



ANNUAL REPORT 2021

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, 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 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. 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, 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.
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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:	Elisabeth Frayon

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.

ANNUAL REPORT 2021

*The Board and the CEO of Lynx Asset Management AB
herewith submit the following annual report for the Lynx Fund for
the financial year 2021.*



CONTENTS

<i>Performance overview</i>	
<i>Year in review</i>	7
<i>Analysis of the result</i>	8
<i>Performance since inception</i>	10
<i>Risk</i>	10
<i>Investment process</i>	10
<i>Sustainability</i>	13
<i>Assets under management</i>	14
<i>Office access</i>	14
<i>Outlook</i>	14
<i>Report of the Directors</i>	
<i>Performance</i>	15
<i>Development of fund assets</i>	15
<i>The fund's costs</i>	15
<i>Result</i>	15
<i>Investment activities</i>	15
<i>Organisational changes</i>	15
<i>Fund rules</i>	15
<i>Significant events during the period</i>	15
<i>Significant events after the end of the period</i>	15
<i>Information on remuneration</i>	15
<i>Significant risks associated with the fund's holdings</i>	16
<i>Communication with unit-holders</i>	17
<i>Other</i>	17
<i>Accounts</i>	
<i>Income statement</i>	18
<i>Balance sheet</i>	19
<i>Statement of net assets (holdings of financial instruments)</i>	20
<i>Accounting principles</i>	25
<i>Changes in net assets</i>	25
<i>Net asset value of units</i>	25
<i>Unit-holders' costs</i>	26
<i>Audit report</i>	27
<i>Portfolio managers</i>	29
<i>Glossary</i>	30

IMPORTANT INFORMATION

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



PERFORMANCE OVERVIEW

■ Lynx generated a positive return of 0.75 per cent in 2021 as gains in commodities and equities offset losses in fixed income and foreign exchange. The result brings annualized performance since inception to 8.98 per cent with an annualized standard deviation of 14.78 per cent. For the first time since 2017, the yearly result fell short of the Société Générale CTA Index (a leading industry benchmark) which ended the period up 6.17 per cent. The program's relatively shorter timeframe and more conservative asset allocation as compared to many competitors were largely responsible for the performance dispersion.

Entering 2021, optimism that the COVID-19 pandemic would soon be under control as vaccines became increasingly available across the globe was confounded by the emergence of new variants as the year progressed. While the reaction to each consecutive wave of the virus was more muted relative to the first, the periodic pullbacks were rather challenging for the Fund to navigate at times. Meanwhile, rising inflation created significantly more interesting opportunities, particularly in the commodities, as manufacturing accelerated and the demand for energies and industrial metals outpaced supply growth. Inflationary pressures remained high as the year came to a close.

Medium and long-term trend-following models generated solid gains, although shorter-term timeframes were slightly unprofitable. Generally, models which were more reactive to changing market conditions underperformed as most pullbacks, particularly in equities, quickly reversed. Conversely, short-term diversifying models yielded positive results, whereas medium and long-term counterparts detracted from the return. Diversifying models designed to be explicitly long volatility and those utilizing machine learning techniques generally underperformed, while those employing systematic macro concepts were profitable.

YEAR IN REVIEW

Has the extraordinary become ordinary? Rising global COVID-19 cases, political upheavals around the world, elevated geopolitical tensions and the highest developed market inflation readings in a generation had little lasting impact on investor sentiment in 2021.

The year began with a surge of coronavirus infections across the globe, but also the hope that newly developed vaccines would soon end the plague that had gripped the world over the prior year. However, the

emergence of highly contagious variants extended the life of the pandemic as delta instigated another round of lockdowns and travel restrictions in the spring while omicron spread wildly across the globe late in the 4th quarter. Despite record high infection rates and the declining efficacy of vaccines given the virus' mutations, market reactions to these developments were distinctly different than the initial response in 2020. Pullbacks were reasonably short-lived as investors quickly shrugged off bad news, rather envisioning the future post-COVID.

On the political front, there were multiple leadership changes during the year and not all transfers of power were peaceful. Following a speech by Donald Trump at a rally on January 6th, thousands of his supporters advanced on the US Capitol, storming the building and sending members of Congress into lockdown to prevent the certification of Joe Biden's presidential election.

A military coup in Myanmar in early February toppled the popularly elected government of Aung San Suu Kyi – a former Nobel Prize winner. In June, Israel's longest-serving prime minister, Benjamin Netanyahu, was ousted from his position for the second time in his career amid corruption charges. Later in the year, Angela Merkel stepped down after 16 years as German Chancellor while in Sweden, Magdalena Andersson became the first female Prime Minister in history.

Perhaps unsurprisingly, geopolitical pressures remained elevated across much of the globe. After amassing troops on their border with the Ukraine, Russia warned western nations against getting involved in any dispute claiming their moves were in response to a building NATO influence in the region. Russian forces stayed in place as the year came to an end and tensions remained high. On the Gaza strip, fighting escalated between Israeli forces and Palestinian militants with 250 people dying before Israel agreed to a ceasefire deal to end the conflict. In August, the Taliban captured Kabul and the Afghan government surrendered control of the nation to them ending 20 years of US involvement in the country. Continued territorial disputes in Asia between China and their neighbors and the resulting military exercises and other displays of force had many in the region on edge, concerned about an escalation.

On the economic front, after remaining relatively subdued for nearly a generation, inflation numbers increased dramatically in 2021. Unlike some other similar

periods historically, supply chain disruptions and work force shortages created by the pandemic were initially cited as the primary causes. As a result, many global central bankers considered the pressures to be transitory. However, as economies continued to reopen following widespread lockdowns in 2020, reflationary pressures built. Expansionary monetary policy remained in place and fiscal spending increased across much of the globe. Consumer prices climbed at their fastest pace in decades. CPI in the US exceeded 7 per cent for the first time since 1982, while numbers in Germany and the Great Britain rose at 4.7 and 4.3 per cent, respectively; readings were even higher in the European periphery.

Policy makers ultimately needed to address persistently high inflation in Europe and North America, despite concern over the coronavirus. Although policy remained accommodative, central banks began to accelerate the move towards normalization as the year came to an end. The Bank of England and Norges Bank each hiked interest rates in December, while the Fed indicated they were on track to raise rates multiple times in 2022 and suggested they would likely quicken the tapering of asset purchases. Foreign exchange and fixed income markets reacted to these moves and the changing macroeconomic landscape. Rates climbed across much of the globe with the German bund yields rising 39 basis points to end the year at -0.18 per cent and US 10-year Treasury notes surging nearly 60 basis points to 1.51 per cent.

Despite rising yields and expectation of normalizing conditions in 2022, asset prices increased; commodities were one of the primary beneficiaries, particularly energies. Early in the year, Saudi Arabia's voluntarily production cut – beyond levels previously negotiated within OPEC – and widespread refinery shutdowns in Texas resulted in a sharp appreciation of the crude oil complex. As the year progressed, increasing demand and tight supply supported even higher prices. Natural gas prices similarly surged as producers were relatively slow to ramp up production due to skepticism that industrial demand would remain robust in light of the emergence of new variants of COVID-19. As Autumn arrived, European natural gas supply was at a seasonal record low and prices rocketed higher. European shortages due largely to anemic Russian supply had nations on the continent competing with Asia for liquid natural gas shipments. The geopolitical strife over Ukrainian membership in the EU and the delayed certification and approval by European regulators of Nord Stream 2 – the controversial natural gas pipeline to Western Europe – each contributed to Russia's reluctance to increase deliveries.

Industrial metals similarly climbed on the reflation trade. Increased Chinese imports and decreased South American production, particularly in the first quarter, were supported by rising copper demand for

electrical wiring and battery production. Agricultural commodities also appreciated early in the year on rising demand and concern that inventories would continue to dwindle due to unfavorable growing conditions in the US and South America; by April, corn and soybean prices eclipsed their highest levels in almost a decade. However, beneficial weather in the midwestern United States in the late spring resulted in dramatic price reversals. Grain and bean prices gave back previous gains and were trading lower on the year until a late December price spike.

