

Purpose

This document provides you with key information about the investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Stefnir - Liquidity Fund (AIF)

ID number: 520412-9640

ISIN: IS0000021483

Manufacturer is Stefnir hf. ID-No. 700996-2479

Address: Borgartún 19 - 105 Reykjavík - Iceland

Website: www.stefnir.is

Call +354 444 7400 or send an email to info@stefnir.is for more information.

Stefnir hf. (Stefnir Asset Management Company) is an independent financial company according to Act No. 161/2002 on Financial Undertakings. The company operates on the basis of an operating license from the Financial Supervisory Authority of the Central Bank of Iceland as a manager of UCITS pursuant to Act No. 116/2021 on Undertakings for Collective Investment in Transferable Securities (UCITS) and as an alternative investment fund manager pursuant to Act No. 45/2020 on Alternative Investment Fund Managers. The company's operating license also applies to asset management, investment advice, and the custody and management of unit shares or shares in funds for collective investment. Stefnir is a subsidiary of Arion Bank.

Key information valid as of 31 March 2025

You are purchasing a product that is complex and may be difficult to understand.

What is this product?

Type

The fund is an alternative investment fund marketed towards the public pursuant to the Alternative Investment fund Managers Act No. 45/2020. Alternative investment funds marketed towards the public have broader investment authorisations than UCITS. The fund's investment authorisations are specified in the section on investment strategy in its prospectus.

Name

Stefnir - Liquidity Fund (AIF)

Objectives

The fund's objective is to invest in deposits, bills, bonds, and other short-term financial instruments. The aim is for the fund's portfolio to have an average duration of no longer than 180 days. There are no restrictions on the maturity of financial instruments issued by the Icelandic government or with its guarantee, as well as on covered bond issues by financial institutions. Individual investments in the fund are intended to have a maturity of no longer than 397 days from the time of investment. The fund management is based on tactical asset allocation with frequent adjustments to the asset composition.

The fund operates according to a predetermined investment strategy and will direct its investments towards opportunities that, in the opinion of the manager, are most likely to yield the best returns.

The fund is authorised to invest at its discretion in deposits of financial institutions (40-100%), bills, bonds, and other debt instruments issued by financial institutions (0-50%), bills, bonds, and other debt instruments issued by or guaranteed by the Icelandic government (0-60%), and bonds and other debt certificates issued by municipalities (0-30%).

The fund's returns depend on the increase or decrease in the market value of the fund's assets during the investment period, i.e., the period during which you hold units in the fund. Investors should understand that the fund's value can decrease as well as increase, and they must be able to withstand price fluctuations. The fund is well-suited for those looking to invest for the shorter term, ideally one month or more.

Intended retail investor

The fund is suitable for both individuals and companies who wish to invest for the short term. The fund is designed for both the general public and institutional investors, such as pension funds and companies, who wish to choose an investment option involving funds for collective investments operated and managed by professionals and in accordance with current legislation and supervision of such funds.

Term

The fund is an open-ended fund and has no maturity date. However, the manufacturer has the right to close the fund under certain circumstances, such as if the manufacturer deems it more favorable for the shareholders to close the fund or merge it with another fund. More information can be found in Article 8, Appendix I of the fund's prospectus. It is possible to purchase and redeem unit certificates in the fund on all regular business days under normal circumstances, with transactions prices based on the end of the business day. Orders received before the cut off time at 14:30 are settled after one business day. Orders received after the cut off time are settled after two business days. In exceptional cases, redemptions may be delayed.

Other information

Depositary: Arion Bank

Distributor: Arion Bank

Currency: ISK.

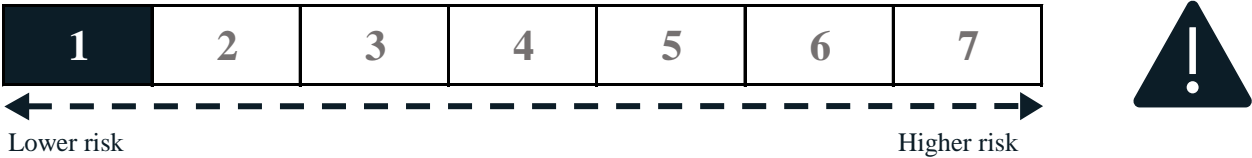
The fund was established on 3 April 2012.

The fund is a capital growth fund. Dividends and other earnings from the fund's securities holdings are reinvested.

