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FUND PROSPECTUS

GRIT Innolab AI Equity Arbitrage AIF

2 September 2020

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This is the fund prospectus (“Prospectus”) of GRIT Innolab AI Equity Arbitrage AIF (hereinafter the “Fund”). The Fund is managed by GRIT Fund Management Company Ltd, which also is the alternative investment fund manager of the Fund. The Prospectus has been drafted in accordance with the Finnish act on alternative investment fund managers (162/2014) and the Finnish act on common funds (213/2019 (as applicable). Prospectuses of other funds managed by the AIFM are published separately.

The Fund has been registered for marketing to professional investors in Finland and notified for marketing to professional investors in Denmark and Sweden.

1 MANAGEMENT AND ADMINISTRATION

1.1 Alternative investment fund manager

Name of the AIFM	GRIT Fund Management Company Ltd
Established	28 August 2003
Business ID	1830022-0
Share capital and coverage of risks of professional liability	EUR 275 334 The AIFM has sufficient additional own funds to cover risks of professional liability according to the Finnish act on alternative investment fund managers (162/2014).
Home state	Finland
Domicile	Helsinki
Administrative headquarters	Vaasa
Postal and visiting address	Pitkäkätu 34 C, 65100 Vaasa, Finland
Business activities	Investment fund activities and activities essentially related thereto Management of alternative investment funds
License(s)	Licensed fund management company and licensed alternative investment fund manager (AIFM)
Supervising authority	The Finnish Financial Supervisory Authority (Finanssivalvonta; Finansinspektionen) P.O. Box 103, FI-00101 Helsinki, Finland Telephone: +358 9 183 51 E-mail: kirjaamo@finanssivalvonta.fi
Members of the board of directors	Daniel Djupsjöbacka Per-Johan West Hans Seppelin (independent board member)
CEO	Per-Johan West
Auditor	KHT Kristina Sandin Deputy auditor: Auditing firm Ernst & Young Oy

1.2 Portfolio manager

The AIFM has delegated the portfolio management of the Fund to Estlander & Partners Ltd by a written agreement.

Name of the portfolio manager	Estlander & Partners Ltd
Established	7 April 2000
Business ID	11595155-4
Home state	Finland
Domicile	Vaasa
Postal and visiting address	Pitkätatu 34 C, FI-65100 Vaasa, Finland
License(s)	Investment firm (portfolio management, investment advice, execution and reception and transmission of orders etc.)
Supervising authority	The Finnish Financial Supervisory Authority (Finanssivalvonta; Finansinspektionen) P.O. Box 103, FI-00101 Helsinki, Finland Telephone: +358 9 183 51 E-mail: kirjaamo@finanssivalvonta.fi

1.3 Marketing and distribution

The Fund is marketed and distributed by Innolab Technology A/S in Denmark, Finland and Sweden. The AIFM and the portfolio managers have entered into written agreements with Innolab regarding marketing and distribution of the Fund, and Innolab serves as tied agent to the portfolio manager for this purpose.

Name of the distributor	Innolab Technology A/S
Business ID	37052094
Home state	Denmark
Domicile	Copenhagen
Postal and visiting address	Teknikerbyen 5, DK-2830 Virum, Denmark
License(s)	Serves as tied agent to the portfolio manager (according to the markets in financial instruments directive, MiFID II, 2014/65/EU)

1.4 Depositary

Name of the depositary	Skandinaviska Enskilda Banken AB (publ), Helsinki branch
Business ID	0985469-4
Line of business	Banking activities
Place of business of the branch	Helsinki
Postal address	P.O. Box 630, FI-00101 Helsinki
Visiting address	Eteläesplanadi 18, FI-00130 Helsinki

Domicile	Stockholm, Sweden
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The responsibility of the depositary is to ensure that the activities of the Fund and the AIFM are conducted in accordance with the law, fund rules and regulation by public authorities, and to handle all other duties of a depositary under law. The depositary has an independent responsibility for its obligations under law. The assets of the Fund are kept separately from the assets of the AIFM, other funds and the depositary. The assets of the Fund cannot be used to cover debts of the depositary or the AIFM.

2 INFORMATION ON THE FUND

2.1 Basic information

The Fund is a Finnish non-UCITS fund and alternative investment fund in accordance with the Finnish act on alternative investment fund managers (162/2014). The recommended minimum investment period is 2-3 years.

Name of the Fund	GRIT Innolab AI Equity Arbitrage AIF
Subscription frequency	Monthly, as specified under section 2.5
Redemption frequency	Monthly, as specified under section 2.5
Launch date	1 October 2020 (at the earliest)
Latest approval date of the fund rules	2 September 2020
Annual report and semi-annual report	Available free of charge from the distributor, the portfolio manager or the AIFM
Performance	Available free of charge from the distributor, the portfolio manager or the AIFM
Date of financial statement	31 December. The first accounting period is deviating and ends 31.12.2021.
Auditor	KHT Kristina Sandin Deputy auditor: Auditing firm Ernst & Young Oy
Liquidity management	<p>The Fund primarily invests in instruments that can be deemed to be sufficiently liquid in relation to its rules on subscription and redemption frequency. The Fund applies the investment restrictions further described in 7 § of the fund rules as well as investment restrictions consequential to the risk management principles, which constitutes a central part of the liquidity risk management of the Fund.</p> <p>The AIFM has the possibility to unilaterally limit redemption to manage the liquidity of the Fund and protect smaller unitholders by partially spreading redemptions over several redemption dates in the manner further described in the fund rules.</p>

2.2 Target investors

The Fund may be marketed to and available for professional investors, as defined in the markets for financial instruments directive MiFID II, 2014/65/EU, in Denmark, Finland and Sweden.

The Fund is not available for non-professional investors.

