

## KEY INVESTOR INFORMATION DOCUMENT (KIID)

This document provides you with key investor information about the Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in the Fund. You are advised to read it so you can make an informed decision about whether to invest.

### Arctic Return (the "Fund"), a sub-fund of Arctic Funds plc (the "Company") Class R NOK ISIN: IE00BZ3C8C56

## OBJECTIVES AND INVESTMENT POLICY

The investment objective is to achieve capital appreciation through investments in a diversified portfolio of bonds and money market instruments.

The main market for the Fund will be the Nordic bond market.

The Fund will invest in bonds and money market instruments listed or traded on Markets in the Nordic countries or other countries in Europe .

Generally the Fund will invest at least 70% of its Net Asset Value in Investment Grade or Investment Grade equivalent bonds or money market instruments. Investment grade is equivalent to AAA- to BBB-. The average modified duration of the Fund's portfolio of assets shall be within the range of 0 – 12 months.

The Fund may also invest in:

(i) up to 10 % of its net asset value in unlisted instruments; and

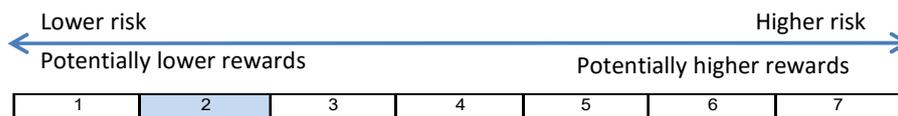
(ii) in cash and ancillary liquid assets.

The Fund may use financial derivative instruments (including forward rate agreements and interest/currency swaps) for efficient portfolio management. Currency swaps may also be used for hedging purposes.

The Fund's performance will be measured against ST1X, an index of Norwegian government bonds with a fixed duration of 3 months, calculated by the Oslo Stock Exchange.

The Investment Manager will follow the Norwegian Government Pension Fund Global's socially responsible investments policy (SRI) by taking ethical, environmental and social issues into account in its management of the

## RISK AND REWARD PROFILE



The above risk category is based on historic data and is no guarantee of the future risk level. The risk and reward category is not guaranteed and is likely to shift over time. Please note that the lowest category does not mean a risk-free investment.

The Fund has been placed in Category 2 because of the low risk for fluctuations in its net asset value due to the range and frequency of price movements (volatility) of the underlying investments.

The following are additional risks not covered by the risk and reward category:

**General** – the value of all investments will be affected by devaluations, politically driven government interventions in relevant markets or irregular and sudden fluctuations in the markets.

**Currency risk** – the net asset value of the Fund will be computed in NOK whereas the Fund's investments may be acquired in a wide range of currencies, some of which may be volatile and/or not freely convertible. Currency fluctuations may have a negative impact on the value of the Fund's investments.

**Market risk** – some of the recognised exchanges on which the Fund may invest may prove to be illiquid or highly volatile from time to time affecting the price of listed instruments.

**Valuation risk** – the Fund may invest in unquoted securities valued at the probable realisation value as described in the prospectus. Such estimates are inherently difficult to establish and are the subject of substantial uncertainty.

## CHARGES

The charges you pay are used to cover the costs of running the Fund, including the costs of marketing and distribution. These charges reduce the potential growth of and/or return on your investment.

### One-off charges taken before or after you invest

Entry charge	0 %
Exit charge	0 %
Exchange charge	0 %

No charges will be taken out of your money before it is invested (entry charge), before the proceeds of your investment are paid out (exit charge) or before your shares are exchanged (exchange charge).

The **ongoing charges** figure is based on expenses for the year ending. This rate may vary from year to year. It excludes performance fees and portfolio transaction costs.

For more information about charges, please refer to the prospectus and supplement, which are available at [www.arctic.com/afm](http://www.arctic.com/afm).

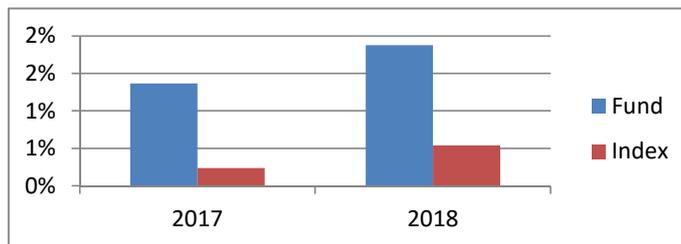
### Charges taken from the Fund over a year

Ongoing charges	0.34 %
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### Charges taken from the Fund under certain specific conditions

Performance fee	10 % of any increase in the value of the shares above the previous highest value inclusive of the percentage change in the Reference Index, calculated annually.
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## PAST PERFORMANCE



The chart above illustrates the Fund's performance in NOK (inclusive of all one-off and ongoing charges) per year since its inception in May 2017. Past performance is a useful indicator of how the Fund has performed to date, but is not a reliable indicator of future results.

## PRACTICAL INFORMATION

The depositary is BNY Mellon Trust Company (Ireland) Limited.

Copies of the prospectus and the latest annual and semi-annual report and accounts (all in English) may be obtained free of charge from the Company at its registered office at 2nd Floor, Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland and at [www.arctic.com/afm](http://www.arctic.com/afm).

The latest share prices are published on each Business Day on [www.arctic.com/afm](http://www.arctic.com/afm) and [www.oslobors.no/markedsaktivitet/fundList?newt\\_menyCtx1.5](http://www.oslobors.no/markedsaktivitet/fundList?newt_menyCtx1.5).

The Fund is subject to the tax legislation of Ireland which may have an impact on your personal tax position. You should consult with your professional advisers before investing in the Fund.

Investors may switch shares in the Fund for shares in other sub-funds of the Company, provided that they satisfy the criteria applicable to investments in the other sub-fund(s). Further information on switching is contained in the "Exchange of Shares" section in the prospectus.

The Company may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

The Company is an open-ended umbrella fund with segregated liability between sub-funds. This means that the holdings of the Fund are maintained separately under Irish law from the holdings of other sub-funds of the Company and your investment in the Fund will not be effected by claims against any other sub-fund of the Company.

This key investor information relates to Class R NOK. In addition to Class R NOK, the Fund offers shares in Class A NOK, Class B NOK, Class I NOK and Class L NOK, as described in the supplement to the Fund, and information on these additional classes is available from the Administrator.

*The Company and the Fund are authorised in Ireland and regulated by the Central Bank of Ireland.*

*The Investment Manager (Arctic Fund Management AS) is authorised in Norway and regulated by the Financial Supervisory Authority of Norway (Finanstilsynet).*

*This key investor information is accurate as at 18.02.2019.*