



THE LYNX FUND

ANNUAL REPORT
2023

L Y N X

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, Anders Blomqvist, Daniel Chapuis, David Jansson, and Jesper Sandin. |

MANAGEMENT TARGETS

| | |
|-----------------------------------|-------------------------------------------------------|
| Type of return: | High risk-adjusted return. |
| Risk (standard deviation): | Annual standard deviation of 18 per cent before fees. |
| 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.* |
| 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. |
| Depository: | 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. |
| Owners: | The company is owned by key employees and Brummer & Partners AB. |
| Funds under management: | Lynx, Lynx Dynamic and a number of individual accounts. |
| 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: | Johanna Ahlgren (Chairman Lynx Asset Management AB, General Counsel Brummer & Partners AB) Marcus Andersson (Senior Advisor Lynx Asset Management AB), Svante Bergström (CEO and Portfolio Manager Lynx Asset Management AB), Joakim Schaaf (Head of Legal, Compliance and Sustainability B&P Fund Services AB), Daniela Tell (Project Manager Lynx Asset Management AB). |
| Chief Compliance Officer: | Kim Dixner |
| Independent Risk Control: | Elisabeth Frayon |

* 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.

ANNUAL REPORT 2023

*The Board and the CEO of Lynx Asset Management AB
herewith submit the following annual report for the Lynx Fund for
the financial year 2023.*



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IMPORTANT INFORMATION

The Lynx Fund is a special funds as defined in Chapter 1, Section 11 p. 24 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 simplified prospectus, 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 is 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.



SUMMARY

■ While 2022 was marked by strong trends driven by the repricing of global assets on the back of rising inflationary pressures, the environment in 2023 was more challenging. Following up a 35.9 per cent positive net return the previous year, the Lynx Fund ended 2023 down -8.9 per cent net of fees, as losses in commodities, fixed income and stock indices outweighed a gain in foreign exchange. Trend-following models were responsible for approximately 80 per cent of the negative result, as losses were experienced across timeframes.

Entering the year, few expected central bankers to successfully walk the fine line between meeting their policy objectives and avoiding tipping economies into recession. However, as the year progressed, inflation readings consistently fell while economic indicators remained reasonably sanguine. Equity investors welcomed these developments with major US and European indices ending the year near record highs and Japanese stocks climbing sharply. While short-term interest rates rose as most central banks continued to tighten policy, investors began anticipating a soft-landing keeping longer-term rates in check. The US 10-year Treasury yield ended the year largely unchanged while yields on similar duration bonds in Europe declined.

To be clear, the paths of both stocks and bonds were not straight lines. The failure of Silicon Valley Bank in March highlighted the vulnerabilities of some financial institutions to higher interest rates catalyzing a flight-to-quality. The sudden and sharp declines in stocks and

bond yields were difficult to navigate as was the subsequent reversal once the US government guaranteed depositors. The loss in March was ultimately greater than the decline for the year. While we are not satisfied with the return for this specific period, we were nonetheless encouraged that our models and risk management procedures worked as expected.

After March, changing forecasts of monetary policy also periodically created directionless volatility which was difficult for our models to capitalize upon. And price action in the commodities was even more challenging. Industrial commodities oscillated with changing growth forecasts, grains fluctuated with unexpected weather conditions due to the El Nino effect, and energy markets were influenced by geopolitical conflict in Ukraine and Israel. Our relatively reactive models reversed exposure across asset classes multiple times during the year looking to profit from the market developments, but ultimately ended down.

YEAR IN REVIEW

With CPI peaking at over 9 per cent in the US in June 2022, and at similar levels across much of the rest of the developed world, central banks desperately needed to raise interest rates. As they did, inflation began to soften and continued to decline as the year progressed. However, from all accounts, they still believed that there was much work left to do as 2023 commenced. Speculation of how far central banks would go in the

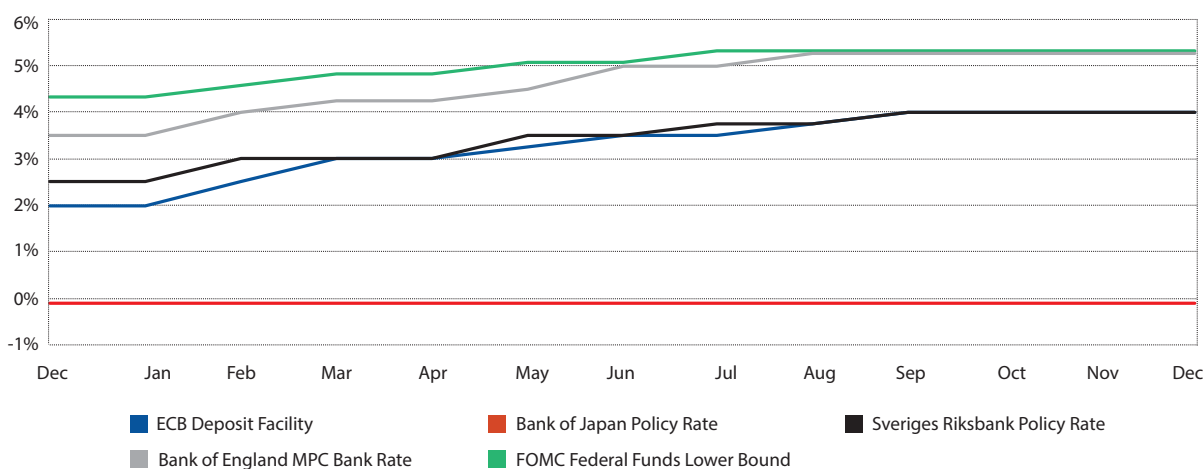


Chart 1. Global Central Bank Policy Rates in 2023. Source: Each Central Bank respectively.

face of economic contraction and when they would ultimately pivot were in focus throughout the year. However, bankers were resolute, determined to reclaim price stability despite the near-term potential economic impact. After being slow to react to rising inflationary pressures following the COVID pandemic – and having learnt the lessons from the 1970’s – it seemed they would rather err on the side of doing too much than not doing enough. As levels remained elevated, policy tightened further. Ultimately, the Fed hiked rates in the US by 100 basis points while the ECB increased their policy rate by 2 per cent and the BoE by 1.75 per cent during the year.

Coming into the year, many market commentators expected most Western economies to fall into recession as tighter monetary conditions impacted consumers and slowed growth. However, in the US, surprisingly strong employment numbers and indications that consumers remained remarkably resilient lent credence to the hope that avoiding a prolonged downturn was possible. Similarly, the IMF began forecasting a “soft-landing” in Europe although they warned that inflation could remain elevated and even require additional central bank action in the future. In November, the US Fed held rates steady for the second consecutive meeting and notably indicated that tighter financial conditions, along with tighter credit, were “likely to weigh on economic activity, hiring, and inflation.” Comments from Chairman Powell that rates were “likely at or near” their peak late in December was an even more explicit indication that the bank was considering a shift. Weaker-than-expected employment figures bolstered that narrative and contributed to a meaningful pullback in US rates and the US dollar. Similarly, the ECB signaled that “the disinflation process was proceeding somewhat faster than expected” supporting optimism of looser global monetary policy in 2024 and contributing to a notable decline in rates.

Inflation moderated considerably in 2023, but perhaps more importantly, central banks did a remarkable job reining in speculators anticipating the eventual dovish pivot in monetary policy. This does not mean that investor optimism could be completely quenched. Following a disappointing 2022, equities rallied back strongly in 2023 led largely by technology stocks. In the US, the Magnificent Seven (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla) – the highest market capitalization public companies in the US, along with Berkshire Hathaway – drove much of the return of major equity indices. Generative AI and the future potential of artificial intelligence were largely responsible for the outperformance as investors sought to gain access to a generational technology at a nascent stage. Nearly two thirds of the annual gain in stocks was generated in the final two months of the year as a change in central bank rhetoric bolstered optimism that major economies in North America and Europe could be heading for a “soft landing.”

Meanwhile, China was unable to emerge from their zero-COVID policy as robustly as many had forecast, leaving speculators unwinding “reopening” trades as the economic reality did not meet expectations. Domestic spending remained subdued, unemployment climbed, and real estate came under increasing pressure with the defaults of major lenders. In June, the People’s Bank of China cut the one-year loan prime rate and the five-year rate by 10 basis points each, and subsequently reduced the prime rate again in August, going against most other global central banks. They also added liquidity to the market, including a record increase in policy loans through its one-year medium-term lending facility (MLF) in December. However, despite pledges from government and banking officials to support growth in the nation, weak domestic demand contributed to falling consumer prices and persistent deflation, particularly in the latter part of the year. As a result, both Chinese equities and the renminbi ended 2023 weaker.

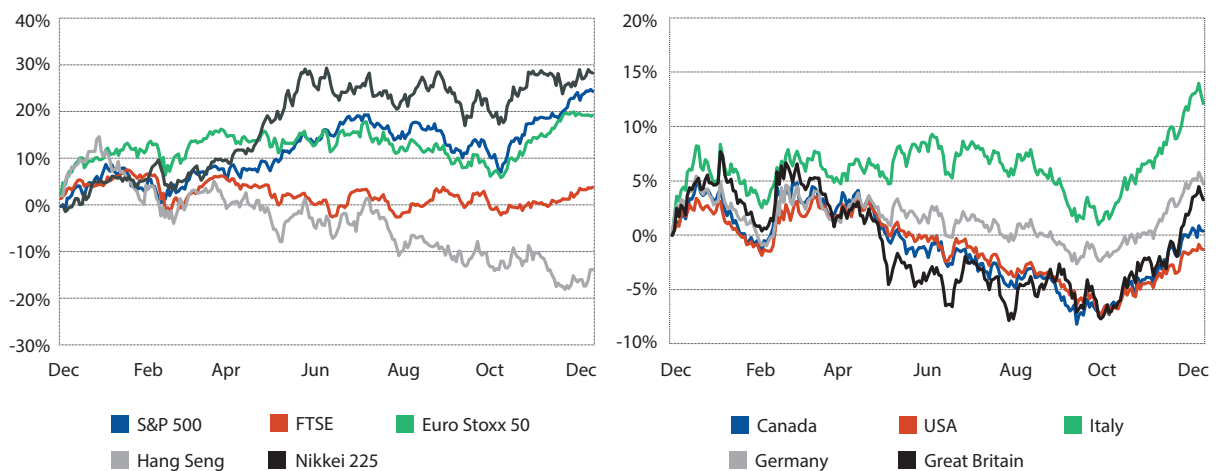


Chart 2 & 3. Global stock index and 10-year bond performance in 2023. Source. Bloomberg.

US Regional Banking Crisis

The failure of Silicon Valley Bank in early March shined a light on less than responsible practices by some regional banks across the US. With previously stable deposits and extraordinarily low interest rates, many banks extended the duration of their assets to generate excess yield. However, as interest rates climbed, the value of their bonds fell leaving many vulnerable to a flight of deposits. In the case of SVB – and Signature Bank and First Republic Bank afterward – this is precisely what occurred. The impact on markets was immediate and astounding. Stocks collapsed and bonds climbed in a classic flight-to-quality. Other than the Washington Mutual collapse in the midst of the global financial crisis in 2008, these were the largest bank failures in the history of the US. However, despite concerns regarding potential contagion to the broader financial system arising after Swiss authorities negotiated the takeover of Credit Suisse by UBS, quick action by US governmental agencies mitigated the risk to depositors and equities reversed sharply. Their move has been credited for preventing a cascade of regional bank failures and potentially a more extensive global crisis.

Geopolitics

On the geopolitical front, the conflict in Ukraine continued into its second year with no end in sight. Kiev generally enjoyed the military support from the West, although cracks began to emerge in the façade as the year progressed. In the US, Republican lawmakers began voicing concern over the continued funding of the war, with some high-profile politicians – including Republican presidential front runner, Donald Trump – suggesting that the US should stop sending weapons altogether. In Europe, trade disputes with Poland, Hungary and Slovakia led Ukraine to file a complaint with the World Trade Organization for banning imports of agricultural commodities. The move elevated tensions between the countries and resulted in Polish Prime Minister Mateusz Morawiecki declaring that Poland would “no longer transfer any weapons to Ukraine.” While his comments were later stepped back by President Andrzej Duda, the alliance between the two countries weakened. Additionally, extremist elements within some European parliaments – both nationalists and social populists – gained ground threatening the status quo and endangering continued support for Ukraine. Meanwhile, Finland became the 31st member of NATO in April, extending the alliance’s border with Russia by 1,340 kilometers.

