



INFORMATION BROCHURE – NORDIC EQUITIES SELECT

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General information

This information brochure has been prepared in accordance with the Swedish Investment Funds Act (2004:46) and the Swedish Financial Supervisory Authority's regulations on investment funds (FFFS 2013:09).

The fund and fund company are under the supervision of the Swedish Financial Supervisory Authority.

Information about the fund company

The fund company Nordic Equities Kapitalförvaltning AB, reg. no. 556571-9126 was founded in 1999 and has its registered office in Stockholm. The company's share capital is SEK 1 500 000.

In 2000, the company received a licence to manage the Nordic Equities Strategy fund and in 2006 the company became a fund company and received a licence to conduct fund operations. In May 2015, the company received a licence to manage alternative investment funds. The fund company currently offers five funds: Nordic Equities Our World, Nordic Equities Global Stars, Nordic Equities Strategy, Nordic Equities Sweden and Nordic Equities Select, and conducts discretionary management.

Board of directors, senior executives, and auditor

- Fredrik Boström, lawyer, Chairman of the board of directors
- Jonas Jakobson, board member
- Brita Lagström, board member
- Lars-Olov Olsson, board member
- Mikaela Fredriksson, CEO
- Lars Kinnunen, Complaints Officer
- Rune Evertsson, REVAC Redovisningsbyrå AB, Risk Control Manager
- Anders Tagde, KPMG, Auditor

Assignment agreements

The fund company has entered into the following assignment agreements:

- Skandinaviska Enskilda Banken (publ) AB as custodian of the fund.
- Harvest Advokatbyrå AB, as controller of the fund.
- REVAC Redovisningsbyrå AB for accounting and financial reports.
- Lüscher & Co Revision AB as internal auditor.

The depositary

The depositary of the funds is Bankaktiebolaget Skandinaviska Enskilda Banken AB, reg. no. 502032-9081, which has its registered office and head office in Stockholm. The general tasks of the depositary are to hold the fund's assets and to execute the fund company's instructions relating to the securities fund if they do not contravene provisions of law or other statutes or the fund rules and to ensure that:

- Sale, redemption and cancellation of units in the fund are carried out in accordance with the law and the fund rules,
- The value of the units of the fund is calculated in accordance with the law and the fund rules,
- Compensation for transactions involving the assets of a fund is paid to the fund without delay, and
- The income of the fund is used in accordance with the provisions of the law and the fund rules.

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Fund information

Nordic Equities Select, ISIN SE0001962978, was launched on 31 May 2007 and is a special fund under the Swedish Act (2013:561) on Alternative Investment Fund Managers, hereinafter referred to as LAIF. The fund is managed by Nordic Equities Kapitalförvaltning AB (the fund company), reg. no. 556571-9126, and its portfolio team. The fund company maintains the register of unit holders. The fund Nordic Equities Select's fund rules were approved by the Swedish Financial Supervisory Authority in May 2015.

Target group

The fund's target groups are institutions (such as pension funds and foundations), companies and individuals.

Legal consequences of an investment in the Fund

The fund's assets are jointly owned by the unit holders, with each fund unit in each unit class carrying equal rights to the assets of the respective unit class in the fund. The company represents the unitholders in all matters relating to the fund. The fund may not acquire rights or assume obligations. Nor can the fund bring actions before a court or other authority. Property belonging to the fund may not be seized. Unitholders are not liable for obligations relating to the fund.

Ownership of fund units

The fund's assets are jointly owned by the unitholders who have purchased units in the fund. Each fund unit is of equal size and carries the same rights to the fund's assets. Nordic Equities thus applies the principle of equal treatment between unit holders in both the administration and management of the fund. This means that the fund company shall not prioritise the interests of a particular unitholder. The company has established clear procedures for managing conflicts of interest to ensure that fairness is maintained.

The company may pay remuneration to certain distributors and, in specific cases, to certain other investors if it is considered appropriate and professional. Such remuneration shall be justified in writing and filed by the company in accordance with the company's procedures for managing conflicts of interest.

Dividends

The fund is distributive. The aim is for the fund to redistribute the previous year's dividend. If the board of directors of the fund company considers that it maybe in the common interest of the unitholders, the dividend may be set at a higher or lower amount.

The fund's focus and strategy

The fund is primarily focused on the Nordic market, but may also be predominantly invested outside the Nordic region. The fund has a concentrated portfolio and often consists of fewer than 25 holdings (preferably equities). The management does not endeavour to achieve an even geographical or sectoral spread.

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and in accounts with credit institutions. The fund may not issue put options or hold OTC derivatives. The fund's assets are mainly invested in Nordic equities, money market instruments, derivatives and bank accounts.

Exposure to the equity market may vary and the fund may have a predominance of cash and cash equivalents and fixed income investments, be leveraged, and also have a net negative exposure.

Using an empirical approach, global and historical relationships are analysed based on the company's investment philosophy "Outside View". Investments are based on historical data in a global context where the investment theme GURAI (Globalisation, Urbanisation, Artificial Intelligence, Internet, Robotics and Standardisation) plays an important role. Regular travel and meetings with portfolio companies contribute to investment decisions.

The fund's strategy is to invest in the financial instruments that the company considers to be most worth buying, based on an assessment of the markets' valuation and growth potential. Evaluation takes place on an ongoing basis, after which the holdings are increased, reduced or replaced. We look at each share individually, so-called stockpicking, which means that we are not dependent on industry weighting.

Risk

The fund has a risk factor of 4* out of 7, which corresponds to a medium risk class for increases and decreases in unit value. The fund is therefore suitable for people with a risk tolerance of 4 out of 7. *Monthly traded fund is automatically raised one MRM class in accordance with the EU Commission's delegated regulation 2027/653.

The fund's risk profile

Historical returns are no guarantee of future returns. The money invested in the fund may increase or decrease in value and there is no guarantee that an investor will get back the full amount invested.



