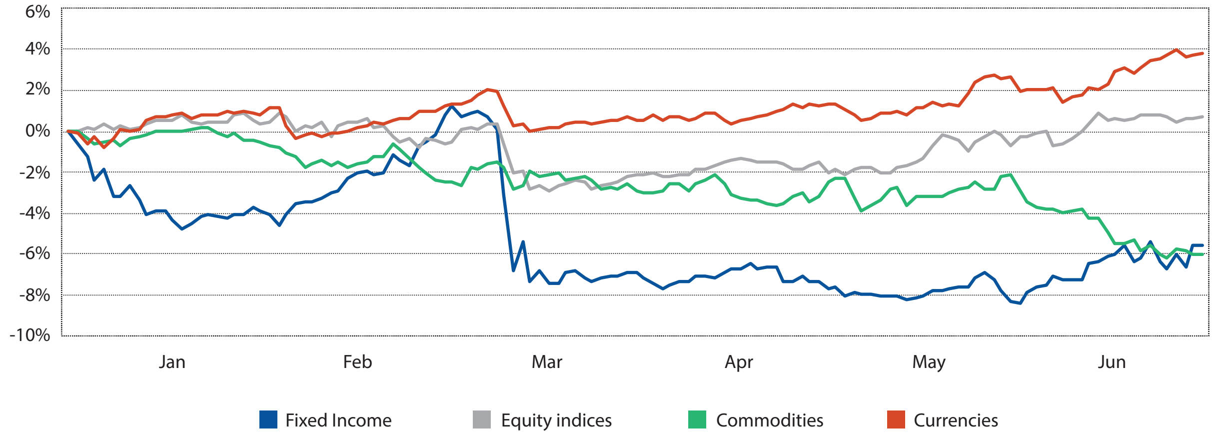

Chart 6. *Contributions to performance by asset class.*

cent confidence interval) as well as the risk for the four asset classes separately.

INVESTMENT PROCESS

The six portfolio managers of the Lynx Program constitute the investment committee and are responsible for the strategic direction and management of the fund. As trading decisions are made by the models employed by the program, the investment committee focuses primarily on longer-term matters such as determining which models are included in the portfolio and setting the average risk budgeted to each asset class and market. While the investment committee also has the final authority to set the allocations to each model, the weight placed on the output of statistical portfolio optimization has been increasing in recent years due to advancements in our approach to forecasting correlation and other model characteristics.

Research is divided into four teams with different responsibilities ranging from model development and maintenance to the development of portfolio construction routines and execution algorithms. The teams are responsible for the construction of the models and have the mandate to propose new models to the investment committee and suggest the exclusion of existing models. For a new model to be considered as part of the portfolio, the underlying foundational concept must be assessed and analyzed in detail. Furthermore, the model must not only demonstrate the ability to generate positive results across multiple time periods and market environments, but also display attractive return characteristics in several key aspects. Meanwhile, existing models are analyzed to ensure that performance has not deviated from historical expectations and their contribution to the portfolio return continues to support an allocation. Finally, the portfolio construction methodology is reviewed, and improvements are proposed. The investment committee considers these proposals and recommendations from research when making their decisions.

The model lineup and risk allocations are thoroughly reevaluated twice a year in June and December. In addition to these formal revisions, risk allocations can be adjusted monthly as new market and model data becomes available. The development of new models is typically

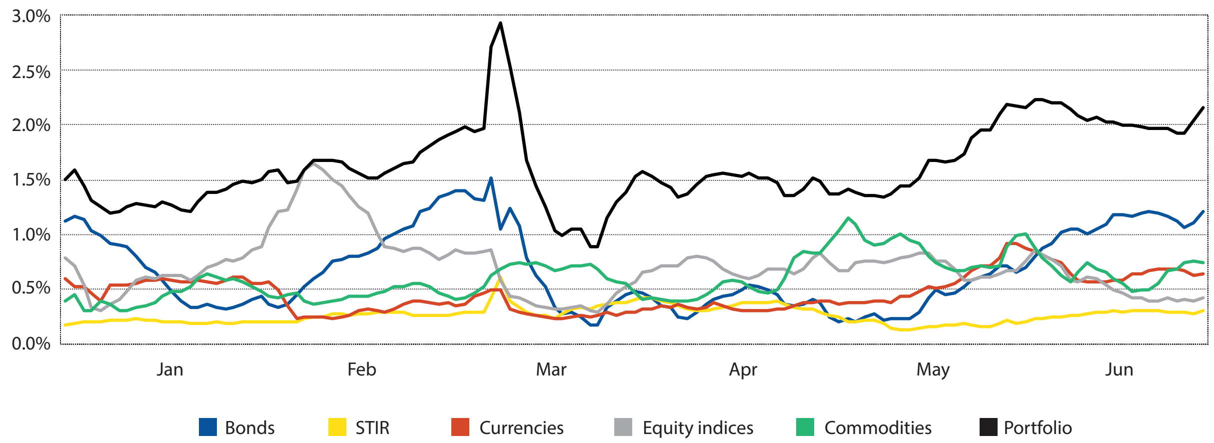

Chart 7. *Value at Risk developments by asset class and on a portfolio basis during first six months of 2023.*

initiated either by the investment committee to improve the dynamics of the portfolio or by the research group resulting from their exploration of new concepts. In the first six months of 2023, three new models were added to the portfolio, while one model was retired.

Additions

The first new model was a long-term trend-follower designed to exploit market anomalies in the less liquid markets traded by the Lynx Program. The second is a short-term diversifying model that utilizes a novel macroeconomic dataset to trade fixed income and commodities. The third is a medium-term trend-following model that employs a statistical approach called random matrix theory to find baskets of markets suitable for trend following.

Retirement

One medium-term trend following model that analyzed how individual markets were correlated to factor trends was retired as key performance characteristics degraded.

The risk allocated to model families changed marginally from the end of 2022. The trend-following allocation decreased from 71 to 69 per cent while diversifying models increased from 29 to 31 per cent. Risk budgeted to long-term trend models increased marginally from 14 to 15 per cent, although short-term trend models declined from 17 to 16 and medium-term from 38 to 36 per cent. Meanwhile, risk allocated to medium- and long-term diversifying models increased by one per cent each to 20 and 10 per cent, respectively, and short-term diversifying models remained largely unchanged. The average risk allocation amongst asset classes remained the same as the end of 2022 – with fixed income and equities each budgeted 28 per cent, foreign exchange 23 per cent and commodities 21 per cent. Twenty-six new markets were added to the portfolio as their liquidity profile improved markedly since our last assessment of our tradeable market universe. Notwithstanding the marginal changes to the risk budget, the overall objective of the program remained unchanged.

The table below illustrates the allocations to each model category as of the end of June 2023 compared to these same figured from the end of 2022 (in parentheses):

TARGET ALLOCATION BETWEEN MODEL TYPES*

	Trend-following models	*Diversifying models*
Short-term	16% (17)	3% (3)
Medium-term	36% (38)	20% (19)
Long-term	15% (14)	10% (9)

More information on all programs managed by Lynx can be found at www.lynxhedge.se.

ASSETS UNDER MANAGEMENT

Total assets under management in the Lynx Program at the end of June 2023 were approximately SEK 78.0 billion, compared with SEK 76.7 billion at the end of 2022. Most of the program's assets are invested in separately managed client accounts and in the offshore funds. The Swedish Lynx Fund and the Lynx Dynamic Fund together accounted for less than 5 per cent of the total assets under management in the program as of 30 June 2023.

OUTLOOK

While inflation has clearly been declining across the globe, levels remain elevated and central banks appear willing to continue hiking rates to achieve their objective. Consumers have been remarkably resilient in the face of tighter credit conditions and employment has remained reasonably robust, but will that continue as rates go even higher? Equities are off to a strong start to the year, although the participation has been very thin. To be sure, we have seen an incredible run in technology stocks with the "magnificent seven" increasing their market capitalization by over US $4 trillion so far this year. However, most other businesses are not experiencing the same success. Rising capital costs with higher interest rates will likely result in tighter margins as companies may find it difficult to raise prices. Falling earnings combined with the relative attraction of bonds at their current yields could put additional downward pressure on stock prices in the second half. The resulting trends could be quite attractive for the Lynx Program should they develop.