Outside of commodities, equity markets across much of the globe again delivered exceptional results in 2021. Despite lofty valuations, accommodative monetary policy and increasing fiscal stimulus around the globe created a ripe environment for stocks to flourish. Better-than-expected earnings, accelerating manufacturing growth and strong performance from energy and property-related stocks further bolstered gains, particularly in large cap indices. The identification of new COVID-19 variants over the course of the year created some interim volatility and rising inflationary pressures had many forecasting more challenging conditions ahead in 2022, but most major global market indices delivered positive results. The one notable exception was China where relatively tighter monetary policy, increasing governmental oversight of private companies, and generally lower vaccination rates than in the West contributed to relatively poor results. While the S&P 500, EuroStoxx and TOPIX indices ended the year up 27.0, 21.0 and 10.4 per cent, respectively, the China 50 index closed down -11.3 per cent, while the Hang Seng index in Hong Kong dropped -14.0 per cent.

ANALYSIS OF RESULT

Lynx generated a modest gain of 0.75 per cent in 2021 as gains in commodities and equities outweighed losses in fixed income and foreign exchange. Overall, medium and long-term trend-following models generated solid gains, although shorter-term peers were slightly unprofitable. Conversely, short-term diversifying models yielded positive results, whereas medium and long-term models detracted from the return. In aggregate, diversifying models designed to be explicitly long volatility and those utilizing machine learning techniques underperformed while those employing systematic macro concepts were profitable. Commodities were particularly profitable, generating a gain of 8.0 per cent primarily due to long positions in the energy sector. Crude oil and natural gas prices rose dramatically on increasing demand and declining inventories. The imbalance was especially stark in Europe as Russian supply was insufficient to keep up with rising consumption, although Asia was similarly in deficit. Agriculture markets and base metals also generated gains, while precious metals were the lone detractor in the asset class as prices fluctuated.

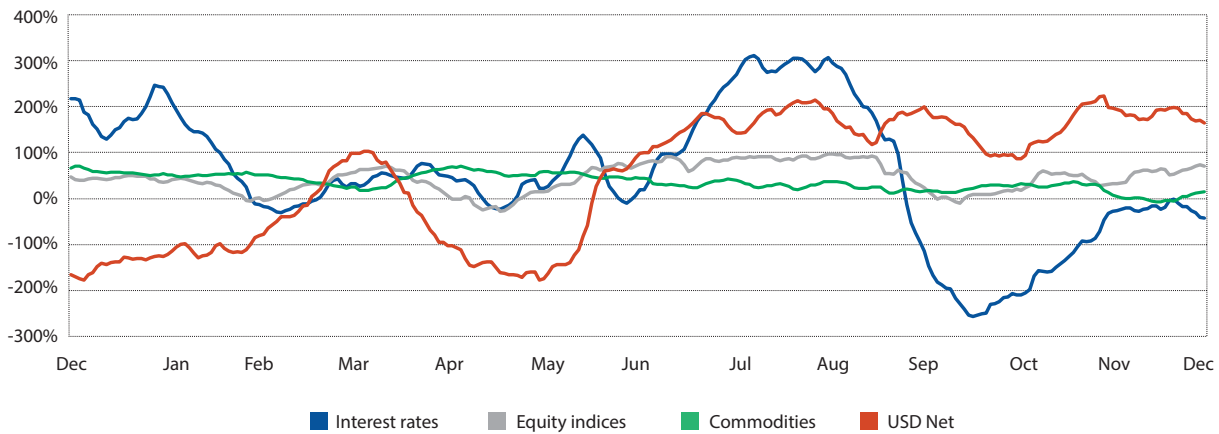


Chart 1 Net Exposure by Asset Class in 2021.

tuated on shifting expectations of US monetary policy. Profits were generated by both trend-following and diversifying models across timeframes as the opportunity set was strong for most methodologies. On an absolute basis, trend-following models outperformed diversifying counterparts, although based on the risk budgeted to each, the latter were generally more efficient.

Although the asset class contributed a positive 2.8 per cent as a whole, equity performance was mixed by region as gains in Asia/Pacific and North America overshadowed a small loss in Europe. Exposure vacillated broadly over the course of 2021 ranging between approximately 95 per cent net long and 27 per cent net short as models reacted relatively quickly to shifting price action, particularly when markets declined sharply on coronavirus concerns or inflationary fears in the spring and early fall. Largest gains were realized in the S&P 500, Dow and Canada 60 indices in North America and the Kospi, Hang Seng and China H-Share indices in Asia; notably, profits in China were the result of short positions while long exposure drove positive results elsewhere. Medium and long-term trend-following models were particularly profitable, while short-

term timeframes had difficulty navigating the market environment; given how quickly markets recovered from periodic pullbacks during the year, longer holding periods – which are relatively less reactive to price changes – generally outperformed faster models. Meanwhile, all diversifying timeframes produced positive results – albeit to a lesser degree than trend.

Foreign exchange was a challenging asset class to trade in 2021, particularly in the first half of the year, generating a loss of 2.6 per cent. As was the case with equities, net exposure fluctuated widely with net US dollar positioning ranging between approximately 223% long and 177% short. The program entered 2021 with significant short exposure in the greenback which suffered as the US currency rose early in the first quarter on increasing rate expectations; while the Fed remained highly accommodative, indications of rising inflation resulted in an increasingly hawkish tone from many Federal Reserve governors. As the year progressed, rising inflation numbers across much of the globe had other central banks similarly shifting away from crisis-era rhetoric and towards a focus on policy normalization. Exchange rates moved around dramatically,

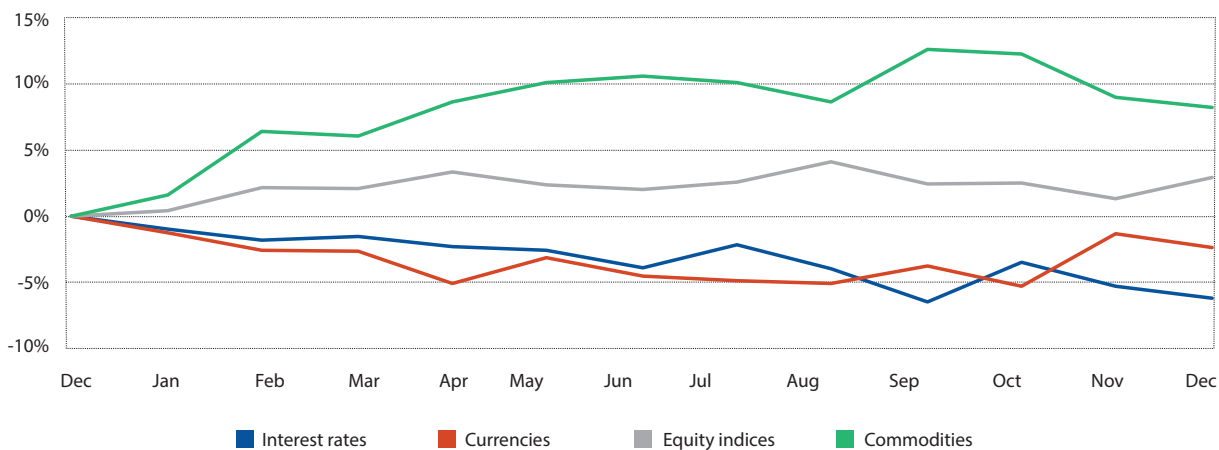


Chart 2. Contributions to performance by asset class in 2021.

and sometimes unpredictably. While strong gains were generated in the asset class over the final few weeks of the year, they were insufficient to cover early declines. Trend-following models were unprofitable across timeframes, with losses relatively commensurate with the risk budgeted. Meanwhile, long-term diversifying models generated a solid gain which more than offset a loss from medium-term counterparts.