The Fund is not available for investments by or on behalf of any investor whose investment, unit ownership or other participation in the Fund would breach any provision in Finnish or foreign law or regulation. The Fund is neither available for investors whose investment, unit ownership or other participation would lead to an obligation for the Fund or the AIFM to apply for a registration, license or similar that the Fund or the AIFM has not applied for the marketing and distribution purposes described above. The Fund is not available for investors resident or domiciled in, having a material connection to or having a citizenship in a jurisdiction where participating in the Fund is restricted or prohibited, or to U.S. investors irrespective of the country of residence. The AIFM has the right to refuse subscriptions by investors to whom the Fund is not available. The AIFM further has the right to unilaterally redeem units in the Fund, if it is evident that the prerequisites for holding units no longer exist or such holding results in additional obligations for the AIFM or the Fund that wouldn't otherwise exist.

The AIFM is not responsible for the distribution of this Prospectus to persons, whom cannot be offered the products herein according to the law of their domicile. Subscribing investors should verify the requirements applicable on subscriptions, redemptions and other transactions of fund units, currency transactions and the tax consequences of transactions in their home country.

2.3 Investment strategy

The investment strategy of the Fund strives to systematically exploit inefficiencies between pairs of highly liquid global equity and sector index futures. The inefficiencies are identified utilizing artificial intelligence technology developed by Innolab. The investment strategy selectively identifies inefficiencies in a universe of more than 100 different pairs. Pair selection is based on correlation and calculation scores provided by Innolab. The Fund may place assets not used for margin purposes in short term interest rate securities or otherwise according to 7 § of the fund rules.

The investment strategy targets a stable positive return at a volatility roughly half of the equity market volatility. Over time the volatility can be lower and higher. The investment strategy does not explicitly target low correlation to the equity market, but given the pair-trading type of positioning, a low beta to equities is to be expected.

The strategy of the Fund uses derivative embedded leverage. See further information below under section 2.4.

The exposure of the Fund is primarily based on the number of arbitrage pairs, which on average is 100 pairs. All pairs have the same weighting based on volatility weights. The weighting is based on methodology developed by Innolab.

For further information on the investment strategy and investment restriction of the Fund, please see 7 § of the fund rules in section 4 of this Prospectus.

2.4 Risk management and risk profile

The AIFM is responsible for risk management of the Fund. The Fund primarily invests in assets, which liquidity is sufficient to ensure the liquidity of the Fund. In addition, the relation between the assets and the liquidity of the Fund has been planned to ensure that the Fund can conduct necessary redemption requests and asset sales to execute investors' disposals of fund units.

The risk management of the Fund includes measures such as stop-losses, profit-targets and time-decay of signals that are built into the systematic investment strategy. Further, the investment strategy diversifies the positioning so that no single pair in the portfolio holds too concentrated a position. The risk and exposure are also continuously monitored by the real-time systems of the portfolio manager.

The level of leverage is continuously monitored. The leverage level is calculated based on the commitment method, according to which a position in a derivative contract is transferred into a corresponding position in the underlying assets of such derivative contract. The leverage level can, from time to time, be high. The level is a result of the Fund's portfolio management technique, where the aim is to achieve a well-balanced portfolio construction. The maximum level of leverage is 8. Changes to the maximum level of leverage and the total leverage used by the Fund are disclosed in the Fund's annual and semi-annual reports.

The AIFM annually evaluates the risk level of the Fund together with the portfolio manager.

Below is a short, non-exhaustive summary of the most central risks associated with an investment in the Fund.

Derivative risk	The use of derivatives may decrease or increase the risk and the expected return of the Fund. The use of derivatives may increase counterparty and operational risks.
Liquidity risk	A liquidity risk is the risk of not being able to convert the investment of the Fund into cash according to an aspired schedule or price. The liquidity risk might affect the Fund's transaction costs i.e. in case of big redemptions. The Fund's investment strategy aims to invest only in liquid assets.
Market risk	Market risk means the risk of fluctuation in the market value of the positions held in the portfolio of the Fund e.g. due to general development of the markets. The market value or the value of the Fund may also be affected by interest rate levels or fluctuating exchange rates.
Operational risk	The risk caused by deficiencies in operational processes, personnel or IT systems. Operational risk is handled with sound internal policies and external practices where all relevant risks are considered and their possibility and potential loss will be minimized.

- Counterparty risk** Counterparty risk is the risk that a counterparty in securities trading is unable to fulfill its obligations. A counterparty risk may arise e.g. in connection with clearing of securities or other financial instruments, if the counterparty does not perform in accordance with agreed terms. In respect of custody matters, a counterparty risk may arise, if the assets held in custody are entirely or partially lost due to e.g. negligence or willful misconduct or any other reason.
- Risks related to extraordinary circumstances** Risks related to extraordinary circumstances are often risks, that are challenging to take into account, and which derive from unexpected, external circumstances such as e.g. political events, natural disasters, riots and strikes. This risk is usually higher when the Fund trades internationally in different trading environments. The risk may be lowered by considering the general global political situation and by reacting to possible disasters before they escalate, acting in a low-risk environment and through suitable diversification. The realization of such risk may also affect the value of the Fund and thus the value of each the fund units.
- Other risks** Fund management might involve risks that have not been identified. Unidentified risk may affect the performance and net asset value of the Fund. All investment activity contains a risk of losing invested capital.

All investment activity contains risks. There are no guarantees that an investment in the Fund would generate a good return even though the general development of the capital market was positive. There are no guarantees that an investment in the Fund would not result in a loss. The value of the assets invested in the Fund might increase or decrease and there are no guarantees that the invested capital will be retained in full. No target performance of a Fund is a guarantee of such performance. The investment in the Fund is not capital guaranteed and any investment contains a risk of loss of capital. Past performance is not a guarantee of future results. Investments made in the Fund shall be considered as long-term investments.

2.5 Fund units

The Fund offers two fund unit classes for investors.