Additionally, increasing optimism that global economies will experience a "soft landing" as inflation eventually falls back to longer-term targets may be unfounded. Recession remains a likely risk scenario across the globe as the impact of higher interest rates on economic activity is generally lagged and even tighter policy going forward could tip the scales on growth. The IMF forecasts growth in advanced economies to fall to 1.3 per cent in 2023 from 2.7 per cent in 2022 and envisions a plausible risk scenario where the number could drop to 1 per cent. While the Chinese government continues to forecast 5 per cent growth this year, recent economic reports indicate that the recovery following the end of their "zero-COVID" policy is faltering. Going against most other global central banks, the People's Bank of China cut interest rates on benchmark one and five-year loans by 10 basis points in an attempt to stimulate economic activity. However, easier monetary policy and looser credit could potentially be risky

** Due to diversification effects the numbers in the table do not sum up to total risk per model type.*

given widely reported concerns regarding the banking system and soaring bad debts. Divergent monetary policy and the potential for policy mistakes could offer opportunities for the Lynx Program. Changing interest rate differentials have already resulted in strong trends in the Japanese yen and Chinese renminbi, while policy mistakes could offer profit opportunities across financial markets in the second half of the year.

Geopolitical risk remains elevated as the ongoing war in Ukraine has pushed Russia and the West closer to direct military conflict. The acceptance of Finland as the 31st member of NATO over doubled the alliance's border with Russia and reversed generations of neutrality. With Sweden likely to join next now that Turkey has pledged support for their bid, tensions could increase further. To date, the impact of the war on financial markets has been limited. Commodity inflation due in part to grim forecasts of supply shortfalls have largely dissipated as supply lines have shifted and increased production has mitigated the impact on consumers. This has been perhaps most evident in energy markets as prices have collapsed since last summer. However, an expanding conflict could result in heightened uncertainty across commodity and financial markets and a potential return to similar market action seen in the first half of 2022.

As always, Lynx is committed to managing your capital responsibly and profitably. We are invested alongside our clients in every program we manage, aligning our interests directly with yours. While we are disappointed with the lackluster results in the first half of 2023, we are optimistic that the environment for the Lynx Program will improve and look forward to again delivering positive, differentiated returns when it does.

SOME KEY RATIOS SINCE INCEPTION[2]

	Lynx (SEK)[3]	MSCI World NDTR Index (local currency)[4]	JP Morgan Global Gov't Bond Index (local currency)[4]	Société Générale CTA Index (USD)[4]
RETURN				
2023 Jan-Jun, %	-6.78	15.12	1.83	0.01
2022, %	35.89	-16.26	-12.96	20.15
2021, %	0.75	24.73	-2.51	6.17
2020, %	5.94	13.37	5.46	3.16
2019, %	15.42	28.01	6.15	6.26
2018, %	-2.65	-7.95	0.93	-5.83
2017, %	-5.27	18.48	1.32	2.48
2016, %	-4.16	9.00	2.94	-2.87
2015, %	-7.98	2.08	1.28	0.03
2014, %	27.58	9.81	8.51	15.66
2013, %	12.12	28.87	-0.48	0.73
2012, %	-5.14	15.71	4.16	-2.87
2011, %	-0.89	-5.49	6.34	-4.45
2010, %	18.54	10.01	4.18	9.26
2009, %	-8.52	25.73	0.66	-4.30
2008, %	42.23	-38.69	9.30	13.07
2007, %	13.22	4.69	3.91	8.05
2006, %	5.34	15.55	0.81	5.75
2005, %	6.59	15.77	3.67	3.20
2004, %	13.98	11.32	4.92	1.46
2003, %	34.55	24.91	2.19	15.75
2002, %	21.81	-24.09	8.54	12.91
2001, %	15.77	-14.21	5.24	2.49
2000[5], %	12.77	-9.89	5.93	11.57
Since inception, %	716.22	217.54	99.20	199.72
Average annual return since inception, %	9.48	5.11	3.02	4.85
ANALYSIS OF RETURN				
Best month, %	14.90	11.97	3.09	8.85
Worst month, %	-14.14	-16.37	-3.17	-7.64
Average monthly return, %	0.76	0.42	0.25	0.40
Maximum drawdown since inception, %	-30.58	-50.77	-15.64	-14.26
Longest period of zero return, number of months	84	74	At least 36 (ongoing)	62
KEY RATIOS				
Standard deviation, %	15.05[6]	14.50	3.50	8.78
Downside risk, %	9.28	10.52	2.29	5.51
Sharpe ratio	0.54	0.26	0.48	0.40
Correlation between Lynx and index shown	-	-0.13	0.17	0.85

[2] For definitions, see glossary on page 29.
[3] The returns for the Lynx Fund are stated net of fees.
[4] Index-figures are based on available data at the time of publication and are subject to revision.
[5] Relates to the period May-December (eight months) as the fund was started on May 1, 2000.
[6] The fund's standard deviation the last two years is 16.77 per cent.

REPORT OF THE DIRECTORS

PERFORMANCE

Lynx generated a negative return of -6.78 per cent net of fees for the first half of 2023. Since the fund's inception in 2000 the total return has been 716.22 per cent which equals an average annual return of 9.48 per cent.

The table on page 17 shows the fund's return per calendar month and the return for some indices.

DEVELOPMENT OF FUND ASSETS

As at 30 June 2023, the value of the Lynx Fund was SEK 1,916.5 million, which is a decrease of SEK 51.7 million since the end of 2022. Subscriptions to units amounted to SEK 163.8 million, and redemptions to SEK 89.7 million. The result for the period amounted to SEK -125.8 million.

THE FUND'S COSTS

During the first half of 2023 fixed fees to the fund management company amounted to SEK 9.3 million. No performance fee was charged to the fund during the period. Costs relating to compensation for the fund's fiduciary custodian (SEB) and for supervision by Finansinspektionen have been defrayed by Lynx Asset Management AB and thus were not a charge to the Lynx Fund itself.

RESULT

In the first half of 2023, Lynx generated a net return of -6.78 per cent. Currency-related and equity-related investments contributed positively with 3.7 per cent and 0.7 per cent gross of fees respectively. Commodity-related and fixed income-related investments contributed negatively with -6.3 per cent and -5.4 per cent gross of fees. Overall, both trend-following models as well as diversifying models contributed negatively.

ORGANISATIONAL CHANGES

Jonas Bengtsson resigned from the Board of the fund management company in March and was replaced by Daniela Tell. Daniela Tell has a long experience from the investment management business.

SIGNIFICANT EVENTS DURING THE PERIOD

Lynx continue to monitor the developments in the conflict between Russia and Ukraine closely. The Lynx Program has no positions or other exposures related to the countries directly involved in the conflict. Neither the directors or the portfolio managers of the program foresee any impact due to the situation other than market reactions to future developments.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

There have been no significant events after the end of the reporting period.

SIGNIFICANT RISKS ASSOCIATED WITH THE FUND'S HOLDINGS

The management of the fund is associated with various types of risk, of which the following are worth emphasising:

Market risks, for instance the risk that the whole market for an asset class will rise or fall, is significant for the fund and can cause a loss. It is also market risks that constitute the fund's principal source of earnings when the markets move favourable.

The fund invests in derivatives, which creates opportunities for leverage. This means that the fund may be more sensitive to market changes than other investment funds.

The fund has various counterparty and credit risks, which for instance arise as the fund's assets are partially placed with banks and clearing brokers.

The fund is exposed to operational risk since the fund, for instance, is dependent on portfolio managers, IT systems, reconciliation procedures, etc. The management of the fund is based on assumptions and interpretations of risk management models, which can also create operational risks.

The fund is exposed to outsourcing risk, as certain services are performed by third-party providers such as HSBC Securities Services (Ireland) DAC and B & P Fund Services AB.

