

# Prospectus

1 March, 2023

## **UCITS:**

Lannebo High Yield  
Lannebo Räntefond Kort  
Lannebo Sustainable Corporate Bond  
Lannebo Europa Småbolag  
Lannebo Europe Green Transition  
Lannebo Fastighetsfond  
Lannebo Mixfond  
Lannebo Mixfond Offensiv  
Lannebo Norden Hållbar  
Lannebo Småbolag  
Lannebo Sverige  
Lannebo Sverige Hållbar  
Lannebo Sverige Plus  
Lannebo Teknik  
Lannebo Teknik Småbolag

## **Special funds:**

Lannebo Fastighetsfond Select  
Lannebo MicroCap  
Lannebo NanoCap  
Lannebo Småbolag Select

*"Past performance is not a guarantee for future performance. The money invested in a fund may both increase and decrease in value and there is no guarantee that you will get back your original investment."*

**LANNEBO**

This prospectus for the funds has been prepared in accordance with the Swedish Securities Funds Act (2004:46), the Swedish Financial Supervisory Authority's Regulations regarding Securities Funds (2013:9), the Swedish Alternative Investment Funds Managers Act (2013:561) and the Swedish Financial Supervisory Authority's Regulations regarding Alternative Investment Fund Managers (2013:10).

### **The management company**

Lannebo Fonder AB  
Registered number: 556584-7042  
Share capital: SEK 1,500,000  
Company formed on: 11-04-2000  
Address: P O Box 7854, Kungsgatan 5, 103 99 Stockholm, Sweden  
Telephone switchboard: +46 (0)8-5622 5200  
Telephone customer service: +46 (0)8-5622 5222  
Fax: +46 (0)8-5622 5252  
Website: [www.lannebo.se](http://www.lannebo.se)  
E-mail: [info@lannebo.se](mailto:info@lannebo.se)  
Company headquarters: Stockholm, Sweden  
Supervisory authority: The Swedish Financial Supervisory Authority  
Licence to conduct fund activity: 07-07-2000, reauthorisation 02-05-2005  
Licence to conduct discretionary portfolio management with regard to financial instruments: 27-02-2008  
Licence to management of alternative funds and management of portfolio investments (AIFMD): 20-03-2014  
License to receive funds with a reporting obligation: 29-01-2018

### *Branch*

Lannebo Fonder Danmark, Filial af Lannebo Fonder AB, Sweden.  
CVR-no: 37 42 61 21  
Address: August Bournonvilles Passage 1, 1055 København K, Denmark  
Telephone: +46 6915 3400

### *Board:*

#### **Chairman:**

Johan Lannebo, Fund Manager Lannebo Fonder AB

#### **Vice Chairman:**

Anna-Karin Eliasson Celsing, CEO AKC Råd AB

#### **Board Members:**

Göran Espelund

Svante Forsberg, Senior Advisor Kungskroka Rådgivning AB

Sara Mattsson, Creative Lead, Google Sweden AB

### *General Management:*

Jessica Malmfors, CEO

Peter Lagerlöf, deputy CEO

### *Employees responsible for control functions*

Sebastian Åberg, Compliance Officer/Legal Counsel

Fredrik Silfver, Risk Manager

### *Portfolio Manager*

Peter Lagerlöf

### *Sales Manager*

Daniel Sundqvist

### *Auditors:*

Deloitte AB, 113 79 Stockholm

Malin Lüning has lead responsibility for the external audit. The auditor reviews the accounts that form the basis of the annual report for the fund company and the funds.

### *Funds managed:*

Lannebo Fonder manages UCITS-funds as well as special funds.

UCITS-funds are funds that meet the EU directive on UCITS, the so-called UCITS-directive. Special funds are for the most part regulated nationally and are not covered by the UCITS-directive. However, in many respects the regulation is the same for UCITS-funds and special funds. Rules that apply to special funds may in some respects differ from those that pertain to UCITS-funds, particularly with regard to investment rules that can be freer for special funds.

### *UCITS*

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Lannebo Sverige Hållbar  
Lannebo Sverige Plus  
Lannebo Teknik  
Lannebo Teknik Småbolag

### *Special funds*

Lannebo Fastighetsfond Select  
Lannebo Småbolag Select  
Lannebo MicroCap  
Lannebo NanoCap

### *Depository:*

Skandinaviska Enskilda Banken AB (publ), 106 40 Stockholm, Sweden

Company headquarters: Stockholm, Sweden

Main activity: Banking and financial operations and operations naturally connected to these.

### *The depository's duties*

The depository shall keep the fund's assets and manage payments for the fund. The depository shall execute the management company's instructions in respect of the fund unless they conflict with the regulations in the Swedish Securities Fund Act, the Swedish Alternative Investment Fund Managers Act, any legislation or the fund rules and ensure that

1. sale, redemption and cancellation of units in the fund is conducted according applicable law and fund rules,
2. the value of the units in the fund is calculated according to applicable law and fund rules,
3. reimbursement for transactions involving a fund's assets is paid into the fund without delay
4. the fund's income is used according to regulations in applicable law and fund rules.

