

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 All Cap
Legal entity identifier: 529900BR5NZNQZEVQ417

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 _ 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 portfolio 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 controversial weapons, tobacco, alcohol, adult entertainment, gambling and fossil fuel. Furthermore, the portfolio excludes companies that have confirmed violations against the

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

UN Global Compact and there is a 0% tolerance for companies with activities in controversial weapons.

The portfolio does not use a benchmark that is aligned with the portfolio'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/>

● ***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 portfolio, 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.

● ***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 portfolio 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.

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.



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

No

What investment strategy does this financial product follow?

Carnegie All Cap is an actively managed equity portfolio that primarily invests in equities on the Swedish stock exchange, in large, medium and small companies. The fund's investment philosophy can be summarized as value management with a focus on fundamental analysis. We call value companies the companies the ones that have sustainable operations, strong balance sheets and good dividend opportunities. We do our own analysis and only invest in companies we truly believe in, without worrying about their weight in the index.

The portfolio will apply exclusion criteria to determine the investment universe. The portfolio has restrictions against investing in companies of the following sectors: Alcohol, Tobacco, Cannabis, Gambling, Controversial Weapons, Adult entertainment and Fossil fuels.

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 on a regular basis.

● ***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 maximal 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 controversial 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 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 will, on a regular basis, be screened using a leading screening service. The cost of such services will be borne by the Investment Manager.

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

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

- **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.

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.

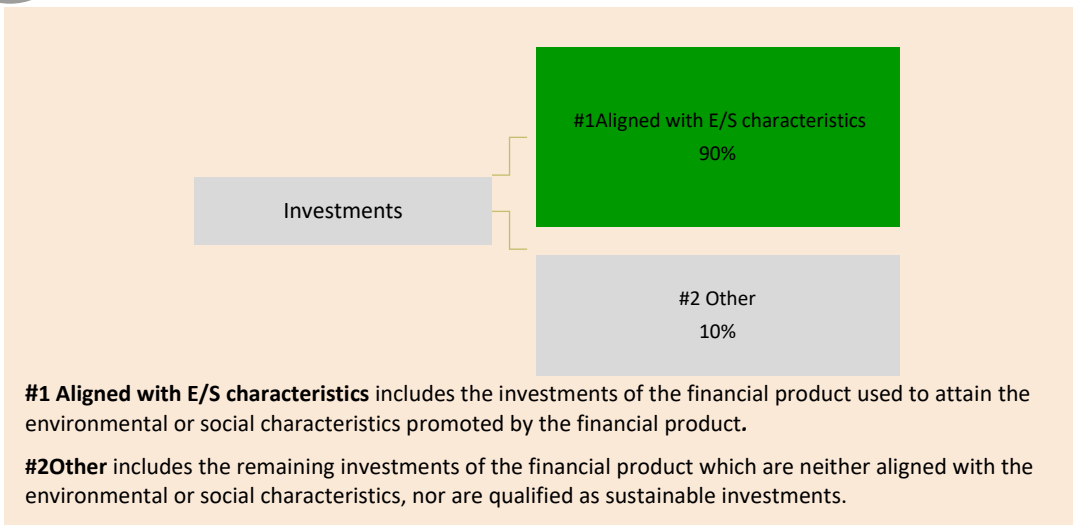
capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

operational expenditure (OpEx) reflecting green operational activities of investee companies.

employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics The portfolio 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, controversial weapons, adult entertainment and fossil fuels.
- Norm-based screening against violations of the UN Global Compact Principles.

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

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

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 portfolio 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 Taxonomy¹?**

Yes

In fossil gas In nuclear energy

No

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.*

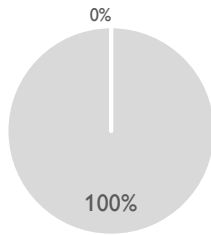
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

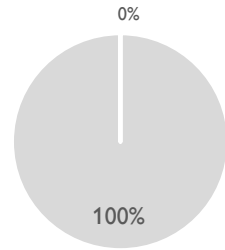
1. Taxonomy-alignment of investments including sovereign bonds*

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds*

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



This graph represents 100% of the total investments.

* 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

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

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

The portfolio may hold cash, cash equivalents to facilitate the liquidity of the portfolio, 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.



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



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/>