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There are different types of risks for a fund. Among other things, the following risk groups have been identified:

- **Market risk:** Market risk can be categorised into three parts. General market risk, holding-specific risk and exchange rate risk. All investors are exposed to general market risk, which means that the value of shareholdings can be affected by, for example, changes in the economy, interest rates, inflation and geopolitical events. Holding-specific risk is the risk associated with a specific company, which means that the company can develop differently from the market. Exchange rate risk arises because changes in exchange rates affect the value of a holding.
- **Credit/counterparty risk:** This refers to the risk that the fund's counterparty cannot fulfil its obligations.
- **Liquidity risk:** the risk that a position cannot be settled in time at a reasonable price.
- **External risks:** Can be divided into business risk, concentration risk, reputational risk and strategic risk. These risks mainly affect the fund company.
- **Operational risk:** refers to the risk of losses due to inappropriate internal processes and procedures, human error, faulty systems and external events.
- **Sustainability risk:** Refers to environmental, social or corporate governance related circumstances or events that could have a significant negative impact on the value of the investment. This risk is managed by integrating sustainability into investment decisions and through the exclusion criteria applied by Nordic Equities.

Since the fund invests in shares and index futures, a fund investment will be risky. By diversifying the investments, both in terms of industry and geography, the risk level is reduced. The risk profile in the fact sheet (PRIIP KID) is based on historical volatility and the fund's risk class should be 4. The fund's overall risk profile shall be relatively low through well-developed investment methodology and secure procedures.

Trading in derivatives and securities lending may be carried out as part of the fund's investment policy. The fund may not issue put options.

Trading/transactions in options and futures contracts have special characteristics that may involve significantly higher risk than trading in shares. To limit the risk associated with such trading, as well as the risk associated with borrowing and the use of leverage, certain limits have been set for the fund:

Position	Share of fund assets
Options & Futures	≤100%
Securities lending (total)	≤200%
Instruments/Securities loans (single issuer)	≤30%
Money market instruments guaranteed by the Swedish government	≤50%
Deposits in a single bank	≤40%
Exposure to individual company/group of companies	≤50%
Short-term/long-term loans	≤150%
Lending of negotiable securities	≤50%
Gross exposure in derivative instruments	≤300%

The size and nature of the fund's holdings and its transactions shall be in accordance with the limits in the above table. The limits are described in more detail in the fund rules¹.

General information on trading in derivatives

The holder of a call option is entitled, but not obliged, to buy the underlying commodity at a predetermined price, the strike price. However, the issuer of the call option is obliged to sell the underlying at the strike price on demand.

The buyer of an option pays a premium to the writer of the option. The premium represents the writer's compensation for assuming the obligation to sell or buy the underlying commodity on demand. The profit potential of buying options is in principle unlimited; the risk is limited by the premium paid to acquire the option. The profit for the writer of the option is

¹ §5 fund rules for Nordic Equities Select



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maximised to the premium received, while the risk of loss may be unlimited. Provided that the underlying commodity is held when the call option is issued, the risk is limited to the loss of any price increase.

A forward contract is an agreement to buy or sell a commodity. It differs from ordinary purchases and sales in that the payment and delivery of the commodity takes place only at a specific time in the future, at a price determined at the time of the conclusion of the forward contract. The purpose of using futures is to eliminate future uncertainties about cash flows. A forward differs from an option in that the seller of a forward is obliged to deliver the goods at a specific price at a specific time and the buyer of a forward is obliged to pay for the goods at a specific price at a specific time.

Where derivative instruments are used in the fund, total exposure shall be calculated using the commitment method.

Activity rate in fund management

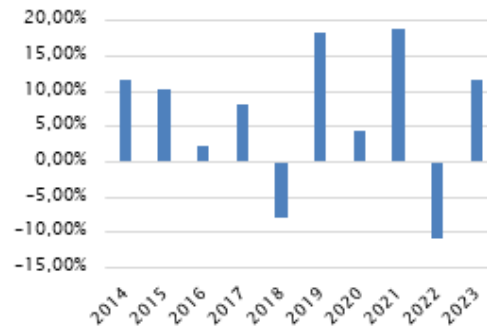
The fund seeks to achieve a positive return over time. Given that the fund's composition of companies is highly concentrated with varying levels of liquidity and that the fund does not aim to outperform a specific benchmark, it is not appropriate to compare the fund's performance with the performance of a specific benchmark to determine the level of activity in the management of the fund.

Value and disclosure

The unit value amounted to SEK 1474.63 per unit on 29 December 2023. The latest annual report for Nordic Equities Select was published on 20 April 2023.

Information on the fund's valuation can be found after each trading day on the fund company's website: www.nordeq.se. Annual and semi-annual reports are available to investors upon request.

Historical annual returns



Fees

The management of the fund is subject to a fixed fee.

The purchase and redemption of fund units may also incur a purchase/redemption fee.

The current fee level and the maximum possible fee levels, according to the fund rules, are as follows:

- The fee for buying fund units is a maximum of 3%.
- The fixed fee to the fund company for management, custody, supervision, auditors and costs for safeguarding the interests of the fund is 1% annually (maximum 1%).
- The redemption fee for fund units acquired in the last 12 months is a maximum of 1.5%.
- The performance fee is 20% of the excess return over the index, as described in more detail in the next section.

The fixed charge is calculated daily and levied once or twice a month. Costs charged to the fund are shown in the annual report.

In addition to the management fee charged by the company from managed portfolios in accordance with the fund rules, the funds pay brokerage fees in connection with securities transactions. There are also bank charges in some cases. As a result of the funds' trading with brokers, the company receives price data systems and analyses from brokers, which are used in the management of the fund.

In accordance with Finansinspektionen's letter (Dnr 14-6664), the company has chosen to divide the brokerage cost into equal parts in an analysis and an execution part. The execution part accrues to the broker when trading as compensation for the transaction, while the analysis part is accumulated by the broker to be distributed by the company on



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occasion, at given intervals or when the balance reaches a sufficiently high amount. The cost of analysis charged directly to the fund in the form of brokerage fees shall be distributed as the company deems appropriate, taking into account how analysis services and technical aids are available to, or used by, the management.