At 30 June 2023, the fund had no greater risks in these areas than what may be deemed normal.

Trading in derivatives is an integrated component in the fund's investment concept, and the trading volume was therefore considerable during the period. The fund invests primarily in exchange traded futures contracts and in currencies using a prime broker, and the only capital invested in these investments is the collateral that is placed with the clearing organisations and the prime broker (Goldman Sachs, Société Générale, Morgan Stanley and JP Morgan). As of 30 June 2023, the collateral requirement amounted to SEK 197.5 million, which

MONTHLY RETURN 2023

RETURN 2023, %	Lynx (SEK)[7]	MSCI World NDTR Index (local currency)[8]	JP Morgan Global Gov't Bond Index (local currency)[8]	Société Générale CTA Index[8]
January	-3.19	6.50	1.98	-0.80
February	1.25	-1.57	-1.61	2.13
March	-9.23	2.48	2.49	-6.41
April	0.33	1.60	0.18	2.04
May	2.76	-0.22	-0.77	2.03
June	1.63	5.69	-0.39	1.31
January-June	**-6.78**	**15.12**	**1.83**	**0.01**

[7] The returns for the Lynx Fund are stated net of fees.
[8] Index-figures are based on available data at the time of publication and are subject to revision.

corresponds to 10.3 per cent of the value of the fund. The greater part of the fund's capital is invested in Swedish Treasury bills. The fund had no exposure to hard-to-value assets as of 30 June 2023.

The risk level of the portfolio is measured using so called Value at Risk models (VaR). Lynx uses three VaR models with different time horizons (18 months and two exponentially weighted) in parallel, where all are one sided, one day measures with 95 per cent confidence. The highest value during the period January – June 2023 was 2.93 per cent, the lowest 0.86 per cent and the average 1.38 per cent. As at 30 June the value was 1.54 per cent. The leverage calculated in accordance with the gross method was 1,831 per cent.*

COMMUNICATION WITH UNIT-HOLDERS

Each year Lynx's unit-holders receive annual and half-yearly reports that provide an account of the fund's performance. Over and above this, an account statement is distributed monthly showing the current value of each unit-holder's holding as is a monthly report containing key ratios. Further information is available on the website at www.lynxhedge.se, where performance estimates for the fund is published daily.

The company also offers weekly and monthly e-mail reports showing the performance of both the Sweden- and Bermuda-based funds.

OTHER

There have been no portfolio related transactions with the manager or any other related parties during the period.

** The figures reflect the value of the 18 month VaR. In accordance with AIFMD, the fund's exposure must be calculated and reported using the gross method, whereby the exposure in derivatives shall be reported as underlying nominal amounts. The high leverage is caused by, among other things, the fact that many of the assets the fund invests in, e.g. bonds and currencies, have a low volatility compared to the stock market. Due to this Lynx uses other risk measures, such as VaR, in its management.*

ACCOUNTS

BALANCE SHEET 2023-06-30

SEK thousand	*Notes*	*2023-06-30*	*2022-12-31*
ASSETS			
Money market instruments		1 577 080	1 675 928
Other derivative instruments with positive market value		143 738	109 997
Total financial instruments with positive market value		*1 720 818*	*1 785 926*
Total investments with positive market value		*1 720 818*	*1 785 926*
Bank deposits and other cash equivalents		252 480	228 725
Other assets	1	5 083	377
TOTAL ASSETS		**1 978 381**	**2 015 028**
LIABILITIES			
Other derivative instruments with negative market value		49 210	23 152
Total financial instruments with negative market value		*49 210*	*23 152*
Accrued expenses and deferred income	2	1 602	2 079
Other liabilities	3	11 034	21 544
TOTAL LIABILITIES		**61 846**	**46 775**
NET ASSET VALUE OF THE FUND		**1 916 535**	**1 968 253**
MEMORANDUM ITEMS			
Pledged collateral for derivative instruments		197 510	141 156
TOTAL PLEDGED ASSETS		**197 510**	**141 156**
Percentage of net asset value		10.3	7.2

NOTES

Note 1 Other assets

Fund assets in course of settlement	5 024	377
Accrued interest	59	-
TOTAL OTHER ASSETS	**5 083**	**377**

Note 2 Accrued expenses and deferred income

Liability to fund management company	1 602	1 646
Interest expenses	-	433
TOTAL, ACCRUED EXPENSES AND DEFERRED INCOME	**1 602**	**2 079**

Note 3 Other liabilities

Fund liabilities in course of settlement	3 302	13 131
Liability relating to redemptions	7 732	8 413
TOTAL, OTHER LIABILITIES	**11 034**	**21 544**

STATEMENT OF NET ASSETS JUNE 30, 2023

Holdings of financial instruments*

	Maturity	Market	Currency	Number of contracts	Market value (SEK '000)	% of fund
OTHER FINANCIAL INSTRUMENTS THAT ARE ADMITTED TO TRADING ON A REGULATED MARKET OR A CORRESPONDING MARKET OUTSIDE THE EEA						
FIXED INCOME FUTURES						
US govt bonds (US Ultra Tbond)	Sep-23	CME, Chicago	USD	-8	-101	0.0
US govt bonds (US Tbond)	Sep-23	CME, Chicago	USD	-77	-129	0.0
US Govt bonds (US 10y Ultra Tnote)	Sep-23	CME, Chicago	USD	-6	-9	0.0
30-year German govt bonds (Euro Buxl)	Sep-23	EUREX, Frankfurt	EUR	-27	-1 078	-0.1
10-year US govt bonds	Sep-23	CME, Chicago	USD	-63	318	0.0
10-year Australian govt bonds	Sep-23	SFE, Sydney	AUD	-107	258	0.0
10-year UK govt bonds (Long Gilt)	Sep-23	ICE, London	GBP	-107	101	0.0
10-year French govt bonds (Euro OAT)	Sep-23	EUREX, Frankfurt	EUR	-65	-363	0.0
10-year Italian govt bonds (Euro BTP)	Sep-23	EUREX, Frankfurt	EUR	30	-349	0.0
10-year Canadian govt bonds	Sep-23	ME, Montréal	CAD	-124	-787	0.0
10-year South Korean govt bonds	Sep-23	KOREX, Korea	KRW	-2	-8	0.0
10-year German govt bonds (Euro Bund)	Sep-23	EUREX, Frankfurt	EUR	-178	-885	0.0
5-year US govt bonds	Sep-23	CME, Chicago	USD	-412	4 309	0.2
5-year Canadian govt bonds	Sep-23	ME, Montréal	CAD	-8	59	0.0
5-year Spanish Govt bonds	Sep-23	EUREX, Frankfurt	EUR	-1	4	0.0
5-year German govt bonds (Euro Bobl)	Sep-23	EUREX, Frankfurt	EUR	-436	4 940	0.3
3-year American govt bonds	Sep-23	CME, Chicago	USD	-8	265	0.0
3-year Australian govt bonds	Sep-23	SFE, Sydney	AUD	-137	453	0.0
3-year Italian govt bonds (Short BTP)	Sep-23	EUREX, Frankfurt	EUR	13	-55	0.0
3-year South Korean govt bonds	Sep-23	KOREX, Korea	KRW	-223	437	0.0
2-year US govt bonds	Sep-23	CME, Chicago	USD	-397	8 291	0.4
2-year Canadian govt bonds	Sep-23	ME, Montréal	CAD	-49	242	0.0
2-year German govt bonds (Euro Schatz)	Sep-23	EUREX, Frankfurt	EUR	-983	8 062	0.4
SHORT INTEREST RATE FUTURES						
3-month Australian interest	Sep-23	SFE, Sydney	AUD	-41	212	0.0
3-month Australian interest	Dec-23	SFE, Sydney	AUD	-37	299	0.0
3-month Australian interest	Mar-24	SFE, Sydney	AUD	-33	316	0.0
3-month Australian interest	Jun-24	SFE, Sydney	AUD	-31	234	0.0
3-month Australian interest	Sep-24	SFE, Sydney	AUD	-3	48	0.0
3-month Australian interest	Dec-24	SFE, Sydney	AUD	-2	28	0.0
3-month Australian interest	Mar-25	SFE, Sydney	AUD	-1	12	0.0
3-month Australian interest	Jun-25	SFE, Sydney	AUD	-1	2	0.0
3-month Euro interest (Euribor)	Sep-23	ICE, London	EUR	-34	136	0.0
3-month Euro interest (Euribor)	Dec-23	ICE, London	EUR	-23	134	0.0
3-month Euro interest (Euribor)	Mar-24	ICE, London	EUR	-17	129	0.0
3-month Euro interest (Euribor)	Jun-24	ICE, London	EUR	50	-72	0.0
3-month Euro interest (Euribor)	Sep-24	ICE, London	EUR	-110	1 729	0.1
3-month Euro interest (Euribor)	Dec-24	ICE, London	EUR	-107	1 502	0.1
3-month Euro interest (Euribor)	Mar-25	ICE, London	EUR	-104	1 263	0.1
3-month Euro interest (Euribor)	Jun-25	ICE, London	EUR	-102	697	0.0
3-month Euro interest (Euribor)	Sep-25	ICE, London	EUR	-1	0	0.0
3-month Euro interest (Euribor)	Mar-26	ICE, London	EUR	1	-2	0.0
3-month Euro interest (Euribor)	Jun-26	ICE, London	EUR	1	-2	0.0
3-month Canadian interest (Canandian Bankers Acceptance)	Sep-23	ME, Montréal	CAD	-32	242	0.0
3-month Canadian interest (Canandian Bankers Acceptance)	Dec-23	ME, Montréal	CAD	-32	52	0.0
3-month Canadian interest (Canandian Bankers Acceptance)	Mar-24	ME, Montréal	CAD	-27	210	0.0
3-month Canadian interest (Canandian Bankers Acceptance)	Jun-24	ME, Montréal	CAD	-30	100	0.0

