

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: Svensk Alfa
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 significant exposure to certain activities including controversial weapons, tobacco, alcohol, adult entertainment, gambling and fossil fuel. Furthermore, the portfolio excludes companies that have confirmed violations against the UN Global Compact.

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

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

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

The portfolio is measured on the following indicators:

The principles of the UN Global Compact must be followed

Zero tolerance for controversial weapons

Excludes companies which derive its revenue mainly from above listed sectors for exclusion.

● ***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?

The portfolio invests mainly in Swedish equities. The portfolio normally consists of 25-30 core holdings; quality companies with stable profit growth, high returns and sound balance sheets. In addition to this, the portfolio invests in equities of a more opportunistic character, for example revaluation cases or growth companies that the market has not caught up with yet. 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 portfolio will apply exclusion criteria to determine the investment universe. The portfolio has restrictions against investing in companies of the following sectors: Alcohol, Tobacco, 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.
- 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 of 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.

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?***

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

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

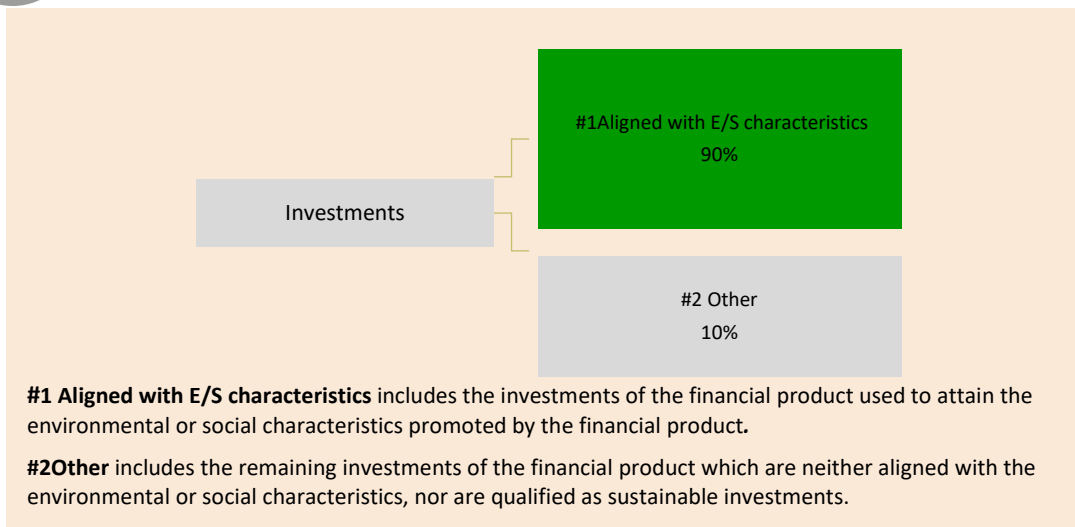
Good governance practices of investee companies are addressed in several layers of the equity selection process. Governance safeguards are inherent in the norms-based screening both before and during the lifespan of an investment, i.e. the Investment Manager monitors that the investments are in line 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 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.

#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. The portfolio may enter into total return swaps in order to improve the portfolio's performance and generate capital or additional income.

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?**

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 portfolio may use derivatives to gain exposure to companies meeting the E/S characteristics, same exclusion criteria apply as for direct investments.



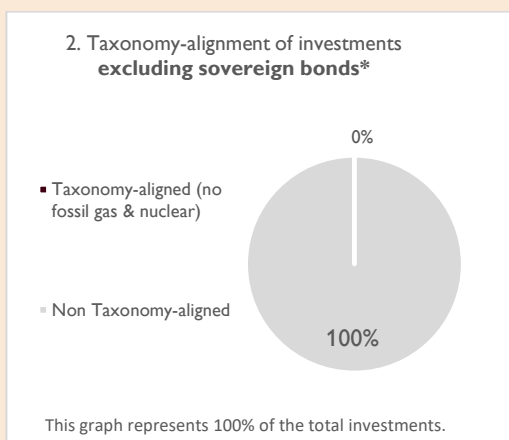
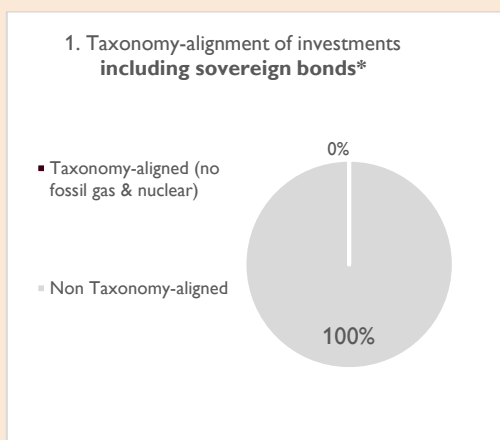
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

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.*



* 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

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.



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 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. The portfolio may enter into total return swaps in order to improve the portfolio’s performance and generate capital or additional income.

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/>