



HALF-YEARLY REPORT

2020

L Y N X

THE LYNX FUND IN BRIEF

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

MANAGEMENT TARGETS

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

FEES AND SUBSCRIPTIONS

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

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, Principal Auditor: Mårten Asplund.

FUND MANAGEMENT COMPANY

	LYNX ASSET MANAGEMENT AB
Company registration number:	556573-1782
Inception day:	10 June 1999.
Funds under management:	Lynx, Lynx Dynamic and a number of individual accounts.
Owners:	The company is owned by key employees and Brummer & Partners AB.
Share capital:	SEK 1 500 000.
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E-mail:	info@lynxhedge.se
Website:	www.lynxhedge.se
Board of Directors:	Marcus Andersson (COO Lynx Asset Management AB), Jonas Bengtsson (Portfolio Manager Lynx Asset Management AB), Svante Bergström (CEO and Portfolio Manager Lynx Asset Management AB), Svante Elfving (Chairman Lynx Asset Management AB, Partner Brummer & Partners AB) and Ola Paulsson (CEO and partner, Brummer & Partners AB).
Chief Compliance Officer:	Kim Dixner
Independent Risk Control Manager:	Alexander Argiriou, B & P Fund Services AB

¹This 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. The Board of the company has decided to currently apply a hurdle rate of 0 per cent instead of a negative interest rate.

HALF-YEARLY REPORT 2020

*The Board and the CEO of Lynx Asset Management AB
herewith submit the following half-yearly report for the Lynx Fund for
the period January 1 – June 30, 2020.*



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IMPORTANT INFORMATION

Lynx and Lynx Dynamic are special funds as defined in Chapter 1, Section 11 of the Act (2013:561 - LAIF).

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 funds are classified by the fund manager as funds with a higher risk level.

Any data regarding returns in this document is not adjusted for inflation.

The funds have 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.

This report is prepared in Swedish and translated into English. In the event of any discrepancy, the Swedish version shall have priority.

In connection with acting as the commodity pool operator of the funds, Lynx Asset Management AB has filed a notice of claim of exemption pursuant to U.S. Commodity Futures Trading Commission Advisory 18-96 under the U.S. Commodity Exchange Act, as amended. This due to the fact that the funds do not permit US investors.



COMMENTS BY THE PORTFOLIO MANAGERS

■ Lynx lost -7.23 percent in the first half of 2020. The development of the coronavirus into a global pandemic had an impact that was almost unthinkable at the beginning of the year and prompted most governments around the world to take extraordinary action to control its spread. The effect on the global population and economy was sudden and severe.

The pandemic also caused extreme movements in the financial markets. Stock markets collapsed and while long index positions that had been built up during the previous months were quickly reduced and ultimately neutralized by late March, significant losses were generated in the sector. Conversely, trading in fixed income and commodities was positive, offsetting some of these losses as attractive trends emerged in global bonds and energies. Positions in fixed income contributed positively when favorable trends emerged because of investors' desire for safer alternatives. Commodity prices fluctuated broadly as well and Lynx profited from the decline in oil prices due to a temporary oversupply. Foreign exchange was challenging, particularly in the second quarter, as the US dollar fell.

For the model portfolio, investment horizon had the greatest influence on the result. In the trend-following portion of the portfolio, longer-term models were unprofitable, particularly due to positions in equity indices, as the models took longer to react and reallocate risk. Meanwhile, short-term models generated solidly positive results, specifically in fixed income and commodities. Diversifying models utilizing machine learning techniques had difficulty with the extraordinary price action during the first quarter resulting in a loss for the period.

MARKET DEVELOPMENTS

Less than three months after the coronavirus was first identified much of the world was reeling from its impact: infections were spreading, global trade was collapsing, unemployment was spiking, and fear was driving financial and commodity markets.

While the world observed China's drastic response to mitigate contagion in late December and January, many investors initially discounted the potential for the coronavirus developing into a global crisis. Although

valuations appeared to be stretched by historical measures, major indices around the world were still climbing in mid-February with little sign of abating. Then there was a tipping point.

Weeks before the WHO declared COVID-19 a pandemic, clusters of cases began to emerge in Italy; the government immediately instituted emergency measures in response, including locking down entire cities. Neighboring European countries soon followed and then much of the rest of the world. The market reaction to these developments was overwhelming. Global equities fell dramatically and financial indicators highlighted the devastating impact of major economies coming to a virtual standstill.

By late March, however, equity investors increasingly became weary of focusing on the immediate impact of the coronavirus and began looking to the future. Large resources were being allocated through public/private partnerships to develop a cure and governments around the world were announcing extraordinary monetary and fiscal stimulus plans. Few investors initially expected a "V-shaped" recovery, but many were getting increasingly optimistic that this might be the case.

Fixed income initially reacted as anticipated to the market shock. Bonds rallied as growth expectations collapsed, while shorter-term interest rates declined as central banks eased monetary policy. Yields across the globe fell to historic lows; the pace of the decline in the US left many wondering if 10-year Treasury rates would follow the path of Europe and Japan into negative territory. As the crisis escalated, however, bonds stopped behaving as expected, specifically in the US.

There was no single reason for the change, but rather a confluence of factors that converged: overleveraged investors being forced out of positions; risk parity funds rebalancing exposures; large institutional investors raising liquidity to fund other commitments and investment opportunities; and even the possibility of foreign governments reducing their exposure to US debt. Regardless of the catalyst, a dislocation emerged that became so severe that the Federal Reserve Bank of New York was forced to make US \$1.5 trillion available in overnight repo-loans and expand their reserve management program. The added liquidity was welcomed

by bond and money markets and volatility began to abate late in March. Fixed income was again behaving as expected.

Movements in foreign exchange and commodity markets were similarly dominated by the development of the coronavirus and the subsequent policy responses across the globe. The US dollar index initially fell precipitously as equities plummeted and investors began anticipating an extraordinary policy reaction from the Fed. However, the demand for the US currency instigated by the dislocation in Treasuries led the index to spike to levels not seen since 2017. Eventually, the normalization of the credit markets eased this cash crunch and the greenback trended lower over the course of the second quarter. Emerging market currencies generally declined as the crisis escalated, in line with past crises.

Most commodities came under pressure as growth forecasts fell, particularly the energies. West Texas Intermediate (“WTI”) crude delivered to Cushing, Oklahoma, is the reference market for the primary oil futures contract traded in the US. Midway through April, an issue began to develop at the Cushing facility as storage was running out. Speculators and hedgers holding contracts to be delivered at the beginning of May quickly realized that they might own thousands of barrels of oil with no place to put them. As the final settlement approached, prices plunged deep into negative territory; at one point, investors needed to pay over \$35 per barrel to close out their position. While the market quickly recovered, the dislocation created another example of the extraordinary situation the world has been facing.