The depository's duties are regulated in the Swedish Securities Fund Act and the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regards to obligation of depositaries respectively the Swedish Alternative Investment Funds Managers Act and the Commission Delegated Regulation (EU) no 231/2013 of December 19 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regards to exceptions, general conditions, depository, leverage, openness and supervision.

### Conflicts of interest

Skandinaviska Enskilda Banken AB (publ) offers a wide range of financial services to customers and conducts financial activities on their own behalf. This leads to that conflicts of interest may arise. To address this situation, Skandinaviska Enskilda Banken AB (publ) has established internal instructions. In addition, the depositary function is separate from, inter alia, other business units within the bank.

The depositary may, under certain circumstances, delegate certain parts of the business to another, including other custodian banks which is appointed by the depositary. In order to anticipate potential conflicts of interest resulting from such delegation the depositary provides a list of custodian banks to the management company, which has to assess the existence of any conflicts of interest.

There are within Skandinaviska Enskilda Banken AB (publ) additionally established procedures for situations where a conflict of interest must be reported internally and handled.

### Delegation of depositary functions

The depositary has instructed another to perform depositary functions, with respect to foreign financial instruments to the following custodian banks.

Country	Custodian
Australia	HSBC Bank Australia Limited
Austria	Raiffeisen Bank International AG
Canada	RBC Investor & Treasury Services
Denmark	Skandinaviska Enskilda Banken, branch in Denmark
Finland	Skandinaviska Enskilda Banken, branch in Finland
France	Caceis Bank France
Germany	Deutsche Bank AG
Great Britain	HSBC Bank Plc
Ireland	HSBC Bank Plc
Italy	Intesa Sanpaolo SPA
Japan	MUFG Bank Plc
The Netherlands	BNP Paribas Securities Services
Norway	Skandinaviska Enskilda Banken, filial i Norge
South Africa	First Rand Bank Limited
Spain	BNP Paribas Securities Services, Sucursal En Espana
Switzerland	UBS (Switzerland) Ltd
USA	Brown Brothers Harriman

Except as described in the table above may occur that custody is delegated to the Euroclear Bank NV, whereas custody in many countries within Europe can be performed through either a local bank or Euroclear NV.

### Current data

Current data on the depositary is provided by the management company at the request of an investor.

### The most important legal consequences from an investment in a fund

Those who invest in a fund receive fund units to a value corresponding to the amount invested, thereby becoming a unitholder. A unitholder has a right to have their units redeemed in accordance with the conditions specified in the fund rules and, when applicable, receive dividends. Redemption takes

place such that the amount paid is equal to the current value of the fund units redeemed.

Lannebo Fonder invests the fund's assets based on the fund's investment objective and policy.

A UCITS-fund or special fund may not acquire rights or assume obligations, nor can the fund apply to either the courts or any other authority. Assets included in a UCITS-fund or a special fund may not be seized. The unitholders are not liable for obligations of the fund. The law (1904: 48 page 1) of co-ownership does not apply to part-ownership in a UCITS-fund or a special fund.

Lannebo Fonder represents unitholders in all matters relating to a UCITS-fund or a special fund. Lannebo Fonder acts exclusively in the common interest of unitholders when managing a UCITS-fund or a special fund.

All assets of a UCITS-fund or a special fund are held by the fund's depositary Skandinaviska Enskilda Banken AB (publ). This ensures that a unitholder is not adversely affected should Lannebo Fonder encounter financial difficulty.

### Third-party agreements

Lannebo Fonder AB has chosen to outsource the independent internal audit function at the company to a third party. The contract is currently held by Pricewaterhouse Coopers AB, with Daniel Algotsson as responsible.

### The sale and redemption of fund units

The terms for the sale and redemption of units for each of the funds are set out in the fund's rules (§ 9).

Payment of redemption is normally performed the banking day following the redemption date. International payments takes longer, usually two banking days. Payment of redemption for Lannebo High Yield and Lannebo Sustainable Corporate Bond is normally performed three banking days following the redemption date.

Additional information about the sale and redemption of units, including the necessary forms, are available on the company's website or alternatively by contacting Lannebo Fonder's customer service at +46 8 5622 5222.

### Swing pricing

#### Background

In the management of the fund, large net inflows and outflows are handled by the fund manager by conducting purchase and sale transaction of securities. If no transactions are made, the composition of the fund changes. These transactions involve costs, both direct (i.e. brokerage) and indirect (i.e. the spread between the buying and selling price and market impact). These transaction costs are charged to the entire fund, which means that the revenue is affected and that there is a dilution of the value for existing unit holders.

In order to ensure fair treatment of unit holders and ensure the common interest of unit holders, the management company therefore applies a method for determining the subscription and redemption price for fund units in the fund. The method takes into account transaction costs arising from the sale and redemption of units in the fund, further called swing pricing.

