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Thule Credit Fund, Investor Shares A1 (CAP) SEK

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Authority: Supervisory authority of the management company is Finansinspektionen. Supervisory authority of Thule Credit Fund is Commission de Surveillance du Secteur Financier (CSSF).
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******* You are about to purchase a product that is not simple and may be difficult to understand.*******

What is this product?

Type

Thule Credit Fund is a Sub-Fund to Thule Fund S.A., SICAV-SIF (the Company). The Company is an umbrella fund and as such provides investors with the choice of investment in a range of several separate Sub-Funds, each of which relates to a separate portfolio of assets permitted by law with specific investment objectives.

Objectives

The Sub-Fund aims to deliver long-term stable return with moderate interest rate risk from a portfolio of Corporate Credits. The Sub-Fund will hedge currency exposure to the Reference Currency (SEK) by the use of financial derivative instruments.

The Sub-Fund will invest its assets in a diversified portfolio of Corporate Credits in the form of corporate bonds and corporate loans. Investments are made in both the primary and in the secondary market with a buy-and-hold perspective.

The majority of the return is expected to be derived from regular interest payments from corporate credit instruments evidencing an obligation of a debtor to pay regular interest and to repay amounts initially advanced to the debtor under a credit agreement or similar arrangements. A suitable investment horizon for the Sub-Fund should be at least five (5) years.

The Sub-Fund is established for an unlimited duration, but can be liquidated at any time by the Company.

Intended retail investor

The Sub-fund is primarily marketed to professional investors, according to the definition in Swedish law "Lag (2007:528) om värdepappersmarknaden", Chapter 9, Paragraphs 3-8. However the Sub-Fund can accept subscriptions from well-informed investors. The target investor is seeking to invest in a diversified portfolio of Corporate Credits and be able to manage without the invested amount for at least five (5) years.

What are the risks and what could I get in return?

The target return of the Sub-Fund is STIBOR three (3) months plus five hundred basis points (500 bps), net of fees per annum measured over an average business cycle. Investments are made in both the primary and in the secondary market with a buy-and-hold perspective. The majority of the return is expected to be derived from regular interest payments from Corporate Credits.

Attention should be drawn to the fact that the Net Asset Value (NAV) can go down as well as up. An Investor may not get back the amount that has been invested. Generally, the risk of losing money decreases the longer the

investment horizon, however, there is a risk of loss even for very long-term investments. A suitable investment horizon for the Sub-Fund should be at least five (5) years.

As a general rule, loan, bonds and other debt instruments issued by entities that have a rating below investment grade are considered to be instruments that are at a higher credit risk, with a higher probability of the issuer defaulting, than those of issuers with a higher rating. If the issuer finds itself in financial or economic difficulties, the value of the instruments and the payments made for these bonds or other debt instruments may be negatively affected. The Sub-Fund invests into a portfolio of selected credit instruments. It also deploys concentration limits in order to maintain adequate diversification of the portfolio. However, even a careful selection of securities cannot exclude the risk of losses generated by the issuers' inability to repay its debt.

Corporate Credit instruments in general and Corporate Loans in particular may from time to time be subject to limited liquidity. It may therefore be difficult for the Sub-Fund to liquidate positions in an orderly fashion, thereby exposing the Sub-Fund to the possibility of capital loss.

Risk indicator

1	2	3	4	5	6	7
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← Lower risk Higher risk →



The risk indicator assumes you keep the Sub-Fund for five (5) years (Recommended holding period). The actual risk can vary significantly if you redeem the Sub-Fund at an early stage and you may get back less. You may not be able to redeem when you wish. You may have to pay significant extra costs to redeem early and the redemption can be done at a less favorable price. See more on redemption under "How long should I hold it and can I take money out early".

This Sub-Fund is classified as 2 out of 7 on the risk indicator above, which is a low risk class. The calculation of the Market Risk Measure and the scenarios presented below is based on a proxy quoted in its local currency (EUR). The proxy, S&P European Leveraged Loan Index (ELLI), is representative of the assets that determine the performance of the Sub-Fund. Price movements of the proxy do not take currency effects into account, hence reflecting the assets price movements without distortion from currency effects. This is in line with the portfolio management routine of the Sub-Fund which utilizes an FX-hedge (to SEK) on all currency exposures other than SEK.

A risk indicator of 2 rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the Sub-Funds obligors' capacity to meet its commitment to the investors.

Performance scenarios

Investment (10 000 EUR)				
Scenarios		1 year	3 years	5 years (Recommended holding period)
Stressed scenario	What you might get back after costs	8 519	7 810	7 266
	Average return each year	-14.8%	-7.9%	-6.2%
Unfavorable scenario	What you might get back after costs	10 215	10 953	11 802
	Average return each year	2.1%	3.1%	3.4%
Moderate scenario	What you might get back after costs	10 439	11 370	12 385
	Average return each year	4.4%	4.4%	4.4%
Favorable scenario	What you might get back after costs	10 660	11 796	12 988
	Average return each year	6.6%	5.7%	5.4%

What happens if the Sub-Fund is unable to pay out?

The investor may face a financial loss due to the default of the Sub-Fund or the Company. The investor may as well face a financial loss due to the default of Corporate Credits of the portfolio. The loss is not covered by an investor compensation or guarantee scheme.

What are the costs?

Costs over time

Investment [10 000 EUR]	If you redeem after 1 year of the recommended holding period of 5 years	If you redeem after 3 years of the recommended holding period of 5 years	If you redeem at the end of the recommended holding period of 5 years
Total costs EUR	101	304	507
Impact on return [RIY] per year	1.01%	3.04%	5.07%

Composition over costs

This table shows the impact on return per year			
One-off costs	Entry costs	N/A	
	Exit costs	Max 2.00%	The costs of exiting the Sub-Fund.
Ongoing costs	Portfolio transaction costs	0.02%	The costs of buying and selling underlying investments for the Sub-Fund.
	Other ongoing costs	1.01%	The costs that is taken each year for managing the Sub-Fund.
Incidental costs	Performance fees	N/A	
	Carried interests	N/A	

How long should I hold it and can I take money out early?

A suitable investment horizon for the Sub-Fund should be at least five (5) years. The risk of losing money decreases the longer the investment horizon.

The Sub-Fund is open for subscriptions and redemptions every quarter. Redemption requests must be received by the Registrar and Transfer Agent no later than 04h00 p.m. sixty (60) calendar days before the end of a quarter. Redemption costs shall be borne by the redeeming investor and shall be capped at 2 percent of the Net Asset Value of its Investors Shares.

How can I complain?

In the case of complaints, you should always contact the person who helped you with your case for further explanation of the decision and to resolve any misunderstandings. If you do not know who to turn to, you can always contact the Company's Compliance Officer Erica Weslien, who has the possibility to lodge complaints, at the e-mail address erica.weslien@skandia.se.