Meanwhile, COVID-19 was not the only story to capture the market’s attention in the first half of the year. In January, US President Donald Trump faced removal from office if convicted at his Senate impeachment trial. Although he was eventually acquitted on the abuse of power and obstruction of Congress charges, the political divide between Republicans and Democrats was on display. Accusations that Trump had solicited the help of a foreign government to aid his 2020 reelection campaign were either viewed as “fake news” and an attempt to influence voters or additional evidence that the president was unfit to lead the country. Regardless of perspective, it was evident that the proceedings further polarized an already divided government.

Relations between the US and China also deteriorated. Trump blamed China for the spread of the coronavirus and negotiations over a trade deal stalled. Beijing’s enactment of sweeping national security laws in Hong Kong in late June (just one hour before the 23rd anniversary of the city’s handover to China from British rule) provoked additional consternation from

the US and many other democratic nations, further eroding the potential of an amicable resolution to the trade dispute.

Social unrest was not limited to Hong Kong. Protests in the US demanding police accountability and racial justice were sparked by the release of video footage showing the death of a black man while in custody of officers in Minneapolis, Minnesota. International support for this movement led to similar protests around the globe. While financial markets largely overlooked these events, tensions remained high into the second half of the year.

ANALYSIS OF RESULT

The total loss of -7.23 percent in the first half of 2020 were due primarily to long positions in global equity indices. Since the beginning of the fourth quarter of 2019, stock prices had been trending consistently higher. By mid-February, the Lynx Program maintained significant exposure across the globe, holding a maximum net long position in the sector in the days leading up to the crisis. While the models quickly reduced positions as prices fell and volatility expanded, the sector nonetheless generated a loss of approximately -20.8 percent. Declines were spread across regions, with similar losses realized in Europe, the US and Asia/Australia. Amongst the trend-following cluster, medium- to long-term timeframes were particularly unprofitable while the shorter-term models were quicker to reverse exposure mitigating the loss. Medium-term diversifying models, specifically those employing machine learning techniques, had considerable difficulty in the sector in late February and March.

Foreign exchange was also unprofitable due largely to a long position in the Mexican peso during the depth of the crisis and long US dollar exposure in the second quarter; the sector was responsible for a loss of -3.4 percent. In the developed markets, short positions in the Japanese yen and euro were particularly challenging, while the Singapore dollar joined the peso amongst the worst performing emerging currencies. Medium-term trend-following models were responsible for a large portion of the sector loss as most maintained long positions in the US dollar as the currency depreciated.

Conversely, fixed income was solidly profitable, generating a gain of 12.5 percent. Early in the year, forecasts of slowing global growth due to coronavirus lockdowns in China resulted in falling yields and increasingly dovish central bank policy around the globe. While the Program maintained long positions across the curve in the US, Europe and Asia entering the year, exposure climbed as yields continued to trend lower. As the crisis escalated midway through the first quarter, significant gains were realized in the sector. The dislocation in US Treasuries created short-lived volatility and

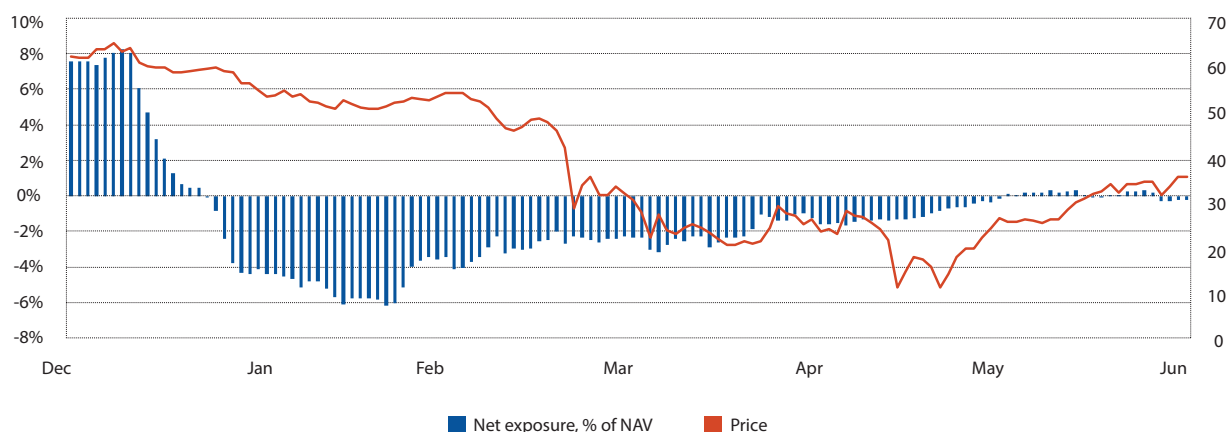


Chart 1. The price development in Crude oil and the positions of the Lynx fund.

a more challenging trading environment in March, although gains again accrued as markets normalized in the second quarter. Profits were realized across timeframes in the trend-following portion of the portfolio, while trading in global bonds was particularly profitable. Medium to long-term diversifiers were also profitable, although a majority of the gain was generated in short-term interest rates.

In commodities, profits in the energy complex outweighed losses in agricultural markets and metals resulting in a sector gain of 5.1 percent. Short positions in crude oil, natural gas and distillates all contributed positively as prices collapsed early in the year on anemic global growth forecasts. Interestingly, oil recovered later in the second quarter as crude production declined to meet updated refinery demands, but the Program retained most of the previous gains; a spike in volatility had resulted in models cutting exposure dramatically prior to the reversal. Trend-following models were responsible for most of the gain in commodities as profits were generated across timeframes, specifically in energies; long-term diversifying models also contributed positively.

Overall, losses were realized in both the trend-following and diversifying components of the portfolio in the first half of 2020. While short-term trend models performed particularly well, medium-term diversifying models had the most difficulty.

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

PERFORMANCE BY ASSET CLASS

Fixed income-related investments	12.5%
Commodity-related investments	5.1%
Currency-related investments	-3.4%
Equity-related investments	-20.8%
Other (management fees, interest etc.)	-0.6%
TOTAL PERFORMANCE	-7.2%

PERFORMANCE BY MODEL TYPE

TREND FOLLOWING MODELS	-0.8%
Of which	
-short-term	2.6%
-medium-term	-0.9%
-long-term	2.5%
DIVERSIFYING MODELS	-5.8%
Of which	
-short-term	-0.7%
-medium-term	-5.8%
-long-term	0.7%
Other (management fees, interest etc.)	-0.6%
TOTAL PERFORMANCE	-7.2%

PERFORMANCE SINCE INCEPTION

The table on page 12 shows key ratios for Lynx since inception in May 2000, together with comparative figures for a global equity index and an international bond index over the same period (MSCI World NDTR Index and the JP Morgan Global Government Bond Index). It also shows key ratios for a representative international hedge fund index in which Lynx is a constituent fund (Société Générale CTA Index).