Details of the charges are set out in the fund rules and further information can also be obtained from the company.

The fund's performance fee

Where applicable, a performance-based remuneration is paid to the management company amounting to a maximum of 20% of the part of the total return, for each individual unit holder, that exceeds the development of the fund's performance index. The performance-based remuneration is calculated at the end of the calendar year and on redemption of fund units and is paid to the management company thereafter. The remuneration shall be paid by the fund but is charged to each unitholder. In cases where the total return for a unit holder's remaining units does not exceed the development of the performance index since the acquisition of the units, the beginning of the calendar year and the time when performance-based remuneration was last paid, no performance-based fee shall be paid for this unit holder until the underperformance has been recovered. For a more detailed description, please refer to the fund rules and the attached sample calculation.

Fund performance index

The change in the performance index is determined by the final quotation for the 3-month Swedish Treasury bill rate on the last banking day of each month. If there is no quotation on this day, the last available quotation applies.

The performance index is calculated on the last business day of each month. The current interest rate quotation is converted into a daily interest rate. The evolution of the index since the previous month is calculated by adding this daily rate to all the days of the current month.

Example of performance fee calculation:

Below is an example of two fictitious customers' transactions during a year and how the performance fee is calculated at the end of the year.

Date	Fond course	Index	CUSTOMER A		CUSTOMER B	
			Amount*	Shares	Amount	Shares
31-Jan	100,0	100,0				
			Purchase	1 000 000	10 000	
30-Aug	104,0	102,0				
			Purchase			1 000 000
						9 615
31-Dec	105,0	103,0	Value before performance fee		1 050 000 10 000	
			Value if the fund performed like the index	1 030 000		1 009 804
			Excess returns	20 000		-189
			Performance fee 20 per cent	4 000		0
			Performance fee per share	0,4		0
			Value after performance fees	1 046 000	10 000	1 009 615
						9 615
			Value with reduced fund rate= 105-0.4= 104,6	1 046 000		1 005 769
			Allocation of new fund units			37
31-Dec	104,6		Value after performance fee		1 046 000 10 000	
						1 009 615 9 652

*Amount reported in SEK

At the end of the year, it is calculated whether any of the customers should pay a performance fee. For both customers, the value of the units has increased during the year, but for Customer B the value of the fund units would have been even slightly higher if the fund price had developed like the index. Customer B therefore does not pay a performance fee. Customer A is charged a performance fee of 20% of the excess return over the index, which corresponds to SEK 0.4 per unit. The fund price is therefore adjusted downwards by SEK 0.4. To compensate for this downward adjustment of the fund price, Customer B receives several units.

Rules on best possible outcome when placing orders

The company has established internal rules to achieve the best possible result when placing orders. Among other things, the rules state that the transaction must be carried out fairly and in accordance with the market and that the broker must be well established. The company evaluates counterparties and order placement performance on an ongoing basis. The company does not currently use a primary broker.

Purchase and redemption of shares

New customer: A new customer of the fund company must complete a customer registration form. The client application must be signed by an authorised person using BankID, or a certified copy of identification must be attached to the client application. For legal entities, current documentation on company authorisation must also be attached.

Trading fund units: Completed purchase/redemption notification is sent to the fund company and, in the case of purchase, payment is made to the fund's



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account. Fund units cannot be price-limited. The notification of purchase or redemption of fund units, as well as the purchase payment, must be received by the company no later than five banking days before the business day.

Minimum deposit: The minimum deposit in the fund, when purchasing via the company, is initially SEK 1,000,000, thereafter SEK 1,000,000.

Minimum redemption amount: The minimum redemption amount is SEK 1,000,000.

The company is entitled to decide to cancel or postpone the business day for a unit transaction if the fund company deems that sufficient documentation has not been presented in time.

Fund valuation and opening hours

The fund is open for purchase and redemption on the last banking day of each month (business day). Information on business days can be obtained from the company.

The unit value is determined every business day. In addition, an indicative unit value is determined in the middle of each month. The fund unit value is calculated by the management company at 16:00 (CET) at the earliest. The valuation of the fund's financial instruments is carried out in accordance with section 8 of the fund rules.

Price information

The unit value is calculated on the last business day of each month and is published on the company's website.

Opening and closing of the fund

The fund may be closed to entries and exits in the event that extraordinary circumstances have arisen which make it impossible to value the fund's assets in a way that ensures equal rights for unitholders.

Tax rules

As of 1 January 2012, investment funds are not subject to tax. Instead, natural persons resident in Sweden must report a standardised capital income of 0.4% of the value of the fund units at the beginning of the year. Legal persons with unlimited tax liability who own units in mutual funds must also report such a standardised income, but as income from business activities.

Example: If the value of your fund units is SEK 100,000 at the beginning of 2023, the standardised income amounts to SEK 400. This 400 SEK is sent as control information to the tax return for 2023 (tax year 2024). If you have no other deductions or income from capital, the tax amounts to SEK 120, i.e. the actual tax will be 0.12% ($0.4 * 30\%$) of the value.

For dividends to natural persons who are taxable in Sweden, the fund is obliged to withhold preliminary tax. For unit holders resident abroad, coupon tax is withheld.

For natural persons liable to tax in Sweden, the tax on capital gains is currently 30%. Capital losses are deductible to varying degrees. Capital gains/losses are reported on a control statement to the Swedish Tax Agency.

A unit holder's tax can be affected by individual circumstances and investors who are unsure should seek expert advice.

Termination and transfer of the fund business

If the company wishes to discontinue the management of the fund, loses the authorisation of the Financial Supervisory Authority to conduct business subject to authorisation, goes into liquidation or is declared bankrupt, the management of the fund shall be temporarily taken over by the depositary. The depositary shall, with the consent of the Financial Supervisory Authority, promptly transfer the management of the fund to another fund company, failing which the fund shall be dissolved and the net assets distributed to the unit holders. With the consent of the Financial Supervisory Authority, the company may transfer the management of the fund to another fund company.

