

IS Equity Fund

August 1, 2019

Objective and investment policy

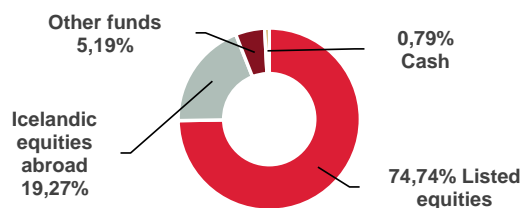
The fund's objective is long-term asset growth by investing in equities listed on the Icelandic Exchange, OMX Nordic Exchange, or other financial instruments linked to equities. It aims at achieving better returns than the main index incl. Dividends (OMXIGI).

The fund's assets are invested in equities listed in the Icelandic Exchange. The fund seeks to invest in sound companies which are considered having good upside potential by the fund's managers. To increase the expected return, the fund is invested in very few companies each time. Such a limited number of holdings, means less diversification of risk than an investment in a more diversified portfolio or an index fund. The fund's investment authorisations are based on Act. 128/2011.

Investment authorisation

Listed equities	40-100%
Unlisted equities	0-30%
Bank deposits	0-50%
Other funds	0-10%
Derivatives	0-10%
Icelandic equities listed abroad	0-30%
Cash	

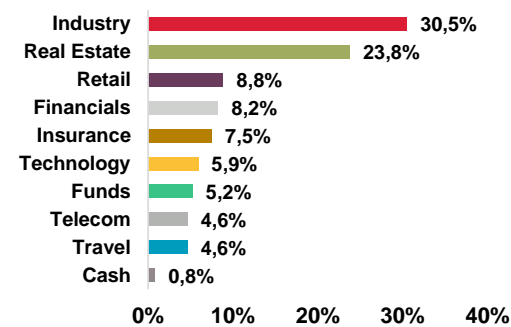
Holdings



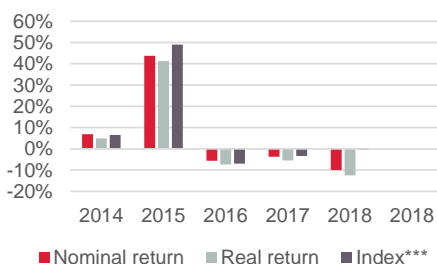
Assets

Marel hf.	25,8%
Reginn hf.	8,9%
Eik Fasteignafélag hf.	8,5%
Hagar hf.	7,0%
Arion banki hf.	7,0%
Heimavellir hf.	6,4%
Origo hf.	5,9%
Alpha hlutabréf	5,2%
Eimskipafélag Íslands	4,7%
Icelandair Group hf.	4,6%

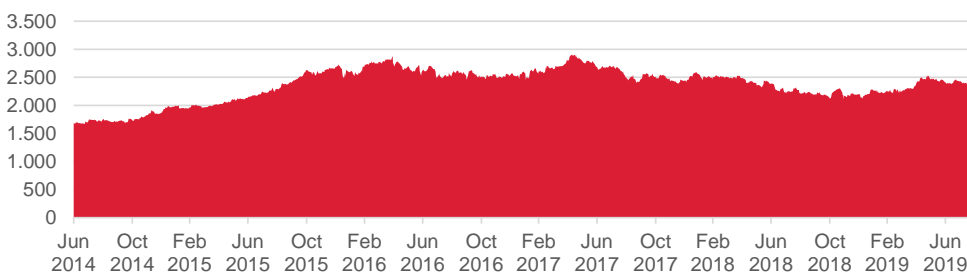
Sectors



Return and price history



Period	Price change	Annual nominal return
6 months	7,4%	
1 year	7,9%	7,9%
2 years	-9,4%	-4,8%
3 years	-2,4%	-0,8%
4 years	8,6%	2,1%
5 years	40,9%	7,1%
YTD	10,6%	10,6%
From inception****	130,0%	3,9%



General information

Inception	1998
Size [m. kr.]	5.175
Fund type	Non-UCITS
Benchmark	OMX10GI
Mgmt. Company	IS Funds Ltd.
Custodian	Íslandsbanki Ltd.
ISIN	IS000004273
Bloomberg ID	ISSELEQ IR
Fund managers	Gísli Halldórsson Mogens G. Mogensen
Business time	10:00-15:00
Settlement	2 business days (T+2)
Minimum purchase	10.000 kr.
Minimum subscription	5.000 kr.
Management fee	1,7%
Initial fee	2,0%
Initial fee, subscription	1,0%
Service charge	See distributors pricelist

Statistics

Risk category	5/7
Benchmark Index	OMX10GI

Further information

IS Funds Ltd. (Íslandssjóðir hf.)
Hagasmari 3, 201 Kopavogur
Telephone: +354 440 4900
www.islandssjodir.is

Distributors:
Íslandsbanki Ltd.
www.islandsbanki.is

****The fund has been operated since 30.06.1998

Risk factors and disclaimer

IS Selected Equities Fund invests mainly in listed Icelandic equities. The fund aims to diversify its investments according to each underlying company's weight in the benchmark index for the fund. The benchmark index for IS Selected Equities Fund includes the largest and most traded stocks on the Icelandic stock exchange. Fluctuations in the benchmark can therefore result in fluctuations in the NAV of the fund. The fund may invest in derivatives for up to maximum 10% of its total assets.

The fund's price can decrease as well as increase. The price return of the fund depends on stock prices and therefore reflects market fluctuations. Investing in equities is risky, although it is possible to reduce the risk with a well diversified portfolio of equities. Investment in a mutual fund is less risky than investments in individual securities. Investments in equities should be considered as long term investment and each investor should be aware of his/her own risk profile. Various financial risks are always related to investment activities, such as the risk of no yield or the risk of losing the capital invested. It should

further be noted that international investing includes risks related to political and economic uncertainties as well as currency risk. Past performance does not indicate nor guarantee future performance of an investment. Each investor's investment objectives and financial situation is different. Before making an investment decision, it is important to seek expert advice and familiarise oneself with the investment market and different investment alternatives. Investors are encouraged to familiarise themselves with the IS Selected Equities Fund prospectus, especially regarding risk, available on www.isfunds.is

This summary is informative in nature, and should not be interpreted as a recommendation to take, or not to take, any particular investment action. This summary does not represent an offer or an invitation to buy, sell or subscribe to any particular financial instruments.