RISK AND EXPOSURE

The fund's risk utilization is decided by the underlying models and the risk is channeled to those markets where the models identify the best opportunities. Coming into 2020, the total risk as measured by Value at Risk ("VaR") was above average as exposure in equities and commodities, historically the most volatile asset classes, was relatively high. Despite increasing net positions in equity index futures, VaR declined early in the year as diversifying exposure in fixed income rose at a quicker pace. The spike in volatility across asset classes catalyzed by the coronavirus crisis resulted in a temporary increase in portfolio risk, although models quickly reduced the exposure. Chart 2 shows the change in risk during the period as measured by Value at

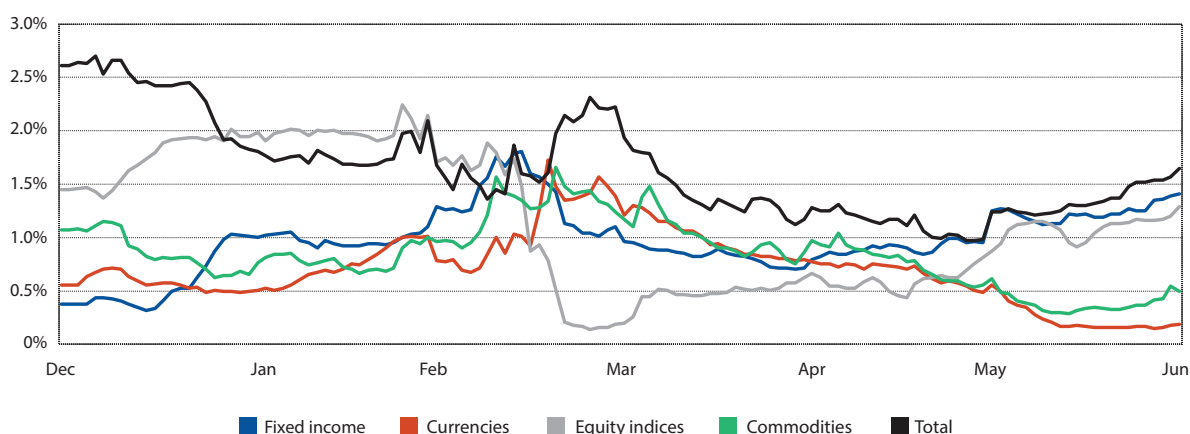


Chart 2. The development of Value at Risk during January – June 2020 (1 day, 95% confidence).

Risk (1 day, 95% confidence) as well as the risk for the four sectors separately.

INVESTMENT PROCESS

The six portfolio managers of Lynx constitute the investment committee and are responsible for the strategic direction and management of the fund. As trading decisions are made by the models, the investment committee focuses primarily on longer term matters including determining which models are in the portfolio and the risk allocated to each, as well as setting the average risk budgeted to each asset class and market.

The model lineup and risk allocations are formally reevaluated twice a year in June and December. The investment committee and the research team work diligently throughout the year leading up to these revisions. As early as four months before the actual implementation, the research department submits proposals for new models and each model is carefully evaluated by a reference group in the research team and the investment committee. To be approved by the investment committee, a new model must not only demonstrate the ability to generate positive results across multiple time periods, but also display attractive return characteristics in several key aspects. The metrics used in model evaluation include the expected marginal contribution to the existing model portfolio, behavior in extreme market situations and the return profile of long and short positions. In addition, the model's underlying foundational concept is discussed and analyzed.

As part of the semiannual evaluation, existing models in the portfolio are reviewed to ensure that performance has not deviated from expectations. Their contribution to the portfolio return is also analyzed and considered when making the final decision of how much risk to budget over the coming six months. The investment committee discusses the overall portfolio characteristics of the models to determine whether it would be desirable to change the allocations to adjust exposure to asset class or time horizon.

The investment committee's latest allocation decision, which was implemented on 1 June, resulted in one new model being added to the portfolio and one retired. The new addition applies similar systematic macro concepts to two other models currently in the portfolio, utilizing non-price-based economic and financial data. All three are sector specific; the existing models trade foreign exchange and equities, respectively, while the new one trades exclusively fixed income futures. The retired model was one of our first to employ a multivariate trend-following approach. Since this model was introduced, others utilizing similar concepts have been added to the portfolio which have generated more attractive risk-adjusted returns.

Along with the model changes, the allocation by model type was adjusted marginally; trend following models decreased from 72 percent to 70 percent and diversifying models increased from 28 percent to 30 percent. Interestingly, the overall trend sensitivity of the program increased despite the reduced allocation as more responsive timeframes were allotted greater risk at the expense of slower models. Additionally, diversifying models exhibiting long volatility return characteristics were increased leading to expectations of a higher positive skew. The average risk allocation amongst asset classes remained unchanged: equity indices and fixed income each continue to be allocated 28 percent of the risk while foreign exchange and commodities receive 23 percent and 21 percent, respectively.

ASSETS UNDER MANAGEMENT

The assets under management in the Lynx program fell slightly during the period, totalling SEK 42.6 billion (USD 4.6 billion) at the end of the first half of 2020 as compared to SEK 45.9 billion (USD 4.9 billion) as of the end of last year.

The majority of the assets under management are invested in separately managed accounts and in the offshore funds. The Swedish Lynx Fund and the Lynx Dy-

namic Fund together make up about 6 percent of the total assets under management.

FIRM RESPONSE TO COVID-19

The rapid progression of the coronavirus around the globe led the Lynx Crisis Management Team (CMT) to initiate procedures to directly address the potential harm to our people and the business in March. Considering guidance and advice from the Public Health Agency of Sweden (Folkhälsomyndigheten), we took several precautionary actions to control the spread of the virus. Additionally, we initiated our business continuity plan (BCP) to further mitigate the risk that an escalating crisis could result in an interruption of the normal functioning of our business.

As of the writing of this letter, we continue to rotate staff weekly at our main office in Stockholm, Sweden. All employees have remote access to Lynx systems through secured connections and can conduct their normal job functions away from the office. To support a “work from home” model, we have a redundant Gigabit internet connection which is tested daily. Additionally, we periodically test the robustness of our remote connectivity platform and also perform annual BCP tests (most recently in November 2019). To date, employees have not reported any material connection problems and our business has continued to operate normally.

OUTLOOK

Uncertainty regarding the future is arguably as great now as any other time in modern history. Elevated geopolitical tension, unresolved trade disputes, an approaching US presidential election, and rising social unrest in normal times would be enough to cause investors to pause. In 2020, a pandemic continues to spread across the globe

making it virtually impossible to forecast what the future holds. Most anxiously await a vaccine or that point when an overwhelming majority of the populace has developed antibodies to the virus. Optimistic investors anticipate a windfall as monetary and fiscal stimulus work their way through the system driving global growth not experienced in generations. However, we are in uncharted territory and it could be dangerous allowing that optimism to lead to complacency.