An announcement to this effect shall be published in Post- och Inrikes Tidningar and be made available at the depositary and at the fund company as soon as possible.

Damages

Chapter 2, section 21 of the Swedish Investment Funds Act states that:

If a unit-holder has suffered damage as a result of a breach of this law or the fund rules by the management company, the management company shall compensate the damage. If a unitholder or a fund company has suffered damage as a result of a breach



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of this law or the fund rules by the depositary, the depositary shall compensate the damage.

More information can be found in the fund rules §16.

Remuneration policy

In order not to encourage excessive risk-taking, the fund company has adopted a remuneration policy. Employees are paid a fixed monthly salary, pension provision and health insurance. There are no agreements on variable remuneration or similar.

Chapter 3, Section 22 and Chapter 9, Section 3 of the Swedish Financial Supervisory Authority's regulations on managers of alternative investment funds (FFFS 2013:10) and Chapter 8a, Section 3 of the Swedish Financial Supervisory Authority's regulations on mutual funds (FFFS 2013:9) state that the company shall have a remuneration policy. Furthermore, it follows from Article 1 in conjunction with Article 27 of Commission Delegated Regulation 2017/565 of 25 April 2016 that the company shall establish and implement a remuneration policy and remuneration practices in accordance with appropriate internal procedures that take into account all of the company's clients, in order to ensure that clients are treated fairly and that their interests are not adversely affected by the remuneration policy adopted by the company in the short, medium or long term. In addition, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation") requires the company to provide information in its remuneration policy on how the policy is compatible with the company's integration of sustainability risks.

The company has decided to integrate sustainability risks into its investment decision-making process and has therefore established a specific policy for the integration of sustainability risks. Consequently, the employees whose tasks are related to the investment decision-making process must specifically comply with the company's policy for integrating sustainability risks and must also analyse and integrate any sustainability risks in decisions taken on behalf of the funds. Against this background, the fact that sustainability risks have been integrated into the investment decision-making process is a basis for assessment when deciding on variable remuneration for such personnel.

According to the regulations, the company shall have a remuneration policy that is compatible with and promotes sound and effective risk management and prevents excessive risk-taking.

The remuneration policy shall be formulated and applied in a manner appropriate to the size and internal organisation of the company and the nature, scope and complexity of its activities, and shall be consistent with the business strategy, objectives, values and long-term interests of the manager and the alternative investment funds managed or the investors in the alternative investment funds, and shall include a list of measures to be taken to avoid conflicts of interest.

The company has identified that an incorrect design of the remuneration system and payments of variable remuneration could have a negative impact on the company's liquidity and result in the company not meeting the requirements of the regulations regarding, inter alia, capital adequacy and create conflicts with the interests of the unit holders. Risk takers could potentially, with a poorly designed remuneration system, take excessive risk or violate the fund rules and the company's internal rules in order to increase their own level of remuneration in the short term. Furthermore, the assets of the fund could potentially be valued at a higher amount than the market price in order to increase the company's fees.

Against this background, it is of the utmost importance that the company ensures that its remuneration policy and remuneration systems are compatible with and promote sound and effective risk management. One part of this work is to identify and report on the measures to be taken. Remuneration models that may exist in the company shall have an appropriate balance between fixed and variable components. Guaranteed variable remuneration may not occur.

The fixed components should represent a sufficiently high proportion of the employee's total remuneration to enable the variable components to be set at zero. The company shall specify in its remuneration policy the maximum size of the variable components in relation to the fixed components for all categories of employees eligible for variable remuneration.

All employees may be eligible for variable remuneration. Variable remuneration to employees



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may in no case be set at a higher amount than the equivalent of 24 months' salary.

Variable remuneration shall be decided by the Board of Directors on a proposal from the Chairman of the Board. The variable remuneration is not calculated based on a predetermined formula but is discretionary in nature. The company bases the possibility of variable remuneration on, among other things, the following criteria for each staff category.

Investment personnel:

- Company performance
- The employee's contribution to the company's earning power
- Seniority
- Customer care/ Investor satisfaction
- Management tasks
- Training efforts
- Compliance with internal/external rules/risk management policy/sustainability risk integration policy

Distribution:

- Customer care/ Investor satisfaction
- Strategic objectives
- Structural issues
- New shareholders
- Compliance with internal/external rules

Non-investment personnel:

- Audit results
- Strategic objectives
- Structural issues
- Adaption to new regulations
- Compliance with internal/external rules/risk management policy/sustainability risk integration policy
- Teamwork/motivation
- Leadership

When deciding how much of the total remuneration shall be variable, the company shall always ensure that its total remuneration does not limit the company's ability to maintain a sufficient capital base or to strengthen the capital base if necessary. This means that the company shall consider, inter alia:

- The amount and cost of the additional capital required to cover the risks affecting the result for the period,
- The amount and cost of liquidity risk, and

- The possibility that expectations of future revenues will not be realised

For specially regulated staff, at least 60% of the variable remuneration is deferred for three years before it is paid out or ownership of shares is transferred to the employee. For others, at least 60% of the variable remuneration is also deferred for three years before being paid.

Deferred variable remuneration is only paid or transferred to the employee to the extent that it is justifiable in view of the company's financial situation and justified by the company's and the employee's performance. The deferred part of the remuneration may also be cancelled entirely, for the same reasons.

Information on the fund company's remuneration is published in the funds' annual report and on the fund company's website. Information on the remuneration policy can also be sent by post free of charge on request. Compliance with the remuneration policy is monitored annually by the compliance function.

The company's remuneration policy has been complied with and has not undergone any significant changes beyond what is required by law. The above information is also available on the company's website www.nordeq.se and can be obtained free of charge upon request.

Sustainability information

Information on the fund's environmental and social characteristics can be found below, in the Annex, to this document.

Amendments to the fund rules

The company may, with the approval of the Swedish Financial Supervisory Authority, amend the fund rules for the fund. Changes may affect the fund's characteristics, such as its investment policy, fees and risk profile.