Holdings of financial instruments (continued)*

	Maturity	Market	Currency	Number of contracts	Market value (SEK '000)	% of fund
3-month Canadian interest (Canandian Bankers Acceptance)	Sep-24	ME, Montréal	CAD	-3	21	0.0
3-month Canadian interest (Canandian Bankers Acceptance)	Dec-24	ME, Montréal	CAD	-2	3	0.0
3-month SONIA interest	Sep-23	ICE, London	GBP	-17	457	0.0
3-month SONIA interest	Dec-23	ICE, London	GBP	-15	548	0.0
3-month SONIA interest	Mar-24	ICE, London	GBP	-12	497	0.0
3-month SONIA interest	Jun-24	ICE, London	GBP	-10	287	0.0
3-month SONIA interest	Sep-24	ICE, London	GBP	-40	983	0.1
3-month SONIA interest	Dec-24	ICE, London	GBP	-39	921	0.0
3-month SONIA interest	Mar-25	ICE, London	GBP	-38	760	0.0
3-month SONIA interest	Jun-25	ICE, London	GBP	-37	571	0.0
3-month SONIA interest	Sep-25	ICE, London	GBP	-4	97	0.0
3-month SONIA interest	Dec-25	ICE, London	GBP	-3	75	0.0
3-month SONIA interest	Mar-26	ICE, London	GBP	-2	44	0.0
3-month SONIA interest	Jun-26	ICE, London	GBP	-2	4	0.0
3-month SOFR interest	Sep-23	CME, Chicago	USD	-47	647	0.0
3-month SOFR interest	Dec-23	CME, Chicago	USD	-39	829	0.0
3-month SOFR interest	Mar-24	CME, Chicago	USD	-34	743	0.0
3-month SOFR interest	Jun-24	CME, Chicago	USD	-29	338	0.0
3-month SOFR interest	Sep-24	CME, Chicago	USD	-107	1 376	0.1
3-month SOFR interest	Dec-24	CME, Chicago	USD	-99	1 095	0.1
3-month SOFR interest	Mar-25	CME, Chicago	USD	-91	845	0.0
3-month SOFR interest	Jun-25	CME, Chicago	USD	-83	588	0.0
3-month SOFR interest	Sep-25	CME, Chicago	USD	4	-39	0.0
3-month SOFR interest	Dec-25	CME, Chicago	USD	5	-39	0.0
3-month SOFR interest	Mar-26	CME, Chicago	USD	4	-28	0.0
3-month SOFR interest	Jun-26	CME, Chicago	USD	3	-12	0.0
3-month SOFR interest	Sep-26	CME, Chicago	USD	1	-3	0.0
3-month SOFR interest	Mar-27	CME, Chicago	USD	-1	9	0.0
3-month SOFR interest	Jun-27	CME, Chicago	USD	-1	2	0.0
CURRENCY FUTURES						
AUD/USD	Sep-23	CME, Chicago	USD	-102	-462	0.0
CAD/USD	Sep-23	CME, Chicago	USD	215	-790	0.0
CHF/USD	Sep-23	CME, Chicago	USD	7	-7	0.0
EUR/USD	Sep-23	CME, Chicago	USD	-9	-30	0.0
GBP/USD	Sep-23	CME, Chicago	USD	362	37	0.0
JPY/USD	Sep-23	CME, Chicago	USD	-549	15 105	0.8
EQUITY INDEX FUTURES						
US equity index (Dow Jones)	Sep-23	CME, Chicago	USD	-23	-800	0.0
US equity index (Mini Nasdaq)	Sep-23	CME, Chicago	USD	36	1 693	0.1
US equity index (Mini Russell 2000)	Sep-23	CME, Chicago	USD	-84	-542	0.0
US equity index (Mini S&P 400)	Sep-23	CME, Chicago	USD	-14	-827	0.0
US stock equity index (Mini S&P)	Sep-23	CME, Chicago	USD	-18	-753	0.0
Australian equity index (SPI)	Sep-23	SFE, Sydney	AUD	-21	-140	0.0
US Stock market (MSCI Emerging Markets)	Sep-23	ICE, New York	USD	-65	358	0.0
UK equity index (FTSE 100)	Sep-23	ICE, London	GBP	-143	997	0.1
European equity index (Euro Stoxx 50)	Sep-23	EUREX, Frankfurt	EUR	191	1 059	0.1
European equity index (Euro Stoxx 600)	Sep-23	EUREX, Frankfurt	EUR	1	1	0.0
European equity index (Euro Stoxx 600 ESG)	Sep-23	EUREX, Frankfurt	EUR	4	-7	0.0
European equity index (Euro Stoxx Bank)	Sep-23	EUREX, Frankfurt	EUR	165	271	0.0
French equity index (CAC)	Jul-23	Euronext, Paris	EUR	10	32	0.0
Hong Kong equity index (Hang Seng)	Jul-23	HKFE, Hong Kong	HKD	-98	537	0.0
Hong Kong equity index (Hang Seng Tech)	Jul-23	HKFE, Hong Kong	HKD	-19	71	0.0
Indian equity index (Nifty 50)	Jul-23	SGX, Singapore	USD	127	1 175	0.1
Italian equity index (MIB)	Sep-23	BI, Milano	EUR	25	567	0.0

Holdings of financial instruments* (continued)