Fixed income was the worst performing asset class for Lynx in 2021 contributing a negative 6.4 per cent exclusively due to trading in global bonds; short-term interest rates were modestly profitable. Trading in Europe was particularly challenging as the models had difficulty navigating the changing market dynamics, particularly in the second half of the year. After fluctuating between long and short positions through June, the program built significant long exposure in the French notional bond (OAT), German bund and UK gilt in the early summer months as a resurgence of COVID-19 infections created concern that the nascent recovery might be stifled by a new wave of lockdowns and restrictions. When exposures were at their peak, Eurozone inflation readings surged due largely to rising food and energy prices resulting in a spike in yield expectations. Amongst the trend-following cluster, medium- to long-term models generated losses, while the shorter-term holding periods were faster to adapt to the quickly changing environment and produced a modest gain. Meanwhile, diversifying models were negative contributors in the asset class across holding period, with long-term timeframes having particular difficulty.

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

RETURN BY ASSET CLASS

	2021	2020
Commodity-related investments	8.0%	11.3%
Equity-related investments	2.8%	9.6%
Currency-related investments	-2.6%	0.0%
Fixed income-related investments	-6.4%	-12.7%
Other (management fees, interest, etc.)	-1.1%	-2.3%
TOTAL RETURN	0.7%	5.9%

RETURN BY MODEL TYPE

	2021	2020
Trend-following models	2.7%	9.6%
Of which,		
short-term	-0.1%	1.8%
medium-term	1.1%	7.8%
long-term	1.7%	0.0%
Diversifying models	-0.9%	-1.4%
Of which,		
short-term	0.6%	-0.6%
medium-term	-0.9%	-0.7%
long-term	-0.6%	-0.1%
Other (management fees, interest, etc.)	-1.1%	-2.3%
TOTAL RETURN	0.7%	5.9%

PERFORMANCE SINCE INCEPTION

The table on page 12 shows key figures for Lynx since the Fund's inception in May 2000 and comparative figures for a global equity index and bond index (MSCI World NDTR Index and JP Morgan Global Government Bond Index) over the same period. It also shows key figures for a representative industry benchmark index (Société Générale CTA Index). Lynx underperformed the peer group for the first time since 2017 due in large part to the program's relatively shorter timeframe and more conservative asset allocation as compared to many competitors. Long-term trend models were the best performing model family in the Lynx Program in 2021, although these only represented approximately 10 per cent of the overall risk. With our focus on equity risk mitigation, most of the trend-following risk in the Lynx Program is derived from short- to medium-term models which underperformed on a relative basis.

RISK

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 2021, the average VaR for Lynx was around 1.8 per cent.

The fund's risk utilization is decided by the underlying models and the risk is directed to those markets where the models identify the most attractive opportunities. Throughout much of the year, commodities accounted for a relatively large portion of the risk and was also the best performing asset class, reflecting how the risk budgeting process can contribute to positive results. When more challenging conditions for commodities developed at the beginning of the fourth quarter, risk in these markets declined dramatically. Generally, models were highly tactical allocating risk across asset classes as the market environment shifted, albeit with varied results.

Chart 3 on page 11 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.

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 nearly fifty models currently employed in the program, the investment committee focuses primarily on longer term matters including: determining which models are included 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. 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 be based on a solid underlying foundational concept, but also demonstrate the ability to generate positive results across multiple time periods and display attractive return characteristics in several key aspects. In addition to risk-adjusted return and correlation to the existing model suite, skewness, correlation to volatility, performance during market crises, and many other relevant factors are considered. The approach is aimed at systematically quantifying not only how a model influences the expected Sharpe ratio of the program, but also how it impacts other key performance characteristics which are important to our investors.

As part of the semiannual evaluation, all models that are already employed in the portfolio are reviewed to ensure that performance has not deviated from historical expectations and their overall contribution to the portfolio continues to warrant an allocation. Significant advancements in our approach to estimating and forecasting portfolio characteristics in recent years have resulted in a more reliable and robust portfolio construction process. While the investment committee continues to have the final say on allocation decisions to models and asset classes, the weight placed on the output of statistical portfolio optimization continued to rise in 2021. The most notable developments in the portfolio construction process during the year were improvements to a few key ratios quantifying a model's portfolio protection characteristics and the introduction of a new way of detecting and penalizing models that do not perform as expected.

During the year, five new models were added to the portfolio, while two models were retired. All five additions are part of the diversifying component of the portfolio, and each employs a unique methodology designed to bolster the potential sources of return for the program; four of these are classified as medium-term and one as short-term. One of the retired models was

categorized as short-term diversifying and the other as long-term trend-following.

– *The first new addition* to the portfolio is a multivariate medium-term diversifying model utilizing multiple indicators – some conditioned on other indicators and the performance of the signals generated – to construct an optimal portfolio; the model approach is similar to a neural network with no hidden layers.

– *The second model* is also medium-term and uses both fundamental and technical inputs to forecast commodity prices; import/export data, foreign exchange rates, commitment of traders reports, term structure dynamics and cross-commodity spread information are all considered.

– *The third addition* is an asset-class specific short-term diversifying model that measures the trend of ETF and mutual fund flows to trade precious metals.

– *The fourth new model* employs a regression approach to statistically determine the optimal portfolio to trade; the most notable difference between this model and other similar ones in the program is the application of a technique to control the position bias.

– *The final addition* is an adaptive model that uses global macroeconomic indicators (growth, inflation, sentiment, seasonality, etc.) to forecast price moves across a broadly diversified portfolio.

Two models retired – *the first model retired* was a short-term diversifying model that had underperformed expectations; as explained earlier, models are constantly reevaluated to ensure that their return characteristics continue to warrant an allocation.

– *The second retirement* was a multivariate long-term trend model incorporating value, momentum and risk sentiment indicators as well as meta-signals to tactically allocate capital between stock indices and bonds; newer models were developed that apply similar concepts, but more robustly.

During the year, the risk budgeted to trend-following models decreased slightly from 72 to 70 per cent,

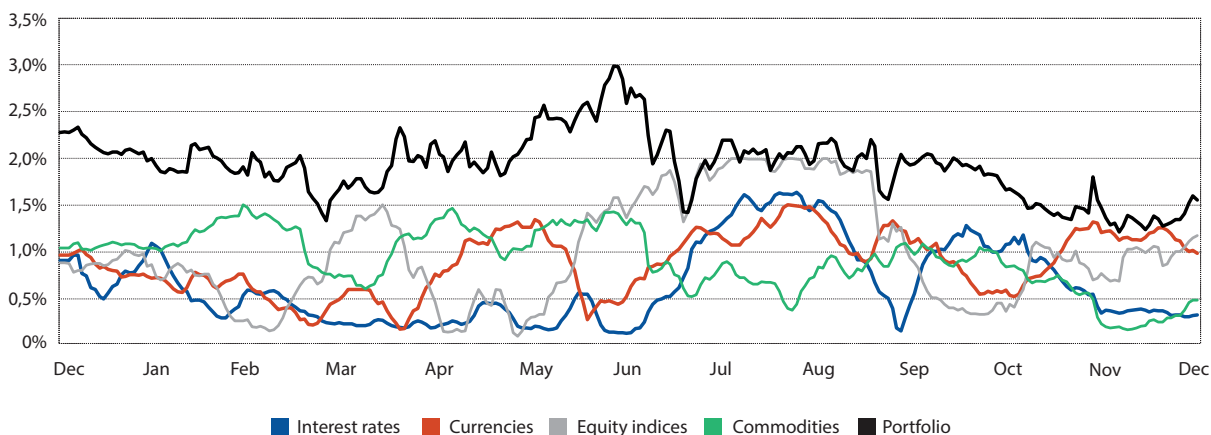


Chart 3. Value at Risk during 2021.