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Fund rules

§ 1 Legal status of the investment fund

The name of the fund is Nordic Equities Select (the fund). The fund is a special fund in accordance with the Act (2013:561) on Alternative Investment Fund Managers, hereinafter referred to as LAIF. In addition to the aforementioned law, the business is conducted in accordance with the fund rules and other regulations issued pursuant to law or statute. The fund cannot acquire its own rights or assume obligations. However, the fund is an independent taxable entity, but shall not pay income tax. The assets of the fund are owned jointly by the unitholders and the shares in the fund are of equal size and carry equal rights to the property included in the fund. The fund is aimed at the general public.

§ 2 Fund manager

Nordic Equities Kapitalförvaltning AB (the fund company), reg. no. 556571-9126, manages the fund and represents the unit holders in all matters concerning the fund.

§ 3 The depositary and its tasks

The fund's custodian is Skandinaviska Enskilda Banken AB, reg. no. 502032-9081. The tasks of the custodian are to receive and store the fund's property and to ensure that the assets of the fund reach the custodian without delay. Furthermore, the depositary shall ensure that the valuation, redemption and sale of fund units and the management of the fund are carried out in accordance with the law, regulations and fund rules. The depositary shall act independently of the fund company and exclusively in the interests of the fund's unitholders.

§ 4 Nature of the fund

The fund's objective and strategy is to invest, based on an assessment of the markets' valuation and growth potential, in the financial instruments that the company considers most interesting. The exposure to the stock market may vary and the fund may have a predominant share of liquid assets and interest-bearing investments, be leveraged, be short (short selling), and also have a negative net exposure.

The fund is primarily focused on the Nordic market, with a Swedish emphasis, but may also be predominantly invested outside the Nordic region. The fund does not seek an even geographical or sectoral

spread of investments. Nor is it specialised in any particular industry.

The fund is a specialised fund, which means that it has freer investment rules than traditional investment funds. The fund will normally have a concentrated portfolio and may also have a high proportion of medium-sized and smaller companies. This can lead to higher volatility in the fund.

§ 5 The fund's investment objectives

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and in accounts with credit institutions. The fund may not issue put options or hold OTC derivatives.

The maximum total collateral requirement that the fund may not exceed due to trading in options and futures contracts may at any time amount to a maximum of 100 per cent of the fund's assets.

The fund may sell financial instruments that the fund does not own, but has at its disposal through securities lending (short selling). Securities lending may amount to a total of 200 per cent of the fund's assets.

The fund's risk measure is standard deviation. The company's goal is for the fund's standard deviation to be between 5 and 20 per cent per year.

The fund is a special fund and has the following exemptions from the Swedish Investment Funds Act (2004:46), hereinafter referred to as LVF, and the Swedish Financial Supervisory Authority's regulations (2013:9) on investment funds, hereinafter referred to as FFFS 2013:9.

With the exception of Chapter 5. 6 § 1 st, 2 st 3 and 3 st LVF; 13 § 1 st LVF, 16 § 1 st LVF, 21 § LVF, the fund may hold financial instruments, and raise securities loans, with the same issuer to a maximum of 30 per cent of the fund's value. With regard to bonds, however, the restrictions that apply by law apply.

With the exception of Chapter 5. 6 § 2 item 1 LVF, the fund may hold money market instruments guaranteed by the Swedish state to a value of no more than 50 per cent of the fund's value.

With the exception of Chapter 5, Section 11 LVF, deposits in one and the same bank may amount to a maximum of 40 per cent of the fund's value.



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With the exception of Chapter 5 § 20 LVF, the fund may hold holdings in transferable securities from the same issuer to a maximum of 30 per cent of the voting value of all shares issued by the issuer.

With the exception of Chapter 5, Sections 21 and 22 of the LVF, exposure to a single company or group of companies may amount to a maximum of 50 per cent of the fund's value.

With the exception of chapter 5, section 23, subsection 1, paragraph 1 and 2 of the LVF, the fund may take short-term and long-term money loans in an amount corresponding to a maximum of 150 per cent of the fund's value.

With the exception of Chapter 25, Section 21, paragraph 3. FFFS 2013:9, the company may lend transferable securities corresponding to a maximum of 50 per cent of the fund assets.

With the exception of Chapter 5, Section 13, second paragraph of the Swedish Securities Trading Act, gross exposure in derivative instruments may amount to a maximum of 300 per cent of the fund's assets.

§ 6 The fund's investment area

The fund's assets may be invested in financial instruments traded on regulated markets, or equivalent, in Europe, North America, South America and Asia.

§ 7 Specific investment objectives

The fund's assets may not be invested in such transferable securities and money market instruments as referred to in Chapter 5, Section 5 of the LVF. 5 § LVF in cases other than those authorised under Chapter 5 § LVF.

The fund may borrow, lend and short sell securities. Trading in derivative instruments and securities lending may take place as part of the fund's investment policy. The fund may not issue put options or hold OTC derivatives.

§ 8 Valuation

The value of the fund is calculated by deducting from the assets (financial instruments and cash and cash equivalents including accrued income) the liabilities of the fund (accrued expenses, taxes and other liabilities). The value of a fund unit is the value of the fund divided by the total number of fund units.

Financial instruments included in the fund are valued at market value. This means the most recent price paid or, in the absence of such, the most recent purchase price. If there are no such prices or if the price is misleading in the Company's judgement, the company may determine the value on objective grounds.

With the exception of Chapter 4, Section 10, paragraph 3. LVF, the company shall calculate the fund unit value at least once a month, on the last banking day of each month. In addition, an indicative fund unit value is published every two weeks.

The price information provided by the company to the media or similar is always preliminary, is subject to change and is therefore not binding on the company.

The calculation of fund units and the fund unit value is made to at least four decimal places.

§ 9 Sale and redemption of fund units

Fund units are sold and redeemed at the company. With the exception of Chapter 4, Section 13, first sentence LVF, the fund is open for sale and redemption on the last banking day of each month.