#### Affected funds

The management company applies swing pricing when calculating the sale and redemption price for the following fund(s):

- Lannebo High Yield
- Lannebo Råntefond Kort
- Lannebo Sustainable Corporate Bond

The bases for calculating the subscription and redemption price for the fund units in a fund are stated in the fund regulations (§ 9.2). Below is further information on the management company's application of swing pricing.

### Description of the management company's application of swing pricing

Swing pricing is an internationally accepted method for calculating fund unit prices. The method is to allocate the transaction costs that emerges as a result of subscription or redemption of fund units to the investors who caused the costs. Existing unit holders are thus protected from dilution by being charged with costs that are attributable to other investors transactions.

Swing pricing is also a tool for managing liquidity risks in the fund since the method reduces the incentives to be the first to sell fund units in order to avoid transaction costs and it creates incentives for investors to go in the opposite directing from other investors. For example, the method can provide an incentive to buy fund units during a period when many redeem, as the investor may buy fund units at a lower price than would have been the case if swing pricing had not been applied.

The transaction costs that swing pricing intends to offset are those that arise when assets must be sold or bought to meet the request for redemption or subscription of fund units, i.e. in the case of net outflows or net inflows. The transaction costs can be direct or indirect and include, in relevant cases, e.g. brokerage, spread, market influence, currency exchange costs and transaction taxes. For those of the management company's funds that are covered by swing pricing, it is primarily the buying and selling spread that is important.

Swing pricing is used every day as the net flows in the fund exceed a pre-determined limit. The level of the limit is determined on the basis of an assessment of when it can be expected that the fund must sell or buy assets to meet the net flow without making a significant change in the fund's composition or to the lower level that the fund company deems justified by the fund unit holders' interest given the transaction costs. On days when the net flow does not exceed the limit value, no adjustment is made to the fund unit price. For smaller net flows, the fund manager does not necessarily have to make any purchase or sale transactions but can manage the flow by making small increases or decreases in the fund's cash level. In addition, transaction costs under normal market conditions are generally not significant for smaller transaction volumes. In the event of market turmoil, however, transaction costs can be significant even in the case of smaller transactions. Therefore, the fund company can decide on a lower level of the limit as it is justified out of consideration for the fund unit holders' interest. The limit is regularly reviewed by the management company.

The size of the change in the subscription and redemption price is called the swing factor. The swing factor is determined by the management company and can vary over time. The swing factor is determined taking into account historical transaction costs and other relevant information, such as current buying and selling spreads, and is evaluated on an ongoing basis by the management company. The swing factor is positive for net outflows exceeding the limit and negative for net outflows exceeding the limit.

All investors who buy or redeem units in the fund on a day when the net flow exceeds the limit may trade at the fund unit price determined after adjustment. It is thus not the size of the individual investor's transaction that is decisive, but whether that transaction is part of a total net flow that exceeds the limit.

Swing pricing does not mean that the fund is charged with any additional costs. It is each unitholder that is involved and causes a net flow above the threshold level that bears the cost through the up or down adjustment of the fund unit price that takes place.

### The highest level of the swing factor

The maximum adjustment of the fund unit price that the management company can make with the application of swing pricing is stated below.

Fund	Highest swing factor
Lannebo High Yield	2 %
Lannebo Räntefond Kort	1 %
Lannebo Sustainable Corporate Bond	1 %

### Swing pricing policy and advice

The management company's CEO has established a swing pricing policy, that sets the framework for the management company's application of swing pricing, and established a special swing pricing council that makes decisions on the application of the method and on regular evaluation of the method.

### Calculation example

The calculation example below illustrates the effect in four different scenarios. Note that the figures are for illustrative purpose only.

Limit value: SEK 10 million

Fund unit value: SEK 100

Swing factor: 0.5%

Unitholder A: subscribes 1 000 units

Unitholder B: redeem 1 000 units

Subscription-/redeem-price kr	Scenario 1: Net inflow 20 MSEK	Scenario 2: Net inflow 5 MSEK	Scenario 3: Net outflow 20 MSEK	Scenario 4: Net outflow 5 MSEK
Unitholder A: subscribes 1000 units	100 500 SEK	100 000 SEK	99 500 SEK	100 000 SEK
Unitholder B: redeem in 1000 units	100 500 SEK	100 000 SEK	99 500 SEK	100 000 SEK

### Register of unitholders

The management company keeps a register of all unitholders and their holdings.

Unitholders' holdings are specified on their annual statements, which also include information for their tax returns.

### Limitations on sale and redemption orders

It is not possible to limit sale and redemption orders.

### Switch of funds

The management company allows fund units to be issued before payment is paid to a fund only in connection with a switch between two of the management company's funds under the terms below.

In order for a switch of fund to be possible, the management company's fund switch form must be used and shall be fully completed and submitted to the management company no later than at the current time of the cut-off time.

