



PROTECTING INVESTORS AGAINST DILUTION - PARTIAL SWING PRICING IN C WORLDWIDE

In order to protect you as an investor from the impact of dilution caused by the subscription and redemption activities of other investors, C WorldWide Fund Management S.A. (CWFM) has implemented Partial Swing Pricing in all sub-funds of C WorldWide.

HOW SWING PRICING WORKS

The Swing Pricing method assigns the costs from subscriptions and redemptions to the trading investor only, so that performance of the sub-fund remains unaffected.

There are two standard methods for implementing swing pricing:

Full Swing – the NAV (Net Asset Value) is always adjusted if there is a subscription or redemption. The direction of the swing is determined by the net capital flows of the day.

Partial Swing – in this method, the NAV is only adjusted when the net amount of subscriptions and redemptions of the day exceeds a pre-defined **Swing Threshold**.

The amount with which the NAV is adjusted is called the **Swing Factor**, and is supposed to cover the trading costs such as commissions costs, spreads, financial transaction taxes and market impact incurred due to in- and outflows. The Swing Factor should be seen as a proxy for the relevant costs.

CWFM has decided to apply **Partial Swing**.

We favor this method because it generally results in a lower NAV volatility, given that the price is not swung as often. Additionally, having a threshold recognizes that smaller deals can frequently be managed within the existing cash levels.

REGULAR MONITORING OF SWING THRESHOLD AND SWING FACTOR

The Swing Threshold and the Swing Factor will be determined and reviewed by a Swing Pricing Committee on a regular basis. Adjustments will be done if deemed necessary.

The Committee will set the threshold at a level that will achieve the best possible protection for the unit holders, while at the same time minimizing NAV volatility by ensuring that NAV per unit does not swing where the dilution impact would be of a level considered immaterial to existing unit holders.

The Committee will estimate the actual trading costs. Setting the Swing Factor individually for each sub-fund, the Committee will take into account the fact that the costs will differ across asset classes and regions.

CWFM will not disclose the Swing Thresholds as this may encourage some clients to deal below the threshold level, undermining the ability of the mechanism to mitigate dilution. This confidentiality policy is consistent with current ALFI guidance and best market practices adopted by other promoters in the market. However, the Swing Factor will be available by contacting the Investment Manager, C WorldWide Asset Management Fondsmægler-selskab A/S.

IS SWING PRICING NOT JUST AN ADDITIONAL CHARGE FOR THE INVESTOR?

Swing pricing is not a charge levied on the investors, nor the fund. It is a tool that ensures that existing investors in the fund do not bear the trading costs associated with other unit holders trading into and out of the fund.