On October 7th, Palestinian militant groups backed by Hamas surprisingly attacked Israel from the Gaza Strip. The response from Israel was immediate and overwhelming as war was declared and military action commenced. Despite pleas from the United Nations and humanitarian organizations, the borders from Gaza remained largely closed to Palestinians attempting to flee the violence. Attacks from Lebanon by the Iran-backed

Hezbollah increased markedly and fighting along the border between the nations rose. Further, conflict between Israeli defense forces (IDF) and Palestinians in the occupied West Bank intensified, threatening a multi-front war. While the fighting remained largely contained to the region, increased attacks by purportedly Iran-backed groups against US forces in Syria and Iraq risked pulling in other nations into the fray.

Relations between the US and China deteriorated after multiple balloons determined to be collecting information for China were tracked and ultimately shot down over the Americas. Subsequently, other high-altitude objects (HAO) were similarly identified and destroyed over the country. While the Chinese government asserted that the objects were weather balloons that had been blown off course, the US claimed that they were a violation of the nation’s sovereignty and postponed an official diplomatic visit to Beijing. Tensions were already elevated due to ongoing trade disputes, the US support of Taiwan as an independent nation, and China’s allegiance with Russia, so the incident set back the restoration of normalized relations.

National politics

In politics, Xi Jinping was unanimously reelected to an unprecedented third 5-year term as the President of China. After the two-term presidential limit was removed from the Chinese Constitution in 2018, speculation began to emerge that Xi could rule for life. In the US, the Republican Party gained control of the House of Representatives creating a divided legislature. Pressure on Congressional leaders from the Biden administration to raise the debt ceiling to avoid a potential default on US obligations in the late spring and contentious negotiations on the floor of the House over a continuing resolution in the fall highlighted the distrust and disfunction between the political parties. Additionally, House Republicans also showed signs of internal conflict. After requiring a record 15 rounds of voting to be elected speaker, Kevin McCarthy was ousted from his role in October, becoming the first Speaker of the House to be removed from his position in a motion to vacate. He ultimately resigned from Congress as the year was coming to a close. In Turkey, Recep Tayyip Erdoğan was narrowly reelected to his third term as president. Erdoğan has made headlines in recent years for opposing a policy response to climbing inflation but changed course in 2023 stating that the Turkish central bank would use “tight monetary policy” to slow inflation to the single digits.

Commodities

In the commodities, the US National Oceanic and Atmospheric Administration (NOAA) declared an El Nino event had developed in June. El Nino is a natural climate phenomenon characterized by above average water temperatures in the Pacific Ocean around the equator that

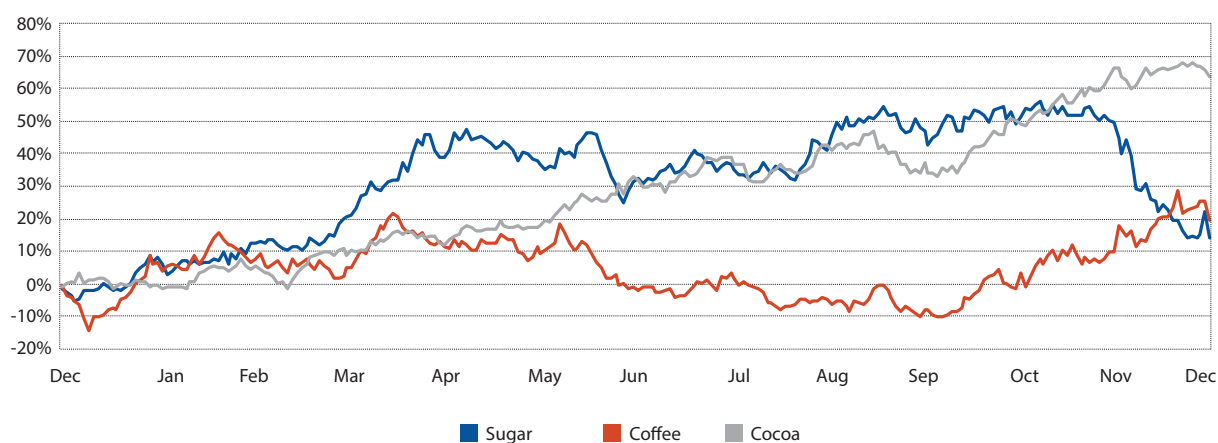


Chart 4. Tropical commodities price developments in 2023. Source: Bloomberg.

influences weather across much of the globe. Soon after the announcement, the ECB forecasted that global food prices could rise 9 per cent should a strong event unfold. Tropical commodities such as sugar, cocoa, and coffee immediately began climbing as production estimates fell and adverse weather began impacting growing conditions. Prices vacillated afterwards as market-specific factors also influenced supply/demand dynamics, although in the case of cocoa and coffee, they ended the year much higher than where they began. Meanwhile, sugar prices collapsed late in the fourth quarter after the Indian Food Ministry restricted the conversion of cane juice and syrup to ethanol and Brazil significantly increased production. El Nino was still in place entering the new year.

In the energies, US natural gas prices collapsed on record production and benign weather across much of the US. By the end of 2023, Henry Hub gas had declined over 40 per cent from the end of 2022 – and nearly 75 per cent from last year’s peak – bringing prices to the lowest level since the COVID-19 pandemic in 2020. Meanwhile, crude oil and distillate prices vacillated on a combination of supply/demand-related concerns and geopolitical risk, ultimately ending the year down over 10 per cent. With Russia successfully rerouting their oil from the European Union to China, India, and Turkey, the increase in global production – initially meant to counterbalance the impact of the oil embargo from Western nations – resulted in higher-than-expected supply. However, the Israel-Hamas war in the fourth quarter led to a price reversal as concerns grew regarding the impact of a widening conflict on production. In December, Houthi rebels attacked commercial vessels transiting the Red Sea and Suez Canal from Yemen, forcing ships to reroute around Africa. Additionally, the frequency of confrontations between Israel and Iran-backed Hezbollah on the Lebanese border increased dramatically following the Hamas attack.

Industrial metals fluctuated with changing forecasts of demand from China and developed Western economies. Global production of copper continued

to increase, reaching a record by the end of the year, while consumption did not keep pace despite the ongoing electrification of transport, heating and industrial processes as part of the transition to renewable energy. Expectations of increased Chinese demand as their economy reopened following the pandemic were not realized to their full extent, although imports were markedly higher than 2022. Meanwhile, early expectations of recessions developing in the US and Europe waned as the year progressed resulting in a rise in potential demand. In the precious metals, gold prices vacillated as downward pressure from rising real rates were met by increased demand for the commodity as a safe-haven asset following the US regional banking crisis and the Israeli-Hamas war.

ANALYSIS OF RESULT

Following the second-best year in Lynx’ history, 2023 was a disappointment as the fund realized a negative return of -8.9 per cent net of fees. Interestingly, the result was not much different than that delivered in 2009, the year after the global financial crisis when Lynx had its best annual performance historically. Losses in commodities, fixed income and equities outweighed a more modest gain in foreign exchange. Trend following models underperformed their diversifying counterparts, although both families of models lost money across timeframes.

Gross performance by asset class

Fixed income generated a loss of -2.1 per cent as a gain of 0.7 per cent in short-term interest rates was outweighed by a -2.8 per cent loss in global bonds. Interest rates vacillated broadly, particularly early in the year, on changing forecasts of monetary policy and the regional banking crisis in the US, making it a challenging environment for the program. However, from the beginning of June, the models were more successful forecasting the price action and recovered most of the earlier loss. Notably, net fixed income exposure reversed from short to long in

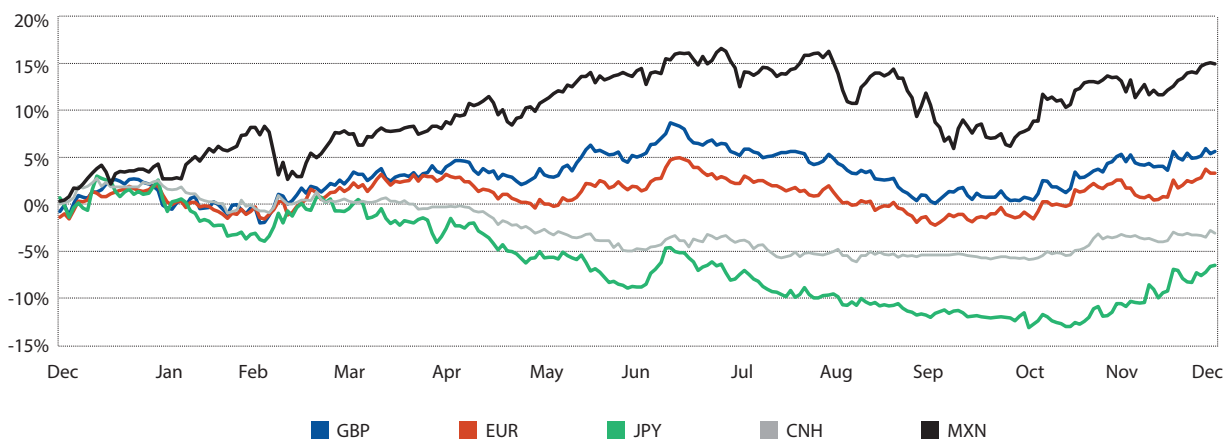


Chart 5. Foreign exchange rates in 2023 against the US dollar. Source: Bloomberg.

early December following more dovish comments from global central bankers. Ultimately, European and North American bonds detracted equally from performance, while short-term European rates outpaced the rest of the globe. Both trend-following and diversifying models were unprofitable in aggregate, although long-term timeframes were positive in both groups. Medium-term trend-following and short-term diversifying had particular difficulty.

Equities similarly generated a loss of -2.1 per cent as the program had difficulty forecasting the changing market regime. As with fixed income, the fund maintained a net short equity position entering the year but changing sentiment and various macroeconomic events resulted in relatively active repositioning. Performance varied markedly by region as gains in Asia and Europe were outweighed by losses in North America and Australia. Long positions in the Nikkei and TOPIX indices in Japan were particularly profitable as prices rallied to levels unseen since 1990 fueled by corporate reform – with a specific focus on shareholder value – and accommodative monetary policy. Trading in the DAX and EuroStoxx indices were also solidly profitable. Conversely, the three worst markets in the asset class for the program were all in the US: the NASDAQ, S&P 500 and Russell indices. Trend-following and diversifying models generated negative returns in aggregate, although short-term timeframes in both categories were profitable. Medium and long-term trend models realized losses commensurate with their risk allocation while long-term diversifiers were the worst performing model category.

Foreign exchange was the lone positive asset class in the fund in 2023 generating a gain of 1.4 per cent. Entering the year with a short US dollar position, exposure fluctuated across the first half of the year on diverging global central bank policy. Tightening policy in the US, UK and Europe was in direct contrast to easy monetary conditions in Japan and rate cuts by the PBoC. As Western central bankers maintained a cautionary

tone throughout much of the year, short positions in the Japanese yen and Chinese renminbi were generating strong gains. A long position in the Mexican peso was also highly profitable as the economy experienced disinflation at a quicker-than-expected pace even while facing higher rates than much of the developed world; given the relative strength of the economy, the positive interest rate differential created a tailwind for the exchange rate. Diversifying models were responsible for the positive asset class return as medium and long-term models powered the gain. Conversely, long-term trend-following models had particular difficulty, offsetting gains in short and medium-term timeframes.