In case of a transfer between our UCITS funds, which are

share funds, the switch form must be delivered no later than 15:55 on all full banking days and at 11:55 half-days to complete the transfer on the same banking day. In case of a transfer between our UCITS funds, which are bond funds, the switch form must be delivered no later than 14:00 on all full banking days and at 11:55 half-days to complete the transfer on the same banking day. If the switch form is provided later, the switch will take place next business day.

For a transfer to/from Lannebo Småbolag Select, the cut-off time is at 16.00 all full banking days and at 12.00 half-days, the switch form must be delivered two banking days before the last banking day in the month at purchase and five banking days before the last banking day in the month at sale.

For a transfer to/from Lannebo Fastighetsfond Select the cut-off time is at 16.00 all full banking days and at 12.00 half-days, the switch form must be delivered two banking days before the last banking day in the month at purchase and fifteen banking days before the last banking day in the month at sale. For questions regarding transfer to/from Lannebo Nanocap, please contact our customer service. Lannebo Microcap is currently close.

### Share classes

In a fund there may be several different types of units (share classes). Share classes in a fund may be linked to different terms for dividends, fees, minimum subscription amount, distribution of fund units, hedging and the currency in which the fund units are subscribed and redeemed.

The management company applies different markers in the name of the share classes depending on the share class characteristics.

Share classes with the marker "A" in its term are accumulating, which means that dividends that the fund normally pays no dividend and all income is reinvested in the fund.

In share classes with the marker "B" in its name, a dividend is given. The dividend is paid annually and paid in January. The management company decides annually on the dividends payable to the unitholder of the distribution share class B. The distribution given does not affect the value of a unit in the share class A. The only thing that is affected is the ratio between the share classes.

In share classes with "SEK" in its name, subscription and redemption are in Swedish kronor.

In share classes with "EUR" in its designation, subscription and redemption are in euro.

Share classes with "C" in their designation are aimed at distributors who provide investment advice on an independent basis or discretionary portfolio management and which, according to securities market legislation, may not receive and retain compensation from Lannebo Fonder. The charges in the "C-classes" are lower so that the distributor can debit the customer directly instead.

Share classes with "F" in their designation have a fixed management fee for the fund, at the same time the main share class of the fund has a variable fee.

### Capital adequacy

Lannebo Fonder is subject to capital adequacy requirements which means that the company's own funds at least equal to the highest of

- EUR 125 000 (initial capital) + 0.02 per cent of the amount by which the fund assets exceed an amount equivalent to 250 million plus 0.01 per cent of the assets in the funds that the management company manages
- 25 percent of the company's fixed costs for the previous year + 0.01 per cent of the value of the assets in the special funds managed by the management company

The capital adequacy requirement above means that the

fund company has sufficient funds to cover any claims for damages.

### Valuation procedures

Assets included in a fund are valued at the current market value. The relevant fund rules indicate how fund assets are valued and how the fund's value is determined.

### Compensation for erroneous fund unit value

The valuation of fund holdings, and the calculation of the value of fund units, is a key task of any management company's operation. Should it be found that the value of a fund unit is calculated incorrectly, Lannebo Fonder applies the Fund Association's guidelines for handling the compensation of erroneous fund unit value. This means that unitholders adversely affected by a material error are compensated.

### The annual report and semi-annual report and the latest calculated net asset value (NAV) of fund units

For each fund, the management company prepares an annual report and a semi-annual statement. The documents shall, on request, be sent free of charge to unitholders and are available from the management company and the depository latest four months after of the end of the fiscal year (annual report) and two months after the middle of the year (semi-annual report).

The most recent calculated net asset value (NAV) of a fund unit for each fund is published on the management company's website.

### Monthly reports

The management company publish monthly reports on the website

The reports contain information about each fund's development, larger holdings and the fund manager's comments. For Lannebo Råntefond Kort quarterly reports is published.

### Equal treatment

The units of a fund are equal in size and have equal rights to the assets included in the fund.

A fund can, however, have different unit types (share classes). Share classes in the same fund may be subject to different terms for dividends, fees, minimum subscription amount, as well as the currency in which units are subscribed for and redeemed. Units of a specific share class are equal in size and have equal rights to the assets included in the fund.

This means that principles of equal and fair treatment of unitholders holds, with a modification for any eventual conditions that apply to a particular share class.

### Winding up of fund or transfer of fund business

If the Swedish Financial Supervisory Authority withdraws the management company's licence, or if the management company goes into compulsory or voluntary liquidation or wishes to stop managing a fund, the management of the fund will immediately be taken over by the depository. The depository must then transfer management to another management company approved by the Swedish Financial Supervisory Authority. Otherwise, the fund must be dissolved through its assets being sold and the net proceeds being distributed to the unitholders. The fund company may also transfer the management of one fund to another fund manager. This has to be published in Post- och Inrikes Tidningar and be made available at the depository and at the management company, unless the Swedish Financial Supervisory Authority grants an exemption in the individual case. The fund company may also decide that a fund shall be merged, information of such merger shall be given to the unitholders in accordance with

what is requested by laws and regulations.