SOME KEY RATIOS SINCE INCEPTION¹

	Lynx (SEK) ²	MSCI World NDTR Index (local currency)	JP Morgan Global Gov't Bond Index (local currency)	Société Générale CTA Index (USD)
RETURN				
2021, %	0.75	24.73	-2.51	6.17
2020, %	5.94	13.37	5.46	3.04
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, %	544.35	229.42	124.74	151.10
Average annual return since inception, %	8.98	5.65	3.81	4.31
ANALYSIS OF RETURN				
Best month, %	14.90	11.97	3.09	8.85
Worst month, %	-14.14	-16.37	-2.21	-7.64
Average monthly return, %	0.72	0.46	0.31	0.35
Maximum drawdown since inception, %	30.58	50.77	4.51	14.26
Longest period of zero return, number of months	At least 82 (ongoing)	74	32	62
KEY RATIOS				
Standard deviation, %	14.78 ⁴	14.21	3.14	8.52
Downside risk, %	9.11	10.31	1.84	5.36
Sharpe ratio	0.51	0.30	0.78	0.35
Correlation between Lynx and index shown	-	-0.08	0.36	0.84

¹ For definitions, see glossary on page 30.

² Lynx return is stated net of fees.

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

⁴ The fund's standard deviation the last two years is 11.41 per cent.

while the allocation to diversifying models rose from 28 to 30 per cent. Notably, the reduction in trend came primarily from long-term models which declined from 13 to 9 per cent; short-term trend increased from 14 to 18 per cent, while medium-term models fell from 42 to 41 per cent. The small increase in diversifying models was largely due to medium-term timeframes which rose from 18 to 20 per cent; short-term diversifying models remained steady at 3 per cent, while long-term diversifiers declined from 10 to 9 per cent. The overall 5 per cent reduction in long-term models reflects our objective for the program to become more adaptive to shifting market conditions. The average risk allocation amongst asset classes remained unchanged, with fixed income and equities each budgeted 28 per cent, foreign exchange 23 per cent and commodities 21 per cent.

The table below illustrates the allocations to each model category as of the end of 2021 compared to these same figured from the end of 2020 (in parentheses):

TARGET ALLOCATION BETWEEN MODEL TYPES*

	<i>Trend-following models</i>	<i>Diversifying models</i>
Short-term	18% (14)	3% (3)
Medium-term	41% (42)	20% (18)
Long-term	9% (13)	9% (10)

SUSTAINABILITY

In order to invest responsibly, Lynx is dependent upon the health and the efficient functioning of the financial markets as well as of the society in a wider perspective. Lynx ultimately believes that ESG factors can potentially have a material impact on long-term financial performance. Poorly managed ESG risks can lead to inefficiencies, operational disruptions, and reputational risk, which may ultimately impact our ability to meet our financial responsibilities. Sustainability factors are considered as part of the broader investment process, meaning that any ESG-related risk in traded instruments is assessed carefully vis-à-vis other risks. The approach ensures that Lynx’s investment teams are making investment decisions with the knowledge of key ESG-related matters that ultimately might have an impact on an investment’s risk and/or return.

We focus on the most liquid markets and our exposure and trading volumes are designed to be small in relation to the open interest and daily traded volume to minimize our market impact. As the fund invests in derivatives which do not carry voting rights, we are unable to exercise active ownership or influence companies in the same way as equity funds. Instead, we engage with other asset managers, policy makers and derivatives exchanges

to reassure investors that we truly value the principles and practices that we preach.

Sustainability activities in 2021

2021 saw the official formation of the Lynx Sustainability Forum. The Forum sets and updates Lynx’s sustainability framework, direction and project prioritizations and ensures that resources are leveraged across the firm to drive these initiatives. The Forum includes team members from different groups within Lynx and provides the Executive Management Committee and Board of Directors with regular updates on sustainability efforts.

During the year, the Sustainability Forum increased their engagement with derivatives exchanges and industry organizations to help facilitate the development of standards, practices and new products designed to enable the green transition. Liaising with these groups has enabled us to increase our understanding of ESG risks relating to our investment universe and opened us up to potentially including new ESG-related investments. Members of the Forum also joined roundtables and working groups sponsored by external organizations where we are members such as the Alternative Investment Management Association (AIMA) and the Standards Board for Alternative Investments (SBAI). In addition, members of the Forum regularly participated in conferences, seminars and panels and produced independent research on the challenges and opportunities CTAs face when implementing responsible investment.

With more capital flowing into ESG strategies, global exchanges – including the Nasdaq, Eurex and CME Group – have launched a series of equity index futures tied to ESG benchmarks. Considering our commitment to responsible investing and our aspiration to be early adopters, Lynx started trading three of these derivatives in 2021 and we are monitoring and evaluating a long list of similar instruments for potential inclusion in our investment universe in the future.

Furthermore, we acknowledge and support the work of derivatives exchanges in introducing ESG standards for commodity contracts. As an example, the London Metal Exchange (“LME”) – where Lynx currently trades aluminum, copper, lead, nickel, and zinc – has incorporated ESG standards into its contract specifications with regards to responsible sourcing. Similarly, the CME – where Lynx trades precious metals, among other instruments – adopted sourcing guidelines for silver, platinum and palladium during the year in their continuous effort to review metal sourcing and origins. For gold contracts traded on the exchange, responsible sourcing guidelines have existed since 2015.

Finally, as the EU Sustainable Finance Disclosure Regulation (SFDR) came into effect in March 2021,

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

significant progress has been made, and even more work underway, in achieving compliance with the disclosure requirements and being able to report accordingly. More information can be found on our website.

ASSETS UNDER MANAGEMENT

Total assets under management in the Lynx program as of the end of 2021 were approximately SEK 56.6 billion, compared with SEK 42.6 billion at the end of 2020. The increase in assets under management is partially a result of significant inflows during the year as we enjoyed the continued confidence of our clients.

Most of the program's assets are invested in separately managed client accounts and in offshore funds. The Swedish Lynx fund and the Lynx Dynamic fund together accounted for less than 5 per cent of the total assets under management in the program as of year-end.

OFFICE ACCESS

Lynx continues to follow the guidance and advice from the Public Health Agency of Sweden (Folkhälsomyndigheten) regarding working remotely. As of the writing of this letter, employees currently have the ability to either work from Lynx' office or remotely through secured connections. Prior to the emergence of the omicron variant of COVID-19, employees were encouraged to return to the office at least three days per week based on the requirements of their position and in agreement with their supervisors. As the restrictions were lifted in February 2022, we have been able to resume these principles.

OUTLOOK

Global growth was exceptionally strong in 2021 fueled by a combination of increased fiscal and monetary stimulus and the positive impact of economies reopening as governments eased pandemic restrictions. Inflation also climbed reaching levels not seen in most countries in a generation or more, and central banks took note. Many initially speculated that the inflationary pressures were likely transitory, primarily due to short-term supp-

ly chain disruptions and a sudden shift in manufacturing activity. However, as inflation remained elevated throughout the year, that opinion began to change.

As the year was coming to a close, governments began announcing the end of asset purchase programs – some dating from the global financial crisis and others introduced in the midst of the COVID-19 pandemic – and central banks began tightening monetary policy. As these inflationary pressures continue into 2022, this trend towards policy normalization could persist and the tailwind created by cheap liquidity and relatively low volatility may turn. The resulting environment for long-only equity and bond investors could be challenging, while the opportunity set for Lynx could improve markedly.

With our focus on ESG and sustainability, we also took note when Joe Biden signaled the US's return to the Paris Accord almost immediately after taking office. The significance of this decision was evidenced by multiple weather-related natural disasters occurring during the year across the globe. Arguably one of the most significant changes likely to take place over the coming decade will be the "green transition." As the world shifts from the old economy in to the new sustainable "green" one, the supply/demand dynamics of global markets will be impacted. As markets reset from one level of equilibrium to the next, significant trends could emerge.

We have discussed in prior annual reports that we are not in the business of predicting the distant future, but rather how markets will move tomorrow. However, shifts in the macroeconomic environment and changes in the way producers and consumers behave create opportunities for our strategy. Given the magnitude of the adjustments that will likely take place over the coming years – from monetary policy to sustainable investing – we are excited about the possibilities.

As always, Lynx remains committed to managing your capital responsibly and profitably. We are invested alongside our clients in every program we manage, aligning our interests directly with our investors. We hope to reward your confidence in us with differentiated, positive returns in 2022 and beyond.