Finally, commodities were the worst performing asset class for the fund in 2023 generating a loss of 7.7 per cent. The disappointing return breaks a streak of solid annual performance in recent years as commodities were the best performing asset class in the portfolio in both 2020 and 2021 and the second-best performer in 2022. Negative results were realized across sectors, with metals (-4.4 per cent), agriculturals (-1.9 per cent) and energies (-1.4 per cent) all contributing to the loss. In the metals, gold was especially difficult to trade as the moments when the models maintained their greatest short exposure, prices spiked on flights-to-quality, the first following the SVB failure and the second after the Hamas attack on Israel. In the agricultural markets, the soybean complex was particularly challenging as beans and soymeal were the worst two performers. Prices reversed sharply multiple times during the year on unpredictable weather from the start of the growing season through harvest. In the energies, crude oil generated the largest losses as prices vacillated broadly on both supply/demand dynamics and geopolitical risk. Despite the challenges experienced during the year, there were a few notable positive outliers, specifically a short position in natural gas and long exposure in cocoa. Trend-following and diversifying models were both unprofitable across timeframes.

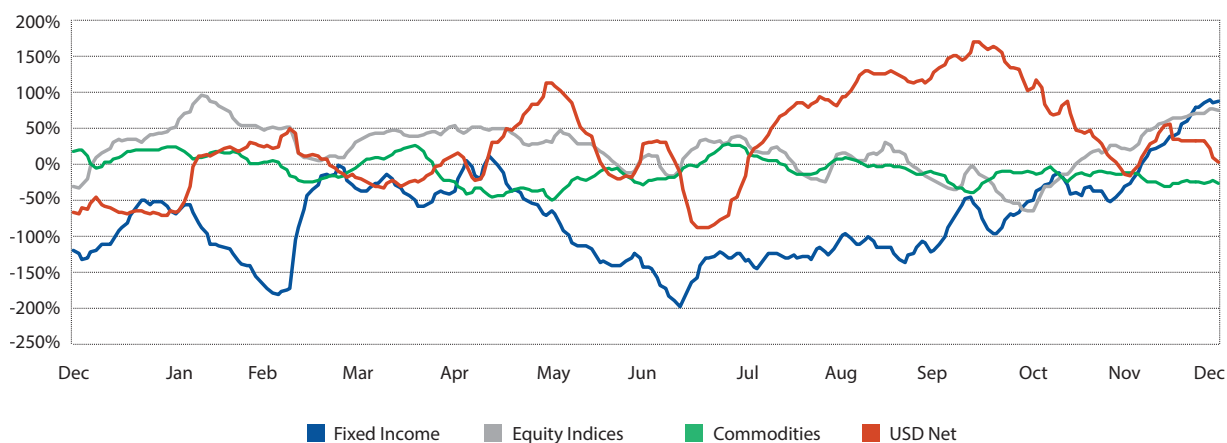


Chart 6. The Lynx Program net exposure by asset class in 2023.

The tables and the chart below show a summary of returns by asset class and model category respectively.

RETURN BY ASSET CLASS

| | 2023 | 2022 |
|-----------------------------------------|--------------|--------------|
| Currency-related investments | 1.4% | 7.5% |
| Fixed income-related investments | -2.1% | 27.3% |
| Equity-related investments | -2.1% | 3.5% |
| Commodity-related investments | -7.7% | 8.8% |
| Other (management fees, interest, etc.) | 1.6% | -11.2% |
| TOTAL NET RETURN | -8.9% | 35.9% |

RETURN BY MODEL TYPE

| | 2023 | 2022 |
|-----------------------------------------|--------------|--------------|
| Trend-following models | -8.6% | 29.5% |
| Of which, short-term | -1.3% | 8.9% |
| medium-term | -5.9% | 16.7% |
| long-term | -1.4% | 3.9% |
| Diversifying models | -1.9% | 17.6% |
| Of which, short-term | -0.2% | 0.3% |
| medium-term | -1.6% | 11.6% |
| long-term | -0.1% | 5.7% |
| Other (management fees, interest, etc.) | 1.6% | -11.2% |
| TOTAL NET RETURN | -8.9% | 35.9% |

PERFORMANCE SINCE INCEPTION

The table on page 13 shows key figures for the Lynx Fund since the fund’s inception in May 2000 and comparative figures for a global equity index (MSCI World NDTR Index (local currency)) and bond index (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). With the loss in 2023, the annualized net return for the Lynx Fund since inception declined to 9.17 per cent net of fees with an annualized standard deviation of 15.07 per cent.

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 level). During 2023, the average VaR for the Lynx Fund was around 1.7 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 oppor-

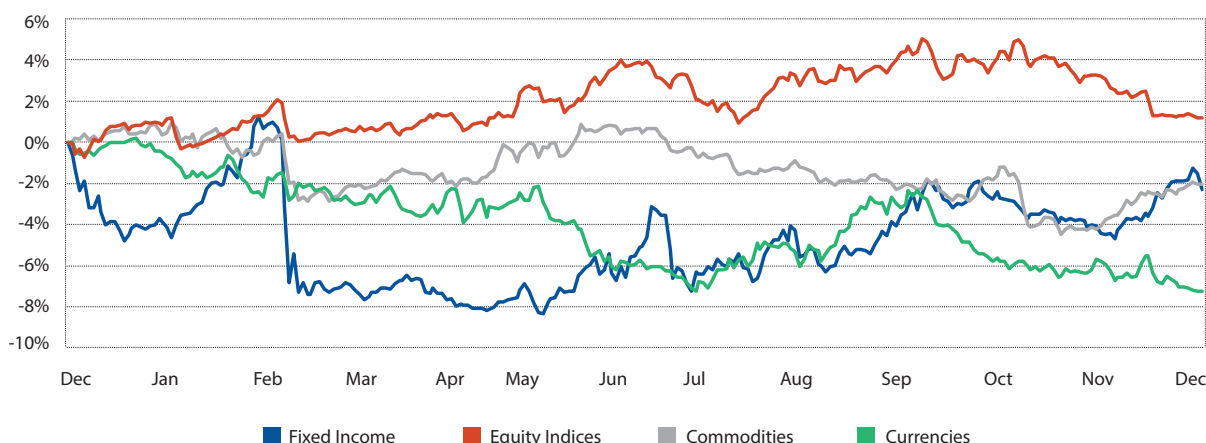


Chart 7. Contribution to performance by asset class in 2023.

SOME KEY RATIOS SINCE INCEPTION¹

| | Lynx (SEK) ² | MSCI World NDTR Index (local currency) ³ | JP Morgan Global Gov't Bond Index (local currency) ³ | Société Générale CTA Index (USD) ³ |
|-------------------------------------------------|-------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------|
| RETURN | | | | |
| 2023, % | -8.89 | 23.12 | 4.24 | -3.49 |
| 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 ⁴ , % | 12.77 | -9.89 | 5.93 | 11.57 |
| Since inception, % | 697.76 | 239.62 | 103.92 | 189.23 |
| Average annual return since inception, % | 9.17 | 5.30 | 3.06 | 4.59 |
| 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, % | 0.73 | 0.43 | 0.25 | 0.37 |
| Maximum drawdown since inception, % | 30.58 | 50.77 | 17.13 | 14.26 |
| Longest period of zero return, number of months | 84 | 74 | Minimum 42, ongoing | 62 |
| KEY RATIOS | | | | |
| Standard deviation, % | 15.07 ⁵ | 14.51 | 3.60 | 8.76 |
| Downside risk, % | 9.31 | 10.46 | 2.33 | 5.52 |
| Sharpe ratio | 0.52 | 0.27 | 0.46 | 0.36 |
| Correlation between Lynx and index shown | - | -0.15 | 0.14 | 0.85 |

¹ For definitions, see glossary on page 34.

² The net performance figures include interest, costs and fees and reflect an investment in the fund with a 1% management fee and a 20% performance fee.

³ Index-figures is based on data available at the time of publication and may be subject to revision.

⁴ For the period 1 May (inception date) to 31 December 2000.

⁵ Standard deviation for the two last years is 18.23%.

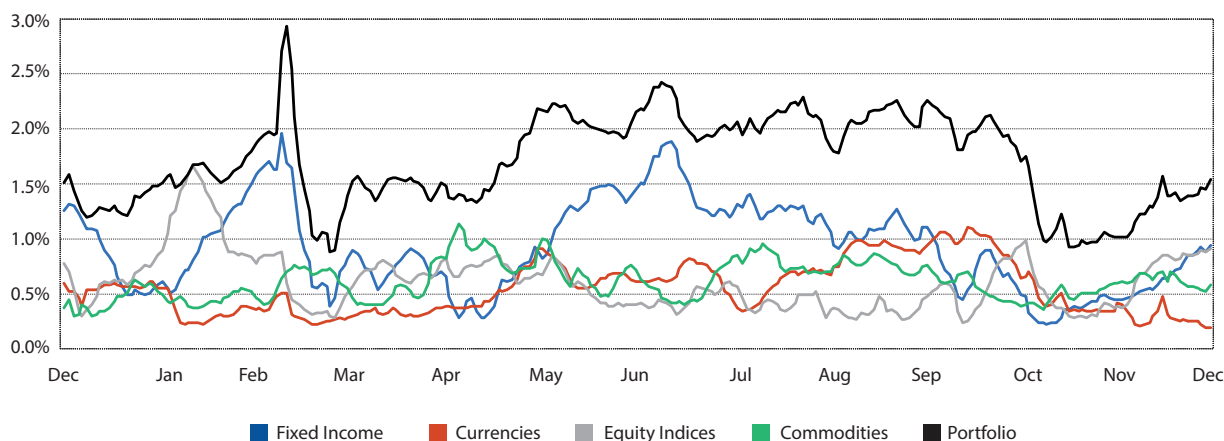


Chart 7. Value at Risk developments by asset class and on a portfolio basis in 2023.

tunities. The chart below illustrates the change in risk during the year as measured by VaR (1 day, 95 per cent confidence level) as well as the risk for the four sectors separately. Note the spike in VaR occurring as the US regional banking crisis developed in March and the speed at which the models adapted to the new market environment to manage the downside risk to the portfolio.

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 five 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 alloca-

tion. 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 are adjusted monthly as new market and model data becomes available. The development of new models is typically 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 2023, six new models were added to the portfolio, while three models were retired.

Additions

The first new model is 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 select factors suitable for trend following. The fourth model, classified as a medium-term diversifier, uses support vector regression to trade on similarities in present features compared to historical ones. The fifth addition is a long-term diversifying model using a diverse set of signals designed to capture various macroeconomic, risk sentiment and cross-market phenomena across developed and emerging market currencies. The final addition is a medium-term trend-following model that builds, and subsequently trades, baskets of instruments that combined have more favorable trend following characteristics than individual markets typically exhibit.

Retirements

The first retirement was a medium-term trend following model that analyzed how individual markets were cor-

related to factor trends; key performance characteristics had degraded. The second model retired was classified as a medium-term trend follower and was replaced by the sixth new addition above. While the model had performed well in the portfolio, the design was determined to be overly complex, and the team felt a modernization of the underlying concept was due. The final retirement was a medium-term diversifying model that used support vector regression techniques to trade on similarities between present features and historical ones, similarly to the fourth addition above. More modern and general applications of this model's investment ideas have been introduced to the portfolio thus rendering it obsolete.

Model and asset class allocation

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. However, the “trendiness” of the portfolio, measured by a plethora of metrics, remained virtually unchanged since the classification of models is only a first order approximation. Medium-term diversifying models saw the largest increase in risk budget, climbing from approximately 19 per cent to 21 per cent, while medium-term trend models experienced the largest decline falling from around 38 per cent to 36 per cent. Risk allocated to long-term diversifying models increased marginally, while all other model families were largely unchanged. The average risk allocation amongst asset classes changed slightly from the end of 2022, with fixed income increasing to 29 per cent and equities falling from 28 per cent to 27 per cent. Risk budgeted to foreign exchange and commodities remained unchanged at 23 per cent and 21 per cent, respectively. Notwithstanding the marginal changes to the risk allocated to model families, the overall objective and trend-following characteristics of the program remains unchanged.