## Tax rules

**The fund's tax:** The rules described below apply for direct fund ownership of private individuals. For investment savings account (ISK) or endowment insurance, other rules apply. Since 2012, mutual funds do not pay tax on income. Mutual funds pay withholding tax on dividends received from their foreign shareholdings. The withholding tax rate varies from country to country. As a result of, among other things, legal uncertainty on the application of bilateral tax treaties as well as developments within the EU with regard to taxes, the final withholding tax can be both higher and lower than the preliminary tax deducted when dividends are received.

**Unitholder's tax:** Swedish unitholders pay income tax on a yearly-imputed income, calculated on the fund units' value at the beginning of the year, as well as on realized capital gains and any dividends from the fund units.

The annual imputed income amounts to 0.4 per cent of the value of the units at the beginning of the calendar year. The imputed income is then reported as income from capital and taxed at 30 per cent. For legal entities, imputed income is taxed as income from business activities at 20,6 per cent. The management company reports imputed income to the tax authorities for individuals and estates of Swedish unitholders, while legal entities themselves need to calculate the imputed income and then make the tax payment. Individual circumstances can affect the tax. Unitholders who are uncertain about any tax implications should seek advice from a tax expert.

## Investment savings account (ISK)

As of May 14, 2018, Lannebo Fonder offers investment savings account. Information about the investment savings account, tax rules for investment savings accounts and how to proceed to open such an account is available on our website, and can be obtained from our customer service.

## Capital gains and losses on fund units

With regard to capital gains and losses on fund units, taxes are different depending on the type of fund and whether the fund is publically listed or unlisted. A fund is considered publically listed if it is traded or redeemed at least every ten days; otherwise the fund is considered to be unlisted.

## There are three different fund unit tax categories

### 1. Listed funds (excluding fixed income fund SEK)

This group includes listed equity funds, mixed funds, and fixed income funds that do not exclusively invest in Swedish debt instruments, that is bonds and other fixed income securities.

- 100 per cent of capital gains are taxed. Up to 100 per cent of capital losses on listed ownership rights, namely equities, units of investment funds and other financial instruments, can be offset against capital gains.
- 100 per cent of capital losses may be offset against capital gains on listed ownership rights, namely equities, units in investment funds and other financial instruments taxed as equity. To the extent that there are no such capital gains to offset against, 70 per cent of the capital loss can be deducted against other capital income such as interest and dividends.

### 2. Listed fixed income funds SEK

The following applies to listed fixed income funds that only invest in Swedish debt instruments.

- 100 per cent of capital gains are taxed.
- 100 per cent of capital losses may be offset against capital income, such as capital gains, interest and dividends.

Fixed income funds that not only holds receivables denominated in SEK, i.e. includes investments in both Swedish and foreign currency, has to choose between applying the rules on ordinary listed funds (paragraph 1) or listed fixed income funds (paragraph 2).

### 3. Unlisted funds

This group includes all types of unlisted funds.

- 100 per cent of capital gains are taxed.
- Up to 70 per cent of capital losses may be offset against other income from capital.

## Risk and risk management

Investing in funds always involves a certain level of risk-taking, meaning that money invested may reduce in value. Normally, the risk is higher when investing in a pure equity fund than in a fixed-income or balanced fund.

The main risks that may arise when investing in funds are summarised below. The list is not exhaustive. Risk profiles for each fund are described further on in this prospectus.

### *Market risk*

The market for a type of asset may rise or fall in price e.g. the price of a share.

### *Liquidity risk*

A security cannot be traded at a given time without a major price reduction or substantial costs.

### *Currency risk*

The value of an investment may be affected by changes in exchange rates.

### *Credit/counterparty risk*

An issuer or counterparty suspends its payments.

### *Interest risk*

A fixed-income fund's sensitivity to changes in interest rates.

### *Sustainability risk*

An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

### *Operational risk*

Risk associated with the management company's operational activity e.g. IT systems, managers, administration, procedures etc.

Lannebo has classified the funds in accordance with the EU standard for risk classification. Each fund is classified according to a seven-category scale, so-called risk/return indicators, with 1 signifying the lowest risk and 7 the highest risk. Note that category 1 is not entirely risk-free.

The categorization can be found in the respective KIID.

## Historical return and key figures

The prospectus contains information on historical returns of the fund and its benchmark index.

In addition, information is provided on a number of key figures that can be used for the evaluation of the fund.

The key figures that are reported are those listed below. For some funds, however, not all of these key figures are reported,

This can depend on the fund existed for a short time, or the absence of a relevant benchmark index or the management company has no access to information about the index.

#### *Tracking error*

A measure that describes how closely the performance of the fund tracks the performance of the benchmark index. Calculated as the standard deviation of the difference between the return on the fund and a benchmark index. The information is based on monthly data and relates to the latest 24 months.

#### *Active Share*

A measure of the proportion of the portfolio that differ from the benchmark. Given at the end of each calendar year.