REPORT OF THE DIRECTORS

PERFORMANCE

In 2021 Lynx generated a return of 0.75 per cent net of fees. The table on page 16 shows the fund's return per calendar month and the return for a number of indices.

DEVELOPMENT OF FUND ASSETS

As at 31 December 2021 Lynx had a net asset value of SEK 1,369.9 million. This is a decrease of SEK 211.0 million since 31 December 2020. New units worth SEK 93.3 million were issued in 2021, while redemptions amounted to SEK 321.0 million. The result for the year was SEK 16.6 million.

THE FUND'S COSTS

In 2021, the fund paid commissions and clearing fees of SEK 4.3 million. In relation to average net asset value, this equates to an annual cost of 0.3 per cent (0.3 per cent also in 2020). Fixed management fees of SEK 14.9 million to Lynx Asset Management AB were charged to the fund, representing an annual charge of 1 per cent. No performance fees were 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 0.75 per cent. Commodities and equity-related investments were the best sectors, with positive contributions of 8.0 per cent and 2.8 per cent respectively. Interest rates and currencies both contributed with a negative return of -6.4 percent and -2.6 percent respectively.

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

No significant organizational changes have been made during the period.

FUND RULES

An amended version of the fund rules were updated on the 2nd July 2021. The amendment relates to calculation of total margin requirements being aggregated on a total portfolio level rather than per asset class and have no material impact on the management of the fund. The fund rules can be downloaded at www.lynxhedge.se.

SIGNIFICANT EVENTS DURING THE PERIOD

Lynx continue to adhere to the recommendations from authorities with regards to COVID-19. During the year, employees have had the ability to work either from the office (in accordance with suitably designed limits regarding the number of employees present simultaneously) or remotely through secured connections. During the autumn the office has been open as per normal, however following new recommendations from the authorities in December, new limits has been introduced. The Board and the Management Team continue to follow the situation carefully.

Since 1 May 2021, the independent risk control is performed inhouse in a separate team while previously being outsourced to B & P Fund Services AB. Since June 10, the internal audit is performed by PriceWaterhouse Coopers. This task was formerly also delegated to B & P Fund Services AB.

The new Sustainable Finance Disclosure Regulation (SFDR) went into force on the 10th March 2021. In accordance with SFDR the Manager is due to disclose information regarding sustainability risks and material negative consequences on sustainability due to the management of the fund. Lynx has a sustainability policy which describes how the sustainability risks are integrated in investment decisions and how events relating to environmental, social responsibility and governance could cause an actual or potential negative influence on the value of the investments, should this occur. The information is available on www.lynxhedge.se and in the information memorandum of the fund.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

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

INFORMATION ON REMUNERATION

For 2021, Lynx Asset Management AB paid out SEK 86 million in total remuneration to 94 employees, all of

MONTHLY RETURN 2021

RETURN 2021, %	Lynx (SEK) ¹	MSCI World NDTR Index (local currency)	JP Morgan Global Govt Bond Index (local currency)	Société Générale CTA Index
January	-0.34	-0.59	-0.81	-1.20
February	4.21	2.65	-2.21	2.87
March	-0.42	4.21	-0.33	0.89
April	0.56	4.04	0.15	3.01
May	2.19	1.03	0.17	1.93
June	-2.81	2.34	0.56	-1.06
July	1.37	1.71	1.37	0.28
August	-2.07	2.67	-0.28	-0.29
September	1.07	-3.69	-1.20	0.59
October	1.12	5.50	-0.09	2.56
November	-2.54	-1.47	1.12	-3.72
December	-1.35	4.27	-0.94	0.36
January-December	0.75	24.73	-2.51	6.17

¹ The return stated for Lynx is the return net of fees.

whom are wholly or partly involved in the activities of the AIF fund. Of this amount, SEK 29 million refers to fixed remuneration to the company's executive management and other specially regulated employees, 17 people in total. Variable remuneration to specially regulated personnel amounted to 340,000 Swedish Krona, paid to one person categorized as *risk taker*. 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 2021, this variable remuneration totalled SEK 8 million, distributed among 50 employees. The amount includes a distribution to the company's profit-sharing trust, which has no connection to the work performance of the employees.

The majority of specially regulated employees are shareholders of the company and receive no variable remuneration. Variable remuneration to other specially regulated employees follow the principles of the remuneration policy, which sets limits to mitigate 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 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 accor-

dance 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 2021 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 significant 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 2021, Lynx's collateral requirement was SEK 255 million, or 18.6 per cent of net asset value. The fund had no holdings of hard-to-value assets at 31 December 2021.

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 2021 was 2.99 per cent, the lowest 1.00 per cent and the average value 1.80 per cent. At 31 December 2021, VaR stood at 1.17 per cent. The highest value of the fund's leverage calculated using the gross method was 4,411 per cent, the lowest 1,977 per cent and the average value 3,493 per cent. At 31 December 2021, the value was 2,305 per cent.*

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 investment 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 of the Swedish and offshore funds.

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 2021 was thus 0. There have been no portfolio related transactions with the manager or any other related parties during the period.

* 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 2021 were 3,777 per cent (highest value), 1,832 per cent (lowest value) and 2,912 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 2021-01-01 – 2021-12-31

SEK thousand	Notes	2021-01-01-- 2021-12-31	2020-01-01-- 2020-12-31
INCOME AND CHANGE IN VALUE			
Change in value of derivative instruments		44 856	111 357
Interest income		-	33
Exchange rate profit and loss, net		-3 956	-2 860
TOTAL INCOME AND CHANGE IN VALUE		40 901	108 530
COSTS			
Cost of administration			
<i>Fee to the company operating the fund business</i>	1	-14 936	-15 128
Interest expenses		-5 016	-5 484
Other costs	2	-4 321	-4 719
TOTAL EXPENSES		-24 272	-25 331
PROFIT/LOSS FOR THE YEAR		16 628	83 199
NOTES			
<i>Note 1 Specification of cost of administration</i>			
Fixed management fee		-14 936	-15 128
TOTAL, COST OF ADMINISTRATION		-14 936	-15 128
<i>Note 2 Specification of other costs</i>			
Bank charges		-61	-31
Transaction costs		-4 260	-4 688
TOTAL, OTHER COSTS		-4 321	-4 719

BALANCE SHEET 2021-12-31

SEK thousand	Notes	2021-12-31	2020-12-31
ASSETS			
Money market instruments		1 120 129	1 232 007
Other derivative instruments with positive market value		38 833	105 188
<i>Total financial instruments with positive market value</i>		<i>1 158 962</i>	<i>1 337 194</i>
<i>Total investments with positive market value</i>		<i>1 158 962</i>	<i>1 337 194</i>
Bank deposits and other cash equivalents		312 554	261 748
Other assets	3	1 481	11 868
TOTAL ASSETS		1 472 996	1 610 811
LIABILITIES			
Other derivative instruments with negative market value		46 465	18 324
<i>Total financial instruments with negative market value</i>		<i>46 465</i>	<i>18 324</i>
Accrued expenses and deferred income	4	1 349	1 524
Other liabilities	5	55 326	10 091
TOTAL LIABILITIES		103 139	29 939
NET ASSET VALUE OF THE FUND		1 369 857	1 580 872
NET ASSET VALUE OF THE FUND			
Pledged collateral for derivative instruments*		254 532	285 773
TOTAL PLEDGED ASSETS		254 532	285 773
Percentage of net asset value		18.6	18.1
NOTES			
Note 3 Other assets			
Fund assets in course of settlement		1 481	11 868
TOTAL OTHER ASSETS		1 481	11 868
Note 4 Accrued expenses and deferred income			
Liability to fund management company		1 143	1 326
Interest expenses		206	198
TOTAL, ACCRUED EXPENSES AND DEFERRED INCOME		1 349	1 524
Note 5 Other liabilities			
Fund liabilities in course of settlement		13 570	228
Liability relating to redemptions		41 756	9 845
Other		-	18
TOTAL, OTHER LIABILITIES		55 326	10 091