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

TARGET ALLOCATION BETWEEN MODEL TYPE⁶

| | <i>Trend-following models</i> | <i>Diversifying models</i> |
|-------------|-------------------------------|----------------------------|
| Short-term | 17% (17) | 3% (3) |
| Medium-term | 36% (38) | 21% (19) |
| Long-term | 14% (14) | 9% (9) |

Moving into the new year, one notable change occurred in the Investment Committee of the Lynx Program at the start of 2024: Henrik Johansson was replaced by Anders Blomqvist. Anders is a Research Partner who has been with Lynx for 9 years and in the financial industry for 19 years – including as a portfolio manager for a

commodity fund at Ålandsbanken. He was previously an adjunct member of the Committee and will continue to contribute with his broad understanding of the financial markets and analytical mindset in his new role. Henrik Johansson will continue as an adjunct member of the Committee.

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

SUSTAINABILITY

Lynx strives to be a responsible investor which we define as one who acts as a responsible market participant and takes actions to support the long-term health and stability of global financial markets. As the derivatives we trade do not carry voting rights, we are unable to exercise active ownership or influence companies in the same way as those investing in cash securities. However, we contribute to sustainable and robust financial markets by supporting reliable price discovery and providing liquidity. As part of our investment philosophy, we focus on the most liquid markets and limit our exposure and trade size based on open interest and average daily traded volumes to minimize our market impact.

As a signatory of the UN PRI since 2016, we annually report on our responsible investment activities. For the 2023 reporting year, Lynx received a score of 82 per cent (4 stars) for the Policy Governance and Strategy module and 89 per cent (4 stars) for the Hedge funds – CTA module.

Sustainability Risks

Sustainability risk factors are considered as part of the broader investment process, meaning that any ESG-related risk in traded instruments is assessed vis-à-vis other risks and investment considerations. Lynx has primarily identified four key sustainability risks – physical risk, transition risk, operational risk and geopolitical risk - that may have a material negative impact on the value of the underlying assets to which the fund may be exposed if poorly managed. More information can be found on our website.

Engagement

Our primary engagement approach is to work directly with derivatives exchanges and industry organizations to influence their efforts in enabling the green transition when developing new standards, practices and products.

To the extent that these derivatives exchanges have unique knowledge of the underlying marketplace, and in turn collaborate with trusted standard-setters, Lynx will support and encourage this industry-led process with the ultimate goal of including and improving sustainability factors when setting contract specifications. Liaising with the exchanges and industry organizations will

⁶ Due to diversification effects the numbers in the table do not sum up to total risk per model type.

increase our understanding of ESG risks relating to our investment universe as well as open us up to potentially including new ESG-related investments. In general, we attend conferences and participate in panels sponsored by external organizations and global exchanges with the intent of raising awareness about ESG derivatives and for showing our commitment to responsible investing.

Diversity & Inclusion

Lynx strives to be an inclusive workplace where people are equally valued. The Diversity and Inclusion Forum, established in 2021 by the CEO, has intensified its efforts in promoting inclusion and diversity at Lynx. The Diversity & Inclusion Plan has been updated with measurable goals and an extensive activity list on how to achieve them. One goal that was partly achieved in 2023 was the representation of women both in the Executive Management Committee and on the Board. The company has produced a Recruitment Instruction with the ambition to identify and attract a diverse applicant pool. Additionally, a Talent Acquisition Team has been formed as it is crucial for our business to attract and retain talented individuals.

Community engagement

Lynx has an extensive Community Engagement Program formed by Lynx employees through which we support the United Nations' 17 sustainable development goals. All sponsored organizations must have clear links to one or more of the UN goals, ideally be demonstrably effective, and, whenever possible, be supported by scientific evidence. While primarily focusing on the developing world, a portion of the budget is allocated to organizations operating locally. In 2023, the Community Engagement Group added three more organizations to the philanthropic portfolio. More information can be found in the Community Engagement Report for 2023 on our website.

ASSETS UNDER MANAGEMENT

Total assets under management in the Lynx Program at the end of December 2023 were approximately SEK 66.5 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 funds based outside of Sweden. The Lynx Fund and the Lynx Dynamic Fund together accounted for approximately 4.3 per cent of the total assets under management in the program as of 31 December 2023.

OUTLOOK

With strong performance in 2023, equity valuations are again becoming stretched, particularly in technology which saw tremendous appreciation on the back of the AI frenzy. While we believe that artificial intelligence and machine learning can be incredibly powerful when

applied responsibly and result in a productivity boom across an array of industries – evidenced by the fact that we have been employing machine learning models in the Lynx Program since 2011 – investors have perhaps been overly optimistic regarding how quickly and broadly the technology will be adopted. Regulatory oversight will very likely increase in 2024, evidenced by the Biden administration pushing Congress to focus on the technology. Disregarding the existential risks posed by AI, concerns regarding security, intellectual property, and employment are real and could create headwinds for those companies which benefited last year. Outside of technology stocks, there are no guarantees that a “soft landing” can be achieved as inflation remains above most central bank targets and the impact of sustained higher rates is unclear. While US Fed Chairman Powell recently suggested that rates had potentially peaked, he nevertheless indicated that the “path forward is uncertain” and there are potentially “tragic” consequences if the recovery is not supported by fiscal policy. Regardless of whether the recovery continues or encounters a roadblock, trend-following only needs prices to move from one level of equilibrium to the next to prosper. Opportunities could arise if the Goldilocks scenario plays out as some are expecting or if the environment deteriorates.

Sovereign debt exploded after the global financial crisis although collapsing interest rates made debt servicing manageable. However, with interest rates markedly higher now than over the past 15 years, paying off creditors will become more challenging. The United States national debt in 2007 was approximately US \$13.25 trillion dollars adjusted for inflation according to the US Treasury Department. At the end of 2023, that figure was US \$33.17 trillion. US government debt as a per cent of gross domestic product (GDP) nearly doubled from 63 per cent to 123 per cent. And the picture is no brighter across the rest of the globe. The Institute for International Finance (IIF) estimated that total global debt hit a record US \$307 trillion in 2023, an astounding 336 per cent of global GDP. The European sovereign debt crisis was less than 15 years ago and a similar situation could potentially develop anywhere in the world should the current trajectory continue. The opportunities that may develop in financial assets and currencies should this occur could be attractive for Lynx, particularly as central banks may not be able to coordinate as they had in the past – nor act as aggressively – given the dispersion in global inflation.

Geopolitical risk is perhaps greater now than at any time since the end of the Cold War. The ongoing conflict in Ukraine is entering its third year and neither side seems close to surrendering. The impact on agricultural and energy markets was significant in 2022, although the effect has largely waned over the past year. However, Russia and Ukraine remain major global commodity produ-

cers and any significant change in supply from either country could again have major consequences across the globe. Additionally, war in Israel has the potential to escalate into a much larger conflict. Middle Eastern oil production could be at risk should bad actors look to destabilize the region and inflict damage on Western economies. Finally, China continues to assert their sovereignty over Taiwan over the objections of much of the rest of the world. A feared Chinese invasion of the island could catalyze a global conflict with incalculable consequences. The repricing of financial and commodity assets that may occur could be historic.

Over the longer term, the green transition will likely be one of the most significant changes to impact society and the environment over the coming decades. The path will almost certainly be rocky and political pressures will likely challenge universal adoption. For example, after the European Parliament approved a ban on the sale of new internal combustion engine vehicles in the European Union from 2035, Germany protested the decision given the burden placed on automobile manufacturers. Motor vehicles are the country's main export, and they successfully negotiated an exception for vehicles burning

“climate-neutral” fuels. However, the cost of renewable energy plummeted through 2022 and – despite a modest increase in 2023 – remains well below fossil fuels which are expected to increase dramatically in the future. The impact of this transition will likely also have a tremendous impact on financial and commodity markets.

As we have mentioned before when providing our outlook on the market environment, Lynx is a systematic manager dependent on the forecast accuracy of our models to profit. Our opinions on macroeconomic factors and geopolitical events have no impact on our trading. Most of our models need markets to trend. We believe that any of the catalysts above could trigger a significant repricing of markets across asset classes that could offer opportunities for the program.

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. To be sure, we are disappointed with the results in 2023, but remain hopeful that the environment for the Lynx Program will improve in the coming year. We look forward to better times ahead and again delivering positive, differentiated returns to our investors.

REPORT OF THE DIRECTORS

PERFORMANCE

In 2023 Lynx generated a return of -8.89 per cent net of fees. The table on page 19 shows the fund's return per calendar month and the return for a number of indices.

DEVELOPMENT OF FUND ASSETS

As at 31 December 2023 Lynx had a net asset value of SEK 1,757.4 million. This is a decrease of SEK 210.9 million since 31 December 2022. New units worth SEK 229.4 million were issued in 2023, while redemptions amounted to SEK 269.8 million. The result for the year was SEK -170.5 million.

THE FUND'S COSTS

In 2023, the fund paid commissions and clearing fees of SEK 4.7 million. In relation to average net asset value, this equates to an annual cost of 0.3 per cent (0.2 per cent in 2022). Fixed management fees of SEK 18.6 million to Lynx Asset Management AB were charged to the fund, representing an annual charge of 1 per cent. No performance fee was paid. 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 fund itself.

RESULT

The fund's overall return for the twelve-month period was -8.89 per cent. Currencies contributed positively with 1.4 per cent. Equity indices and interest rates contributed negatively with -2.1 per cent respectively. Commodities also contributed negatively with -7.7 per cent.⁷

INVESTMENT ACTIVITIES

Lynx is managed using statistical models which are designed to identify market situations where there is an increased probability that future price movements will be in a certain direction. The models' buy and sell signals are traded directly on the electronic markets using proprietary execution algorithms. The portfolio managers use several different models with complementary properties to achieve a good risk-adjusted return.

ORGANISATIONAL CHANGES

Jonas Bengtsson resigned from the Board of the management company in March and Svante Elfving resigned in November. Jonas Bengtsson was replaced by Daniela Tell and Svante Elfving was replaced by Joakim Schaaf. Both

Daniela Tell and Joakim Schaaf has a long experience from the investment management business.

FUND RULES

There were no changes to the fund rules during the year. The fund rules can be downloaded at www.lynxhedge.se.

SIGNIFICANT EVENTS DURING THE PERIOD

Lynx continue to monitor the situation in Ukraine closely. The Lynx program has no positions or other exposures connected to countries directly involved in the conflict. The Board and the managers therefore foresee no impact for the program other than market reactions to future developments.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred after the end of the period.

INFORMATION ON REMUNERATION

For 2023, Lynx Asset Management AB paid out SEK 117.2 million in total remuneration to 118 employees, all of whom are wholly or partly involved in the activities of the AIF fund. Of this amount, SEK 38.7 million refers to fixed remuneration to the company's executive management and other specially regulated employees, 25 people in total. Variable remuneration to specially regulated employees, 4 persons in total amounted to SEK 1.4 million. All four persons are categorized as risk-takers. For other employees, discretionary variable remuneration based on the company's investment performance and the employee's work performance is paid, in addition to fixed remuneration. For 2023, this variable remuneration totalled SEK 13.4 million, distributed among 69 employees.

Variable remuneration to employees who are also regulated employees is regulated by the management company's remuneration policy which contains restrictions to discourage improper risk taking. Other employees normally receive both fixed and variable remuneration. The size of these forms of remuneration is to a large extent determined on a performance basis. However, the fixed remuneration accounts for a sufficiently large portion of the total remuneration to allow for the possibility that no variable remuneration will be paid. Variable remuneration is thus of a discretionary nature and will not be paid in the absence of a basis for such remuneration, for example if the individual employee

⁷ Gross performance by asset class.

MONTHLY RETURN 2023

| | Lynx (SEK) ⁸ | MSCI World NDTR Index (local currency) ⁹ | JP Morgan Global Core 1 Bond Index (local currency) ⁹ | Société Générale CTA Index ⁹ |
|---------------------------|-------------------------|-----------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------|
| NET RETURN 2023, % | | | | |
| 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 |
| July | -3.71 | 2.92 | -0.49 | -1.06 |
| August | 0.27 | -1.76 | -0.32 | -0.51 |
| September | 7.81 | -3.69 | -1.93 | 3.41 |
| October | -1.88 | -2.63 | -0.86 | -1.01 |
| November | -5.90 | 8.30 | 3.07 | -3.43 |
| December | 1.71 | 4.16 | 2.99 | -0.82 |
| January-December | -8.89 | 23.12 | 4.24 | -3.49 |

⁸ The net performance figures include interest, costs and fees and reflect an investment in the fund with a 1% management fee and a 20% performance fee.