#### *Information ratio*

A measure of risk-adjusted return. This is measured as the active return divided by the portfolio's active risk. The information is based on monthly data and relates to the latest 24 months.

#### *Sharpe ratio*

A measure of the fund's return taking into account the total risk the fund has had during the period. Calculated as the ratio between the fund's return minus the risk-free rate of return.

#### *Credit duration*

Weighted average life.

#### *Interest-rate duration*

Weighted average maturity.

#### *Turnover ratio*

The lowest amount of purchased or sold securities, divided by the average net assets during the period. Specified in the annual rate.

### **Specific information on securities financing and total return swaps transactions**

#### *Which securities financing and total return swaps transactions can be used*

Equity and balanced funds can use securities financing transactions in the form of securities lending. Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select may also borrow shares. Total return swaps are not used. Below are additional information about securities lending and stock loans.

#### *Securities lending*

Shares included in the funds can be lent to a third party. The fund will then receive a collateral from the counterparty of the shares and receive payment in form of an interest rate. Stock loans are made to increase the return of the fund.

According to fund law, the fund may lend shares of up to 20 per cent of the fund's net asset value. Usually, however, lending is significantly more limited in scope. It is stated in the annual report for the funds at which extent securities lending occurred in previous years.

Lending may be made to the Nordic banks approved by Lannebo Fonder's board on the proposal of the risk management function in Lannebo Fonder. The bank must have a good credit rating.

The management company's board sets guidelines concerning acceptable collaterals on the proposal from Lannebo Fonder's risk management function. The collaterals the fund

receives shall have a low market, credit and liquidity risk. Collaterals should be issued by someone who is independent of the counterparty and lacking a strong connection with the counterparty's performance. The value of the collateral from a single issuer should not exceed 20 per cent of the fund's value.

The collaterals received are market valued each day and additional margin collaterals are used when there are changes in values. There is then a risk that the counterparty does not have the possibility of returning the lent shares. It is important that the management of collateral works, why operational risks must be managed continuously.

The collaterals received are deposited by the fund's depository. The shares lent are transferred to the counterparty.

The collaterals received are not reused by the funds.

The interest payable on securities lending accrues entirely to the fund that lent the shares. No significant operational costs or fees are incurred.

#### *Stock loans*

Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select can borrow shares from a third party and then sell the shares on the stock market. The fund buys at a later date the shares back in order to return the shares to the original lender. Hopefully, the fund will repurchase the shares at a lower price than that at which the shares were sold in the stock market, which gives a profit for the fund. This is called short selling and is an opportunity for the fund to generate returns in falling share prices on the stock market. In stock borrowing Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select pledges assets to the counterparty and will pay an interest rate for the loan.

As its starting point Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select has an exposure through short selling that does not exceed 50 per cent of its value. Usually, however, the exposure amount is considerably lower than that. It is stated in the annual report of Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select at which extent short selling occurred in previous years.

Borrowing may be made to the Nordic banks approved by Lannebo Fonder's board on the proposal of the risk management function in Lannebo Fonder. The bank must have a good credit rating.

Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select pledges assets to the counterparty that typically consist of equities.

The pledged assets are market valued each day and additional margins are used when there are changes in value.

If the value of the pledged assets Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select sets exceeds the value of the borrowed shares there is a counterparty risk. There is then a risk that the counterparty is unable to return the pledged assets. It is important that the management of collateral works, why operational risks must be managed continuously.

Borrowed shares are deposited with the fund's depository. Pledged assets are transferred to the counterparty.

The interest payable on securities lending are charged Lannebo Sverige Plus, Lannebo Fastighetsfond and Lannebo Fastighetsfond Select. Revenues that arises accrues to the fund entirely.

### **Amendments to fund rules**

The fund rules may be amended only by decision of the management company's Board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be

made available at the offices of the management company and the depository, and be published by such other means as the Swedish Financial Supervisory Authority instructs.

Amendments may affect the fund's investment policy, fees and risk profile.

## Liability

### UCITS

Lannebo Fonder will reimburse unitholders for damages the management company have inflicted on a UCITS-fund resulting from the breach of the Investment Funds Act or the fund rules.

### Special funds

Lannebo Fonder will reimburse a special fund or a unitholder for damages the management company or a contractor have inflicted on a special fund resulting from the breach of the governing law for alternative investment funds or other statutes governing Lannebo Fonder's business, the fund's rules or the management company's articles of association or internal guidelines stemming from the statutes regulating the management company's operations.

Lannebo Fonder is liable to the fund and its unitholders that the fund's assets are valued correctly, to calculate the fund's net asset value (NAV), and to publicly disclose this value.

## Distribution

Lannebo Fonder has entered into agreements with distributors to sell and market the company's funds. A current list of distributors is available at [www.lannebofonder.se](http://www.lannebofonder.se).

## Marketing in other countries

Lannebo Fonder AB has entered into agreements with distributors in the countries where some of its funds are marketed. These distributors provide the end customer with all information concerning sales/redemptions and information on the funds.