	Maturity	Market	Currency	Number of contracts	Market value (SEK '000)	% of fund
Japanese equity index (Nikkei)	Sep-23	SGX, Singapore	JPY	27	663	0.0
Japanese equity index (Nikkei)	Sep-23	OSE, Tokyo	JPY	50	3 492	0.2
Japanese stock market (TOPIX)	Sep-23	OSE, Tokyo	JPY	89	4 331	0.2
Canadian equity index (Canada 60)	Sep-23	ME, Montréal	CAD	-30	-1 519	-0.1
Chinese equity index (FTSE China A50)	Jul-23	SGX, Singapore	USD	-9	-3	0.0
Chinese equity index (H-shares)	Jul-23	HKFE, Hong Kong	HKD	-81	91	0.0
MSCI EAFE equity index	Sep-23	ICE, New York	USD	-17	22	0.0
Singaporean equity index (MSCI)	Jul-23	SGX, Singapore	SGD	-12	-2	0.0
Swedish equity index (OMX)	Jul-23	Nasdaq OMX, Stockholm	SEK	-46	-345	0.0
South African equity index (FTSE JSE Top 40)	Sep-23	AFE, Sydafrika Johannesburg	ZAR	-5	43	0.0
South Korean equity index (Kosdaq 150)	Sep-23	KOREX, Korea	KRW	24	-17	0.0
South Korean equity index (Kospi 200)	Sep-23	KOREX, Korea	KRW	5	-48	0.0
Taiwanese equity index (FTSE Taiwan)	Jul-23	SGX, Singapore	USD	35	-81	0.0
Thai equity index (SET 50)	Sep-23	TFEX, Bangkok	THB	-95	-42	0.0
German equity index (DAX)	Sep-23	EUREX, Frankfurt	EUR	37	1 311	0.1
COMMODITY FUTURES						
Aluminum (LME)	Sep-23	LME, London	USD	-60	1 160	0.1
Aluminum (LME)	Oct-23	LME, London	USD	-3	5	0.0
Lead (LME)	Sep-23	LME, London	USD	19	87	0.0
Cotton	Dec-23	ICE, New York	USD	-91	-237	0.0
Cotton	Mar-24	ICE, New York	USD	-2	-16	0.0
Cotton	May-24	ICE, London	USD	-1	-12	0.0
Heating Oil (NY Harbor ULSD)	Aug-23	NMX, New York	USD	-22	-603	0.0
Heating Oil (NY Harbor ULSD)	Sep-23	NMX, New York	USD	1	35	0.0
Heating Oil (NY Harbor ULSD)	Oct-23	NMX, New York	USD	1	19	0.0
Heating Oil (NY Harbor ULSD)	Nov-23	NMX, New York	USD	1	20	0.0
Heating Oil (NY Harbor ULSD)	Dec-23	NMX, New York	USD	1	31	0.0
Heating Oil (NY Harbor ULSD)	Jan-24	NMX, New York	USD	1	46	0.0
Heating Oil (NY Harbor ULSD)	Feb-24	NMX, New York	USD	2	46	0.0
Heating Oil (NY Harbor ULSD)	Mar-24	NMX, New York	USD	2	43	0.0
Heating Oil (NY Harbor ULSD)	Apr-24	NMX, New York	USD	2	12	0.0
Heating Oil (NY Harbor ULSD)	May-24	NMX, New York	USD	1	24	0.0
Heating Oil (NY Harbor ULSD)	Jun-24	NMX, New York	USD	1	12	0.0
Ethanol	Aug-23	NMX, New York	USD	3	-352	0.0
Electric Energy (Phelix DE Baseload)	Aug-23	EEX, Leipzig	EUR	-1	-42	0.0
L S Gasoil	Aug-23	ICE, London	USD	-51	-424	0.0
L S Gasoil	Sep-23	ICE, London	USD	1	34	0.0
L S Gasoil	Oct-23	ICE, London	USD	1	32	0.0
L S Gasoil	Nov-23	ICE, London	USD	1	33	0.0
L S Gasoil	Dec-23	ICE, London	USD	1	30	0.0
L S Gasoil	Jan-24	ICE, London	USD	1	30	0.0
L S Gasoil	Feb-24	ICE, London	USD	1	12	0.0
L S Gasoil	Mar-24	ICE, London	USD	1	-6	0.0
L S Gasoil	Jun-24	ICE, London	USD	1	17	0.0
Gold	Aug-23	CME, Chicago	USD	-103	3 103	0.2
Iron ore	Aug-23	SGX, Singapore	USD	30	-36	0.0
Coffee	Sep-23	ICE, New York	USD	10	-787	0.0
Coffee	Dec-23	ICE, New York	USD	-3	170	0.0
Coffee	Mar-24	ICE, New York	USD	-4	281	0.0
Coffee	May-24	ICE, New York	USD	-4	269	0.0
Coffee (Robusta)	Sep-23	ICE, London	USD	14	-210	0.0
Cocoa	Sep-23	ICE, New York	USD	32	435	0.0
Cocoa (London)	Sep-23	ICE, London	GBP	23	775	0.0
Copper (COMEX)	Sep-23	CME, Chicago	USD	31	-1 435	-0.1
Copper (COMEX)	Dec-23	CME, Chicago	USD	4	-60	0.0
Copper (COMEX)	Mar-24	CME, Chicago	USD	5	-76	0.0

Holdings of financial instruments (continued)*

	Maturity	Market	Currency	Number of contracts	Market value (SEK '000)	% of fund
Copper (COMEX)	May-24	CME, Chicago	USD	2	-45	0.0
Copper (LME)	Sep-23	LME, London	USD	4	-211	0.0
Corn	Dec-23	CME, Chicago	USD	-70	1 304	0.1
Corn	Mar-24	CME, Chicago	USD	-3	165	0.0
Corn	May-24	CME, Chicago	USD	-2	38	0.0
Corn	Jul-24	CME, Chicago	USD	-1	18	0.0
Corn	Dec-24	CME, Chicago	USD	-3	24	0.0
Natural Gas (Dutch TTF)	Aug-23	ICE ENDEX, London	EUR	-1	22	0.0
Natural gas (Henry Hub)	Aug-23	NMX, New York	USD	-205	-3 575	-0.2
Natural gas (Henry Hub)	Sep-23	NMX, New York	USD	-3	-117	0.0
Natural gas (Henry Hub)	Oct-23	NMX, New York	USD	-4	-124	0.0
Natural gas (Henry Hub)	Nov-23	NMX, New York	USD	-3	-77	0.0
Natural gas (Henry Hub)	Dec-23	NMX, New York	USD	-3	-53	0.0
Natural gas (Henry Hub)	Jan-24	NMX, New York	USD	-4	41	0.0
Natural gas (Henry Hub)	Feb-24	NMX, New York	USD	-4	49	0.0
Natural gas (Henry Hub)	Mar-24	NMX, New York	USD	-4	22	0.0
Natural gas (Henry Hub)	Apr-24	NMX, New York	USD	-6	8	0.0
Natural gas (Henry Hub)	May-24	NMX, New York	USD	-7	6	0.0
Natural gas (Henry Hub)	Jun-24	NMX, New York	USD	-8	13	0.0
Natural gas (Henry Hub)	Jul-24	NMX, New York	USD	-8	26	0.0
Natural gas (Henry Hub)	Aug-24	NMX, New York	USD	-8	41	0.0
Natural gas (Henry Hub)	Sep-24	NMX, New York	USD	-7	-14	0.0
Natural gas (Henry Hub)	Oct-24	NMX, New York	USD	-6	-31	0.0
Natural gas (Henry Hub)	Nov-24	NMX, New York	USD	-3	-4	0.0
Natural gas (Henry Hub)	Dec-24	NMX, New York	USD	-1	9	0.0
Natural gas (Henry Hub)	Feb-25	NMX, New York	USD	1	-1	0.0
Natural gas (Henry Hub)	Mar-25	NMX, New York	USD	1	6	0.0
Natural gas (Henry Hub)	Apr-25	NMX, New York	USD	1	1	0.0
Natural gas (Henry Hub)	May-25	NMX, New York	USD	1	1	0.0
Natural Gas (UK NBP)	Aug-23	ICE, London	GBP	-1	31	0.0
Nickel (LME)	Sep-23	LME, London	USD	-10	553	0.0
Nickel (LME)	Oct-23	LME, London	USD	-1	5	0.0
Live cattle	Aug-23	CME, Chicago	USD	64	1 800	0.1
Live cattle	Oct-23	CME, Chicago	USD	29	415	0.0
Live cattle	Dec-23	CME, Chicago	USD	30	613	0.0
Live cattle	Feb-24	CME, Chicago	USD	34	1 019	0.1
Feeder Cattle	Aug-23	CME, Chicago	USD	-2	-130	0.0
Palladium	Sep-23	NMX, New York	USD	-10	2 373	0.1
Platinum	Oct-23	NMX, New York	USD	-37	317	0.0
Canola	Nov-23	ICE, Canada	CAD	-14	-222	0.0
Rapeseed (European)	Aug-23	Euronext, Paris	EUR	-6	-171	0.0
Rapeseed (Eoropean)	Nov-23	Euronext, Paris	EUR	-9	-70	0.0
RBOB Gasoline	Aug-23	NMX, New York	USD	47	1 414	0.1
RBOB Gasoline	Sep-23	NMX, New York	USD	1	19	0.0
RBOB Gasoline	Oct-23	NMX, New York	USD	2	75	0.0
RBOB Gasoline	Nov-23	NMX, New York	USD	2	27	0.0
RBOB Gasoline	Dec-23	NMX, New York	USD	2	27	0.0
RBOB Gasoline	Jan-24	NMX, New York	USD	2	22	0.0
RBOB Gasoline	Feb-24	NMX, New York	USD	2	60	0.0
RBOB Gasoline	Mar-24	NMX, New York	USD	1	-14	0.0
RBOB Gasoline	Apr-24	NMX, New York	USD	2	-61	0.0
RBOB Gasoline	May-24	NMX, New York	USD	1	41	0.0
RBOB Gasoline	Jun-24	NMX, New York	USD	1	39	0.0
Brent Crude Oil	Sep-23	ICE, London	USD	-125	-1 843	-0.1
Brent Crude Oil	Oct-23	ICE, London	USD	-2	-31	0.0
Brent Crude Oil	Nov-23	ICE, London	USD	-2	-21	0.0
Brent Crude Oil	Dec-23	ICE, London	USD	-2	-36	0.0
Brent Crude Oil	Jan-24	ICE, London	USD	-2	-47	0.0