More information on www.stefnir.is

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

Risk indicator



The risk indicator assumes you keep the product for 1 month. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 1 out of 7, which is the lowest risk class.

This rates the potential losses from future performance at a very low level, and poor market conditions are very unlikely to impact our capacity to pay you.

Risk factors affecting the product that are not covered by the risk indicator include counterparty risk, operational risk, and liquidity risk. Other risk factors may also be present. This product does not provide protection against future market performance, so you could lose your entire investment.

Counterparty risk: The risk of loss to the fund due to the counterparty failing to meet its obligations before the final settlement of the fund's transactions occurs.

Operational risk: The risk of loss to the fund due to inadequate internal processes and errors related to human resources and systems of the management company, or due to external events, including legal and political risks, and risks associated with trading, brokerage, settlement, and valuation procedures carried out on behalf of the fund.

Liquidity risk: The risk that it may not be possible to sell, redeem, or close a position in the fund's portfolio at limited cost and within an acceptable timeframe.

Performance scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future.

Recommended holding period: 1 month		
Example Investment: 1,000,000 kr.		
Scenarios		If you exit after 1 month (Recommended holding period)
Minimum	There is no minimum guaranteed return	You could lose some or all of your investment
Stress scenario	What you might get back after costs	998,005 kr
	Return	-0.2%
Unfavourable scenario ¹	What you might get back after costs	1,000,404 kr
	Return	0.0%
Moderate scenario ²	What you might get back after costs	1,003,721 kr
	Return	0.4%
Favourable scenario ³	What you might get back after costs	1,008,059 kr
	Return	0.8%

1 This type of scenario occurred for an investment between December 2020 and January 2021

2 This type of scenario occurred for an investment between June 2022 and July 2022

3 This type of scenario occurred for an investment between April 2024 and May 2024

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The stress scenario shows what you might get back in extreme market circumstances.

What happens if Stefñir hf. is unable to pay out?

If Stefñir hf. becomes insolvent, there exists the possibility of incurring financial losses. Investors who have placed their funds with Stefñir do not generally possess any legal entitlements to insurance protection, as per the provisions set forth by the law on deposit insurance and insurance schemes for investors. The custodian of the fund (Arion Bank) keeps the assets of the fund separate from the assets of Stefñir hf. In the event of adverse outcome, there is a risk of losing the entire investment. Stefñir encourages all its customers to acquaint themselves with the company's general disclaimer.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- You would get back the amount that you invested (0% return).
- 1,000,000 kr. is invested

	If you exit after 1 month
Total costs	349 kr
Cost impact (*)	0.03%

(*) "This illustrates the effect of costs over a holding period of less than one year. This percentage cannot be directly compared to the cost impact figures provided for other PRIIPs.

Composition of Costs

One-off costs upon entry or exit		If you exit after 1 month
Entry costs	We do not charge an entry fee.	0 kr
Exit costs	We do not charge an exit fee for this product.	0 kr
Ongoing costs [taken each year]		
Management fees and other administrative or operating costs	0.03% of the value of your investment over the holding period This is an estimate based on actual costs over the last year.	344 kr
Transaction costs	0.0% of the value of your investment over the holding period. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will very depending on how much we buy and sell.	5 kr
Incidental costs taken under specific conditions		
Performance fees [and carried interest]	There is no performance fee for this product.	0 kr

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

Recommended holding period: 1 month

You should expect to hold your investment for 1 month or longer. Unit certificates can be redeemed at the owner's request at no cost, but the fund's distributor may charge a handling fee. More information on the cost structure can be found in the table above under the section 'Composition of Cost'. Units can be purchased and redeemed on any business day. Orders received before the cut off time at 14:30 are settled after one business day. Orders received after the cut off time are settled after two business days. In exceptional cases, redemptions may be delayed.

How can I complain?

Complaints can be submitted to Stefñir by sending an email to kvortun@stefnir.is. The complaint should clearly state the reasons for dissatisfaction, with particular emphasis on the primary cause. In addition, complainants may choose to submit a complaint by phone at +354 444 7400 or by postal mail to Borgatún 19, 105 Reykjavík, Iceland. Further details on the procedures and protocols for handling complaints can be found on Stefñir's official website, www.stefnir.is.

Other relevant information

The prospectus of the fund, along with the most recent version of the Key Information Document and details on returns, can be accessed on the website www.stefnir.is. Previous performance scenarios can be found in older versions of the fund's Key Information Documents.