Fund unit class	A	B
Target investors	Seed investors	Regular investors
Minimum subscription (EUR)	For subscriptions made during the first year from launch of the fund: 100 000 For subscriptions made hereafter: 10 000 000	100 000
Subscription fee	---	---

Management fee*	0.5% p.a.	1.25% p.a.
Incentive fee	20%	10%
Redemption fee**	If redeemed during: Year 1 from subscription: 0.25% Year 2 from subscription: 0.20% Year 3 from subscription: 0.15% Year 4 from subscription and afterwards: 0.10%	If redeemed during: Year 1 from subscription: 0.25% Year 2 from subscription: 0.20% Year 3 from subscription: 0.15% Year 4 from subscription and afterwards: 0.10%
ISIN	[TBS]	[TBS]
Currency	EUR	EUR
Type of units	Growth	Growth

* Includes the fee to the portfolio manager and the AIFM.

** The redemption fee charged from the investor shall in any event not exceed EUR 7 000 for an individual redemption.

It is possible to deviate from the minimum subscription amounts set out above for investors of groups of investors whose customer relationship is significant, provided that this does not compromise the equitable treatment of investors.

Incentive fee is calculated per fund unit class according to the high watermark principle (the highest value of the fund unit class recorded). The amount of the incentive fee is calculated based on the increase of the value of the fund unit class after deduction of all costs and fees. The initial unit value used at each calculation date is the highest value published for the fund unit. If the new value of the fund unit at a calculation date does not exceed the initial value used, the incentive fee cannot be charged.

Subscription day	The last business day each month
Cut-off time for subscriptions	Five business days before the subscription day
Redemption day	The last business day each month
Cut-off time for redemptions	Five business days before the redemption day
Redemption payment	Five business days after the value of the redemption day has been published
Subscription account (IBAN)	[TBS]

The cut-off time refers to the dates when the AIFM needs to have received the respective subscription and redemption orders at the latest.

A business day refers to days when banks are open for business in Finland.

Subscription of fund units

An investor wishing to subscribe fund units may place a written subscription order by submitting a completed subscription form including attachments to Innolab or the AIFM by mail or e-mail. Moreover, the investor shall transfer the whole subscription amount to the subscription account of the Fund. The AIFM needs to receive the subscription order before the cut-off date mentioned above. No fee is charged for the subscription of fund units. The investor's name, social security number or business ID and phone number shall be stated in the message field of the bank transfer. A subscription order is binding.

Subscriptions of fund units are made at the value on the relevant subscription day when the AIFM has received the subscription order and provided that the customer identification requirements of the AIFM are met. If the subscription order is received after the cut-off time, the subscription will be completed by the AIFM on the following subscription day.

Redemption of fund units

Fund units may be redeemed by placing a written redemption order to Innolab or the AIFM. The AIFM needs to receive the redemption order before the cut-off date mentioned above.

If the redemption order is received after the cut-off time, the redemption will be completed on the following redemption day. If the total value of redemptions made on a single redemption day exceeds 20% of the Fund's latest published value, the AIFM may unilaterally, to manage the liquidity of the Fund or protect smaller investors, partially execute the redemptions on the next redemption days to the extent that they exceed a reasonable amount of redemptions on a single redemption day. Redemptions will then be made in proportion to the holdings of the unit holders who have requested redemption.

A redemption order may only be cancelled with the approval of the AIFM. The redemption price is determined by the value of the fund units on the redemption day.

The AIFM may temporarily suspend the subscription and/or redemption of fund units if the AIFM consider that the equality of the fund unit holders or any other corresponding reason so require.

The AIFM may unilaterally and on its own initiative redeem the investor's fund units under the conditions set forth in 16 § of the fund rules, if the unit holder fails to meet regulatory requirements applicable to the customer relationship with the AIFM, or if continuing the customer relationship would result in an unreasonable administrative burden on the AIFM. In addition, the AIFM has the same right if the unit holder fails to provide or update the information required by the AIFM's statutory obligations, or if the unit holder relocates to a country outside the EEA, which would result in additional obligations for the AIFM that reasonably can't be demanded to be fulfilled.

2.6 Calculation and publication of fund unit value

The value of the fund units is calculated and published in the base currency of the Fund (EUR) and published within a week from the valuation day, which is each subscription and redemption day, at the latest. The fund unit value is calculated according to the valuation principles set out in § 11 of the fund rules. The value of the Fund may be obtained from the AIFM and Innolab.

Semi-annual and annual reports are published in respect of the Fund. These may be obtained free of charge from the AIFM and Innolab. Information on the past performance may also be obtained from the AIFM and Innolab.

The limit for a significant error in the calculation of the value is $\geq 0.3\%$ of the Fund's value. The AIFM keeps a register of all valuation errors. A register of significant errors may be obtained free of charge from the AIFM. In case the limit of a significant error is breached, measures are undertaken in accordance with the procedures set out by the Finnish Financial Supervisory Authority and the AIFM.

2.7 Costs

The performance of the Fund is affected by various costs and fees.

The management fee and the incentive fee (see section 2.5) are charged for the management, including portfolio management, of the Fund. These fees are paid to the AIFM that in turn pays a share of the fees forward to the portfolio manager. The incentive fee is calculated for each valuation day.

Other costs, expenses, charges and fees which are essential for the operation, administration, financing, custody, sub-custody, business or the investments of the Fund are charged from the Fund's assets according to the fund rules and this Prospectus. Such costs are for instance the Fund's trading and banking expenses, costs in relation to use of third-party services, auditing costs, authoritative costs and statutory reporting expenses. Such costs are allocated *pro rata* according to the holdings of the unit holders. The size of the costs is affected by i.a. trading activity and the size of the Fund.

3 OTHER INFORMATION

3.1 Conflicts of interest

The business of the AIFM consists of management of investment funds. In connection thereto, situations may arise in which the interests of two parties are in conflict. Such situation may arise e.g. between two investors, the AIFM and another group company and/or its employees.

