

## INVESTMENT SERVICES & INVESTOR PROTECTION POLICY

### 1. Purpose

This policy is prepared in accordance with:

- a) Act on Investment Firms and Investment Services and Activities (**LBK no. 232 of 01/03/2024**),
- b) Executive Order on Investor Protection in Securities Trading (**BEK no. 191 of 31/01/2022**),
- c) Executive Order on Third Party Payments (**BEK no. 2178 of 26/11/2021**),
- d) **Regulation (EU) 2017/565 of 25 April 2016** supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive,
- e) **Regulation (EU) 2021/1253 of 21 April 2021** amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organizational requirements and operating conditions for investment firms.

The guidelines in the policy apply to all client relationships in Fondsmæglerselskabet CABA Capital A/S (the "Company"). The Board of Directors shall assess and update this policy at least once a year. This policy is effective until amended by the Board of Directors.

The Company's Board of Directors has adopted separate policies for Best Execution, Conflict of Interests and ESG.

### 2. The Company's clients and services

The Company provides investment advice and discretionary portfolio management to alternative investment funds ("AIF") with an approved alternative investment fund manager ("AIFM").

The Company transmits orders on behalf of the clients (AIFs) to eligible counterparties with whom the client has entered into an ISDA/GMRA agreement. The Company does not execute orders for clients or investors in the alternative investment funds.

The Company recommends potential investors to invest in the alternative investment funds, that are the Company's clients, but does not provide investment advice or discretionary portfolio management to investors or potential investors in the alternative investment funds.

### 3. Customer classification

When entering into an investment advice or discretionary portfolio management agreement with a new client (AIF with approved AIFM), the Company shall categorize its client as either:

- a) professional client, which means a client who possesses the necessary experience, knowledge and expertise to make his own investment decisions and make a correct assessment of risks in connection therewith, and who is covered by Appendix 1 in BEK no. 191 of 31/01/2022,
- b) approved counterparty, which means a client covered by Appendix 2 in BEK no. 191 of 31/01/2022, or
- c) retail clients who are neither professional clients nor eligible counterparties.

The Company does not offer investment advice or discretionary portfolio management to clients categorized as retail clients.

The Company's clients are legal entities which, cf. Appendix 1 to BEK no. 191 of 31/01/2022, are born professional clients.

#### **4. Suitability and appropriateness requirements**

When establishing a client relationship, the Company must obtain necessary information that will enable the Company to ensure that the client (AIF);

- a) have the necessary experience and knowledge to understand the risks of the transaction or portfolio management,
- b) is financially able to bear the investment risks associated with the transaction in accordance with the investment purpose; and
- c) the specific transaction recommended or executed fulfills its investment purpose.

Since the clients are legal entities, the suitability test must include the management of the clients AIFM. The clients are born professional investors and therefore the Company assumes, in accordance with Article 54(3) of Regulation 2016/2398, that the clients have the necessary experience and knowledge to understand the risks of portfolio management and are capable of bearing financial loss.

The company does not address retail clients and does not have to perform appropriateness tests on its clients.

#### **5. Independent advice**

Independent advice is to be understood in this policy as advice on a wide range of financial instruments on the market which differ in type and type of issuers or product providers, in order to ensure that the client's investment objectives are adequately met. The Financial Instruments shall not be limited to financial instruments issued or offered by the Company itself or by other legal persons which either have close links with the Company or have such close legal or economic links with the Company that this may entail a risk of weakening the independent basis for the advice provided.

#### **6 Third-party payments**

The Company provides investment advice on an independent basis and is therefore obliged to ensure compliance with the prohibition on receiving and holding fees, commissions or other monetary and non-monetary benefits paid by a third party or a person acting on behalf of a third party in connection with the provision of the relevant service to the Fund's investors, in accordance with the legislation in force from time to time regarding third-party payments.

The Company only offers investment advice and discretionary portfolio management to alternative investment funds relating to investment in financial instruments, as further enumerated in Appendix 2 to the Danish Act on Investment Firms and Investment Services and Activities (LBK no. 232 of 01/03/2024). In this respect, the company does not receive any fees, commissions or other monetary or non-monetary benefits from third parties. The Company is therefore not obliged to establish specific procedures to ensure that third-party payments are passed on to the clients in accordance with BEK no. 2178 of 26/11/2021.

#### **Entry into force**

This policy is adopted and effective from June 20, 2024.