As compared to recent years, volatility remains at elevated levels reflecting this increased uncertainty. While equities proved to be remarkably resilient in the second quarter, another tipping point could be on the horizon as any negative catalyst might be enough to shift investor sentiment. Lynx’ models do not have an opinion on the path of the coronavirus, nor whether the US and China will iron out their disputes, nor the likely outcome of any election around the globe. Using price and, in some cases, fundamental data, they systematically analyze how the markets are behaving and attempt to forecast what tomorrow holds. They are reactive to changes and tend to prosper when markets exhibit major shifts in their natural price equilibrium. The world has changed dramatically in recent months and will likely change even more in the months to come; it will take time for markets to catch up.

Lynx remains dedicated to managing our investment programs responsibly and profitably. We are invested alongside our clients in each Lynx vehicle, aligning our interests closely to yours. As always, we remain focused and diligent in our approach to managing your money and will continue to dedicate the resources necessary to achieving our objective.

We hope that you and your family are staying safe and healthy in these extraordinary times.

SOME KEY RATIOS SINCE INCEPTION¹

	Lynx (SEK) ²	MSCI World NDTP Index (local currency)	JP Morgan Global Gov't Bond Index (local currency)	Société Générale CTA Index
RETURN				
2020 jan–jun, %	-7.23	-5.26	5.03	-2.60
2019, %	15.42	28.01	6.15	6.39
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 ³ , %	12.77	-9.89	5.93	11.57
Since inception, %	460.07	120.71	129.60	122.08
Average annual return since inception, %	8.92	4.00	4.21	4.03
ANALYSIS OF RETURN				
Best month, %	14.90	10.51	3.09	8.85
Worst month, %	-14.14	-16.37	-1.99	-7.64
Average monthly return, %	0.71	0.33	0.34	0.33
Maximum drawdown since inception, %	30.58	50.77	4.51	14.27
Longest period of zero return, number of months	At least 64 (ongoing)	74	32	At least 53 (ongoing)
KEY RATIOS				
Standard deviation, %	14.99 ⁴	14.20	3.12	8.59
Downside risk, %	9.34	10.61	1.77	5.47
Sharpe ratio	0.50	0.18	0.87	0.30
Correlation between Lynx and index shown	-	-0.11	0.39	0.84

¹ For definitions, see glossary on page 24.

² Lynx return is stated net of fees.

³ Relates to period May–December (eight months) as the fund was started on 1 May 2000.

⁴ The fund's standard deviation the last two years is 15.15 per cent.

REPORT OF THE DIRECTORS

PERFORMANCE

Lynx generated a return of -7.23 per cent net of fees for the first half of 2020. Since the fund's inception in 2000 the total return has been 460.1 per cent which equals an average annual return of 8.9 per cent.

The table on page 14 shows the fund's return per calendar month and the return for some indices.

DEVELOPMENT OF FUND ASSETS

As at 30 June 2020, the value of the Lynx Fund was SEK 1,440.4 million, which is a decrease of SEK 177.9 million since the end of 2020. Subscriptions to units amounted to SEK 23.3 million, and redemptions to SEK 85.0 million. To this is added the period's result of SEK -116.2 million.

THE FUND'S COSTS

During the first half of 2020 fixed fees to the fund management company amounting to SEK 7.6 million were charged to the fund. No performance-based 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 Lynx Fund itself.

RESULT

In the first half of 2020, Lynx generated a negative return of -7.23%. Fixed income and commodities contributed with positive return while equities and foreign exchange contributed negatively. The diversifying models of the fund accounted for the main part of the negative return while trend-following models was contributing slightly negative.

ORGANISATIONAL CHANGES

There were no significant changes during the period.

SIGNIFICANT EVENTS DURING THE PERIOD

The rapid progression of the coronavirus around the globe led the Lynx Crisis Management Team (CMT) to initiate operational as well as specific asset management procedures to directly address the potential harm to our people and the management of the funds. Considering guidance and advice from the Public Health Agency of Sweden (Folkhälsomyndigheten), several precautionary actions was initiated. Additionally, the firm's business continuity plan (BCP) was initiated to further mitigate the risk that an escalating crisis could result in an inter-

ruption of the normal functioning of our business.

The employees are divided into two teams which rotate working at the office every second week. All employees have remote access to the company's systems through secured connections and can conduct their normal job functions away from the office.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

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

SIGNIFICANT RISKS ASSOCIATED WITH THE FUND'S HOLDINGS

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

Market risks, for instance the risk that the whole market for an asset class will rise or fall, is significant for the fund, and it is also market risks that constitute the fund's principal source of earnings.

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

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

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

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

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

Trading in derivatives is an integrated component in the fund's investment concept, and the trading volume was therefore considerable during the period. The fund invests primarily in exchange traded futures contracts and in currencies using a prime broker, and the only capital invested in these investments is the collateral that is placed with the clearing organisations and the prime broker (Goldman Sachs, Société Generale Newedge, Morgan Stanley and JP Morgan). As of 30 June 2020,

MONTHLY RETURN 2020

	Lynx (SEK) ¹	MSCI World NDTP Index (local currency)	J.P. Morgan Global Gov't Bond Index (local currency)	Société Générale CTA Index
RETURN 2020, %				
January	0.19	-0.16	2.21	0.71
February	-4.15	-8.10	1.65	-1.49
March	-3.31	-12.84	0.48	0.13
April	2.32	10.51	0.62	0.24
May	-1.74	4.72	-0.19	-0.96
June	-0.62	2.36	0.18	-1.23
January-Juni	-7.23	-5.26	5.03	-2.60

¹ The return stated for Lynx is the return after management fees.

the collateral requirement amounted to SEK 177.0 million, which corresponds to 12.3 per cent of the value of the fund. The greater part of the fund's capital is invested in Swedish Treasury bills. The fund had no exposure to hard-to-value assets as of 30 June 2020.

The risk level of the portfolio is measured using so called Value at Risk models (VaR). Lynx uses three VaR models with different time horizons (18 months and two exponentially weighted) in parallel, where all are one sided, one day measures with 95 per cent confidence. The highest value during the period January – June 2020 was 2.71 per cent, the lowest 0.62 per cent and the average 1.26 per cent. As at 30 June the value was 1.28 per cent. The leverage calculated in accordance with the gross method was 2,866 per cent.²

COMMUNICATION WITH UNIT-HOLDERS

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

site at www.lynxhedge.se, where performance estimates for the fund is published daily. It is also possible to follow Lynx's performance in the fund tables in leading Swedish daily newspapers with a one day delay.

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

OTHER

There have been no transactions with related parties during the period.