The AIFM has established certain written guidelines and has taken structural and administrative actions to manage identified conflicts of interest. Regarding the portfolio management, the AIFM has ensured that the portfolio manager has sufficient internal procedures and organizational structures in place for the management of conflicts of interest. The AIFM has particularly ensured that the portfolio manager does not engage in proprietary trading that would compete with the investment strategy of the Fund, that the allocation of investments between the clients is automatic, that the risk management function is functionally and hierarchically separated from the portfolio management and that the portfolio manager applies appropriate compensation policies that prevent excessive risk taking.

Despite the pre-emptive measures taken by the AIFM, conflicts of interest may arise. In such a case, the AIFM will inform the relevant parties thereof and take such actions that are necessary and reasonable to

remove the conflict of interest. Additional information on the management of conflicts of interest is available from the AIFM.

3.2 Taxation of the Fund

According to Finnish law, the Fund is not obliged to pay income tax and it does not pay any tax on capital gain or interest rate income in Finland. For possible capital gain or interest rate income from another country than Finland, the Fund pays tax withheld at source according to applicable tax treaty between the respective country and Finland.

3.3 Taxation of the fund unit holders

The Fund is registered in Finland. All growth units issued by the Fund are fund units which return is capitalized. In case of possible distribution units, the profit distribution is not necessarily dependent on the result of the Fund. Please note that growth units and distribution units are different in regards of e.g. the unit holder taxation.

Unit holders in Finland (resident taxpayer, fully liable to tax):

Capital income tax on growth units is paid at the time of redemption according to the applicable capital income tax rate in Finland.

In terms of distribution units, the AIFM deducts withholding of tax from the annual profit distribution to natural persons and Finnish estates of a deceased according to the applicable capital income tax rate in Finland.

The AIFM does not deduct withholding of tax from the fund unit's appreciation at the time of redemption. A fund unit holder must notify capital gains that they have received as a result of the redemption of fund units in their fiscal declaration or in their tax proposals.

The AIFM reports information on the investors' holdings, redemptions and information required to calculate proceeds and losses of sales to the Finnish tax authorities. The taxpayer should check the information on profits and losses of sales, profit distribution and ownership information in their prefilled tax return.

For further information on the taxation in Finland as well as the applicable tax rates, please see www.vero.fi.

Unit holders outside Finland (non-resident taxpayer, limited liability to pay tax in Finland):

The taxation of and tax return procedures for the holdings of a unit holder and profits and losses of sales is subject to national tax legislation applicable to the individual investors. The AIFM does not deduct

withholding of tax from the fund unit's appreciation at the time of redemption. The investor is asked to contact the competent tax authority or a tax advisor to clarify possible questions on taxation.

In terms of possible distribution units of the Fund, the AIFM deducts tax at source according to the applicable Finnish legislation on the same, unless a lower tax rate than the Finnish statutory rate has been agreed upon in the tax treaty between Finland and the domicile country of the recipient.

The AIFM annually reports to the Finnish tax authorities information on the investor's holdings, transfers and redemptions of fund units and profit distribution on distribution units. This information is forwarded to the tax authorities in the home country of the unit holder according to the international CRS/DAC2 rules. The taxpayer should check its fiscal declaration or prefilled tax return to ensure that the correct information is included.

3.4 Preferential treatment of investors

The AIFM is obliged to treat investors equally. The treatment of the investors may diverge between different unit classes in the Fund if different treatment may be deemed to be fair and equitable to the investors. Preferential treatment with regards to subscriptions is set out in the rules of the Fund.

3.5 Ownership policy

The AIFM does not aim to exercise active ownership. The objective of the Fund's investment activity is primarily to invest in asset classes that do not involve the exercise of any ownership rights. If the Fund's assets are invested in a manner that gives the AIFM the possibility to exercise ownership rights, it merely aims at ensuring that the target of such activities on a general level is managed in line with the financial interest of the Fund and its fund unit holders. As part of the ownership policy, the AIFM ensures the receipt of necessary information on the Fund's investments. The AIFM exercises any voting rights and other ownership rights consequential to an investment by the Fund only if it is deemed necessary to safeguard the interests of the unit holders.

3.6 Data protection

The AIFM processes its clients' personal data mainly to provide investment fund services and to manage its client relations on contractual basis. Processing of personal data is also necessary to comply with the regulatory requirements applicable to the AIFM. The AIFM also processes personal data for these purposes in cooperation with the portfolio manager and Innolab. Personal data is processed according to the applicable laws. Before subscribing to a fund, the investor is recommended to familiarize himself or herself with the data protection policy available online on the company's website at www.gritfundservices.fi. It contains further information on the processing of investors' personal data, the rights of the data subjects and how they can exercise their rights. Questions and requests relating to data protection can be addressed to the AIFM by email at privacy@gritfundservices.fi.

The portfolio manager processes personal data in accordance with the regulatory requirements. The portfolio manager ensures privacy protection and confidentiality obligations when processing personal data. The data protection practices of the portfolio manager are stated in its data protection policy available online at www.estlanderpartners.fi. For more information on the portfolio manager's privacy policy, please contact privacy@estlanderpartners.com.

Also Innolab processes personal data in accordance with the regulatory requirements. Innolab ensures privacy protection and confidentiality obligations when processing personal data. A description of Innolab's data protection practices may be obtained by contacting info@innolab.ai.

3.7 Distance selling in Finland

This information is given in accordance with Chapter 6a of the Finnish Consumer Protection Act (38/1978). When a consumer enters into a contract regarding financial services through distance selling, meaning by phone, e-mail or other method that constitutes distance selling, one has in some certain cases the right to cancel the contract. However, the cancellation right does not concern agreements related to funds. Such fund related agreements are for example subscriptions, transfers redemptions of fund units and change of fund classes. The customer may of course, redeem its fund units in accordance with the fund rules and the procedure described in this Prospectus.

The Fund is not available for non-professional investors.