⁹ Index-figures is based on data available at the time of publication and may be subject to revision.

has not made a sufficiently strong contribution or if the company has not generated a profit. The calculation, and the balance between the two forms of remuneration, are determined in accordance with the company's remuneration policy, as applicable from time to time. The objective of the remuneration policy is to ensure that the remuneration offered to employees is consistent with and promotes sound and effective risk management. The rules set forth in the remuneration policy are designed to prevent risk taking that is inconsistent with the risk profiles, fund rules, articles of association and other rules of the managed funds and the company. The remuneration policy has been drawn up based on the size and internal organisation of the company as well as the nature, scope and complexity of the activities. The policy is also consistent with the company's business strategy, goals, values and interests as well as the interests of investors. The remuneration paid during the period was consistent with the company's remuneration policy. No significant changes to the remuneration policy that affect the remuneration for 2023 were made during the year. Decisions on any transfers to Lynx's profit-sharing trust are made annually by the company's Board of Directors.

SIGNIFICANT RISKS ASSOCIATED WITH THE FUND'S HOLDINGS

The management of the fund is associated with various types of risk, of which the following should be emphasised:

Market risks, for instance the risk that the whole market for an asset class will rise or fall, are 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 arising, for example, from the fact that the fund's assets are partly held with banks and clearing houses.

The fund is exposed to operational risks which arise, for instance, from the fund's dependence on asset 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.

No changes to these risks were identified during the period.

Trading in derivatives is an integral part of the fund's business concept, and the fund engaged in derivatives trading to a significant extent during the period. The fund's investments are made in exchange-traded futures contracts as well as currency futures, and the only capital that is tied up in these investments is the collateral posted to the clearing brokers (Goldman Sachs, Société Générale and SEB) as well as the fund's prime broker (JP Morgan). Most of the net asset value is therefore invested in Swedish treasury bills. At 31 December 2023, Lynx's collateral requirement was SEK 148 million, or

8.4 per cent of net asset value. The fund had no holdings of hard-to-value assets at 31 December 2023.

The risk level in the portfolio is measured using Value at Risk (VaR) models. Lynx uses three VaR models with different time horizons (18 months and two exponentially time-weighted models) in parallel, all with a one-day, one-sided confidence interval of 95 per cent. The highest measured value in 2023 was 2.93 per cent, the lowest 0.82 per cent and the average value 1.42 per cent. At 31 December 2023, VaR stood at 1.33 per cent. The highest value of the fund's leverage calculated using the gross method was 2,880 per cent, the lowest 877 per cent and the average value 1,897 per cent. At 31 December 2023, the value was 1,476 per cent.¹⁰

COMMUNICATION WITH UNIT-HOLDERS

Each year, Lynx's unit holders receive an annual report and a half-year report which describe the fund's performance. In addition, monthly investment reports are also distributed, showing the current value of the unit holder's invest-

ment along with a monthly report containing key figures.

Further information is available on the investment manager's website, www.lynxhedge.se, where estimates of the fund's performance are published daily.

The company also offers weekly and monthly e-mails showing the performance.

OTHER

In accordance with the generally accepted standard for calculating the turnover rate, options and futures transactions should not be included. As the fund only trades in futures and currency forwards, the turnover rate for 2023 was thus 0. There have been no portfolio related transactions with the manager or any other related parties during the period.

¹⁰ The reported figures refer to the value of 18-month VaR. Under the AIFM Directive, the fund's exposure must be calculated and reported using the gross and commitment methods, under which exposures for derivatives are reported as the underlying nominal amounts ("leverage"). Under the commitment method, the relevant figures for 2023 were 1,751 per cent (highest value), 589 per cent (lowest value) and 1,264 per cent (average value). The values for exposure in derivatives under FFFS 2013:9 were identical with the gross method values under the AIFMD. The high leverage figure is due to the low volatility relative to the equity market of several of the assets in which the fund invests (e.g. bonds and currencies). Lynx therefore uses other risk measures for its activities, such as VaR.

ACCOUNTS

INCOME STATEMENT 2023-01-01 – 2023-12-31

| SEK thousand | Notes | 2023-01-01-- 2023-12-31 | 2022-01-01-- 2022-12-31 |
|-------------------------------------------------------|-------|----------------------------|----------------------------|
| INCOME AND CHANGE IN VALUE | | | |
| Change in value of derivative instruments | | -200 049 | 635 188 |
| Interest income | | 59 159 | 2 106 |
| Exchange rate profit and loss, net | | -1 089 | 1 199 |
| TOTAL INCOME AND CHANGE IN VALUE | | -141 979 | 638 493 |
| COSTS | | | |
| Cost of administration | | | |
| <i>Fee to the company operating the fund business</i> | 1 | -18 644 | -143 664 |
| Interest expenses | | -5 110 | -2 657 |
| Other costs | 2 | -4 747 | -3 148 |
| TOTAL EXPENSES | | -28 501 | -149 470 |
| PROFIT/LOSS FOR THE YEAR | | -170 479 | 489 023 |
| NOTES | | | |
| <i>Note 1 Specification of cost of administration</i> | | | |
| Fixed management fee | | -18 644 | -17 864 |
| Performance fee | | - | -125 800 |
| TOTAL, COST OF ADMINISTRATION | | -18 644 | -143 664 |
| <i>Note 2 Specification of other costs</i> | | | |
| Bank charges | | -25 | -36 |
| Transaction costs | | -4 721 | -3 112 |
| TOTAL, OTHER COSTS | | -4 747 | -3 148 |

BALANCE SHEET 2023-12-31

| SEK thousand | Notes | 2023-12-31 | 2022-12-31 |
|---------------------------------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| Money market instruments | | 1 672 247 | 1 675 928 |
| Other derivative instruments with positive market value | | 100 080 | 109 997 |
| <i>Total financial instruments with positive market value</i> | | <i>1 772 327</i> | <i>1 785 926</i> |
| <i>Total investments with positive market value</i> | | <i>1 772 327</i> | <i>1 785 926</i> |
| Bank deposits and other cash equivalents | | 121 603 | 228 725 |
| Other assets | 3 | 2 934 | 377 |
| TOTAL ASSETS | | 1 896 864 | 2 015 028 |
| LIABILITIES | | | |
| Other derivative instruments with negative market value | | 64 786 | 23 152 |
| <i>Total financial instruments with negative market value</i> | | <i>64 786</i> | <i>23 152</i> |
| Accrued expenses and deferred income | 4 | 1 499 | 2 079 |
| Other liabilities | 5 | 73 223 | 21 544 |
| TOTAL LIABILITIES | | 139 508 | 46 775 |
| NET ASSET VALUE OF THE FUND | | 1 757 356 | 1 968 253 |
| NET ASSET VALUE OF THE FUND | | | |
| Pledged collateral for derivative instruments* | | 148 353 | 141 156 |
| TOTAL PLEDGED ASSETS | | 148 353 | 141 156 |
| Percentage of net asset value | | 8.4 | 7.2 |
| NOTES | | | |
| <i>Note 3 Other assets</i> | | | |
| Fund assets in course of settlement | | 2 608 | 377 |
| Accrued interest income | | 326 | - |
| TOTAL OTHER ASSETS | | 2 934 | 377 |
| <i>Note 4 Accrued expenses and deferred income</i> | | | |
| Liability to fund management company | | 1 499 | 1 646 |
| Interest expenses | | - | 433 |
| TOTAL, ACCRUED EXPENSES AND DEFERRED INCOME | | 1 499 | 2 079 |
| <i>Note 5 Other liabilities</i> | | | |
| Fund liabilities in course of settlement | | 6 320 | 13 131 |
| Liability relating to redemptions | | 66 903 | 8 413 |
| TOTAL, OTHER LIABILITIES | | 73 223 | 21 544 |

*The pledged collateral consists of bank deposits, holdings in short term treasury bills and unrealized results in the financial instruments.

STATEMENT OF NET ASSETS DECEMBER 31, 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) | Mar-24 | CME,Chicago | USD | 41 | 1 316 | 0.1 |
| US govt bonds (US Tbond) | Mar-24 | CME,Chicago | USD | 51 | 1 001 | 0.1 |
| 30-year German govt bonds (Euro Buxl) | Mar-24 | EUREX, Frankfurt | EUR | 59 | 2 746 | 0.2 |
| 10-year US govt bonds | Mar-24 | CME,Chicago | USD | -71 | -37 | 0.0 |
| 10-year Australian govt bonds | Mar-24 | SFE, Sydney | AUD | 24 | 127 | 0.0 |
| 10-year UK govt bonds (Long Gilt) | Mar-24 | ICE, London | GBP | 166 | 9 795 | 0.6 |
| 10-year French govt bonds (Euro OAT) | Mar-24 | EUREX, Frankfurt | EUR | 94 | 1 912 | 0.1 |
| 10-year Italian govt bonds (Euro BTP) | Mar-24 | EUREX, Frankfurt | EUR | 188 | 4 412 | 0.3 |
| 10-year Canadian govt bonds | Mar-24 | ME, Montréal | CAD | 49 | 70 | 0.0 |
| 10-year South Korean govt bonds | Mar-24 | KOREX, Korea | KRW | 35 | 454 | 0.0 |
| 10-year German govt bonds (Euro Bund) | Mar-24 | EUREX, Frankfurt | EUR | 391 | 10 664 | 0.6 |
| 5-year US govt bonds | Mar-24 | CME,Chicago | USD | -82 | -728 | 0.0 |
| 5-year German govt bonds (Euro Bobl) | Mar-24 | EUREX, Frankfurt | EUR | 125 | 190 | 0.0 |
| 3-year American govt bonds | Mar-24 | CME,Chicago | USD | -21 | -646 | 0.0 |
| 3-year Australian govt bonds | Mar-24 | SFE, Sydney | AUD | -67 | -382 | 0.0 |
| 3-year Italian govt bonds (Short BTP) | Mar-24 | EUREX, Frankfurt | EUR | 28 | -46 | 0.0 |
| 3-year South Korean govt bonds | Mar-24 | KOREX, Korea | KRW | 191 | 662 | 0.0 |
| 2-year US govt bonds | Mar-24 | CME,Chicago | USD | -253 | -3 875 | -0.2 |
| 2-year Canadian govt bonds | Mar-24 | ME, Montréal | CAD | -64 | -381 | 0.0 |
| 2-year German govt bonds | Mar-24 | EUREX, Frankfurt | EUR | -182 | -738 | 0.0 |
| SHORT INTEREST RATE FUTURES | | | | | | |
| 3-month American interest (SOFR) | Mar-24 | CME,Chicago | USD | -68 | -307 | 0.0 |
| 3-month American interest (SOFR) | Jun-24 | CME,Chicago | USD | -42 | -305 | 0.0 |
| 3-month American interest (SOFR) | Sep-24 | CME,Chicago | USD | -15 | -111 | 0.0 |
| 3-month American interest (SOFR) | Dec-24 | CME,Chicago | USD | 10 | 12 | 0.0 |
| 3-month American interest (SOFR) | Mar-25 | CME,Chicago | USD | -2 | -28 | 0.0 |
| 3-month American interest (SOFR) | Jun-25 | CME,Chicago | USD | 14 | 16 | 0.0 |
| 3-month American interest (SOFR) | Sep-25 | CME,Chicago | USD | 24 | 30 | 0.0 |
| 3-month American interest (SOFR) | Dec-25 | CME,Chicago | USD | 28 | 44 | 0.0 |
| 3-month American interest (SOFR) | Mar-26 | CME,Chicago | USD | 59 | 157 | 0.0 |
| 3-month American interest (SOFR) | Jun-26 | CME,Chicago | USD | 53 | 136 | 0.0 |
| 3-month American interest (SOFR) | Sep-26 | CME,Chicago | USD | 46 | 116 | 0.0 |
| 3-month American interest (SOFR) | Dec-26 | CME,Chicago | USD | 38 | 103 | 0.0 |
| 3-month American interest (SOFR) | Mar-27 | CME,Chicago | USD | 31 | 81 | 0.0 |
| 3-month American interest (SOFR) | Jun-27 | CME,Chicago | USD | 25 | 61 | 0.0 |
| 3-month American interest (SOFR) | Sep-27 | CME,Chicago | USD | 21 | 48 | 0.0 |
| 3-month American interest (SOFR) | Dec-27 | CME,Chicago | USD | 19 | 17 | 0.0 |
| 3-month Australian interest | Mar-24 | SFE, Sydney | AUD | 16 | 17 | 0.0 |
| 3-month Australian interest | Jun-24 | SFE, Sydney | AUD | 13 | 20 | 0.0 |
| 3-month Australian interest | Sep-24 | SFE, Sydney | AUD | 9 | 21 | 0.0 |
| 3-month Australian interest | Dec-24 | SFE, Sydney | AUD | 6 | 13 | 0.0 |
| 3-month Australian interest | Mar-25 | SFE, Sydney | AUD | 5 | 28 | 0.0 |
| 3-month Australian interest | Jun-25 | SFE, Sydney | AUD | 4 | 25 | 0.0 |
| 3-month Australian interest | Sep-25 | SFE, Sydney | AUD | 2 | 5 | 0.0 |
| 3-month Australian interest | Dec-25 | SFE, Sydney | AUD | 1 | 7 | 0.0 |
| 3-month English interest (SONIA) | Mar-24 | ICE, London | GBP | 11 | -3 | 0.0 |
| 3-month English interest (SONIA) | Jun-24 | ICE, London | GBP | 20 | 105 | 0.0 |
| 3-month English interest (SONIA) | Sep-24 | ICE, London | GBP | 21 | 308 | 0.0 |
| 3-month English interest (SONIA) | Dec-24 | ICE, London | GBP | 20 | 482 | 0.0 |
| 3-month English interest (SONIA) | Mar-25 | ICE, London | GBP | 53 | 1 390 | 0.1 |
| 3-month English interest (SONIA) | Jun-25 | ICE, London | GBP | 50 | 1 415 | 0.1 |