## Marketing in other countries

Funds managed by Lannebo Fonder AB may be marketed in other countries as follows:

### Denmark

- Lannebo Sustainable Corporate Bond
- Lannebo High Yield
- Lannebo Europa Småbolag
- Lannebo Sverige Plus
- Lannebo Teknik

### Finland

- Lannebo Europa Småbolag
- Lannebo High Yield
- Lannebo Räntefond Kort
- Lannebo Mixfond
- Lannebo Småbolag
- Lannebo Sustainable Corporate Bond
- Lannebo Sverige
- Lannebo Sverige Plus
- Lannebo Teknik

### Norway

- Lannebo Europa Småbolag
- Lannebo High Yield
- Lannebo Räntefond Kort
- Lannebo Mixfond
- Lannebo Småbolag
- Lannebo Sustainable Corporate Bond
- Lannebo Sverige
- Lannebo Sverige Plus

- Lannebo Teknik

### France

- Lannebo Småbolag

### Spain

- Lannebo Småbolag

Lannebo Fonder AB has entered into an agreement with CM-CIC Securities as so-called central agent in France.

Lannebo Fonder AB has entered into agreements with distributors in countries where some of the funds are marketed. These retailers assist end-user with all the information about sales/redemptions and information about the funds. Lannebo Fonder has further a local representative (filial) in Denmark, which may assist end-users, please find its contact details in the annex to this brochure.

## Remuneration principles of Lannebo Fonder

The Board of Directors of Lannebo Fonder ("the Company") has resolved remuneration policy based on the Swedish Financial Supervisory Authority's (Finansinspektionen) regulation regarding UCITS funds and managers of alternative investment funds, as well as the Swedish Code for Fund Management Companies. The European Securities and Markets Authority (ESMA) have issued guidelines on sound remuneration policies under the UCITS- and the AIFM Directive. The Management company has considered the aforementioned guidelines. The policy has been designed with consideration of the size of the Management company and internal organisation and the operations natures, extent and complexity.

The success of the Company is strongly correlated to the performance of the funds the Company manages. The remuneration policy adopted by the Board, which covers all employees of the Company, aims to motivate employees' efforts in such a way that the funds exhibit a good risk-adjusted return over time. The remuneration policy will further promote sound and effective risk management and compliance and generally reward behaviour contributing to the Company's long-term interests. The policy is designed to be consistent with the business strategy, objectives and goals, values and interests of the Company and of the funds managed and of the unit holders.

The remuneration policy also aims to achieve a good balance between fixed and potential variable remuneration. The fixed remuneration shall be in line with levels prevailing in the market and sufficient so that the variable remuneration could be deemed to be zero. Variable remuneration is paid only to those employees who are considered to have contributed to the Company and, if applicable, the funds development beyond what would normally have been expected of the individual employee.

The variable remuneration to all employees is determined by Board resolution. The decision is based on result assessments and risk adjustments described below. The Chairman of the Board ("the Chairman") prepares the resolution regarding variable compensation. During the preparatory work the Chairman obtains information from the relevant managers and statements from the appropriate control functions.

The overall financial performance of the Company is measured over a rolling five-year period. The average earnings over the period are calculated and represent the basis for the continuing result assessment and risk adjustment.

Next the earnings are adjusted with a fixed return requirement. The required return is determined taking into account a risk premium and the Board's internal capital targets. In this way the Board takes into account the business risks that shareholders should be compensated for. If earnings after the adjustment are positive and variable remuneration has the

potential to be payable as per above, the maximum amount of variable remuneration is determined according to an interval, providing the allocation for variable remuneration does not lead to negative earnings. The payment of variable compensation should never conflict with the capital targets and liquidity requirements that are regulated by the Company's internal rules.

The Board determines the maximum amount to be allocated to the variable remuneration in a single year based on an assessment of the Company's overall performance during the year.

After assessing the Company's overall performance, an assessment is made of the department, unit, or the fund's performance.

The employee's performance is assessed at the next level. In general an employee's variable compensation is determined on the basis of how the employee, over and above what would normally be expected, contributes to the development of the business. An employee's variable remuneration may be set to zero. Both general and specific factors regarding the employee's fulfilment of their responsibilities are considered. Qualitative and quantitative assessments are also made. Examples of general qualitative factors are customer service, compliance, administrative error rate and teamwork skills. For some employees more specific quantifiable targets are also considered such as net sales within marketing and sales. If possible the fulfilment of stated targets are also assessed over several years. An employee's variable remuneration may not exceed three times the fixed remuneration. The remuneration policy also sets a limit on the total maximum variable remuneration for the Company in relation to the number of employees.

Any variable remuneration for the control functions are determined in accordance with the Swedish Financial Supervisory Authority regulation on the basis of objectives that are linked to the control functions, independent from the performance of the departments and units, as well as independent from the funds they oversee.

For specially regulated staff who receive variable remuneration 40 per cent is paid directly. With regard to what is stated below, the remaining 60 per cent is funded over the following four years or more. In this manner conformity is achieved with the funds recommended investment horizon of five years and the Company's multi-year performance assessment by making the variable remuneration actual payment over a period of five calendar years..