3.8 Dispute resolution

Disagreements in relation to the Fund or the information on the Fund are resolved in accordance with Finnish law and in Finnish courts unless otherwise stated in this section. Finnish law includes provisions on the recognition and enforcement of judgments in civil and commercial matters according to the Brussel I regulation (Regulation (EU) No 1215/2012).

Danish investors should always primarily contact Innolab as the distributor of the Fund. If there is a disagreement regarding a fund investment between the AIFM and the customer, which they cannot solve by negotiating, the customer may (instead of court) submit the case to the Finnish Investments Complaints Board at:

The Finnish Investments Complaints Board
Porkkalankatu 1, FI-00180 Helsinki, Finland
Tel: +358 (09) 6850 120
E-mail: info@fine.fi
www.fine.fi

3.9 Remuneration policy

The remuneration policy is structured so that its instructions apply to such categories of staff of the AIFM that significantly through their activity affect the risk profile of the company or investment funds managed

by the company. These categories include, for instance, the management of the company and staff whose tasks requires risk taking or who are working in control functions. The remuneration policy applies to all payments and benefits made for professional work to the relevant staff. More specified and detailed information about the remuneration policy of the AIFM is available on its the webpage at www.gritfundservices.fi.

4 FUND RULES

1 § Name and features

The name of the fund is GRIT Innolab AI Equity Arbitrage AIF (the "Fund"), in Finnish GRIT Innolab AI Equity Arbitrage Erikoissijoitusrahasto and in Swedish GRIT Innolab AI Equity Arbitrage Specialplaceringsfond.

The Fund is an alternative investment fund and a non-UCITS fund in accordance with Chapter 16 a of the Finnish Act on Alternative Investment Fund Managers, because it may deviate from the rules and limits applicable to common funds according to the EU UCITS directive in regard of e.g. the investment objects, asset diversification, possibility to use leverage for investment purposes, the time of value calculation, value publication and subscription and redemption frequency of the Fund. The Fund can use leverage in its investment activities through derivative investments.

2 § Alternative Investment Fund Manager

The Fund is managed by GRIT Fund Management Company Ltd (hereinafter the "AIFM"), which is the alternative investment fund manager of the Fund. The AIFM represents the Fund and acts on its behalf in all matters and legal acts in relation to the Fund and exercise all rights in relation to the Fund's assets.

3 § Depositary

The depositary of the Fund is Skandinaviska Enskilda Banken AB (publ.), Helsinki branch.

The duty of the Depositary is to ensure that the Fund and the AIFM operate in accordance with the law, the rules of the Fund, regulation by public authority, and to handle all other duties of

a depositary under Finnish law. When carrying out its duties, the Depositary may retain services from entities specialized in custody services and supervised by the Finnish Financial Supervisory Authority or a corresponding foreign authority.

4 § Use of third-party services

The AIFM has the right to use third-party services, such as portfolio management, investment advisory, asset management, accounting, consulting, legal and IT services for the management of the Fund.

The AIFM may conduct its business through an agent or otherwise outsource significant parts of its business activities. However, only an entity authorized to provide investment services under a valid authorization may act as an agent in managing the portfolio of the Fund. The current prospectus of the Fund defines to which extent the activities of the AIFM are conducted through agents or outsourcing arrangements.

5 § Meeting of fund unit holders

Arranging a meeting

A meeting of the fund unit holders shall be held whenever the board of the AIFM considers it necessary or upon a written request of an auditor, an independent board member or fund unit holders representing at least one-twentieth (1/20) of all issued fund units to handle a specified matter.

Invitation to a meeting

An invitation to the meeting of the fund unit holders shall be announced at the earliest four (4) weeks and at the latest two (2) weeks prior to the

meeting according to 6 §. To be entitled to participate in a meeting, a fund unit holder shall inform the AIFM of its participation no later than the due date mentioned in the invitation to the meeting. The due date can be, at the earliest, five (5) days prior to the meeting.

Procedure at the meeting

The meeting of the unit holders is opened by the chairman of the board of the AIFM or another person authorized thereto by the board of the AIFM. The meeting agenda shall include:

- 1) election of the chairman of the meeting;
- 2) preparation and confirmation of voting list;
- 3) election of two scrutinizers of the minutes and two vote counters;
- 4) confirmation of the legality of the meeting and the presence of a quorum; and
- 5) handling of the matters mentioned in the meeting invitation.

Each whole fund unit entitles to one (1) vote at a meeting of the fund unit holders. Fractions of units do not provide voting right. Fund unit holders are not entitled to use their rights at the meeting of the fund unit holders before their fund units are registered or before they have informed the AIFM of their acquisition and presented sufficient proof of their ownership.

The decision made at the meeting of the fund unit holders will be the one that is supported by more than half of the votes casted, or if the votes are equal, the proposal supported by the chairman. In elections, the person receiving the greatest number of votes will be elected. If the votes are equal, the election will be decided by drawing straws.

6 § Information and notices to the fund unit holders

Statutory information is subject to procedures required by applicable laws.

Announcements to the fund unit holders shall otherwise be distributed to fund unit holders with a notice published on the website of the AIFM, sent by e-mail to the fund unit holders or published in at least one (1) national newspaper in Finland.

If a notice of amendment of the rules of the Fund is sent to the fund unit holder by email or by publishing an announcement on the website of the AIFM or in a national newspaper, the notice is considered to be delivered to the fund unit holder on the day it was sent by email or on the day the notice was published. If the notice of amendments of the rules of the fund was sent to the fund unit holder by postal mail, the notice is considered to be delivered to the fund unit holder five (5) days after it was sent by the AIFM.

7 § Investing the assets of the Fund

Objective and risk management

The investment strategy of the Fund strives to systematically exploit inefficiencies between pairs of highly liquid global equity and sector index futures.

The investment universe of the Fund consists of world-wide sector and country equity indices that are invested in mainly through the use of listed derivative contracts. The Fund may also invest in money market instruments, OTC derivatives and foreign exchange.