Holdings of financial instruments (continued)*

	Maturity	Market	Currency	Number of contracts	Market value (SEK '000)	% of fund
Brent Crude Oil	Feb-24	ICE, London	USD	-1	-1	0.0
Brent Crude Oil	Mar-24	ICE, London	USD	-1	-10	0.0
Brent Crude Oil	Dec-24	ICE, London	USD	1	6	0.0
Brent Crude Oil	Jun-25	ICE, London	USD	2	11	0.0
Sweet Crude Oil	Aug-23	NMX, New York	USD	-141	-2 668	-0.1
Sweet Crude Oil	Sep-23	NMX, New York	USD	-3	-18	0.0
Sweet Crude Oil	Oct-23	NMX, New York	USD	-3	-48	0.0
Sweet Crude Oil	Nov-23	NMX, New York	USD	-2	-35	0.0
Sweet Crude Oil	Dec-23	NMX, New York	USD	-2	-55	0.0
Sweet Crude Oil	Jan-24	NMX, New York	USD	-2	-59	0.0
Sweet Crude Oil	Feb-24	NMX, New York	USD	-1	-35	0.0
Sweet Crude Oil	Mar-24	NMX, New York	USD	-1	-16	0.0
Sweet Crude Oil	Apr-24	NMX, New York	USD	-1	-20	0.0
Sweet Crude Oil	Dec-24	NMX, New York	USD	3	-31	0.0
Sweet Crude Oil	Jun-25	NMX, New York	USD	3	38	0.0
Silver	Sep-23	CME, Chicago	USD	-52	-370	0.0
Silver	Dec-23	CME, Chicago	USD	-2	206	0.0
Silver	Mar-24	CME, Chicago	USD	-1	141	0.0
Sugar	Oct-23	ICE, New York	USD	135	-4 362	-0.2
Sugar	Mar-24	ICE, New York	USD	26	-323	0.0
Sugar	May-24	ICE, New York	USD	30	-781	0.0
Soybean meal	Dec-23	CME, Chicago	USD	-54	103	0.0
Soybean meal	Jan-24	CME, Chicago	USD	3	32	0.0
Soybean meal	Jul-24	CME, Chicago	USD	1	-26	0.0
Soybean oil	Dec-23	CME, Chicago	USD	-9	-199	0.0
Soybean oil	Jan-24	CME, Chicago	USD	9	324	0.0
Soybean oil	Mar-24	CME, Chicago	USD	7	268	0.0
Soybean oil	May-24	CME, Chicago	USD	5	172	0.0
Soybean oil	Jul-24	CME, Chicago	USD	3	16	0.0
Soybeans	Nov-23	CME, Chicago	USD	55	612	0.0
Soybeans	Jan-24	CME, Chicago	USD	5	126	0.0
Soybeans	Mar-24	CME, Chicago	USD	2	-1	0.0
Soybeans	May-24	CME, Chicago	USD	1	-1	0.0
Soybeans	Nov-24	CME, Chicago	USD	-1	3	0.0
Lean Hogs	Aug-23	CME, Chicago	USD	-59	-796	0.0
Tin	Sep-23	LME, London	USD	1	-43	0.0
Wheat (Euronext Milling)	Sep-23	Euronext, Paris	EUR	-29	-152	0.0
Wheat (Minneapolis Hard Red Spring)	Sep-23	MGEX, Minneapolis	USD	-1	29	0.0
Wheat (Chicago Soft Red Winter)	Sep-23	CME, Chicago	USD	-137	3 854	0.2
Wheat (Chicago Soft Red Winter)	Dec-23	CME, Chicago	USD	-8	-40	0.0
Wheat (Chicago Soft Red Winter)	Mar-24	CME, Chicago	USD	-5	-11	0.0
Wheat (Chicago Soft Red Winter)	May-24	CME, Chicago	USD	-2	-16	0.0
Wheat (KC Hard Red Winter)	Sep-23	CME, Chicago	USD	-2	19	0.0
Zinc (LME)	Sep-23	LME, London	USD	-40	-128	0.0
Zinc (LME)	Oct-23	LME, London	USD	-1	-6	0.0

FIXED INCOME SECURITIES

				Nom. Amount		
Swedish Treasury bills	Aug-23		SEK	320 Mkr	318 634	16.6
Swedish Treasury bills	Sep-23		SEK	672 Mkr	666 772	34.8
Swedish Treasury bills	Dec-23		SEK	272 Mkr	267 303	13.9
Swedish Treasury bills	Mar-24		SEK	268 Mkr	260 783	13.6
Swedish Treasury bills	Jun-24		SEK	66 Mkr	63 589	3.3
TOTAL OTHER FINANCIAL INSTRUMENTS THAT ARE ADMITTED TO TRADING ON A REGULATES MARKET OR A CORRESPONDNING MARKET OUTSIDE THE EEA					1 647 311	85.9

OTHER FINANCIAL INSTRUMENTS

CURRENCY FORWARDS

			Amount ('000)		
AUD/USD	Sep-23	AUD	-6 780	-2 076	-0.1
CAD/USD	Sep-23	CAD	14 320	-736	0.0
EUR/USD	Sep-23	EUR	-750	-1 169	-0.1
GBP/USD	Sep-23	GBP	15 113	1 472	0.1
JPY/USD	Sep-23	JPY	-4 572 500	11 725	0.6
MXN/USD	Sep-23	MXN	664 800	7 168	0.4
NOK/USD	Sep-23	NOK	-60 100	-1 716	-0.1
NZD/USD	Sep-23	NZD	3 000	-961	-0.1
SEK/USD	Sep-23	SEK	-30 436	-441	0.0
CHF/USD	Sep-23	CHF	588	-271	0.0
CNH/USD	Sep-23	CNH	-430 150	12 565	0.7
SGD/USD	Sep-23	SGD	-5 600	-587	0.0
PLN/USD	Sep-23	PLN	28 380	2 312	0.1
HUF/USD	Sep-23	HUF	1 311 000	500	0.0
ZAR/USD	Sep-23	ZAR	-103 200	-3 488	-0.2
TOTAL OTHER FINANCIAL INSTRUMENTS				24 297	1.3
TOTAL FINANCIAL INSTRUMENTS				1 671 608	87.2
BANK DEPOSITS				252 480	13.2
OTHER ASSETS AND LIABILITIES, NET				-7 553	-0.4
TOTAL NET ASSETS				1 916 535	100.00

** In accordance with the definitions in Finansinspektionen's regulations, FFFS 2013:9, Chapter 31, Section 29, the fund has holdings in Category 2 (Other financial instruments that are admitted to trading on a regulated market or a corresponding market outside the EEA) amounting to TSEK 1 647 311 (85.9 per cent of the fund assets) and in Category 7 (Other financial instruments) amounting to TSEK 24 297 (1.3 per cent of the fund assets). The fund has no holdings in Categories 1 or 3-6.*

ACCOUNTING PRINCIPLES

The half-yearly report is made up in accordance with the Act (2013:561) on managers of alternative investment funds and Finansinspektionen's regulations (2013:10) and follows the recommendations of the Swedish Investment Fund Association where applicable. Valuation is done in accordance with the valuation policy adopted by the board of the fund management company.