Holdings of financial instruments (continued)*

| | <i>Maturity</i> | <i>Market</i> | <i>Currency</i> | <i>Number of contracts</i> | <i>Market value (SEK '000)</i> | <i>% of fund</i> |
|------------------------------------------------------------|-----------------|------------------|-----------------|----------------------------|--------------------------------|------------------|
| 3-month English interest (SONIA) | Sep-25 | ICE, London | GBP | 48 | 1 323 | 0.1 |
| 3-month English interest (SONIA) | Dec-25 | ICE, London | GBP | 45 | 770 | 0.0 |
| 3-month English interest (SONIA) | Mar-26 | ICE, London | GBP | 9 | 271 | 0.0 |
| 3-month English interest (SONIA) | Jun-26 | ICE, London | GBP | 7 | 194 | 0.0 |
| 3-month English interest (SONIA) | Sep-26 | ICE, London | GBP | 5 | 122 | 0.0 |
| 3-month English interest (SONIA) | Dec-26 | ICE, London | GBP | 4 | 26 | 0.0 |
| 3-month Euro interest (Euribor) | Mar-24 | ICE, London | EUR | 14 | 66 | 0.0 |
| 3-month Euro interest (Euribor) | Jun-24 | ICE, London | EUR | 26 | 340 | 0.0 |
| 3-month Euro interest (Euribor) | Sep-24 | ICE, London | EUR | 33 | 551 | 0.0 |
| 3-month Euro interest (Euribor) | Dec-24 | ICE, London | EUR | 35 | 625 | 0.0 |
| 3-month Euro interest (Euribor) | Mar-25 | ICE, London | EUR | 75 | 1 284 | 0.1 |
| 3-month Euro interest (Euribor) | Jun-25 | ICE, London | EUR | 73 | 1 206 | 0.1 |
| 3-month Euro interest (Euribor) | Sep-25 | ICE, London | EUR | 71 | 1 141 | 0.1 |
| 3-month Euro interest (Euribor) | Dec-25 | ICE, London | EUR | 68 | 569 | 0.0 |
| 3-month Euro interest (Euribor) | Mar-26 | ICE, London | EUR | 23 | 344 | 0.0 |
| 3-month Euro interest (Euribor) | Jun-26 | ICE, London | EUR | 20 | 291 | 0.0 |
| 3-month Euro interest (Euribor) | Sep-26 | ICE, London | EUR | 16 | 231 | 0.0 |
| 3-month Euro interest (Euribor) | Dec-26 | ICE, London | EUR | 13 | 12 | 0.0 |
| 3-month Canadian interest (Canadian Bankers Acceptance) | Mar-24 | ME, Montréal | CAD | -2 | 1 | 0.0 |
| 3-month Canadian interest (Canadian Bankers Acceptance) | Jun-24 | ME, Montréal | CAD | 1 | 1 | 0.0 |
| 3-month Canadian interest (Canadian Bankers Acceptance) | Sep-24 | ME, Montréal | CAD | 3 | 15 | 0.0 |
| 3-month Canadian interest (Canadian Bankers Acceptance) | Dec-24 | ME, Montréal | CAD | 4 | 24 | 0.0 |
| 3-month Canadian interest (Canadian Bankers Acceptance) | Mar-25 | ME, Montréal | CAD | 2 | 21 | 0.0 |
| 3-month Canadian interest (Canadian Bankers Acceptance) | Jun-25 | ME, Montréal | CAD | 2 | 9 | 0.0 |
| CURRENCY FUTURES | | | | | | |
| AUD/USD | Mar-24 | CME,Chicago | USD | -27 | -201 | 0.0 |
| CAD/USD | Mar-24 | CME,Chicago | USD | 154 | -8 | 0.0 |
| CHF/USD | Mar-24 | CME,Chicago | USD | 58 | 898 | 0.1 |
| EUR/USD | Mar-24 | CME,Chicago | USD | -7 | 30 | 0.0 |
| GBP/USD | Mar-24 | CME,Chicago | USD | 76 | -12 | 0.0 |
| JPY/USD | Mar-24 | CME,Chicago | USD | -6 | -38 | 0.0 |
| EQUITY INDEX FUTURES | | | | | | |
| US equity index (Dow Jones) | Mar-24 | CME,Chicago | USD | 84 | 2 926 | 0.2 |
| US equity index (Mini Nasdaq) | Mar-24 | CME,Chicago | USD | 45 | 2 347 | 0.1 |
| US equity index (Mini Russell 2000) | Mar-24 | CME,Chicago | USD | -20 | 226 | 0.0 |
| US stock equity index (Mini S&P) | Mar-24 | CME,Chicago | USD | 48 | 1 156 | 0.1 |
| Australian equity index (SPI) | Mar-24 | SFE, Sydney | AUD | 40 | 743 | 0.0 |
| US Stock market (MSCI Emerging Markets Index) | Mar-24 | ICE, New York | USD | -3 | -33 | 0.0 |
| UK equity index (FTSE 100) | Mar-24 | ICE, London | GBP | -2 | -2 | 0.0 |
| European equity index (Euro Stoxx 50) | Mar-24 | EUREX, Frankfurt | EUR | 240 | -1 146 | -0.1 |
| European equity index (Euro Stoxx 600) | Mar-24 | EUREX, Frankfurt | EUR | 85 | 135 | 0.0 |
| European equity index (Euro Stoxx 600 ESG) | Mar-24 | EUREX, Frankfurt | EUR | 4 | 7 | 0.0 |
| European equity index (Euro Stoxx Bank) | Mar-24 | EUREX, Frankfurt | EUR | 256 | -195 | 0.0 |
| French equity index (CAC) | Jan-24 | Euronext, Paris | EUR | 40 | -154 | 0.0 |
| Hong Kong equity index (Hang Seng) | Jan-24 | HKFE, Hong Kong | HKD | -12 | -406 | 0.0 |
| Hong Kong equity index (Hang Seng Tech) | Jan-24 | HKFE, Hong Kong | HKD | -47 | -296 | 0.0 |
| Indian equity index (Nifty 50) | Jan-24 | NSE, Mumbai | USD | 91 | 432 | 0.0 |
| Italian equity index (MIB) | Mar-24 | BI, Milano | EUR | 41 | -92 | 0.0 |

Holdings of financial instruments (continued)*

| | <i>Maturity</i> | <i>Market</i> | <i>Currency</i> | <i>Number of contracts</i> | <i>Market value (SEK '000)</i> | <i>% of fund</i> |
|----------------------------------------------|-----------------|---------------------------------|-----------------|----------------------------|--------------------------------|------------------|
| Japanese equity index (Nikkei) | Mar-24 | SGX, Singapore | JPY | 21 | 157 | 0.0 |
| Japanese equity index (Nikkei) | Mar-24 | OSE, Tokyo | JPY | 8 | 169 | 0.0 |
| Japanese stock market (TOPIX) | Mar-24 | OSE, Tokyo | JPY | 37 | 353 | 0.0 |
| Canadian equity index (Canada 60) | Mar-24 | ME, Montréal | CAD | 5 | 21 | 0.0 |
| Chinese equity index (FTSE China A50) | Jan-24 | SGX, Singapore | USD | -149 | -456 | 0.0 |
| Chinese equity index (H-shares) | Jan-24 | HKFE, Hong Kong | HKD | -63 | -770 | 0.0 |
| MSCI EAFE equity index | Mar-24 | ICE, New York | USD | 7 | 302 | 0.0 |
| Swiss equity index (SMI) | Mar-24 | EUREX, Frankfurt | CHF | 20 | -88 | 0.0 |
| Singaporean equity index (MSCI) | Jan-24 | SGX, Singapore | SGD | 14 | 92 | 0.0 |
| Swedish equity index (OMX) | Jan-24 | Nasdaq OMX, Stockholm | SEK | 42 | 168 | 0.0 |
| Swedish equity index (OMX ESG) | Jan-24 | Nasdaq OMX, Stockholm | SEK | 1 | 0 | 0.0 |
| South African equity index (FTSE JSE Top 40) | Mar-24 | AFE, South Africa, Johannesburg | ZAR | -23 | -231 | 0.0 |
| South Korean equity index (Kosdaq 150) | Mar-24 | KOREX, Korea | KRW | 67 | 240 | 0.0 |
| South Korean equity index (Kospi 200) | Mar-24 | KOREX, Korea | KRW | 184 | 5 721 | 0.3 |
| Taiwanese equity index (FTSE Taiwan) | Jan-24 | SGX, Singapore | USD | 138 | 1 388 | 0.1 |
| Thai equity index (SET 50) | Mar-24 | TFEX, Bangkok | THB | -180 | -73 | 0.0 |
| German equity index (DAX) | Mar-24 | EUREX, Frankfurt | EUR | 53 | -1 279 | -0.1 |
| COMMODITY FUTURES | | | | | | |
| Aluminum (LME) | Mar-24 | LME, London | USD | -23 | -1 202 | -0.1 |
| Aluminum (LME) | Apr-24 | LME, London | USD | -38 | -1 807 | -0.1 |
| Lead (LME) | Apr-24 | LME, London | USD | -1 | -10 | 0.0 |
| Cotton | Mar-24 | ICE, New York | USD | -27 | -162 | 0.0 |
| Cotton | May-24 | ICE, London | USD | 8 | 44 | 0.0 |
| Cotton | Jul-24 | ICE, New York | USD | 8 | 22 | 0.0 |
| Cotton | Dec-24 | ICE, New York | USD | 6 | 25 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Feb-24 | NMX, New York | USD | -19 | 312 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Jun-24 | NMX, New York | USD | 1 | -44 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Jul-24 | NMX, New York | USD | 1 | -46 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Aug-24 | NMX, New York | USD | 1 | -164 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Sep-24 | NMX, New York | USD | 1 | -128 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Oct-24 | NMX, New York | USD | 1 | -126 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Nov-24 | NMX, New York | USD | 1 | -68 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Dec-24 | NMX, New York | USD | 2 | -107 | 0.0 |
| Heating Oil (NY Harbor ULSD) | Jun-25 | NMX, New York | USD | 1 | -41 | 0.0 |
| Electric Energy (French Baseload) | Feb-24 | EEX, Leipzig | EUR | -1 | -2 | 0.0 |
| Electric Energy (Phelix DE Baseload) | Feb-24 | EEX, Leipzig | EUR | -3 | -107 | 0.0 |
| L S Gasoil | Feb-24 | ICE, London | USD | 2 | -62 | 0.0 |
| L S Gasoil | Mar-24 | ICE, London | USD | 1 | -10 | 0.0 |
| L S Gasoil | Apr-24 | ICE, London | USD | 2 | 13 | 0.0 |
| L S Gasoil | May-24 | ICE, London | USD | 2 | -9 | 0.0 |
| L S Gasoil | Jun-24 | ICE, London | USD | 3 | -16 | 0.0 |
| L S Gasoil | Jul-24 | ICE, London | USD | 3 | -146 | 0.0 |
| L S Gasoil | Aug-24 | ICE, London | USD | 4 | -153 | 0.0 |
| L S Gasoil | Sep-24 | ICE, London | USD | 4 | -115 | 0.0 |
| L S Gasoil | Dec-24 | ICE, London | USD | 5 | -158 | 0.0 |
| L S Gasoil | Jun-25 | ICE, London | USD | 4 | -160 | 0.0 |
| L S Gasoil | Dec-25 | ICE, London | USD | 3 | -45 | 0.0 |
| Gold | Feb-24 | CME, Chicago | USD | 27 | -207 | 0.0 |
| Gold | Apr-24 | CME, Chicago | USD | 2 | 74 | 0.0 |
| Gold | Jun-24 | CME, Chicago | USD | 1 | 7 | 0.0 |
| Gold | Aug-24 | CME, Chicago | USD | 1 | 22 | 0.0 |
| Iron ore | Feb-24 | SGX, Singapore | USD | 124 | 418 | 0.0 |
| Coffee | Mar-24 | ICE, New York | USD | 67 | 2 593 | 0.1 |
| Coffee | May-24 | ICE, New York | USD | -1 | 17 | 0.0 |
| Coffee | Jul-24 | ICE, New York | USD | -1 | 14 | 0.0 |