* 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, 2021

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 gov't bonds (US Ultra Tbond)	Mar-22	CME,Chicago	USD	26	-1 037	-0.1
US gov't bonds (US Tbond)	Mar-22	CME,Chicago	USD	74	-1 598	-0.1
30-year German gov't bonds (Euro Buxl)	Mar-22	EUREX, Frankfurt	EUR	13	-1 073	-0.1
10-year US gov't bonds	Mar-22	CME,Chicago	USD	-263	403	0.0
10-year Australian gov't bonds	Mar-22	SFE, Sydney	AUD	130	-124	0.0
10-year UK gov't bonds (Long Gilt)	Mar-22	ICE, London	GBP	-30	-6	0.0
10-year French gov't bonds (Euro OAT)	Mar-22	EUREX, Frankfurt	EUR	131	-3 410	-0.2
10-year Italian gov't bonds (Euro BTP)	Mar-22	EUREX, Frankfurt	EUR	71	-2 035	-0.1
10-year Canadian gov't bonds	Mar-22	ME, Montréal	CAD	60	-64	0.0
10-year South Korean gov't bonds	Mar-22	KOREX, Korea	KRW	48	-343	0.0
10-year German gov't bonds (Euro Bund)	Mar-22	EUREX, Frankfurt	EUR	19	-72	0.0
5-year US gov't bonds	Mar-22	CME,Chicago	USD	-428	-317	0.0
5-year German gov't bonds (Euro Bobl)	Mar-22	EUREX, Frankfurt	EUR	167	-478	0.0
2-year US gov't bonds	Mar-22	CME,Chicago	USD	-241	175	0.0
2-year German gov't bonds (Euro Schatz)	Mar-22	EUREX, Frankfurt	EUR	140	-202	0.0
3-year Italian gov't bonds (Short BTP)	Mar-22	EUREX, Frankfurt	EUR	122	-591	0.0
3-year South Korean gov't bonds	Mar-22	KOREX, Korea	KRW	43	-45	0.0
SHORT INTEREST RATE FUTURES						
3-month US interest (Eurodollar)	Mar-22	CME,Chicago	USD	-7	-3	0.0
3-month US interest (Eurodollar)	Jun-22	CME,Chicago	USD	-27	-1	0.0
3-month US interest (Eurodollar)	Sep-22	CME,Chicago	USD	-47	45	0.0
3-month US interest (Eurodollar)	Dec-22	CME,Chicago	USD	-64	62	0.0
3-month US interest (Eurodollar)	Mar-23	CME,Chicago	USD	-69	50	0.0
3-month US interest (Eurodollar)	Jun-23	CME,Chicago	USD	-66	34	0.0
3-month US interest (Eurodollar)	Sep-23	CME,Chicago	USD	-887	-1 198	-0.1
3-month US interest (Eurodollar)	Dec-23	CME,Chicago	USD	-61	46	0.0
3-month US interest (Eurodollar)	Mar-24	CME,Chicago	USD	-57	58	0.0
3-month US interest (Eurodollar)	Jun-24	CME,Chicago	USD	-53	72	0.0
3-month US interest (Eurodollar)	Sep-24	CME,Chicago	USD	-49	53	0.0
3-month US interest (Eurodollar)	Dec-24	CME,Chicago	USD	-47	27	0.0
3-month US interest (Eurodollar)	Mar-25	CME,Chicago	USD	-44	1	0.0
3-month US interest (Eurodollar)	Jun-25	CME,Chicago	USD	-41	-26	0.0
3-month US interest (Eurodollar)	Sep-25	CME,Chicago	USD	-34	-47	0.0
3-month US interest (Eurodollar)	Dec-25	CME,Chicago	USD	-23	46	0.0
3-month Euro interest (Euribor)	Mar-22	ICE, London	EUR	12	6	0.0
3-month Euro interest (Euribor)	Jun-22	ICE, London	EUR	20	9	0.0
3-month Euro interest (Euribor)	Sep-22	ICE, London	EUR	19	-6	0.0
3-month Euro interest (Euribor)	Dec-22	ICE, London	EUR	-82	40	0.0
3-month Euro interest (Euribor)	Mar-23	ICE, London	EUR	1	0	0.0
3-month Euro interest (Euribor)	Jun-23	ICE, London	EUR	-9	4	0.0
3-month Euro interest (Euribor)	Sep-23	ICE, London	EUR	-13	19	0.0
3-month Euro interest (Euribor)	Dec-23	ICE, London	EUR	-15	33	0.0
3-month Euro interest (Euribor)	Mar-24	ICE, London	EUR	-14	29	0.0
3-month Euro interest (Euribor)	Jun-24	ICE, London	EUR	-13	44	0.0
3-month Euro interest (Euribor)	Sep-24	ICE, London	EUR	-12	44	0.0
3-month Euro interest (Euribor)	Dec-24	ICE, London	EUR	-10	36	0.0
3-month Canadian interest (Canadian Bankers Acceptance)	Mar-22	ME, Montréal	CAD	4	3	0.0
3-month Canadian interest (Canadian Bankers Acceptance)	Jun-22	ME, Montréal	CAD	1	0	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 Canadian interest (Canadian Bankers Acceptance)	Sep-22	ME, Montréal	CAD	-29	-57	0.0
3-month Canadian interest (Canadian Bankers Acceptance)	Dec-22	ME, Montréal	CAD	-5	-5	0.0
3-month Canadian interest (Canadian Bankers Acceptance)	Mar-23	ME, Montréal	CAD	-6	12	0.0
3-month Canadian interest (Canadian Bankers Acceptance)	Jun-23	ME, Montréal	CAD	-6	13	0.0
3-month SONIA interest	Mar-22	ICE, London	GBP	-10	21	0.0
3-month SONIA interest	Jun-22	ICE, London	GBP	-11	20	0.0
3-month SONIA interest	Sep-22	ICE, London	GBP	-12	-10	0.0
3-month SONIA interest	Dec-22	ICE, London	GBP	-12	40	0.0
3-month SONIA interest	Mar-23	ICE, London	GBP	-27	60	0.0
3-month SONIA interest	Jun-23	ICE, London	GBP	-27	39	0.0
3-month SONIA interest	Sep-23	ICE, London	GBP	-26	55	0.0
3-month SONIA interest	Dec-23	ICE, London	GBP	-25	29	0.0
3-month SONIA interest	Mar-24	ICE, London	GBP	-8	23	0.0
3-month SONIA interest	Jun-24	ICE, London	GBP	-7	22	0.0
3-month SONIA interest	Sep-24	ICE, London	GBP	-7	25	0.0
3-month SONIA interest	Dec-24	ICE, London	GBP	-6	49	0.0
CURRENCY FUTURES						
AUD/USD	Mar-22	CME, Chicago	USD	-276	-2 518	-0.2
CAD/USD	Mar-22	CME, Chicago	USD	-253	159	0.0
CHF/USD	Mar-22	CME, Chicago	USD	-17	-189	0.0
EUR/USD	Mar-22	CME, Chicago	USD	-308	-1 055	-0.1
GBP/USD	Mar-22	CME, Chicago	USD	-57	-808	-0.1
JPY/USD	Mar-22	CME, Chicago	USD	-302	3 042	0.2
EQUITY INDEX FUTURES						
US equity index (Dow Jones)	Mar-22	CME, Chicago	USD	64	1 375	0.1
US equity index (Mini Nasdaq)	Mar-22	CME, Chicago	USD	65	1 032	0.1
US equity index (Mini Russell 2000)	Mar-22	CME, Chicago	USD	35	445	0.0
US equity index (Mini S&P 400)	Mar-22	CME, Chicago	USD	5	103	0.0
US stock equity index (Mini S&P)	Mar-22	CME, Chicago	USD	99	3 328	0.2
Australian equity index (SPI)	Mar-22	SFE, Sydney	AUD	40	1 056	0.1
US equity index (MSCI Emerging Markets)	Mar-22	ICE, New York	USD	-7	-66	0.0
UK equity index (FTSE 100)	Mar-22	ICE, London	GBP	20	441	0.0
European equity index (Euro Stoxx)	Mar-22	EUREX, Frankfurt	EUR	164	2 087	0.2
French equity index (CAC)	Jan-22	Euronext, Paris	EUR	45	1 067	0.1
Dutch equity index (AEX)	Jan-22	Euronext, Amsterdam	EUR	16	738	0.1
Hong Kong equity index (Hang Seng)	Jan-22	HKFE, Hong Kong	HKD	-35	-41	0.0
Italian equity index (MIB)	Mar-22	BI, Milano	EUR	17	596	0.0
Japanese equity index (Nikkei)	Mar-22	SGX, Singapore	JPY	11	58	0.0
Japanese equity index (Nikkei)	Mar-22	OSE, Tokyo	JPY	18	27	0.0
Japanese equity index (TOPIX)	Mar-22	OSE, Tokyo	JPY	43	123	0.0
Canadian equity index (Canada 60)	Mar-22	ME, Montréal	CAD	20	720	0.1
Chinese equity index (FTSE China A50)	Jan-22	SGX, Singapore	USD	-142	121	0.0
Chinese equity index (H-shares)	Jan-22	HKFE, Hong Kong	HKD	-28	72	0.0
MSCI EAFE equity index	Mar-22	ICE, New York	USD	16	387	0.0
Swedish equity index (OMX)	Jan-22	Nasdaq OMX, Stockholm	SEK	55	596	0.0
South African equity index (FTSE JSE Top 40)	Mar-22	AFE, Sydafrika Johannesburg	ZAR	-4	-42	0.0
South Korean equity index (Kospi 200)	Mar-22	KOREX, Korea	KRW	-54	21	0.0
Taiwanese equity index (FTSE Taiwan)	Jan-22	SGX, Singapore	USD	61	338	0.0
German equity index (DAX)	Mar-22	EUREX, Frankfurt	EUR	24	1 390	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>
COMMODITY FUTURES						
Aluminum (LME)	Apr-22	LME, London	USD	9	0	0.0
Lead (LME)	Mar-22	LME, London	USD	-1	1	0.0
