POLICY ON CAPITAL INVESTMENT & LIQUIDITY MANAGEMENT

Approved by: The Board of Afrikagrupperna
Reconfirmed: September 2026
Responsible: Secretary General

The purpose of Afrikagrupperna's liquidity management and investment policies aim to improve Afrikagrupperna's liquidity both in the short term and long term, but also to strive for a good return on own equity. The financial goal for the long term management is with a limited risk-taking create a real return on investment of three percent (+3%) per year.
Below follows the pre-requisites for Afrikagrupperna´s investments.

The financial investments should be done with due consideration of ethical behavior and that the risk-profile is low to middle (risk-level of maximum 5, at a scale of 1-7).

Funding from Sida should be deposited into a separate bank account. A requisition of Sida-funding (longterm agreements) to be deposited into the bank account is done according to the agreement with Sida.
Withdrawals from the separate" Sida-bank-account" will be done continuously, when the need occur, with two authorized signatories. For partner distributions and project-distributions there will in advance be a requisition by email from the Controller that needs approval from the IPM (International Program Manager) before withdrawal from the bank account.

Own Equity can be invested in many ways depending on the wanted and possible time period and as well accepted risk-level. Afrikagrupperna has chosen to use the same risk-levels (1 – 7) that most Swedish banks and financial institutes are using. The financial instruments that primarily should be chosen are Plusgiro, bank accounts, different forms of special deposits, bonds, treasury bills, share trusts, interest funds, and eventual combinations, as an example equity funds.

The investments should be distributed over time so that the investments are due at different time periods, in order to reduce the interest risks and secure liquidity. For investments in derivatives other than currency hedging (i e options, warrants, futures and forwards) the board´s special approval is needed.

Donations not made in cash, i.e shares, securities or properties, should as main rule be sold as soon as Afrikagrupperna has become owner of such assets. If there is a good reason for not doing so, then a board decision is needed that states the reason for keeping the securities etc.

The ongoing daily management of investments can be delegated to one or two external trustees. In this case, the external trustee is responsible for handling the external management according to the criteria set up by Afrikagrupperna.
A securities institute (värdepappersinstitut) can be used as a trustee if it has been approved by the Financial Supervisory Authority (Finansinspektionen) according to the law (2007:528).

An external trustee should to Afrikagrupperna latest 15 days after month end report the investment-portfolio´s:

- Market- and purchase-values
- Return on investment for the month, the current year and from the start of the portfolio
- The costs that are related to the management, accumulated for the year.

An investment portfolio is a collection of securities with different characteristics in return and risk. An effectively composed portfolio will create a lower risk than the added individual risks of the included securities.
Below is shown how the portfolio of Afrikagrupperna should be composted by external management.

Allocation of assets :
The allocation of assets is expressed as a normal portfolio, which mirrors Afrikagrupperna´s strategy of capital investments. This is the composition that is demanded in order to reach the expected return of investment over time.
In the management of investments an allocation of the different assets is wanted as below:

ALLOCATION OF ASSETS:

	Min (%)	Normal (%)	Max (%)
Alternative investments	*0*	*10*	*15*
Shares	*15*	*50*	*70*
Interest-bearing securities	*15*	*50*	*70*

Liquid funds should be invested so that there is enough money available for the daily operational payments and be placed in an account for example at Plusgiro or other bank accounts. In *Liquid funds* is also included investments in low-risk ranked funds (risk level 1 – 2 is low risk), i.e. interest funds or equity funds, where the proceeds after sale is available within two bank days.
Finance Manager is responsible for making sure that there are enough funds for the daily operations.

Long-term capital investments should be done with the existing equity that exceeds the needs according to above mentioned daily operations. The investment management should be founded on

low or moderate risk taking in consideration ethics. Preferably be invested in special deposits of fixed interest with different due dates offered by the banks, or in bonds against various counterparties for risk diversification.

Investments in shares in funds (fonder) are allowed that have been established within EES according to EU´s UCIT´s directive, or shares in Swedish´s special funds as long as the placement orientation in everything substantially correspond to the criteria in this policy.

If investments are made in equity funds or equity index funds; the maximum total investment is limited to a maximum of 85% of Afrikagrupperna´s own equity (purchase price of the investment) according to latest annual report. Currently Afrikagrupperna´s own equity is about 25 748 Tkr (according to our 2024 annual accounts). Investments in equity- or equity index funds of more than 85% must have the approval of the board.

Investments should also not be made in any type of funds that have a higher risk level than" level 5" (risk level 3- 5 consider moderate risk according to Nordea bank). The total investment portfolio should be invested more broadly, both in industries and geographical markets, for a better risk spread.

Afrikagrupperna should in it´s management of capital investments have as an aim to be a responsible investor. *The companies that Afrikagrupperna invest in* should be characterized by care for a good environment, reasonable social conditions and good ownership management. (For definitions see Appendix 1)
The companies that Afrikagrupperna invest in should act accordingly to the international conventions that Sweden has signed. (See Appendix 2 for specification)
Investment should not be done in a share where at least 5 % of the company´s revenues are coming from alcohol, tobacco, pornography, or defense equipment. (See Appendix 3 for more details)

Many financial institutions offer different forms of" ethical funds", which in many cases meet the mentioned criteria and they are often once's first choice.
Leverage of the portfolio or investment in funds that are pledging underlying securities is not allowed without an approval by the board.
If any doubts occur by investment in a specific share or equity fund the question should be asked and decided on in the board.

Own Equity can be used for strategical investments, investments and structural cost adjustments that will affect the result positively long term.

Afrikagrupperna highlights capital assets management in the annual report in order for members and others interested to assess the operations.

This policy refers to:

- Policy on Sustainability
- Order of Delegation