Holdings of financial instruments (continued)*

| | <i>Maturity</i> | <i>Market</i> | <i>Currency</i> | <i>Number of contracts</i> | <i>Market value (SEK '000)</i> | <i>% of fund</i> |
|-------------------------------------|-----------------|-------------------|-----------------|----------------------------|--------------------------------|------------------|
| Coffee | Dec-24 | ICE, New York | USD | 2 | -46 | 0.0 |
| Coffee (Robusta) | Mar-24 | ICE, London | USD | 21 | 456 | 0.0 |
| Carbon emissions(ICE ECX Emissions) | Dec-24 | ICE, London | EUR | -3 | -284 | 0.0 |
| Cocoa | Mar-24 | ICE, New York | USD | 113 | 1 301 | 0.1 |
| Cocoa (London) | Mar-24 | ICE, London | GBP | 30 | 1 686 | 0.1 |
| Copper (COMEX) | Mar-24 | CME,Chicago | USD | -21 | 88 | 0.0 |
| Copper (COMEX) | May-24 | CME,Chicago | USD | 1 | 27 | 0.0 |
| Copper (COMEX) | Jul-24 | CME,Chicago | USD | 2 | 23 | 0.0 |
| Copper (COMEX) | Sep-24 | CME,Chicago | USD | 2 | 47 | 0.0 |
| Copper (LME) | Mar-24 | LME, London | USD | -6 | -254 | 0.0 |
| Copper (LME) | Apr-24 | LME, London | USD | -15 | -458 | 0.0 |
| Copper (LME) | May-24 | LME, London | USD | -1 | 22 | 0.0 |
| Corn | Mar-24 | CME,Chicago | USD | -517 | 2 545 | 0.1 |
| Corn | May-24 | CME,Chicago | USD | -19 | 104 | 0.0 |
| Corn | Jul-24 | CME,Chicago | USD | -26 | 105 | 0.0 |
| Corn | Dec-24 | CME,Chicago | USD | -24 | 13 | 0.0 |
| Natural Gas (Dutch TTF) | Feb-24 | ICE ENDEX, London | EUR | -42 | 751 | 0.0 |
| Natural gas (Henry Hub) | Feb-24 | NMX, New York | USD | -224 | -2 765 | -0.2 |
| Natural gas (Henry Hub) | Apr-24 | NMX, New York | USD | -2 | 6 | 0.0 |
| Natural gas (Henry Hub) | May-24 | NMX, New York | USD | -6 | 64 | 0.0 |
| Natural gas (Henry Hub) | Jun-24 | NMX, New York | USD | -9 | 395 | 0.0 |
| Natural gas (Henry Hub) | Jul-24 | NMX, New York | USD | -13 | 715 | 0.0 |
| Natural gas (Henry Hub) | Aug-24 | NMX, New York | USD | -16 | 735 | 0.0 |
| Natural gas (Henry Hub) | Sep-24 | NMX, New York | USD | -19 | 697 | 0.0 |
| Natural gas (Henry Hub) | Oct-24 | NMX, New York | USD | -20 | 545 | 0.0 |
| Natural gas (Henry Hub) | Nov-24 | NMX, New York | USD | -18 | 186 | 0.0 |
| Natural gas (Henry Hub) | Dec-24 | NMX, New York | USD | -14 | -83 | 0.0 |
| Natural gas (Henry Hub) | Jan-25 | NMX, New York | USD | -8 | -62 | 0.0 |
| Natural gas (Henry Hub) | Feb-25 | NMX, New York | USD | -3 | -16 | 0.0 |
| Natural gas (Henry Hub) | Mar-25 | NMX, New York | USD | 1 | -1 | 0.0 |
| Natural gas (Henry Hub) | Apr-25 | NMX, New York | USD | 1 | 5 | 0.0 |
| Natural gas (Henry Hub) | Jun-25 | NMX, New York | USD | -3 | 91 | 0.0 |
| Natural gas (Henry Hub) | Jul-25 | NMX, New York | USD | -4 | 148 | 0.0 |
| Natural gas (Henry Hub) | Aug-25 | NMX, New York | USD | -4 | 1 | 0.0 |
| Natural gas (Henry Hub) | Sep-25 | NMX, New York | USD | -4 | -12 | 0.0 |
| Natural gas (Henry Hub) | Oct-25 | NMX, New York | USD | -4 | -18 | 0.0 |
| Natural gas (Henry Hub) | Nov-25 | NMX, New York | USD | -3 | -11 | 0.0 |
| Natural gas (Henry Hub) | Dec-25 | NMX, New York | USD | -2 | -6 | 0.0 |
| Natural Gas (UK NBP) | Feb-24 | ICE, London | GBP | -5 | 140 | 0.0 |
| Nickel (LME) | Apr-24 | LME, London | USD | -4 | 84 | 0.0 |
| Live cattle | Feb-24 | CME,Chicago | USD | -1 | 2 | 0.0 |
| Live cattle | Apr-24 | CME,Chicago | USD | 3 | -4 | 0.0 |
| Live cattle | Jun-24 | CME,Chicago | USD | -1 | 2 | 0.0 |
| Live cattle | Aug-24 | CME,Chicago | USD | -6 | -8 | 0.0 |
| Feeder Cattle | Mar-24 | CME,Chicago | USD | -18 | 104 | 0.0 |
| Palladium | Mar-24 | NMX, New York | USD | -6 | -354 | 0.0 |
| Platinum | Apr-24 | NMX, New York | USD | -48 | -988 | -0.1 |
| Canola | Mar-24 | ICE, Canada | CAD | -63 | 130 | 0.0 |
| Rapeseed (European) | Feb-24 | Euronext, Paris | EUR | -22 | 12 | 0.0 |
| RBOB Gasoline | Feb-24 | NMX, New York | USD | 1 | -42 | 0.0 |
| RBOB Gasoline | Mar-24 | NMX, New York | USD | 3 | -53 | 0.0 |
| RBOB Gasoline | Apr-24 | NMX, New York | USD | 3 | -191 | 0.0 |
| RBOB Gasoline | May-24 | NMX, New York | USD | 3 | -51 | 0.0 |
| RBOB Gasoline | Jun-24 | NMX, New York | USD | 3 | -27 | 0.0 |
| RBOB Gasoline | Jul-24 | NMX, New York | USD | 3 | -35 | 0.0 |
| RBOB Gasoline | Aug-24 | NMX, New York | USD | 3 | -128 | 0.0 |
| RBOB Gasoline | Sep-24 | NMX, New York | USD | 3 | -138 | 0.0 |
| RBOB Gasoline | Oct-24 | NMX, New York | USD | 2 | -31 | 0.0 |