The sale and redemption price is unknown at the time of notification of purchase and redemption. Information on the sales and redemption price is received by the company no later than the tenth banking day after the last banking day of the previous month. At half-year and full-year changes, however, information on the sales and redemption price is received no later than the fifteenth banking day after the last banking day of the previous month.

Notification of purchase of fund units shall be made on the form provided by the company. After notification, payment must be received in the fund's account no later than the fifth banking day before the last banking day of the month. Once payment has reached the fund's account, the purchase cannot be cancelled by the buyer. The purchase of units cannot be limited by price. The minimum deposit in the fund is SEK 1,000,000 per occasion. If payment is received later than the fifth banking day before the last banking day of the month, the company is nevertheless entitled to decide that the sale takes place in the same month.

Notice of redemption shall be made on a form provided by the company and shall be received by the company no later than the fifth banking day before the last banking day of the month. Once the notification has been received by the Company, the redemption



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request cannot be withdrawn. Redemption of shares cannot be limited by price. The minimum redemption amount is SEK 1,000,000, or if the value of the unitholder's total shareholding is less than this amount, the unitholder's total holding. If the company receives notification of redemption later than the fifth banking day before the last banking day of the month, the company is nevertheless entitled to decide that redemption will take place in the same month.

§ 10 Opening hours of the fund

In order to implement the fund's strategy and objectives, the company has the possibility to decide that new subscriptions may not be made if the value of the fund exceeds SEK 3,000,000,000. The fund may also be closed for entry and exit in the event that such extraordinary circumstances have occurred that make it impossible to value the fund's assets in a way that ensures the equal rights of the fund's unitholders.

§ 11 Fees and remuneration

The price for the sale of a fund unit is the value of the fund unit on the date of sale plus a fee of up to 3.0 per cent of the value of the fund unit.

The redemption price of a fund unit is the value of the fund unit on the redemption date less any redemption commission and a fee of up to 1.5 per cent of the value of the fund unit.

The current fees are presented in the fund's information brochure or related annex.

Remuneration may be paid to the company from the fund's resources. The fixed remuneration to the company for management of the fund, custody of the fund's assets, supervision, auditors and costs for safeguarding the fund's interests, such as legal fees, is calculated daily and may annually amount to a maximum of 1.0 per cent of The fund's value. The remuneration is taken from the fund each month.

In addition, where applicable, a performance-based remuneration is paid to the company amounting to a maximum of 20 per cent of the part of the total return, for each individual unitholder, that exceeds the development of the fund's performance index. The performance-based remuneration is calculated, after deduction of other fees, at the end of the calendar year and upon redemption of fund units and is paid to the company thereafter. The remuneration shall be paid by the fund but is charged to the respective unitholder.

In the event that the total return of a unit holder's remaining units does not exceed the performance of the performance index since: the acquisition of the units, the beginning of the calendar year or the date on which the performance fee was last paid, no performance fee shall be charged to that unit holder until the underperformance has been made up.

In order for performance-based remuneration to be paid, it is also required that the unitholder has had an increase in the value of the remaining units, taking into account distributions made, in relation to the following three values: the value at the beginning of the calendar year, the accumulated acquisition value and the value at which performance-based remuneration was last paid. Performance-based remuneration is calculated on the part of the total return, for each individual unit holder, that exceeds the highest of these three values, taking into account indexation.

In the case of performance-based fees, the maximum fee per fund unit to be paid by any unitholder is first calculated. The unit value is then adjusted down to the value that will be the case when the highest fee is charged to all units in the fund. For those unitholders who are required to pay a lower fee on their holdings and those unitholders who are not required to pay such a fee, units are issued free of charge at the new unit value. When redeeming fund units, the performance fee may also be charged as a redemption fee.

The change in the performance index is determined by the final quotation for the 3-month Swedish treasury bill rate on the last banking day of each month. If there is no quotation on this day, the last available quotation applies.

Brokerage, bank charges and other transaction costs are paid by the fund and are in addition to the above.

All remunerations are also subject to the value added tax applicable at any given time.

§ 12 Dividends

The fund pays dividends to unit holders during the month of September – November following the end of the financial year. The basis for the distribution is the dividend received by the fund. The fund's information brochure explains how the calculation is made. The company's board of directors may, in the interests of the unitholders, set the dividend at a higher or lower amount than the dividend received by the fund.



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Dividends may be increased by accrued dividends paid on the purchase of units and decreased by accrued dividends paid on the redemption of units.

Dividends are paid to unitholders who are registered for fund units on the distribution date set by the company. New fund units shall be allocated to the unitholder, after deduction of preliminary tax, for the dividend payable on the fund unit.

Unitholders who instead wish to receive a cash dividend shall notify the company on a form provided by the company no later than 31 July of the year following the end of the financial year. If the company receives an application for a cash dividend later than the above-mentioned date, the company is nevertheless entitled to approve a cash dividend.

§ 13 Financial year of the fund

The financial year of the fund is the calendar year.

§ 14 Half-yearly and annual report, amendment to the fund rules

The company shall prepare half-yearly and annual reports for the fund within two and four months of the end of the half-year and financial year respectively. The half-yearly and annual reports shall be kept available at the company and the depositary and sent to unit holders who have requested them.

If the company decides to amend the fund rules, the decision shall be submitted to the Financial Supervisory Authority for approval. The decision shall be published by being made available at the company and the depositary and announced in the manner determined by the Financial Supervisory Authority.

§ 15 Pledging and transfer

Fund units may not be pledged. The transfer of fund units requires that the company authorises the transfer. Such authorisation will be given by the company if the transfer is made in order to carry out the division of property, inheritance or relates to a transfer between different legal entities within the same group. Other transfers may be authorised in exceptional cases. When transferring fund units, the acquirer assumes the transferor's acquisition value of the fund unit. The company is entitled to charge compensation for the cost of a transfer, trustee registration and re-registration.