The valuation price for futures is the close price for each market. As these investments are held in markets on several continents, the actual time when each investment is valued varies. The Swedish treasury bills are valued at a price based on the average of quotes from five of the largest market participants.

CHANGES IN NET ASSETS

SEK thousand	*Opening value*	*Issue of units*	*Dividend reinvested*	*Redemption of units*	*Dividend paid*	*Year's profit*	*Total value of the fund*
2000-12-31		4 856				708	5 564
2001-12-31	5 564	41 361	191		-259	939	47 796
2002-12-31	47 796	245 891		-8 563		13 892	299 016
2003-12-31	299 016	1 221 578	4 337	-86 478	-5 103	226 353	1 659 703
2004-12-31	1 659 703	946 607	128 578	-1 267 867	-177 725	210 732	1 500 028
2005-12-31	1 500 028	432 448	148 243	-939 473	-209 255	93 918	1 025 909
2006-12-31	1 025 909	685 699	26 172	-585 664	-29 731	57 813	1 180 198
2007-12-31	1 180 198	288 306		-473 607		137 267	1 132 164
2008-12-31	1 132 164	961 911	94 236	-709 413	-107 355	596 152	1 967 695
2009-12-31	1 967 695	933 186	186 321	-773 474	-216 070	-169 454	1 928 204
2010-12-31	1 928 204	730 138		-517 523		358 428	2 499 247
2011-12-31	2 499 247	1 727 053	213 342	-441 937	-253 317	10 180	3 754 568
2012-12-31	3 754 568	517 548	186 116	-782 705	-220 903	-191 197	3 263 427
2013-12-31	3 263 427	509 528		-1 502 754		334 443	2 604 644
2014-12-31	2 604 644	328 875		-515 748		642 036	3 059 807
2015-12-31	3 059 807	2 468 156		-665 666		-391 477	4 470 820
2016-12-31	4 470 820	1 135 023		-660 943		-222 037	4 722 863
2017-12-31	4 722 863	338 599		-2 148 058		-285 245	2 628 159
2018-12-31	2 628 159	64 624		-792 568		-85 862	1 814 353
2019-12-31	1 814 353	48 897		-532 364		287 461	1 618 347
2020-12-31	1 618 347	27 667		-148 340		83 199	1 580 872
2021-12-31	1 580 872	93 325		-320 968		16 628	1 369 857
2022-12-31	1 369 857	381 535		-272 163		489 023	1 968 253
2023-06-30	1 968 253	163 779		-89 674		-125 822	1 916 535

NET ASSET VALUE OF UNITS[1]

	Value of the fund (SEK thousand)	*Number of units in issue*	*Net asset value per unit, SEK*	*Dividend per unit, SEK*	*Return, %*
2000-12-31	5 564	50 003	111.28		12.8
2001-12-31	47 796	384 608	124.27		15.8
2002-12-31	299 016	2 048 077	146.00		21.8
2003-12-31	1 659 703	8 753 943	189.59		34.6
2004-12-31	1 500 028	8 393 718	178.71	34.17	14.0
2005-12-31	1 025 909	6 259 139	163.91	24.93	6.6
2006-12-31	1 180 198	7 039 064	167.66	4.75	5.3
2007-12-31	1 132 164	5 964 169	189.83		13.2
2008-12-31	1 967 695	8 002 605	245.88	18.00	42.2
2009-12-31	1 928 204	9 652 805	199.76	27.00	-8.5
2010-12-31	2 499 247	10 554 880	236.79		18.5
2011-12-31	3 754 568	17 814 727	210.76	24.00	-0.9
2012-12-31	3 263 427	17 325 215	188.36	12.40	-5.1
2013-12-31	2 604 644	12 332 505	211.20		12.1
2014-12-31	3 059 807	11 355 990	269.44		27.6
2015-12-31	4 470 820	18 031 029	247.95		-8.0
2016-12-31	4 722 863	19 873 394	237.65		-4.2
2017-12-31	2 628 159	11 674 359	225.12		-5.3
2018-12-31	1 814 353	8 279 009	219.15		-2.7
2019-12-31	1 618 347	6 398 267	252.94		15.4
2020-12-31	1 580 872	5 899 757	267.96		5.9
2021-12-31	1 369 857	5 074 256	269,96		0.8
2022-12-31	1 968 253	5 365 385	366.84		35.9
2023-06-30	1 916 535	5 604 404	341.97		-6.8

[1] *In view of the fund's dividends. A comparison of changes in each unit's value and the reported return lacks relevance.*

Stockholm 24 August, 2023
Lynx Asset Management AB

Svante Elfving
Chairman

Marcus Andersson

Daniela Tell

Svante Bergström
CEO

Johanna Ahlgren

AUDITOR'S REVIEW REPORT ON THE HALF-YEARLY REPORT

TO THE UNIT-HOLDERS IN THE LYNX FUND

INTRODUCTION

As auditor of Lynx Asset Management AB, company registration number 556573-1782, we have conducted a review of the enclosed half-yearly report for the Lynx Fund as at 30 June 2023. Responsibility for preparing and presenting the half-yearly report in accordance with the Act on managers of alternative investment funds and the regulations of the Swedish Regulatory Authority (Finansinspektionen) on managers of alternative investment funds rests with the Board of Directors of the fund management company. Our responsibility is to express a conclusion on the half-yearly report on the basis of our review.

THE SCOPE OF THE REVIEW

We have conducted our review in accordance with the International Standard on Review Engagements 2410, *Audit review of interim financial information performed by the company's chosen auditor.* A review involves making enquiries, primarily among those persons that are responsible for financial and accounting issues, performing an analytical examination and conducting other summary auditing measures.

A review has a different focus and a significantly smaller scope than an audit as performed according to the International Standards on Auditing and generally accepted auditing standards in Sweden. The auditing measures performed in a review do not enable us to obtain a degree of assurance that would make us aware of all important circumstances that would have been identified in a full audit. The conclusion expressed on the basis of a review thus does not have the same degree of certainty as a conclusion based on an audit.

OPINION

In the course of our review we have not become aware of any circumstances that would give us reason to doubt that the enclosed half-yearly report has in all material respects been prepared in accordance with the Act on managers of alternative investment funds and regulations of Finansinspektionen on managers of alternative investment funds.

Stockholm 24 August, 2023
KPMG AB

Mårten Asplund
Authorised public accountant

PORTFOLIO MANAGERS

The Lynx Fund is managed by *Jonas Bengtsson, Svante Bergström, Daniel Chapuis, David Jansson, Henrik Johansson and Jesper Sandin.*

Jonas Bengtsson is a Founding Partner and Portfolio Manager at Lynx. Bengtsson founded Lynx in 1999 together with Svante Bergström and Martin Sandquist and has been a portfolio manager since the company's inception. Prior to founding Lynx, Bengtsson worked as quantitative researcher at Nordea, a leading Nordic bank, which he joined in 1994. From 1996, he worked for Nordea's Proprietary Trading department, where the foundations of what would later become the Lynx Program were developed, with responsibility for portfolio construction and risk management. He began his career as a quantitative analyst at Göta Bank in 1993. Bengtsson holds a Licentiate degree in Engineering Physics from the Lund Institute of Technology.