Lead (LME)	Apr-22	LME, London	USD	-1	-5	0.0
Cotton	Mar-22	ICE, New York	USD	58	949	0.1
Cotton	May-22	ICE, New York	USD	8	128	0.0
Cotton	Jul-22	ICE, New York	USD	7	142	0.0
Cotton	Dec-22	ICE, New York	USD	7	61	0.0
Heating Oil (NY Harbor ULSD)	Feb-22	NMX, New York	USD	13	329	0.0
L S Gasoil	Feb-22	ICE, London	USD	50	493	0.0
Gold	Feb-22	CME,Chicago	USD	-32	-669	0.0
Gold	Jun-22	CME,Chicago	USD	-1	-31	0.0
Gold	Aug-22	CME,Chicago	USD	-1	-13	0.0
Coffee	Mar-22	ICE, New York	USD	18	-568	0.0
Cocoa	Mar-22	ICE, New York	USD	-30	-244	0.0
Copper (COMEX)	Mar-22	CME,Chicago	USD	12	-122	0.0
Copper (COMEX)	May-22	CME,Chicago	USD	-1	-22	0.0
Copper (LME)	Mar-22	LME, London	USD	8	256	0.0
Copper (LME)	Apr-22	LME, London	USD	4	35	0.0
Corn	Mar-22	CME,Chicago	USD	178	-57	0.0
Corn	May-22	CME,Chicago	USD	7	20	0.0
Corn	Jul-22	CME,Chicago	USD	7	19	0.0
Corn	Dec-22	CME,Chicago	USD	9	-7	0.0
Corn	Mar-23	CME,Chicago	USD	8	-13	0.0
Corn	May-23	CME,Chicago	USD	2	-4	0.0
Natural gas	Mar-22	NMX, New York	USD	-3	94	0.0
Natural gas	Apr-22	NMX, New York	USD	-4	61	0.0
Natural gas	May-22	NMX, New York	USD	-4	61	0.0
Natural gas	Jun-22	NMX, New York	USD	-4	65	0.0
Natural gas	Jul-22	NMX, New York	USD	-4	60	0.0
Natural gas	Aug-22	NMX, New York	USD	-3	51	0.0
Natural gas	Sep-22	NMX, New York	USD	-1	12	0.0
Natural gas	Oct-22	NMX, New York	USD	2	-91	0.0
Natural gas	Nov-22	NMX, New York	USD	6	-202	0.0
Natural gas	Dec-22	NMX, New York	USD	10	-313	0.0
Natural gas	Jan-23	NMX, New York	USD	12	-239	0.0
Natural gas	Feb-23	NMX, New York	USD	13	-181	0.0
Natural gas	Mar-23	NMX, New York	USD	15	-202	0.0
Natural gas	Apr-23	NMX, New York	USD	14	-134	0.0
Natural gas	May-23	NMX, New York	USD	12	-123	0.0
Natural gas	Jun-23	NMX, New York	USD	7	-77	0.0
Natural gas	Jul-23	NMX, New York	USD	4	-50	0.0
Natural gas	Aug-23	NMX, New York	USD	1	-4	0.0
Nickel (LME)	Apr-22	LME, London	USD	-1	-23	0.0
Live cattle	Feb-22	CME,Chicago	USD	-6	-29	0.0
Live cattle	Apr-22	CME,Chicago	USD	-10	-136	0.0
Live cattle	Jun-22	CME,Chicago	USD	-13	-122	0.0
Live cattle	Aug-22	CME,Chicago	USD	-19	-169	0.0
Feeder Cattle	Mar-22	CME,Chicago	USD	1	25	0.0
Palladium	Mar-22	NMX, New York	USD	1	15	0.0
Platinum	Apr-22	NMX, New York	USD	-22	-372	0.0
RBOB Gasoline	Feb-22	NMX, New York	USD	26	1 295	0.1
RBOB Gasoline	Mar-22	NMX, New York	USD	1	60	0.0
RBOB Gasoline	Apr-22	NMX, New York	USD	1	59	0.0
RBOB Gasoline	May-22	NMX, New York	USD	1	71	0.0
RBOB Gasoline	Jun-22	NMX, New York	USD	1	68	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	Jul-22	NMX, New York	USD	1	63	0.0
RBOB Gasoline	Aug-22	NMX, New York	USD	1	54	0.0
RBOB Gasoline	Sep-22	NMX, New York	USD	1	81	0.0
RBOB Gasoline	Oct-22	NMX, New York	USD	1	11	0.0
RBOB Gasoline	Nov-22	NMX, New York	USD	1	92	0.0
Brent Crude Oil	Mar-22	ICE, London	USD	61	1 154	0.1
Brent Crude Oil	May-22	ICE, London	USD	1	11	0.0
Brent Crude Oil	Jun-22	ICE, London	USD	1	12	0.0
Brent Crude Oil	Jul-22	ICE, London	USD	1	12	0.0
Brent Crude Oil	Aug-22	ICE, London	USD	1	34	0.0
Brent Crude Oil	Sep-22	ICE, London	USD	1	59	0.0
Brent Crude Oil	Dec-22	ICE, London	USD	2	31	0.0
Brent Crude Oil	Jun-23	ICE, London	USD	2	-2	0.0
Brent Crude Oil	Dec-23	ICE, London	USD	2	0	0.0
Sweet Crude Oil	Feb-22	NMX, New York	USD	29	375	0.0
Sweet Crude Oil	Apr-22	NMX, New York	USD	1	31	0.0
Sweet Crude Oil	May-22	NMX, New York	USD	1	35	0.0
Sweet Crude Oil	Jun-22	NMX, New York	USD	1	75	0.0
Sweet Crude Oil	Jul-22	NMX, New York	USD	1	73	0.0
Sweet Crude Oil	Aug-22	NMX, New York	USD	2	76	0.0
Sweet Crude Oil	Sep-22	NMX, New York	USD	2	58	0.0
Sweet Crude Oil	Oct-22	NMX, New York	USD	2	75	0.0
Sweet Crude Oil	Nov-22	NMX, New York	USD	2	70	0.0
Sweet Crude Oil	Dec-22	NMX, New York	USD	3	188	0.0
Sweet Crude Oil	Jan-23	NMX, New York	USD	2	55	0.0
Sweet Crude Oil	Jun-23	NMX, New York	USD	3	120	0.0
Sweet Crude Oil	Dec-23	NMX, New York	USD	3	99	0.0
Silver	Mar-22	CME, Chicago	USD	-31	-1 186	-0.1
Silver	Jul-22	CME, Chicago	USD	-2	46	0.0
Silver	May-22	CME, Chicago	USD	-1	96	0.0
Silver	Sep-22	CME, Chicago	USD	-1	21	0.0
Sugar	Mar-22	ICE, New York	USD	1	-3	0.0
Sugar	May-22	ICE, New York	USD	-6	8	0.0
Sugar	Jul-22	ICE, New York	USD	-5	7	0.0
Sugar	Oct-22	ICE, New York	USD	-1	1	0.0
Soybean meal	Mar-22	CME, Chicago	USD	-9	-169	0.0
Soybean meal	May-22	CME, Chicago	USD	8	79	0.0
Soybean meal	Jul-22	CME, Chicago	USD	9	140	0.0
Soybean meal	Dec-22	CME, Chicago	USD	11	249	0.0
Soybean meal	Jan-23	CME, Chicago	USD	2	5	0.0
Soybean oil	Mar-22	CME, Chicago	USD	-43	-652	0.0
Soybean oil	May-22	CME, Chicago	USD	-4	-35	0.0
Soybean oil	Jul-22	CME, Chicago	USD	-3	-44	0.0
Soybeans	Mar-22	CME, Chicago	USD	-57	-1 701	-0.1
Soybeans	May-22	CME, Chicago	USD	3	45	0.0
Soybeans	Jul-22	CME, Chicago	USD	4	109	0.0
Soybeans	Nov-22	CME, Chicago	USD	6	58	0.0
Soybeans	Jan-23	CME, Chicago	USD	5	49	0.0
Soybeans	Mar-23	CME, Chicago	USD	4	33	0.0
Wheat	Mar-22	CME, Chicago	USD	39	-112	0.0
Wheat	May-22	CME, Chicago	USD	-3	6	0.0
Wheat	Jul-22	CME, Chicago	USD	-1	3	0.0
Wheat	Sep-22	CME, Chicago	USD	1	-12	0.0
Wheat	Dec-22	CME, Chicago	USD	5	-60	0.0
Wheat	Mar-23	CME, Chicago	USD	5	-31	0.0
Wheat (KC Winter)	Mar-22	CME, Chicago	USD	43	-463	0.0
Zinc (LME)	Apr-22	LME, London	USD	1	2	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>
FIXED INCOME SECURITIES						
				<i>Nom. Amount</i>		
Swedish Treasury bills	Feb-22			133 MSEK	133 175	9.7
Swedish Treasury bills	Mar-22			455 MSEK	455 282	33.2
Swedish Treasury bills	Jun-22			416 MSEK	416 466	30.4
Swedish Treasury bills	Sep-22			115 MSEK	115 206	8.4
TOTAL OTHER FINANCIAL INSTRUMENTS THAT ARE ADMITTED TO TRADING ON A REGULATED MARKET OR A CORRESPONDING MARKET OUTSIDE THE EEA					1 123 369	82.0
OTHER FINANCIAL INSTRUMENTS						
CURRENCY FORWARDS						
				<i>Amount ('000)</i>		
AUD/USD	Mar-22		AUD	-18 570	-3 254	-0.2
CAD/USD	Mar-22		CAD	-17 020	1 290	0.1
EUR/USD	Mar-22		EUR	-25 875	-1 320	-0.1
GBP/USD	Mar-22		GBP	-2 363	-1 580	-0.1
JPY/USD	Mar-22		JPY	-2 557 500	2 290	0.2
MXN/USD	Mar-22		MXN	112 200	550	0.0
NOK/USD	Mar-22		NOK	-146 500	-4 756	-0.3
NZD/USD	Mar-22		NZD	-23 760	-1 224	-0.1
SEK/USD	Mar-22		SEK	-195 200	-851	-0.1
CHF/USD	Mar-22		CHF	-1 450	-345	0.0
CNH/USD	Mar-22		CNH	109 500	-70	0.0
SGD/USD	Mar-22		SGD	-17 360	-1 480	-0.1
PLN/USD	Mar-22		PLN	-600	-61	0.0
HUF/USD	Mar-22		HUF	72 000	-30	0.0
RUB/USD	Mar-22		RUB	217 500	-271	0.0
ZAR/USD	Mar-22		ZAR	-22 300	238	0.0
TOTAL OTHER FINANCIAL INSTRUMENTS					-10 872	-0.8
TOTAL FINANCIAL INSTRUMENTS					1 112 497	81.2
BANK DEPOSITS					312 554	22.8
OTHER ASSETS AND LIABILITIES, NET					-55 194	-4.0
TOTAL NET ASSETS					1 369 857	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 1 123 369 (82.0 per cent of the fund assets) and in Category 7 (Other financial instruments) amounting to TSEK -10 872 (-0.8 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