Holdings of financial instruments (continued)*

| | <i>Maturity</i> | <i>Market</i> | <i>Currency</i> | <i>Number of contracts</i> | <i>Market value (SEK '000)</i> | <i>% of fund</i> |
|-------------------------------------|-----------------|-------------------|-----------------|----------------------------|--------------------------------|------------------|
| RBOB Gasoline | Nov-24 | NMX, New York | USD | 2 | -80 | 0.0 |
| RBOB Gasoline | Dec-24 | NMX, New York | USD | 3 | -83 | 0.0 |
| Brent Crude Oil | Mar-24 | ICE, London | USD | 4 | -148 | 0.0 |
| Brent Crude Oil | Apr-24 | ICE, London | USD | 1 | -5 | 0.0 |
| Brent Crude Oil | May-24 | ICE, London | USD | 1 | -6 | 0.0 |
| Brent Crude Oil | Jun-24 | ICE, London | USD | 1 | -27 | 0.0 |
| Brent Crude Oil | Jul-24 | ICE, London | USD | 1 | -34 | 0.0 |
| Brent Crude Oil | Aug-24 | ICE, London | USD | 1 | -30 | 0.0 |
| Brent Crude Oil | Sep-24 | ICE, London | USD | 2 | -57 | 0.0 |
| Brent Crude Oil | Dec-24 | ICE, London | USD | 2 | -61 | 0.0 |
| Brent Crude Oil | Jun-25 | ICE, London | USD | 3 | -125 | 0.0 |
| Brent Crude Oil | Dec-25 | ICE, London | USD | 4 | -113 | 0.0 |
| Sweet Crude Oil | Feb-24 | NMX, New York | USD | -89 | -149 | 0.0 |
| Sweet Crude Oil | Mar-24 | NMX, New York | USD | -1 | 6 | 0.0 |
| Sweet Crude Oil | Apr-24 | NMX, New York | USD | -1 | 7 | 0.0 |
| Sweet Crude Oil | Jul-24 | NMX, New York | USD | 1 | -26 | 0.0 |
| Sweet Crude Oil | Aug-24 | NMX, New York | USD | 1 | -32 | 0.0 |
| Sweet Crude Oil | Sep-24 | NMX, New York | USD | 2 | -55 | 0.0 |
| Sweet Crude Oil | Oct-24 | NMX, New York | USD | 2 | -59 | 0.0 |
| Sweet Crude Oil | Nov-24 | NMX, New York | USD | 2 | -91 | 0.0 |
| Sweet Crude Oil | Dec-24 | NMX, New York | USD | 3 | -146 | 0.0 |
| Sweet Crude Oil | Jan-25 | NMX, New York | USD | 2 | -53 | 0.0 |
| Sweet Crude Oil | Jun-25 | NMX, New York | USD | 4 | -132 | 0.0 |
| Sweet Crude Oil | Dec-25 | NMX, New York | USD | 5 | -147 | 0.0 |
| Silver | Mar-24 | CME,Chicago | USD | -43 | -665 | 0.0 |
| Silver | May-24 | CME,Chicago | USD | -1 | -32 | 0.0 |
| Silver | Jul-24 | CME,Chicago | USD | -1 | -39 | 0.0 |
| Silver | Sep-24 | CME,Chicago | USD | -1 | -45 | 0.0 |
| Sugar | Mar-24 | ICE, New York | USD | 18 | -1 274 | -0.1 |
| Sugar | May-24 | ICE, New York | USD | 4 | -140 | 0.0 |
| Sugar | Jul-24 | ICE, New York | USD | 6 | -227 | 0.0 |
| Sugar | Oct-24 | ICE, New York | USD | 12 | -422 | 0.0 |
| Soybean meal | Mar-24 | CME,Chicago | USD | -21 | 60 | 0.0 |
| Soybean meal | May-24 | CME,Chicago | USD | -2 | 10 | 0.0 |
| Soybean meal | Dec-24 | CME,Chicago | USD | 6 | -137 | 0.0 |
| Soybean oil | Mar-24 | CME,Chicago | USD | -156 | 1 713 | 0.1 |
| Soybean oil | May-24 | CME,Chicago | USD | -13 | 116 | 0.0 |
| Soybean oil | Jul-24 | CME,Chicago | USD | -12 | 79 | 0.0 |
| Soybean oil | Dec-24 | CME,Chicago | USD | -8 | 61 | 0.0 |
| Soybeans | Mar-24 | CME,Chicago | USD | -89 | 1 217 | 0.1 |
| Soybeans | May-24 | CME,Chicago | USD | 8 | -189 | 0.0 |
| Soybeans | Jul-24 | CME,Chicago | USD | 8 | -217 | 0.0 |
| Soybeans | Nov-24 | CME,Chicago | USD | 6 | -137 | 0.0 |
| Soybeans | Jan-25 | CME,Chicago | USD | 3 | -57 | 0.0 |
| Soybeans | Mar-25 | CME,Chicago | USD | 1 | -20 | 0.0 |
| Lean Hogs | Feb-24 | CME,Chicago | USD | -49 | 575 | 0.0 |
| Tin | Mar-24 | LME, London | USD | 1 | 90 | 0.0 |
| Tin | Apr-24 | LME, London | USD | 1 | 93 | 0.0 |
| Wheat (Euronext Milling) | Mar-24 | Euronext, Paris | EUR | -89 | 287 | 0.0 |
| Wheat (Minneapolis Hard Red Spring) | Mar-24 | MGEX, Minneapolis | USD | -20 | 48 | 0.0 |
| Wheat (Chicago Soft Red Winter) | Mar-24 | CME,Chicago | USD | -96 | -2 349 | -0.1 |
| Wheat (Chicago Soft Red Winter) | May-24 | CME,Chicago | USD | -7 | -146 | 0.0 |
| Wheat (Chicago Soft Red Winter) | Jul-24 | CME,Chicago | USD | -9 | -117 | 0.0 |
| Wheat (Chicago Soft Red Winter) | Sep-24 | CME,Chicago | USD | -10 | -101 | 0.0 |
| Wheat (Chicago Soft Red Winter) | Dec-24 | CME,Chicago | USD | -10 | -56 | 0.0 |
| Wheat (Chicago Soft Red Winter) | Mar-25 | CME,Chicago | USD | -4 | -9 | 0.0 |
| Wheat (KC Hard Red Winter) | Mar-24 | CME,Chicago | USD | -67 | -655 | 0.0 |
| Zinc (LME) | Apr-24 | LME, London | USD | -12 | -658 | 0.0 |

FIXED INCOME SECURITIES

| | | <i>Nom. Amount</i> | | |
|--------------------------------------------------------------------------------------------------------------------------------|--------|--------------------|-----------|------|
| Swedish Treasury bills | Jan-24 | 18 MSEK | 17 972 | 1.0 |
| Swedish Treasury bills | Feb-24 | 267 MSEK | 265 572 | 15.1 |
| Swedish Treasury bills | Mar-24 | 656 MSEK | 650 490 | 37.0 |
| Swedish Treasury bills | Jun-24 | 729 MSEK | 715 820 | 40.7 |
| Swedish Treasury bills | Sep-24 | 23 MSEK | 22 394 | 1.3 |
| TOTAL OTHER FINANCIAL INSTRUMENTS THAT ARE ADMITTED TO TRADING ON A REGULATED MARKET OR A CORRESPONDING MARKET OUTSIDE THE EEA | | | 1 722 775 | 98.1 |

OTHER FINANCIAL INSTRUMENTS
CURRENCY FORWARDS

| | | <i>Amount ('000)</i> | | | |
|-----------------------------------|--------|----------------------|----------|-----------|--------|
| AUD/USD | Mar-24 | AUD | -1 790 | -1 842 | -0.1 |
| CAD/USD | Mar-24 | CAD | 10 270 | -794 | 0.0 |
| EUR/USD | Mar-24 | EUR | -625 | -1 323 | -0.1 |
| GBP/USD | Mar-24 | GBP | 3 175 | 203 | 0.0 |
| JPY/USD | Mar-24 | JPY | -52 500 | -1 847 | -0.1 |
| MXN/USD | Mar-24 | MXN | 225 300 | 2 117 | 0.1 |
| NOK/USD | Mar-24 | NOK | -45 000 | -7 051 | -0.4 |
| NZD/USD | Mar-24 | NZD | 12 510 | 1 810 | 0.1 |
| SEK/USD | Mar-24 | SEK | -10 000 | -1 316 | -0.1 |
| CHF/USD | Mar-24 | CHF | 4 863 | 870 | 0.0 |
| CNH/USD | Mar-24 | CNH | -330 300 | -4 593 | -0.3 |
| SGD/USD | Mar-24 | SGD | -12 640 | -1 235 | -0.1 |
| PLN/USD | Mar-24 | PLN | 27 450 | 1 996 | 0.1 |
| HUF/USD | Mar-24 | HUF | 498 000 | 563 | 0.0 |
| ZAR/USD | Mar-24 | ZAR | -169 300 | -2 792 | -0.2 |
| TOTAL OTHER FINANCIAL INSTRUMENTS | | | | -15 234 | -0.9 |
| TOTAL FINANCIAL INSTRUMENTS | | | | 1 707 541 | 97.2 |
| BANK DEPOSITS | | | | 121 603 | 6.9 |
| OTHER ASSETS AND LIABILITIES, NET | | | | -71 788 | -4.1 |
| TOTAL NET ASSETS | | | | 1 757 356 | 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 1 722 775 (98.1 per cent of the fund assets) and in Category 7 (Other financial instruments) amounting to TSEK -15 234 (-0.9 per cent of the fund assets). The fund has no holdings in Categories 1 or 3-6.

ACCOUNTING PRINCIPLES

■ The annual 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

| <i>SEK thousand</i> | <i>Opening value</i> | <i>Issue of units</i> | <i>Dividend reinvested</i> | <i>Redemption of units</i> | <i>Dividend paid</i> | <i>Year's profit</i> | <i>Total value of the fund</i> |
|---------------------|----------------------|-----------------------|----------------------------|----------------------------|----------------------|----------------------|--------------------------------|
| 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 |
| 2023-12-31 | 1 968 253 | 229 423 | | -269 840 | | -170 479 | 1 757 356 |

NET ASSET VALUE OF UNITS¹

| | <i>Value of the fund (SEK thousand)</i> | <i>Number of units in issue</i> | <i>Net asset value per unit, SEK</i> | <i>Dividend per unit, SEK</i> | <i>Return, %</i> |
|------------|---------------------------------------------|-------------------------------------|------------------------------------------|-----------------------------------|------------------|
| 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 |
| 2023-12-31 | 1 757 356 | 5 257 841 | 334.24 | | -8.9 |

¹ In view of the fund's dividends, a comparison of changes in each unit's value and the reported return lacks relevance.

UNIT HOLDER'S COSTS

| | | <i>As % of investment 2022-12-31</i> |
|----------------------------------------|-----------|------------------------------------------|
| <i>Investment at December 31, 2022</i> | 10 000.00 | |
| Change in value before costs | -747.20 | -7.47% |
| Costs | | |
| Fixed fee ¹ | -92.63 | -0.93% |
| Performance-based fee ² | 0.00 | 0.00% |
| Other costs ³ | -49.03 | -0.49% |
| Change in value after costs | -888.87 | -8.89% |
| Market value as at December 31, 2023 | 9 111.13 | |

The example above explains the costs incurred by Lynx in 2023. The figures relate to a unit-holder who owned units in the fund for the equivalent of SEK 10 000 at 31 December 2022 and who has retained these units throughout 2023.

¹ 1 per cent per year. Debited monthly on the market value at the time.

² 20 per cent of the return in excess of the return on three-month Swedish treasury bills. Debited monthly.

³ Brokerage commissions, clearing fees and interest costs.

Johanna Ahlgren
Chairman

Marcus Andersson

Joakim Schaaf

Svante Bergström
CEO

Daniela Tell

AUDIT REPORT

TO THE UNIT-HOLDERS IN THE LYNX FUND, REGISTRATION NUMBER 504400-7663

REPORT ON ANNUAL REPORT OPINION

As auditors of Lynx Asset Management AB, corporate identity number 556573-1782, we have audited the annual report of the Lynx Fund for 2023, except for the sustainability information on page 15 to 16.

In our opinion, the annual report has been prepared in accordance with the alternative investment fund managers Act and Finansinspektionen's regulations regarding alternative investment fund managers, and presents fairly, in all material respects, the financial position of the Lynx fund as of 31 December 2023 and its financial performance for the year then ended in accordance with the alternative investment fund managers Act and Finansinspektionen's regulations regarding alternative investment fund managers. Our opinion does not include the sustainability information on page 15 to 16.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Fund Manager in accordance with professional ethics for accountants in

Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION THAN THE ANNUAL REPORT

This document also contains other information than the annual report and is found on pages 1-17 and 33-34. The Fund Manager is responsible for this other information.

Our opinion on the annual report does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual report, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual report. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE FUND MANAGER

The Fund Manager is responsible for the preparation of the annual report and that it gives a fair presentation in accordance with the alternative investment fund managers Act and Finansinspektionen's regulations regarding alternative investment fund managers. The Fund Manager is also responsible for such internal control as they determine necessary to enable the preparation of an annual report that is free of material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this annual report.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the annual report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of Fund Manager's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Evaluate the overall presentation, structure and contents of the annual report, including the disclosures, and whether the annual report represents the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Fund Manager of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Fund Manager is responsible for the sustainability report on page 15 to 16, and that it is prepared in accordance with the Alternative Investment Fund Managers Act. Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm, February 23, 2024
KPMG AB

Mårten Asplund
Authorised public accountant

PORTFOLIO MANAGERS

■ The Lynx Fund is managed by *Jonas Bengtsson, Svante Bergström, Anders Blomqvist, Daniel Chapuis, David Jansson* 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 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 stock broker 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.

Anders Blomqvist is a Senior Research Partner and Portfolio Manager at Lynx. Blomqvist was hired by Lynx in 2015 as a Senior Quantitative Researcher. He became Portfolio Manager for the Lynx Systematic Macro Program in 2022 and for the Lynx Program in January 2024. Prior to joining Lynx, Blomqvist was a quantitative analyst and a portfolio manager at Ålandsbanken in the asset allocation team during 2005-2015. He holds a PhD in Optimization and Systems Theory and a MSc in Engineering Physics, both from KTH Royal Institute of Technology in Stockholm.

Daniel Chapuis is a Partner and Portfolio Manager at Lynx. 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 a Partner, CIO, Portfolio Manager and Risk Manager. David Jansson was hired by Lynx in 2005 initially as a trader. In 2007 he initiated the firm'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 took over the role as Chief Investment Officer (CIO) at Lynx. Jansson has earlier worked at B & P Fund Services. David Jansson holds a Msc in Economics from Stockholm University, where he also studied mathematics.

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 Program. 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 *Option and Future*).

Downside risk

A measure of the distribution of an asset's negative return. The calculation of downside risk for a time-series x_1, \dots, x_n 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 (r_f); 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.

Gross performance

The gross performance include all trading related costs but is exclusive of management fee, performance fee and interest.

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.

Net performance

The net performance figures for the Lynx Fund include interest, costs and fees and reflects an investment in SEK with a 1% management fee and a 20% performance fee.

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

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.

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