The Fund primarily invests in assets, which liquidity is sufficient to ensure the liquidity of the Fund. In addition, the relation between the assets and the liquidity of the Fund has been planned to ensure that the Fund can conduct necessary redemption requests and asset sales to execute investors' disposals of fund units.

The risk management of the Fund include measures such as stop-losses, profit-targets and time-decay of signals that are built into the systematic investment strategy. Further, the investment strategy diversifies the positioning so that no single pair in the portfolio holds too concentrated a position.

Investment objects and restrictions

- 1) The Fund's assets may be placed in derivative contracts that are listed on a regulated market as referred to in the Finnish Act on Trading with Financial Instruments or on another regulated, recognized and open to public market. The Fund may place up to 100 per cent in a single derivative contract in one leg.
- 2) The Fund may also enter into OTC transactions with regulated credit institutes domiciled in a member state of the European Economic Area or in Australia, Canada, Chile, Israel, Japan, Korea, Mexico, New Zealand, Turkey, the United States, the United Kingdom or Switzerland. The AIFM shall ascertain that the chosen counterparty fulfils these criteria. The AIFM keeps a list of the market places used by the Fund. The list is available from the AIFM. The Fund may also invest in derivative contracts, for which physical delivery is possible. These derivative contracts are always settled in cash. The counterparty risk caused by investments in non-standardized derivative contracts may not exceed ten (10) per cent of the assets of the Fund.
- 3) The Fund's assets may be placed in money market instruments that are traded on a regulated market as referred to in the Finnish Act on Trading with Financial instruments. The issuers of such money market instruments may be an EEA based state or an entity, whose stability is supervised according to the

principles and rules set forth in the laws of the European Union, or a regulated credit institution that is domiciled in Australia, Canada, Chile, Israel, Japan, Korea, Mexico, New Zealand, Turkey, the United States, the United Kingdom or Switzerland. No more than twenty (20) per cent of the Fund's assets may be invested in the same issuer's money market instruments. Investments in any one issuer's money market instruments, which exceed ten (10) per cent of the assets of the Fund, may constitute no more than forty (40) per cent of the assets of the Fund.

- 4) If the issuer of money market instruments is a member state of the European Economic Area, a state of the same or another local public corporation, another member state of the OECD (Australia, Canada, Chile, Israel, Japan, Korea, Mexico, New Zealand, Turkey, the United States, the United Kingdom or Switzerland) or an international public corporation, where at least one member state also belongs to the EEA, one hundred (100) per cent of the Fund's assets can be deposited in money market instruments of the same issuer. If more than thirty-five (35) per cent of the Fund's assets is invested in the same issuer's money market instruments, the money market instruments must originate from at least six (6) different issues provided that the intention is not to invest into a single issue more than thirty (30) per cent of the Fund's assets. The money market instruments referred to in this item (4) does not have to be traded on a regulated market provided that it doesn't concern investors that are investing in the issuer or investors that have invested in the issuer and their savings.

- 5) The Fund may place its assets in deposits of credit institutions provided that the deposit will be re-paid on demand and that the payment may be required within twelve (12) months from the deposit, and providing that the credit institution is domiciled in a state within the EEA. No more than fifty (50) per cent of the Fund's assets may be placed in a single credit institution.

These investment restrictions are applied only when making investments, and thus the portfolio manager is not obliged to rebalance the portfolio by selling investment instruments in case of value fluctuations caused by the markets, if it cannot be regarded as economically viable and the risk management of the fund cannot be deemed materially impaired as a result.

In connection with the establishment the Fund, subscription and redemption of fund units and the buying and selling of investment objects, the Fund may temporarily deviate from the investment restrictions set forth in this section. The Fund may also temporarily deviate from the investment restrictions, if the assets of the Fund cannot be invested in a profitable manner according to the Fund's investment strategy.

The AIFM may take loans on behalf of the Fund for investment fund activity on a temporary basis. The loan can amount to a maximum of 10% of the net assets of the Fund.

The Fund shall have sufficient cash assets for its activities.

8 § Fund units

The Fund may have both growth units and distribution units. The same kind of units entitle to equal rights to the assets of the Fund. Fund units can be divided into fractions. The divisor is one million (6 decimal places). A fraction of a fund

unit entitles to an equivalent part of the Fund's assets.

The Fund may have fund units that diverge from each other with regard to fees and expenses. The diverging fees and expenses may be based for example on the base currency of the fund unit, hedging and subscription amount. The board of the AIFM resolves on the issuance of fund units and the conditions for subscription in connection with the issuance of each fund unit class.

9 § Register of fund unit holders

The AIFM maintains a register of all fund units and registers subscriptions, transfers and redemptions of fund units. A subscriber of fund units is registered as an owner in the fund unit register. A registration in the fund unit register is made only when the applicable legal requirements have been fulfilled.

10 § The Fund's profit distribution

If the board of the AIFM has resolved to issue distribution units, the general meeting of the AIFM resolves on the annual amount to be distributed to holders of distribution units. The distribution of dividend is not dependent of the result of the Fund for the latest financial period or earlier financial periods. The dividend paid on distribution units is deducted from the capital of the Fund attributed to the distribution units.

The dividend is paid on the date determined by the general meeting of the AIFM to the bank account that the fund unit holder has notified to the AIFM. If the fund unit holder has stated in writing at the time of subscription, that the dividend shall be a re-investment in the Fund, the dividend is re-invested by issuing new fund units to the fund unit holder in question in an amount corresponding to the amount of the dividend after deduction of any withholding.

11 § Calculation of the value of the Fund and the fund units**Determination of the Fund value**

The AIFM calculates the value of the fund units each subscription and redemption day ("Valuation day"). The value of the Fund is calculated by deducting the Fund's liabilities from the Fund's assets. The value of the Fund is calculated in the base currency of the fund. The value of the fund units is published in the currency in which the fund units have been issued.