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

NET ASSET VALUE OF UNITS¹

	Value of the fund (SEK thousand)	Number of units in issue	Net asset value per unit, SEK	Dividend per unit, SEK	Return, %
2000-12-31	5 564	50 003	111.28		12.8
2001-12-31	47 796	384 608	124.27		15.8
2002-12-31	299 016	2 048 077	146.00		21.8
2003-12-31	1 659 703	8 753 943	189.59		34.6
2004-12-31	1 500 028	8 393 718	178.71	34.17	14.0
2005-12-31	1 025 909	6 259 139	163.91	24.93	6.6
2006-12-31	1 180 198	7 039 064	167.66	4.75	5.3
2007-12-31	1 132 164	5 964 169	189.83		13.2
2008-12-31	1 967 695	8 002 605	245.88	18.00	42.2
2009-12-31	1 928 204	9 652 805	199.76	27.00	-8.5
2010-12-31	2 499 247	10 554 880	236.79		18.5
2011-12-31	3 754 568	17 814 727	210.76	24.00	-0.9
2012-12-31	3 263 427	17 325 215	188.36	12.40	-5.1
2013-12-31	2 604 644	12 332 505	211.20		12.1
2014-12-31	3 059 807	11 355 990	269.44		27.6
2015-12-31	4 470 820	18 031 029	247.95		-8.0
2016-12-31	4 722 863	19 873 394	237.65		-4.2
2017-12-31	2 628 159	11 674 359	225.12		-5.3
2018-12-31	1 814 353	8 279 009	219.15		-2.7
2019-12-31	1 618 347	6 398 267	252.94		15.4
2020-12-31	1 580 872	5 899 757	267.96		5.9
2021-12-31	1 369 857	5 074 256	269.96		0.8

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>Investment at December 31, 2020</i>	<i>10 000.00</i>	<i>As % of investment 2020-12-31</i>
Change in value before costs	226,69	2.27%
Costs		
Fixed fee ¹	-103.34	-1.03%
Performance-based fee ²	0.00	0,00%
Other costs ³	-48.46	-0.48%
Change in value after costs	74.89	0.75%
Market value as at December 31, 2021	10 074.89	

The example above explains the costs incurred by Lynx in 2021. The figures relate to a unit-holder who owned units in the fund for the equivalent of SEK 10 000 at 31 December 2020 and who has retained these units throughout 2021.

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.

Svante Elfving
Chairman

Marcus Andersson

Jonas Bengtsson

Svante Bergström
CEO

Ola Paulsson

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 2021. The annual report is included on pages 15-28 in this document.

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 2021 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.

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 company 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 1-14 and 29-31. The company 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 COMPANY

The company 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 company 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 the company'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 company 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.

Stockholm February 14, 2022
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. 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 Programme. 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. 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. Jansson has earlier 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. He 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. 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.

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 depository.

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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