² The figures reflect the value of the 18 month VaR. In accordance with AIFMD, the fund's exposure must be calculated and reported using the gross method, whereby the exposure in derivatives shall be reported as underlying nominal amounts. The high leverage is caused by, among other things, the fact that many of the assets the fund invests in, e.g. bonds and currencies, have a low volatility compared to the stock market. Due to this Lynx uses other risk measures, such as VaR, in its management.

ACCOUNTS

BALANCE SHEET 2020-06-30

SEK thousand	Notes	2020-06-30	2019-12-31
ASSETS			
Money market instruments		1 214 549	1 240 248
Other derivative instruments with positive market value		45 306	79 074
<i>Total financial instruments with positive market value</i>		<i>1 259 855</i>	<i>1 319 323</i>
<i>Total investments with positive market value</i>		<i>1 259 855</i>	<i>1 319 323</i>
Bank deposits and other cash equivalents		227 995	386 639
Other assets	1	356	595
TOTAL ASSETS		1 488 206	1 706 557
LIABILITIES			
Other derivative instruments with negative market value		28 519	52 793
<i>Total financial instruments with negative market value</i>		<i>28 519</i>	<i>52 793</i>
Accrued expenses and deferred income	2	1 410	1 816
Other liabilities	3	17 888	33 601
TOTAL LIABILITIES		47 816	88 210
NET ASSET VALUE OF THE FUND		1 440 390	1 618 347
MEMORANDUM ITEMS			
Pledged collateral for other derivative instruments		177 022	306 303
TOTAL PLEDGED ASSETS		177 022	306 303
Percentage of net asset value		12.3	18.9
NOTES			
Note 1 Other assets			
Fund assets in course of settlement		356	472
Other assets		-	123
TOTAL, OTHER ASSETS		356	595
Note 2 Accrued expenses and deferred income			
Liability to fund management company		1 212	1 355
Interest expenses		198	461
TOTAL, ACCRUED EXPENSES AND DEFERRED INCOME		1 410	1 816
Note 3 Other liabilities			
Fund liabilities in course of settlement		3 985	26 251
Liability relating to redemptions		13 903	7 350
TOTAL, OTHER LIABILITIES		17 888	33 601