Determination of the value of the investments

The Fund's investment objects are valued at their current market values. The Fund's assets are valued to a market value corresponding to their market prices. Market prices are defined as the closing prices on the Valuation Day (including exchange rates).

If a market price is not publicly available or it cannot be considered to be reliable or up to date, the price is determined by using an estimate given by the issuer of the security or money market instrument, portfolio manager of the target fund or other party, if such estimate can be regarded as a trustworthy prediction of the market price of the instrument. In exceptional market situations or in case a fair market value is not available, the AIFM may deviate from these valuation principles by acting utmost diligently and by applying the objective valuation principles approved by the board of the AIFM.

In respect of standardized and non-standardized derivative contracts the market value is defined as the particular contracts' closing prices on the latest Valuation Day. If the most recent market price available does not correspond to the actual value of the contracts, the price is determined by

applying the objective valuation principles approved by the board of the AIFM.

The Fund's costs, period costs, trading costs, accrued interests and other possible receivables and other debts are taken into account at the valuation of the fund units as determined by the board of directors of the AIFM.

The value of the fund units and its publication

The value of fund units is calculated separately for each unit series by dividing the value of the Fund by the amount of outstanding fund units, taken into account the diverging fees and charges, base currency and hedging of the unit class as well as potential dividends paid on distribution units, which may affect the unit series' relative share of the Fund's value.

If the board of the AIFM decides to issue several fund unit classes that differentiate from one another by means of management fees, issuing currency or hedging or otherwise, the values of such differentiating fund units classes are determined in such a manner that the share of the Fund's capital of each class of fund units shall be regarded as the proportional share of the total number of units of the Fund after the number of units of which has been weighted by the unit values on the preceding Valuation Day. Fees and other possible charges of each fund unit class are deducted from the capital of that unit class.

The value of the Fund units is available from the AIFM and from the places of subscription and redemption of the Fund.

12 § Fees and expenses for unit transactions

The AIFM charges a maximum subscription fee of 1% of the subscription amount. When redeeming fund units, the AIFM charges a maximum redemption fee of 1% of the value of the fund units on the redemption day.

The board of the AIFM decides on the amount of the subscription and redemptions fees. Further information on the applicable fees are available in the latest version of the prospectus of the Fund.

13 § Compensation payable out of the assets of the Fund

General

The assets of the Fund are used to pay all expenses and fees that are essential for and relate to the investment activities of the Fund. Hedging costs of fund units issued in other currencies and/or of hedging derivatives, as well as costs of currency exchange and gains or losses of hedging instruments, may only be allocated to the fund unit series in question. The amount of the compensation to be paid is determined by the board of the AIFM. Further information on and descriptions of the applicable fees are available in the latest version of the prospectus of the Fund.

Management fee

Out of the assets of the fund, an annual compensation of maximum 2% is paid for the management of the Fund. The compensation is calculated on each Valuation day based on the Fund's value before deduction of management fees. The management fee is divided between the AIFM and the portfolio manager.

Incentive fee

The Fund may have unit classes on which an incentive fee is calculated. The same incentive fee model is applied to all unit classes and the maximum amount thereof is 20% of the return of the unit class. The incentive fee is calculated per fund unit class on each Valuation day according to the high watermark principle (the highest value of the fund unit class recorded) and paid from the Fund in arrears. The amount of the incentive fee is calculated based on the increase of the value of

the fund unit class after deduction of all costs and fees. Any dividend paid on distribution units is added to the value of the distribution unit when calculating the incentive fee.

The initial unit value used at each calculation date is the highest value published for the fund unit. If the new value of the fund unit at a calculation date does not exceed the initial value used, the incentive fee cannot be charged.

Other fees and expenses

The depositary charges a depositary fee from the Fund for the custody services.

All other costs, expenses, charges and fees which are essential for the operation, administration, financing, custody, sub-custody, business or the investments are charged from the Fund's assets. Such costs are for instance the Fund's trading and banking expenses, costs in relation to use of third-party services, auditing costs, authoritative costs and statutory reporting expenses.

14 § Subscription and redemption days for fund units

The subscription and redemption day is the last banking day each month in Finland.

By decision of the board of the AIFM, subscriptions and redemptions may also be executed at other times, provided that the common interest and fair and equitable treatment of the fund unit holders are not significantly compromised. Subscriptions and redemptions of the Fund are executed with the value on the subscription and redemption day.

15 § Subscription of fund units

Place and procedure of subscription

Fund units are subscribed by giving a subscription order to the AIFM, i.e. submitting the

subscription form to the AIFM and paying the subscription amount to the bank account of the Fund. Subscription orders are received by the AIFM and other places of subscription mentioned in the prospectus of the Fund. The AIFM must receive the subscription order no later than five (5) banking days (in Finland) before the subscription day.

The subscription order is binding. The subscription order may be executed provided that the AIFM has been provided with appropriate and sufficient information of the subscribing investor and its identity and that the subscription amount has been received in due time.

If the subscription order or subscription payment is received after the cut-off time described above, the AIFM will execute the subscription on the following subscription day. The AIFM may also execute the order at an earlier time, if the AIFM considers that the common interest and fair and equitable treatment of the fund unit holders is not compromised.

The AIFM is entitled to reject or postpone a subscription order, if the AIFM has not been provided with sufficient information in order to identify the subscriber in a reliable way and/or the requirements in applicable law or as set by the AIFM on customer identification are not met, or the AIFM has not otherwise been provided with sufficient information in order to execute the subscription. The AIFM also has the right to refuse or reject a subscription order if there is no actual need for the customer relationship or if the customer relationship is deemed to impair the interests or equality of other fund unit holders.

The AIFM has the right to decide on a minimum subscription amount. Deviation from such minimum subscription amounts is possible for investors or groups of investors whose total customer relationship is significant and provided

that the equality of the investors is not compromised.