§ 16 Other necessary and reasonable information

The company or the Custodian shall not be liable for any loss resulting from Swedish or foreign legislation, Swedish or foreign government action, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances, such as data or telephone failures. The reservation regarding strikes, blockades, boycotts and lockouts also applies if the company or the depositary is subject to or takes such industrial action.

Damage incurred in other cases shall not be compensated by the company or the Depositary if they have exercised normal care. Under no circumstances shall the company or the depositary be liable for indirect loss.

The company or the depositary shall not be liable for any damage caused by a marketplace, custodian bank, central securities depository, clearing organisation, others providing similar services, or any other contractor engaged by the depositary with due care or assigned by the Company. Nor shall the company or the depositary be liable for any loss arising from a restriction on disposal that may be applied to the depositary in respect of financial instruments.

If the company or the depositary is prevented from executing all or part of a measure due to the circumstances referred to in the first paragraph of this section, the measure may be postponed until the obstacle is removed.

The company or the depositary shall not be liable to pay interest in the event of deferred payment.

For further information regarding the fund company's liability, please refer to Chapter 2, Section 21 of the Swedish Investment Funds Act (2004:46) and Chapter 8, Section 28 and Chapter 9, Section 22 of the Swedish Alternative Investment Funds Act (2013:561).

The fund rules have been approved by Finansinspektionen 2015-05-19 to apply from 2015-07-01.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

Product name: Nordic Equities Select

Legal entity identifier: SE0001962978

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: ___%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: ___%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the environmental characteristics of reducing greenhouse gas emissions and increasing the use of renewable energy.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The fund uses the following sustainability indicators to measure the achievement of each of the environment-related characteristics promoted by the fund:

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- Greenhouse gas emissions (scope 1, 2 and 3 and total emissions)
- Share of non-renewable energy consumption and energy production
- Energy consumption intensity by sector with high climate impact

The fund has access to data from Morningstar / Sustainalytics to carry out the measurement of the sustainability indicators above.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, the fund considers principal adverse impacts on sustainability factors ("PAIs") by excluding investments in sectors and industries that have a significant negative impact on the identified sustainability factors. The Fund purchases data from an external third party provider to carry out the measurement of the PAI indicators.

Disclosure of main negative impacts on sustainability factors will be provided through the Fund's annual report.

- No



What investment strategy does this financial product follow?

Nordic Equities Select is a special fund focusing on the Nordic Market. The fund's strategy is to invest, based on an assessment of the markets' valuation and growth potential, in the financial instruments that the fund company considers most worth buying. The company looks at each share individually, so-called stockpicking, which means that the fund is not dependent on industry weighting. The fund company has established a sustainability policy, which is part of the company's management policy, and includes sustainability criteria for the management. Within the framework of the fund's investment process, sustainability criteria are applied through three methods: opt-out, opt-in and influence. The following describes how the sustainability criteria are continuously implemented in the investment strategy.

Before investment

ESG screening

The company has purchased an ESG screening tool Global Standards Screening through Morningstar / Sustainalytics. The screening tool is a standards-based tool that evaluates the extent

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

to which potential portfolio companies cause, contribute to or are attributable to violations of international norms and standards. The assessments cover screening against the UN Global Compact, the International Labour Organisation (ILO) conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP). The negative screening means that a potential portfolio company is first screened by Morningstar / Sustainalytics to identify any sustainability risks associated with the portfolio company. For the fund to invest in the portfolio company, the portfolio company must be compliant with the screening tool.

ESG analysis

Prior to each investment, the company conducts an analysis of the company based on specific sustainability aspects. This sustainability analysis includes, among other things, the ESG screening described above. The fund company reviews the sustainability reporting that the portfolio company has published, carbon dioxide emissions, any involvement of the portfolio company's products in such sectors that the fund company excludes (see below regarding exclusion criteria) and the portfolio company's possible contribution to one or more of the UN's 17 global sustainability goals.

Exclusion criteria

The fund is actively managed and the exclusion criteria applied therefore have a self-cleansing effect. The fund company acts in its daily work in such a way that confidence in the fund company's operations is maintained and that the operations are sound. The Fund strives to conduct its business in an ethical manner characterised by good business practice, morality, consistency and ethics. Against this background, the fund has established criteria for the exclusion of certain sectors and industries in which the fund company does not see any long-term sustainability or social benefit. These exclusion criteria are described under the question below.

Opt-in

Several of the fund's portfolio companies have committed to climate-related targets in accordance with the 2030 Agenda or the Paris Agreement's global warming goals with the aim of reducing the carbon dioxide or other greenhouse gas emissions of their operations and increasing the use of renewable energy sources. The Fund actively chooses to invest in such companies ("promoter companies") as they contribute to the achievement of the environmental characteristics the Fund intends to promote. The fund company has established a framework for the criteria that a portfolio company needs to fulfil in order to be classified as a promotional company. In order for the fund company to classify a portfolio company as a "promoting company", the portfolio company must fulfil the following criteria: (1) The portfolio company has committed to climate-related objectives in accordance with Agenda 2030 or the Paris Agreement, which means that the portfolio company must work to reduce the carbon dioxide emissions or greenhouse gas emissions of its operations or increase the use of renewable energy sources in its operations. (2) In addition to point (1), it is required that:

- a. The portfolio company's climate-related targets have been validated through the Science Based Targets Initiative, or
- b. The portfolio company has been committed to climate-related targets for several years and the milestones have been achieved so far, or
- c. The portfolio company is a solution company, which means that the portfolio company provides a product or service that contributes to solving the world's climate and sustainability challenges.

(3) In addition, the portfolio company shall comply with the fund company's policy on good governance practice.

The fund does not invest exclusively in promotional companies, however, any climate-related objectives that the portfolio companies have undertaken are included in the fund company's ESG analysis, which is why promotional companies are actively selected. The fund will always have a minimum share of 30% in so-called promotional companies. See further under the heading "Share of investments".