STATEMENT OF NET ASSETS JUNE 30, 2020

Holdings of financial instruments*

	Maturity	Market	Currency	Number of contracts	Market value (SEK '000)	% of fund
OTHER FINANCIAL INSTRUMENTS THAT ARE ADMITTED TO TRADING IN A REGULATED MARKET OR A CORRESPONDING MARKET OUTSIDE THE EEA.						
FIXED INCOME FUTURES						
US govt bonds (US Ultra Tbond)	Sep-20	CME,Chicago	USD	39	432	0.0
US govt bonds (US Tbond)	Sep-20	CME,Chicago	USD	110	977	0.1
30-year German govt bonds (Buxl)	Sep-20	EUREX, Frankfurt	EUR	10	179	0.0
10-year US govt bonds	Sep-20	CME,Chicago	USD	574	2 245	0.2
10-year Australian govt bonds	Sep-20	SFE, Sydney	AUD	183	1 096	0.1
10-year UK govt bonds	Sep-20	ICE, London	GBP	190	722	0.1
10-year French govt bonds (OAT)	Sep-20	EUREX, Frankfurt	EUR	75	1 950	0.1
10-year Italian govt bonds (BTP)	Sep-20	EUREX, Frankfurt	EUR	78	2 196	0.2
10-year Canadian govt bonds	Sep-20	ME, Montréal	CAD	134	211	0.0
10-year South Korean govt bonds (KBT10y)	Sep-20	KOREX, Korea	KRW	86	-133	0.0
10-year German govt bonds	Sep-20	EUREX, Frankfurt	EUR	230	3 499	0.2
5-year US govt bonds	Sep-20	CME,Chicago	USD	699	2 115	0.1
5-year German govt bonds	Sep-20	EUREX, Frankfurt	EUR	314	1 364	0.1
3-year Italian govt bonds (Short BTP)	Sep-20	EUREX, Frankfurt	EUR	66	221	0.0
3-year South Korean govt bonds (KBT3y)	Sep-20	KOREX, Korea	KRW	228	-83	0.0
2-year US govt bonds	Sep-20	CME,Chicago	USD	296	248	0.0
2-year German govt bonds	Sep-20	EUREX, Frankfurt	EUR	169	96	0.0
SHORT INTEREST RATE FUTURES						
3-month US interest	Sep-20	CME,Chicago	USD	143	349	0.0
3-month US interest	Dec-20	CME,Chicago	USD	27	14	0.0
3-month US interest	Mar-21	CME,Chicago	USD	-9	-4	0.0
3-month US interest	Jun-21	CME,Chicago	USD	10	8	0.0
3-month US interest	Sep-21	CME,Chicago	USD	21	12	0.0
3-month US interest	Dec-21	CME,Chicago	USD	13	7	0.0
3-month US interest	Mar-22	CME,Chicago	USD	1 009	408	0.0
3-month US interest	Jun-22	CME,Chicago	USD	13	10	0.0
3-month US interest	Sep-22	CME,Chicago	USD	19	16	0.0
3-month US interest	Dec-22	CME,Chicago	USD	24	20	0.0
3-month US interest	Mar-23	CME,Chicago	USD	23	15	0.0
3-month US interest	Jun-23	CME,Chicago	USD	14	6	0.0
3-month US interest	Sep-23	CME,Chicago	USD	6	-2	0.0
3-month US interest	Dec-23	CME,Chicago	USD	-1	-1	0.0
3-month US interest	Mar-24	CME,Chicago	USD	-5	-11	0.0
3-month US interest	Jun-24	CME,Chicago	USD	-7	-14	0.0
3-month UK interest	Sep-20	ICE, London	GBP	111	74	0.0
3-month UK interest	Dec-20	ICE, London	GBP	99	88	0.0
3-month UK interest	Mar-21	ICE, London	GBP	96	62	0.0
3-month UK interest	Jun-21	ICE, London	GBP	483	111	0.0
3-month UK interest	Sep-21	ICE, London	GBP	85	141	0.0
3-month UK interest	Dec-21	ICE, London	GBP	74	134	0.0
3-month UK interest	Mar-22	ICE, London	GBP	63	122	0.0
3-month UK interest	Jun-22	ICE, London	GBP	55	110	0.0
3-month UK interest	Sep-22	ICE, London	GBP	48	95	0.0
3-month UK interest	Dec-22	ICE, London	GBP	42	84	0.0
3-month UK interest	Mar-23	ICE, London	GBP	36	74	0.0
3-month UK interest	Jun-23	ICE, London	EUR	29	49	0.0
3-month Euro interest	Sep-20	ICE, London	EUR	-85	-25	0.0
3-month Euro interest	Dec-20	ICE, London	EUR	-103	-118	0.0
3-month Euro interest	Mar-21	ICE, London	EUR	-98	-12	0.0
3-month Euro interest	Jun-21	ICE, London	EUR	402	37	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>
3-month Euro interest	Sep-21	ICE, London	EUR	-68	-86	0.0
3-month Euro interest	Dec-21	ICE, London	EUR	-55	-58	0.0
3-month Euro interest	Mar-22	ICE, London	EUR	-44	-44	0.0
3-month Euro interest	Jun-22	ICE, London	EUR	-36	-35	0.0
3-month Euro interest	Sep-22	ICE, London	EUR	-29	-21	0.0
3-month Euro interest	Dec-22	ICE, London	EUR	-25	-19	0.0
3-month Euro interest	Mar-23	ICE, London	EUR	-21	-15	0.0
3-month Euro interest	Jun-23	ME, Montréal	CAD	-18	-12	0.0
3-month Canadian interest	Sep-20	ME, Montréal	CAD	59	-13	0.0
3-month Canadian interest	Dec-20	ME, Montréal	CAD	48	-8	0.0
3-month Canadian interest	Mar-21	ME, Montréal	CAD	149	46	0.0
3-month Canadian interest	Jun-21	ME, Montréal	CAD	33	22	0.0
3-month Canadian interest	Sep-21	ME, Montréal	CAD	25	15	0.0
3-month Canadian interest	Dec-21	ME, Montréal	CAD	15	10	0.0
CURRENCY FUTURES						
AUD/USD	Sep-20	CME,Chicago	USD	-37	-111	0.0
CAD/USD	Sep-20	CME,Chicago	USD	-173	238	0.0
CHF/USD	Sep-20	CME,Chicago	USD	9	-22	0.0
EUR/USD	Sep-20	CME,Chicago	USD	-79	221	0.0
GBP/USD	Sep-20	CME,Chicago	USD	-38	-159	0.0
JPY/USD	Sep-20	CME,Chicago	USD	77	-997	-0.1
EQUITY INDEX FUTURES						
US stock market (Dow Jones)	Sep-20	CME,Chicago	USD	62	456	0.0
US stock market (Nasdaq)	Sep-20	CME,Chicago	USD	67	4 774	0.3
US stock market (Russell)	Sep-20	CME,Chicago	USD	15	240	0.0
US stock market (S&P 400)	Sep-20	CME,Chicago	USD	6	159	0.0
US stock market (S&P 500)	Sep-20	CME,Chicago	USD	93	2 199	0.2
US Stock market (MME/MSCI Emerging Markets)	Sep-20	ICE, New York	USD	13	-3	0.0
Australian stock market (SPI)	Sep-20	SFE, Sydney	AUD	25	136	0.0
UK stock market (FTSE)	Sep-20	ICE, London	GBP	31	-149	0.0
European stock market (ESTOXX)	Sep-20	EUREX, Frankfurt	EUR	-19	-17	0.0
French stock market (CAC)	Jul-20	Euronext, Paris	EUR	8	14	0.0
Dutch stock market (AEX)	Jul-20	Euronext, Amsterdam	EUR	6	2	0.0
Hong Kong stock market (Hang Seng)	Jul-20	HKFE, Hong Kong	HKD	65	-879	-0.1
Japanese stock market (Nikkei)	Sep-20	SGX, Singapore	JPY	-7	-13	0.0
Japanese stock market (Nikkei)	Sep-20	OSE, Tokyo	JPY	4	-55	0.0
Japanese stock market (TOPIX)	Sep-20	OSE, Tokyo	JPY	1	-9	0.0
Canadian stock market (Canada 60)	Sep-20	ME, Montréal	CAD	16	157	0.0
Chinese stock market (China A50)	Jul-20	SGX, Singapore	USD	237	214	0.0
Chinese stock market (H-shares)	Jul-20	HKFE, Hong Kong	HKD	51	-370	0.0
EAFE stock market index (MSCI)	Sep-20	ICE, New York	USD	-3	-20	0.0
Singaporean stock market (MSCI)	Jul-20	SGX, Singapore	SGD	26	-49	0.0
Swedish stock market (OMX)	Jul-20	Nasdaq OMX,Stockholm	SEK	35	93	0.0
South African stock market (JSE40)	Sep-20	AFE, South Africa Johannesburg	ZAR	22	225	0.0
South Korean stock market (Kospi200)	Sep-20	KOREX, Korea	KRW	128	-953	-0.1
Taiwanese stock market (MSCI Taiwan)	Jul-20	SGX, Singapore	USD	69	37	0.0
German stock market (DAX)	Sep-20	EUREX, Frankfurt	EUR	3	-1	0.0
COMMODITY FUTURES						
Aluminium	Sep-20	LME, London	USD	-31	-161	0.0
Aluminium	Oct-20	LME, London	USD	-2	-1	0.0
Lead (LME)	Sep-20	LME, London	USD	-2	-15	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>
Cotton	Dec-20	ICE, New York	USD	11	62	0.0
Cotton	Mar-21	ICE, New York	USD	20	134	0.0
Cotton	May-21	ICE, New York	USD	9	70	0.0
Heating Oil	Aug-20	NMX, New York	USD	-39	-232	0.0
Heating Oil	Sep-20	NMX, New York	USD	-3	-72	0.0
Heating Oil	Oct-20	NMX, New York	USD	-3	-56	0.0
Heating Oil	Nov-20	NMX, New York	USD	-3	-52	0.0
Heating Oil	Dec-20	NMX, New York	USD	-3	74	0.0
Heating Oil	Jan-21	NMX, New York	USD	-3	7	0.0