The amount of fund units subscribed is determined by dividing the subscription amount, less the potential subscription fee, with the value of a fund unit. If the subscription amount, after deduction of the potential subscription fee, cannot be equally divided with the value of the fund unit and its fraction, the amount of fund units is rounded down to the nearest fraction of fund units and the difference is added to the Fund capital.

The AIFM sends a confirmation of each subscription to the postal or e-mail address that the fund unit holder has provided to the AIFM or by other means of electronic communication.

16 § Redemption and transfer of fund units

Redemption of fund units at the initiative of the unit holder

An investor has the right to request its fund units to be redeemed on a redemption day and the AIFM has a corresponding obligation to redeem such fund units.

Moreover, the fund unit holder may request redemption of its fund units if the AIFM has resolved to amend the rules in a way that significantly changes the nature of the Fund or the rights of the unit holder, transfer of the management or a merger or de-merger of the Fund. In such case, the extra redemption day will be, at the earliest, two weeks from when the notice of the change has been delivered to the unit holders according to 6 §. An extra redemption day will not be held, if the fund unit holders have an actual possibility to redeem the fund units before the change of the rules of the Fund, the transfer of the management, the merger or de-merger of the Fund takes effect.

Place and procedure of redemption

Fund units may be redeemed, changed and transferred by submitting a written redemption order to the AIFM. Redemption orders are received by the AIFM and other places of redemption mentioned in the prospectus of the Fund. The AIFM must receive the redemption request no later than five (5) banking days (in Finland) before the redemption day.

If the redemption order is received after the cut-off time described above, the redemption will be executed on the following redemption day, alternatively on the intended redemption day with the approval of the AIFM. A redemption order may only be cancelled with the approval of the AIFM.

If the Fund has enough available cash to execute the redemption on the redemption day intended by the fund unit holder, the redemption is executed with the confirmed value of the fund unit on this redemption day. If the assets need to be acquired through sale of investment objects of the Fund for the execution of the redemption, the redemption is executed with the value on the Valuation day following the date of sale of the investment objects, however no later than with the value on the redemption day following the time of sale. The redemption amount will be paid to a bank account specified by the fund unit holder within five (5) banking days (in Finland) from publishing the value of the fund units or on another date agreed between the AIFM and the fund unit holder.

Assignment of fund units

Fund units may be assigned to another party. The person receiving the fund units must provide the AIFM with sufficient information about its acquisition of the fund units, after which the ownership can be registered in the register of fund units.

Redemption of fund units at the initiative of the AIFM

The AIFM may unilaterally and on its own initiative redeem the investor's fund units, if one or several of the reasons below apply or if there is another comparable weighty reason thereto relating to the investor. Such a reason is at hand, for example, if the unit-holder fails to provide or update the information required by the AIFM's statutory obligations, or if the unit holder relocates to another country outside the EEA, which would result in additional obligations for the AIFM that reasonably can't be demanded to be fulfilled. Such obligations include for example foreign tax and other reporting, obligations to applying for registration for foreign institutes, or other special arrangements that the AIFM doesn't see as purposeful considering its business. The redemption will be executed unilaterally at the initiative of the AIFM in the situation described above, otherwise in accordance with normal procedures for redemptions.

Restriction of redemptions

Under the conditions specified below, the AIFM may restrict redemptions on its own initiative to manage the liquidity of the Fund and to protect smaller unit holders by splitting the redemptions over several redemption days. If the total value of redemptions made on a single redemption day exceeds 10% of the latest published value of the Fund, the redemptions may be partially executed on the next redemption days to the extent that they exceed an amount of redemptions that reasonable can be executed on a single redemption day. The redemptions will then be made in proportion to the holdings of the unit holders who have requested redemption.

17 § Suspension of subscriptions and redemptions

The AIFM may temporarily suspend the subscription and/or redemption of fund units if the AIFM consider that the equality of the fund

unit holders or any other corresponding reason so requires, for example when the value of the fund units cannot be calculated in a reliable way or the calculation is prevented, when the assets of the Fund cannot be invested in a profitable way in assets that are eligible according to the investment strategy of the Fund, or when an exceptional event disrupts the activity on the financial markets.

Subscriptions may also be temporarily suspended when the assets from the subscriptions in the Fund have become more difficult to invest due to the prevailing circumstances on the financial market. Redemptions may also be temporarily suspended if the Fund's investments were to be sold at a significantly lower price than the market value.

18 § Disclosure of information

The AIFM has the right to disclose information regarding the investor in accordance with applicable legislation.

19 § Financial period

The financial period of the AIFM and the Fund is a calendar year. However, at the commencement or liquidation of the Fund's activities, the financial period may deviate. The deviating financial period can be no longer than 18 months.

20 § Auditors

For each financial period, the AIFM elects one auditor and one deputy auditor for the AIFM and the investment funds managed by the AIFM. Each of the auditors shall be a KHT-auditor or an auditing firm. Auditors are annually elected for a term of office that expires at the end of the next general meeting following the election.

21 § Fond documentation, annual report and semi-annual reports

The fund prospectus, fund rules, Key Investor Information Document (KIID) (if applicable), semi-annual report as well as the annual report of the Fund and the AIFM is publicly available at and can be obtained from the AIFM. The semi-annual report and the annual report comply with the requirements in the applicable legislation with regards to content and publication.

22 § Amendment of the fund rules

The fund rules may be amended by a resolution of the board of the AIFM. The amended fund rules shall be submitted to the Finnish Financial Supervisory Authority as specified by law. The amendment to the fund rules takes effect one (1) month after the amendment has been notified to the Finnish Financial Supervisory Authority and the fund unit holders have been informed of the amendment in accordance with these fund rules, unless otherwise decided by the Finnish Financial Supervisory Authority. After the amendment has entered into effect, it will also apply to commitments given prior to the amendment. Amendments of the rules of the Fund shall be notified to the fund unit holders as described in 6 § above.