

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

**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.

**Product name:** Carnegie Investment Fund – Svenska Aktier (the “Sub-Fund”)  
**Legal entity identifier:** 549300YV4SBF1ZL3MM40

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**

   **No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _ of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund integrates environmental, social and corporate governance factors (ESG) into the investment process with the help of the Investment Manager’s sustainability screening process, which considers underlying companies’ ability to manage sustainability risks and opportunities. Managing ESG risks is a vital part of what makes an investment attractive, together with the traditional financial metrics. Sustainability with regard to social and governance aspects is accomplished through screening and exclusions.

Exclusion filters are applied in the portfolio construction to restrict investments in companies with more than 5% of their revenues from the following activities including conventional weapons, tobacco, alcohol, adult entertainment, gambling and fossil fuel. Furthermore, the portfolio excludes companies that have any confirmed violations against the UN Global Compact and there is a 0% tolerance for companies with activities in controversial weapons.

The Sub-Fund does not use a benchmark that is aligned with the Sub-Fund's E/S characteristics.

Details on the exclusions are available on <https://www.carnegie.se/private-banking/dokument-och-underlag/fonder-och-portfoljer/sustainability-related-disclosures-svenska-aktier/>

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

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

To measure the attainment of each of the environmental or social characteristics promoted by the Sub-Fund, the following indicators are used:

- Number of companies in the investment portfolio that violate UN's Global Compact initiative as a percentage of total investments.
- Exclusion of companies which derive more than 5% of their revenue from conventional weapons, tobacco, alcohol, adult entertainment, gambling and fossil fuel and a 0% tolerance for companies with activities in controversial weapons.

**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.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Sub-Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

*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, ...

No



**What investment strategy does this financial product follow?**

The Sub-Fund invests mainly in Swedish equities. The portfolio normally consists of 20-30 core holdings; quality companies with stable profit growth, high returns and sound balance sheets. In addition to this, the Sub-Fund invests in equities of a more opportunistic character, for example revaluation cases or growth companies that the market has not caught up with yet; as well as opportunistic positions. The investments are selected using a bottoms up fundamental approach. The Investment Manager strives to achieve sector diversification as sound risk management is important.

The analysis will be based on internal and as well as external research and advisory services.

The Sub-Fund will apply exclusion criteria to determine the investment universe. The Sub-Fund has restrictions against investing in companies of the following sectors: alcohol, tobacco, gambling, conventional weapons, adult entertainment and fossil fuels and a 0% tolerance for companies with activities in controversial weapons.

Potential investments are also screened against companies with confirmed violations against the UN Global Compact Principles for responsible investments.

Screening will be performed before initial investment in a company and existing holdings will be screened quarterly.

- ***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 following binding elements are used:

- Sector-based exclusions (based on a maximum percentage of 5% of revenue from the excluded sectors at the level of each underlying investment) prevent investments into activities that are inappropriate for the strategy. The sector-based exclusions include thresholds for exposure to conventional weapons, tobacco companies, alcohol, adult entertainment, gambling and fossil fuel and a 0% tolerance for companies with activities in controversial weapons.
- Norm-based screening against violations of the UN Global Compact Principles having a negative impact on the environment, human rights, labor rights and business ethics is done. If violations are suspected in relation to sustainable

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

practices, the Investment Manager will analyze the investment further and without sufficient progress preparation is made to exit the investment.

Resources independent from the Investment Manager are used in the the ESG analysis. The portfolio of the Sub-Fund will, on a regular basis, be screened using a leading screening service. The cost of such services will be borne by the Investment Manager.

Investments that do not comply with the requirements will be divested, in an orderly manner, considering the best interests of the shareholders.

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

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable

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

Good governance practices of investee companies are addressed in several layers of the equity selection process. Governance safeguards are inherent in the norms-based screening both before and during the lifespan of an investment, i.e. the Investment Manager monitors that the investments are in line with the UN Global Compact Principles which includes sound management structures, employee relations, remuneration of staff and tax compliance. If an investment fails to meet the requirements, the Investment Manager carries out an investigation and if there is no acceptable reason, the investment will be divested.