Heating Oil	Feb-21	NMX, New York	USD	-3	11	0.0
Heating Oil	Mar-21	NMX, New York	USD	-3	57	0.0
Heating Oil	Apr-21	NMX, New York	USD	-3	-66	0.0
Heating Oil	May-21	NMX, New York	USD	-2	-80	0.0
Heating Oil	Jun-21	NMX, New York	USD	-2	-83	0.0
Heating Oil	Dec-21	NMX, New York	USD	-2	4	0.0
Gasoil	Aug-20	ICE, London	USD	-23	-170	0.0
Gasoil	Sep-20	ICE, London	USD	-3	74	0.0
Gasoil	Oct-20	ICE, London	USD	-3	93	0.0
Gasoil	Nov-20	ICE, London	USD	-3	53	0.0
Gasoil	Dec-20	ICE, London	USD	-3	-13	0.0
Gasoil	Jan-21	ICE, London	USD	-3	-30	0.0
Gasoil	Feb-21	ICE, London	USD	-3	-102	0.0
Gasoil	Mar-21	ICE, London	USD	-3	-26	0.0
Gasoil	Jun-21	ICE, London	USD	-3	-93	0.0
Gasoil	Dec-21	ICE, London	USD	-3	-106	0.0
Gasoil	Jun-22	ICE, London	USD	-2	-2	0.0
Gold	Aug-20	CME,Chicago	USD	79	2 852	0.2
Gold	Dec-20	CME,Chicago	USD	1	33	0.0
Gold	Feb-21	CME,Chicago	USD	1	97	0.0
Gold	Apr-21	CME,Chicago	USD	1	54	0.0
Coffee	Sep-20	ICE, New York	USD	-44	-339	0.0
Coffee	Dec-20	ICE, New York	USD	-1	-13	0.0
Coffee	Mar-21	ICE, New York	USD	-1	-12	0.0
Coffee	May-21	ICE, New York	USD	-1	-10	0.0
Cocoa	Sep-20	ICE, New York	USD	21	-360	0.0
Copper	Sep-20	CME,Chicago	USD	-10	-137	0.0
Copper	Dec-20	CME,Chicago	USD	-1	-24	0.0
Copper	Mar-21	CME,Chicago	USD	1	2	0.0
Copper	May-21	CME,Chicago	USD	1	7	0.0
Copper	Sep-20	LME, London	USD	7	225	0.0
Copper	Oct-20	LME, London	USD	6	127	0.0
Corn	Dec-20	CME,Chicago	USD	-234	-2 109	-0.1
Corn	Mar-21	CME,Chicago	USD	-32	-38	0.0
Corn	May-21	CME,Chicago	USD	-46	-135	0.0
Corn	Jul-21	CME,Chicago	USD	-51	-272	0.0
Corn	Dec-21	CME,Chicago	USD	-53	-174	0.0
Natural gas	Aug-20	NMX, New York	USD	-427	-1 695	-0.1
Natural gas	Sep-20	NMX, New York	USD	-15	252	0.0
Natural gas	Oct-20	NMX, New York	USD	-16	239	0.0
Natural gas	Nov-20	NMX, New York	USD	-15	134	0.0
Natural gas	Dec-20	NMX, New York	USD	-14	88	0.0
Natural gas	Jan-21	NMX, New York	USD	-15	112	0.0
Natural gas	Feb-21	NMX, New York	USD	-15	85	0.0
Natural gas	Mar-21	NMX, New York	USD	-10	20	0.0
Natural gas	May-21	NMX, New York	USD	15	-94	0.0
Natural gas	Jun-21	NMX, New York	USD	27	-109	0.0
Natural gas	Jul-21	NMX, New York	USD	31	-91	0.0
Natural gas	Aug-21	NMX, New York	USD	28	-59	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>
Natural gas	Sep-21	NMX, New York	USD	15	-14	0.0
Natural gas	Oct-21	NMX, New York	USD	3	-2	0.0
Natural gas	Nov-21	NMX, New York	USD	-1	-3	0.0
Natural gas	Dec-21	NMX, New York	USD	-1	0	0.0
Natural gas	Jan-22	NMX, New York	USD	2	-11	0.0
Nickel (LME)	Sep-20	LME, London	USD	-4	-2	0.0
Nickel (LME)	Oct-20	LME, London	USD	-2	-26	0.0
Live cattle	Aug-20	CME,Chicago	USD	-48	257	0.0
Live cattle	Oct-20	CME,Chicago	USD	-9	-39	0.0
Live cattle	Dec-20	CME,Chicago	USD	-6	-9	0.0
Live cattle	Feb-21	CME,Chicago	USD	-2	-5	0.0
Feeder Cattle	Aug-20	CME,Chicago	USD	-15	-35	0.0
Palladium (CME)	Sep-20	NMX, New York	USD	5	150	0.0
Platinum (CME)	Oct-20	NMX, New York	USD	-10	-142	0.0
RBOB Gasoline	Aug-20	NMX, New York	USD	21	-539	0.0
RBOB Gasoline	Sep-20	NMX, New York	USD	1	-28	0.0
RBOB Gasoline	Oct-20	NMX, New York	USD	1	-23	0.0
RBOB Gasoline	Nov-20	NMX, New York	USD	1	-21	0.0
RBOB Gasoline	Dec-20	NMX, New York	USD	1	-19	0.0
RBOB Gasoline	Jan-21	NMX, New York	USD	1	-19	0.0
RBOB Gasoline	Feb-21	NMX, New York	USD	1	-19	0.0
RBOB Gasoline	Mar-21	NMX, New York	USD	1	-25	0.0
RBOB Gasoline	Apr-21	NMX, New York	USD	2	101	0.0
RBOB Gasoline	May-21	NMX, New York	USD	2	57	0.0
RBOB Gasoline	Jun-21	NMX, New York	USD	2	-4	0.0
Brent Crude Oil	Sep-20	ICE, London	USD	-8	-72	0.0
Brent Crude Oil	Oct-20	ICE, London	USD	1	2	0.0
Brent Crude Oil	Jun-21	ICE, London	USD	1	-14	0.0
Brent Crude Oil	Dec-21	ICE, London	USD	1	20	0.0
Brent Crude Oil	Jun-22	ICE, London	USD	2	17	0.0
Sweet Crude Oil	Aug-20	NMX, New York	USD	-25	-255	0.0
Sweet Crude Oil	Dec-20	NMX, New York	USD	1	1	0.0
Sweet Crude Oil	Jan-21	NMX, New York	USD	1	0	0.0
Sweet Crude Oil	Feb-21	NMX, New York	USD	1	27	0.0
Sweet Crude Oil	Mar-21	NMX, New York	USD	1	40	0.0
Sweet Crude Oil	Apr-21	NMX, New York	USD	1	30	0.0
Sweet Crude Oil	May-21	NMX, New York	USD	2	36	0.0
Sweet Crude Oil	Jun-21	NMX, New York	USD	2	-11	0.0
Sweet Crude Oil	Jul-21	NMX, New York	USD	2	-3	0.0
Sweet Crude Oil	Dec-21	NMX, New York	USD	3	0	0.0
Sweet Crude Oil	Jun-22	NMX, New York	USD	3	6	0.0
Silver	Sep-20	CME,Chicago	USD	40	720	0.0
Sugar	Oct-20	ICE, New York	USD	35	-46	0.0
Sugar	Mar-21	ICE, New York	USD	24	-40	0.0
Sugar	May-21	ICE, New York	USD	31	-57	0.0
Soybean meal	Dec-20	CME,Chicago	USD	-74	-158	0.0
Soybean meal	Jan-21	CME,Chicago	USD	-25	-64	0.0
Soybean meal	Mar-21	CME,Chicago	USD	-25	-66	0.0
Soybean meal	May-21	CME,Chicago	USD	-23	-24	0.0
Soybean meal	Jul-21	CME,Chicago	USD	-15	-7	0.0
Soybean oil	Dec-20	CME,Chicago	USD	-16	9	0.0
Soybean oil	Jan-21	CME,Chicago	USD	-2	-8	0.0
Soybean oil	Mar-21	CME,Chicago	USD	2	-1	0.0
Soybean oil	May-21	CME,Chicago	USD	5	6	0.0
Soybean oil	Jul-21	CME,Chicago	USD	4	3	0.0
Soybeans	Nov-20	CME,Chicago	USD	-25	-187	0.0
Soybeans	Jan-21	CME,Chicago	USD	20	89	0.0
Soybeans	Mar-21	CME,Chicago	USD	17	53	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>
Soybeans	May-21	CME,Chicago	USD	12	7	0.0
Soybeans	Jul-21	CME,Chicago	USD	9	2	0.0
Soybeans	Nov-21	CME,Chicago	USD	14	2	0.0
Lean Hogs	Aug-20	CME,Chicago	USD	-46	694	0.0
Wheat	Sep-20	CME,Chicago	USD	-80	-70	0.0
Wheat	Dec-20	CME,Chicago	USD	-11	69	0.0
Wheat	Mar-21	CME,Chicago	USD	-19	132	0.0
Wheat	May-21	CME,Chicago	USD	-19	101	0.0
Wheat	Jul-21	CME,Chicago	USD	-16	69	0.0
Wheat (Kansas)	Sep-20	CME,Chicago	USD	-26	-16	0.0
Zinc	Sep-20	LME, London	USD	-10	-106	0.0
FIXED INCOME SECURITIES						
				<i>Nom. amount</i>		
Swedish Treasury bills	Sep-20			342 MSEK	342 065	23.5
Swedish Treasury bills	Mar-21			404 MSEK	404 230	27.8
Swedish Treasury bills	Jun-21			278 MSEK	278 183	19.1
TOTAL OTHER FINANCIAL INSTRUMENTS THAT ARE ADMITTED TO TRADING ON A REGULATED MARKET OR A CORRESPONDING MARKET OUTSIDE THE EEA.					1 237 326	85.9
OTHER FINANCIAL INSTRUMENTS						
CURRENCY FORWARDS						
				<i>Amount (‘000)</i>		
AUD/USD	Sep-20		AUD	-2 520	-12	0.0
CAD/USD	Sep-20		CAD	-11 560	802	0.1
EUR/USD	Sep-20		EUR	-6 550	584	0.0
GBP/USD	Sep-20		GBP	-1 575	-154	0.0
JPY/USD	Sep-20		JPY	645 000	-579	0.0
MXN/USD	Sep-20		MXN	234 900	-6 571	-0.5
NOK/USD	Sep-20		NOK	-26 100	945	0.1
NZD/USD	Sep-20		NZD	220	-568	0.0
SEK/USD	Sep-20		SEK	29 100	-311	0.0
TRY/USD	Sep-20		TRY	24 880	81	0.0
CHF/USD	Sep-20		CHF	725	181	0.0
CNH/USD	Sep-20		CNH	56 300	245	0.0
SGD/USD	Sep-20		SGD	5 700	-110	0.0
PLN/USD	Sep-20		PLN	-2 510	67	0.0
HUF/USD	Sep-20		HUF	-46 000	106	0.0
RUB/USD	Sep-20		RUB	363 250	-1 421	-0.1
ZAR/USD	Sep-20		ZAR	700	725	0.1
TOTAL OTHER FINANCIAL INSTRUMENTS					-5 990	-0.4
TOTAL FINANCIAL INSTRUMENTS					1 231 336	85.5
BANK DEPOSITS					227 995	15.8
OTHER ASSETS AND LIABILITIES, NET					-18 942	-1.3
TOTAL NET ASSETS					1 440 390	100.00