Under investment

Continuous monitoring

The fund receives regular alerts from Morningstar / Sustainalytics regarding ESG events in the Fund's portfolio companies. By receiving regular alerts, the fund can monitor any events that could lead to the materialisation of sustainability risks in the portfolio companies. The fund company also has close and regular contact with the portfolio companies, which means that the fund company can continuously monitor any events in the portfolio companies that could have consequences for the fund's sustainability strategy.

Advocacy work

Due to the size of the fund company, it has been decided that the fund company will not conduct advocacy work in the portfolio companies by voting at general meetings. Instead, the fund company conducts advocacy work by sending annual letters to the portfolio companies in which the fund company expresses its position on any sustainability-related issues and also questions any incidents that have been discovered through the screening tool the fund company uses. As described above, the fund company has close and ongoing contact with the fund's portfolio companies, which means that the fund company has an ongoing advocacy dialogue with the portfolio companies regarding the fund company's views on sustainability issues.

Selling off

The company has decided that investments placed on the Morningstar / Sustainalytics Watchlist should be further reviewed and considered whether it should be retained within six months if the portfolio company has not changed its outlook to positive within the period or if new information has emerged upon confrontation with the company. Portfolio companies that have become non-compliant should be further reviewed and considered for sale within three months unless action has been taken or new information has emerged.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund applies exclusion criteria, which means that the company does not invest in companies involved in coal power, fossil fuels, tobacco, commercial gambling, pornography, weapons, cannabis or testing on animals that do not relate to the research of new drugs that require animal testing by law. The exclusion criteria applied by the fund company in its investment strategy mean that no more than five per cent of the turnover of a portfolio company may relate to activities attributable to the production of any of the excluded industries/sectors.

According to the fund company's sustainability policy, the fund company may not invest in portfolio companies that are included in any of the sectors or industries that the fund company excludes.

- ***What is the policy to assess good governance practices of the investee companies?***

The fund company has adopted a policy for assessing good governance practices in the fund's portfolio companies, which is part of the fund company's sustainability policy. The fund company's policy for assessing good governance practices includes an obligation for

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

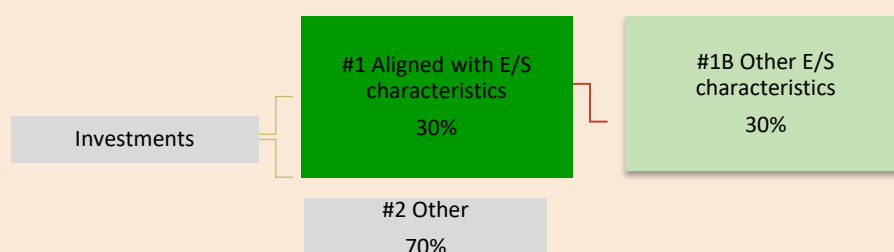
the fund company to check that the portfolio company has a sound management structure and a sound relationship with its employees.

Prior to investing in a new investee company, the fund company reviews the governance structure of the investee company, including with respect to the portfolio company's code of conduct and whether the portfolio company complies with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, the fund company monitors the portfolio company's compliance with good governance practices through the regular alerts that the fund company receives regarding ESG events linked to the portfolio companies from Morningstar / Sustainalytics (which have been described above). In the event that an incident has occurred in one of the fund's portfolio companies, the fund company conducts a dialogue with the portfolio company and the portfolio company is given the opportunity to comment on the incident.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments. Includes investments in portfolio companies that are promotional companies according to the fund company's framework for promotional companies. These companies have committed to clear climate targets in line with the 2030 Agenda and the Paris Agreement's global warming goals. At least 30% of the fund's portfolio companies will fall into this category.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

As the availability of sufficiently reliable data on taxonomy alignment is limited, a meaningful commitment to a minimum percentage of taxonomy aligned investments in the fund cannot be made. However, it cannot be excluded that some of the fund's holdings are classified as taxonomy-aligned investments.

Does the financial product invest in fossil gas and/or nuclear energy related activities that fulfil the EU taxonomy¹?

Yes:

In fossil gas

In nuclear energy related activities

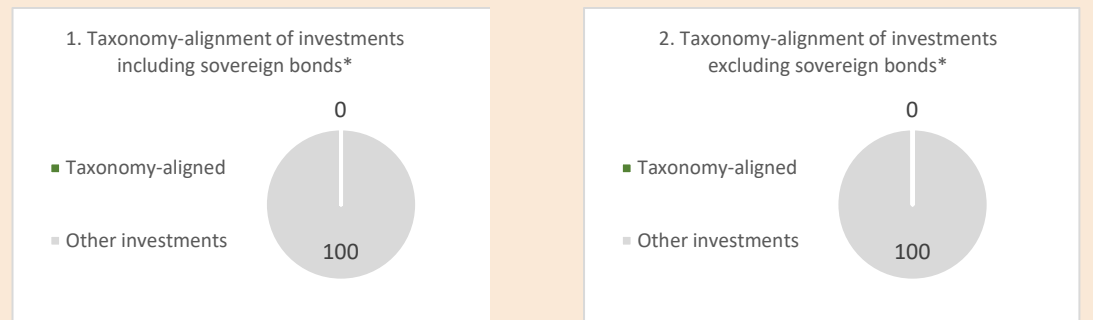
No

¹Fossil gas and/or nuclear energy related activities will only fulfil the EU taxonomy if they contribute to climate change mitigation (climate change mitigation) and do not cause significant harm to any of the objectives of the EU taxonomy - see explanatory note in the left margin. The full criteria for fossil gas and nuclear energy economic activities that fulfil the EU taxonomy are set out in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

"#2 Other" includes all investments in the fund that are not categorised as promotional companies. As described above, the fund categorises promotional companies as companies with clear climate objectives. Furthermore, the category "#2 Other" includes cash or other liquid assets in the fund or holdings used for hedging. All portfolio companies in the fund follow good governance practices and, as a result, certain minimum ethical and social safeguards.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://nordeq.se/en/sustainability/ne-select-sustainability-information/>