Svante Bergström is a Founding Partner and the Chief Executive Officer (CEO) of Lynx. He is also a Director of the Board, and Portfolio Manager. Bergström founded Lynx in 1999 together with Jonas Bengtsson and Martin Sandquist and has been the company's CEO since its inception. Prior to founding Lynx, Bergström worked at Nordea, a leading Nordic bank, where he was hired in 1993 as a quantitative analyst and bond trader. In 1996 he was tasked with establishing Nordea's Proprietary Trading department, where the foundations of what would later become the Lynx Program were developed. In his early career, Bergström worked for Hagströmer & Qviberg Fondkommission between 1984 and 1991, initially as a stockbroker and later as head of the firm's bond trading department. Bergström holds a BSc in Economics and Business Administration from the Stockholm School of Economics.

Daniel Chapuis is a Partner and Portfolio Manager at Lynx. He chairs the working group for validating new model proposals from the research team and leads the company's efforts in developing short-term models. Chapuis has also developed numerous models used in the Lynx Program. Chapuis was hired by Lynx in 2008 and made Partner and Portfolio Manager in 2017. Previously, Chapuis spent two years at Brummer & Partners in a tactical asset allocation research venture that was later incorporated into the Lynx Program. He began his career at the First National Swedish Pension Fund as a quantitative analyst in 2000, where he developed and managed trading models in fixed income. Chapuis studied Engineering Physics at the Royal Institute of Technology in Stockholm.

David Jansson is Partner, Chief Investment Officer (CIO), Portfolio Manager and Risk Manager at Lynx. Jansson was hired by Lynx in 2005 initially as a trader. In 2007 he initiated the company's efforts in Execution Research and in 2011 he became Partner. In 2019 he was promoted to Portfolio Manager and in 2021 also Risk Manager. In 2023 he was appointed CIO at Lynx. Jansson has earlier worked at B & P Fund Services ("BFS"). David Jansson holds an MSc in Economics from Stockholm University, where he also studied mathematics.

Henrik Johansson is a Partner, Portfolio Manager, the Head of Research and Deputy Risk Manager at Lynx. As Head of Research, he has the overall responsibility for the research efforts to further develop Lynx's investment process. Henrik Johansson was hired by Lynx in 2011 as Head of Research and also became Partner, he was promoted to portfolio manager in 2014. Johansson has extensive managerial experience from the financial industry. From 2008 to 2011, he was the Global Head of Risk Management at SEB Merchant Bank. From 2006 to 2008, he was the Head of Risk, Valuation, System Development and IT at BFS. From 1997 to 2006, he was the Head of Quantitative Strategies at Nektar Asset Management, a fixed income and global macro hedge fund. Between 2005 and 2008, he was a Director of the Board of the company. His early career was spent at Skandia Asset Management and the Treasury department at ABB. Johansson holds an MSc in Engineering Physics from the Royal Institute of Technology in Stockholm.

Jesper Sandin is a Partner and Portfolio Manager at Lynx. He has developed a significant part of the Lynx Program's current model portfolio and he leads the research efforts within portfolio construction. Sandin was hired by Lynx in 2008 and made Partner and Portfolio Manager in 2011. Previously, Sandin spent two years at Brummer & Partners in a tactical asset allocation research venture that was later incorporated into the Lynx Programme. Between 1998 and 2006, Sandin was the Head of Quantitative Research at the First National Swedish Pension Fund. Initially an acoustic engineer, Sandin moved into finance when he was hired by Skandia Asset Management as a quantitative analyst in 1997. Jesper Sandin holds an MSc degree in Engineering Physics with specialisation in applied mathematics from the Royal Institute of Technology in Stockholm and is a Certified Financial Analyst from IFL Stockholm School of Economics.

GLOSSARY

Correlation
A statistical concept that describes the extent of a linear relationship between two time series. By definition, a correlation has a value between +1 (perfect positive correlation) and –1 (perfect negative correlation). A value of 0 means that there is no correlation between the time series. Traditional funds have a correlation with their benchmark that is close to +1.

Derivative
A financial instrument where the price change is derived from an underlying asset and where the holder has the right or obligation to buy or sell the asset in question (see Future).

Downside risk
A measure of the distribution of an asset's negative return. The calculation of downside risk for a time-series x1,…, xn is similar to the calculation of the standard deviation, but with two differences: firstly, average return in the formula for the standard deviation is replaced by the risk free return (rf); and secondly, only negative deviations are taken into account. See the formula below:

$$\sqrt{\frac{12}{n-1}\sum_{i=1}^{n}\min\{x_i - r_f, 0\}^2}$$

Future
A future is an obligation to buy or sell a given asset at a given time at a given price.

High watermark
Means that the fund only pays performance fees when any shortfalls from previous periods have been compensated for.

Hurdle Rate
Defined as the average of the Riksbank's fixing of three-month treasury bills on the last three banking days of the previous quarter.

Index
Describes changes in the value of a particular type of asset. Indices are traditionally used when evaluating mutual funds.

JP Morgan Global Government Bond Index (local currency)
Calculated on the basis of change in value plus accrued interest. Currency fluctuations do not affect the index. Source: Bloomberg/EcoWin.

Longest period of time to new high
The longest period of time it has taken to afresh reach above the previous high. Stated in number of months.

Maximum drawdown
The largest possible drop in value during the period.

MSCI World NDTR Index (local currency)
Reflects change in value, expressed in local currency, on the stock markets in the 22 most important economies. Currency changes do not affect the index. Source: Bloomberg/EcoWin.

Prime broker
An entity that provides a number of services to participants on financial markets. The fund uses J.P. Morgan SE as prime broker for currency spot and forward transactions. In this case, the prime broker ensures that all relevant transfers in relation to these transactions are made to the fund's depositary.

Risk
Traditionally measured in terms of the standard deviation, which indicates by how much the change in the fund's value has fluctuated. The standard deviation is normally used to reflect the investment's level of risk. A fund's risk level is often classified on the basis of the extent of the variations or expected variation in the value of the fund's units over time. A high standard deviation means wide variations and thus high risk, a low standard deviation means narrow variations and thus low risk.

Risk-adjusted return
The return over and above the return of the fund's reference rate in relation to the investment's risk defined as the standard deviation (see Risk and Sharpe ratio).

Sharpe ratio
A measure of a portfolio's risk-adjusted return. It is defined as the return over and above the risk-free return in relation to the risk (standard deviation) to which the portfolio is exposed. A high Sharpe ratio is an indication of a sound balance between return and risk.

Special fund
A fund that is licensed by Finansinspektionen to invest on the basis of a strategy that deviates from what is normally permitted by Swedish fund legislation. Lynx is a special fund within the meaning of Chapter 1, Section 11 of the Act (2013:561) on managers of alternative investment funds.

Standard deviation
A statistical concept that indicates the distribution of a quantity of data.

Value at Risk (VaR)
A probability-based statistical measure of the risks to which a portfolio is exposed. It is defined as the maximum loss the portfolio can be expected to incur over a given period (normally one day or one week) to a given level of statistical certainty (normally a 95 or 99 per cent confidence interval). In Lynx external reporting VaR refers to 1 day with 95 per cent confidence. VaR is expressed as a percentage of net asset value.

Volatility
A measure of variations in the return over time. Normally the volatility of an asset is expressed as the standard deviation of the return on the asset. Often, volatility is used as a measure of the risk to which a portfolio is exposed.

Signatory of: PRI Principles for Responsible Investment

LYNX ASSET MANAGEMENT AB

Box 7060
SE-103 86 STOCKHOLM

Tel +46 8 663 33 60,
Fax +46 8 663 33 28
info@lynxhedge.se
www.lynxhedge.se

AUGUST 2023