* In accordance with the definitions in Finansinspektionens 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 1 237 326 (85.9 per cent of the fund assets) and in Category 7 (Other financial instruments) amounting to TSEK -5 990 (-0.4 per cent of the fund assets). The fund has no holdings in Categories 1 or 3-6.

ACCOUNTING PRINCIPLES

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

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

CHANGE IN NET ASSETS

<i>SEK thousand</i>	<i>Opening value</i>	<i>Issue of units</i>	<i>Dividend reinvested</i>	<i>Redemptions of units</i>	<i>Dividend paid</i>	<i>Period'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
2020-06-30	1 618 347	23 300		-85 031		-116 225	1 440 390

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	8 002 604	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	18 031 027	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
2020-06-30	1 440 390	6 138 387	234.65		-7.2

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

Stockholm 21 August 2020
Lynx Asset Management AB

Svante Elfving
Chairman

Marcus Andersson

Jonas Bengtsson

Svante Bergström
CEO

Ola Paulsson

AUDITOR'S REVIEW REPORT ON THE HALF-YEARLY REPORT

TO THE UNIT-HOLDERS IN THE LYNX FUND

INTRODUCTION

As auditor of Lynx Asset Management AB, company registration number 556573-1782, we have conducted a review of the enclosed half-yearly report for the Lynx Fund as at 30 June 2020. Responsibility for preparing and presenting the half-yearly report in accordance with the Act on managers of alternative investment funds and the regulations of the Swedish Regulatory Authority (Finansinspektionen) on managers of alternative investment funds rests with the Board of Directors of the fund management company. Our responsibility is to express a conclusion on the half-yearly report on the basis of our review.

THE SCOPE OF THE REVIEW

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

ming an analytical examination and conducting other summary auditing measures.

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

OPINION

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

Stockholm 21 August 2020
KPMG AB

Mårten Asplund
Authorised public accountant

PORTFOLIO MANAGERS

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

Jonas Bengtsson is a Founding Partner, Portfolio Manager and Director of the Board 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.

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

David Jansson is a Partner, Portfolio Manager and Head of Execution Research at Lynx. David Jansson was hired by Lynx in 2005 as a trader. In 2007, he initiated the firm's efforts in Execution Research and in 2011 he became Partner and Head of Execution Research, where he is responsible for the development of the firm's execution algorithms. In 2019, he was promoted to Portfolio Manager. Earlier in his career, Jansson worked at B & P Fund Services. David Jansson holds a MSc in Economics from Stockholm University, where he also studied mathematics.

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

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

GLOSSARY

Correlation

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

Derivative

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

Downside risk

A measure of the distribution of an asset's negative return. The calculation of downside risk for a time-series 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.

High watermark

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

Hurdle Rate

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

Index

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

JP Morgan Global Government Bond Index (local currency)

Calculated on the basis of change in value plus accrued interest. Currency fluctuations do not affect the index. Source: Bloomberg/EcoWin.

Longest period of time to new high

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

Maximum drawdown

The largest possible drop in value during the period.

MSCI World NDTR Index (local currency)

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

Prime broker

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

Risk

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

Risk-adjusted return

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

Sharpe ratio

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

Special fund

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

Standard deviation

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

Value at Risk (VaR)

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

Volatility

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



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