### What is the asset allocation planned for this financial product?

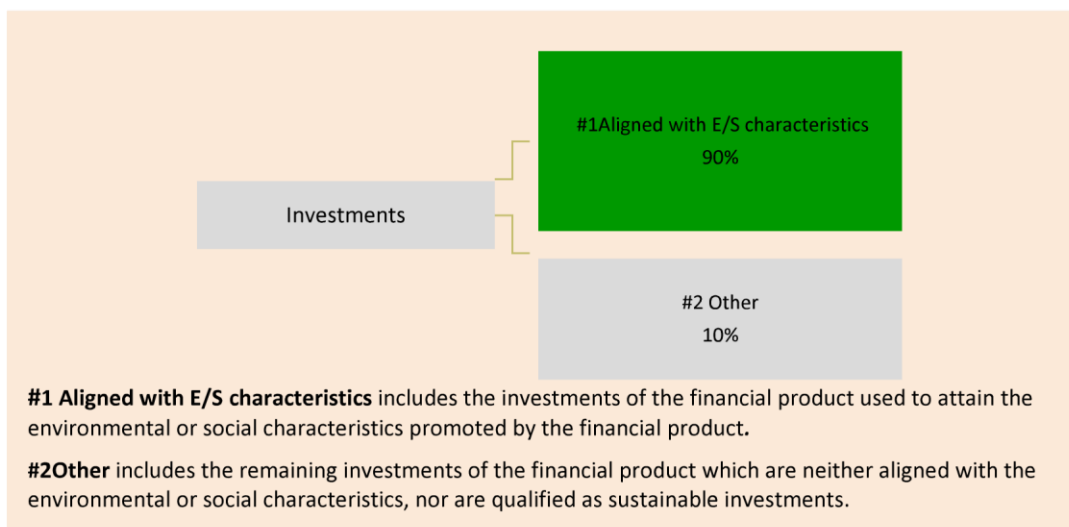
**Asset allocation** describes the share of investments in specific assets.

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.



**#1 Aligned with E/S characteristics** The Sub-Fund is expected to dedicate at least 90% of its NAV to investments that are aligned with its E/S characteristics, i.e. meet the criterias for:

- Sector based exclusions of alcohol, tobacco, gambling, conventional weapons, adult entertainment and fossil fuels.
- Norm-based screening against violations of the UN Global Compact Principles.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**#2 Other** Includes cash, cash equivalents to facilitate the liquidity of the Sub-Fund, as well as financial derivative instruments used for the purposes of efficient portfolio management and/or to generate gains.

The asset allocation may change over time and percentages should be seen as a minimum average over an extended period of time.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Sub-Fund may use derivatives to gain exposure to companies meeting the promoted environmental and / or social characteristics. The same exclusion criteria apply as for direct investments.



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

The Sub-Fund does not currently intend to invest in sustainable investments that are aligned with the EU Taxonomy and the minimum share of taxonomy-aligned investments (including transitional and enabling activities) is therefore assessed to be 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

Yes

In fossil gas

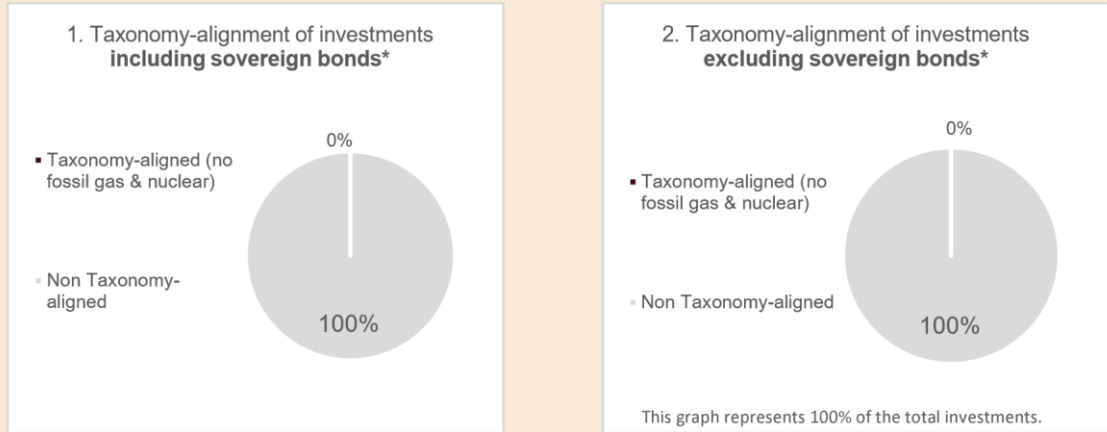
In nuclear energy



No

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**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 is the minimum share of investments in transitional and enabling activities?**

Not applicable



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable



**What is the minimum share of socially sustainable investments?**

Not applicable



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

The Sub-Fund may hold cash, cash equivalents to facilitate the liquidity of the Sub-Fund, and financial derivative instruments used for the purposes of efficient portfolio management and/or to generate gains.

There are no minimum environmental or social safeguards on these instrument types.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

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

<https://www.carnegie.se/private-banking/dokument-och-underlag/fonder-och-portfoljer/>