The deferred remuneration payment will be allocated into the fund or funds closest associated with the employee's duties. For fund managers that means the remuneration will be allocated into the fund or funds they are managing. If the relevant fund is closed to new subscriptions or if other obstacles occur, the remuneration will be allocated into the most similar fund. For employees who do not work with a specific fund, the remuneration will be allocated into a portfolio of other funds to mirror the entire Company's operations and consequently all its managed funds' and unit holders' interests. The Board of Directors make the final decision on where the remuneration should be allocated.

With consideration to whether it is justifiable with respect to the Company's financial situation and justifiable by the performance of the department, unit or the fund, and the employee's performance, it may be decided that the deferred remuneration payment is paid in one fourth (quarterly instalments) over each of the following four years, provided that the employee remains employed. Before each interim payment a qualitative and/or quantitative assessment is carried out as described above. The first instalment payment may not be paid until one year has elapsed from the Board resolution regarding the variable remuneration.

The final amount to be paid is determined after five years

earliest (vesting period plus deferment period), or by payment date, as this is dependent on the employee meeting the above conditions.

For variable remuneration to specially regulated staff, a part from deferment, there is a retention period. Of the variable remuneration that is paid out, direct or deferred, 50 per cent will be allocated into funds according to the split that the Board of Directors has decided on for the deferral period. During one year starting from the payment there are restrictions prohibiting the employee to sell or in other ways transfer or give away or pledge the unit holdings.

The Internal Audit function will on an annual basis review if the Management company's remunerations are in line with this remuneration policy. The unit shall produce a written report to the Board of Directors with the results of the investigation. The Board of Directors is responsible for the remuneration policy being updated on a regular basis.

A hard copy of the information regarding Lannebo Fonder's remuneration principles, which is published on the Company's website, can be acquired at request from the Lannebo Fonder's customer service free of charge.

The KIID shall comprise disclosures on that the fund management's remuneration policy is available on the Company's website and that a hard copy is made available on request free of charge.

Information will also be published in the prospectus and in the fund's annual report.

### **Processing of personal data**

Lannebo Fonder AB, as a responsible entity for personal data, safeguards your individual rights and personal data. The management company's data protection policy is available on the management company's website.

#### *Data Protection Officer*

You can contact the management company's Data Protection Officer (DPO) via email ([dpo@lannebo.se](mailto:dpo@lannebo.se)) or by post (Lannebo Fonder AB, Att. DPO, Box 7854, 103 99 Stockholm)

#### *Objective*

The management company uses your personal data to fulfil legal- and contractual obligations, as well as to provide you with information, offers and other services.

#### *Legal basis*

Personal data is used in the execution of agreements and to fulfil obligations as required by laws, regulations or government directives. Personal data is also used for legitimate interests in connection with marketing and product- and customer analyses.

#### *Categories of personal data and the source of data retrieved*

The management company collects data that you submit to the management company. The management company also collects certain information from third parties. These are public or other externally available sources in the form of registries from authorities (for example, SPAR), sanctions lists (at EU and UN) and from other commercial information providers, such as those providing beneficial owner- and politically exposed persons. Information is also collected from banks in connection with payments.

#### *Legitimate interests*

The data is managed, in part, for marketing and business development purposes in order for the management company to improve our product range and our product offerings; both the customer and the management company have an interest in personal data used in this way.

### *Recipient of data*

The management company may share your personal information with, for example, government agencies, suppliers, and business partners. Before sharing information, the management company ensures compliance with confidentiality obligations that apply to the financial sector. The management company must provide personal data in some cases when providing services and meeting agreement obligations. For example, should a unitholder ask the management company to transfer fund savings, the management company must provide certain personal information in order to complete the transaction. The management company does not provide your personal data to third countries.

### *Data Retention*

The management company stores your information as long as necessary for the purposes for which they were collected and used, or as long as required by laws and regulations and regulatory resolutions.

### *Consumer rights*

As a registered person you have rights with respect to your personal information as maintained by the management company.

- You are entitled to access your personal information
- If your personal information is incorrect or incomplete, you have the right to request a correction of the data, subject to certain restrictions
- Under certain conditions you may request that your personal data be deleted
- In certain cases, you have the right to restrict the processing of personal data
- You may object to the processing of personal data due to a conflict of interests.
- You have the right to obtain your personal data submitted to the management company in a machine-readable format. This applies only to personal data processed automatically in consent or in order to fulfil an agreement. If it is a secure, and technically possible method, the management company may also transfer personal data to another personal data controller.

If you wish to exercise your rights, you must request this in writing from the management company's Data Protection Officer.

Your consent to process personal data can always be revoked.

You can file a complaint with- or contact the Swedish Authority for Privacy Protection (IMY).

### *Data obligation according to agreement or law*

Personal data collected from you is in part required by law for contractual requirements and in part is data that is necessary to conclude an agreement. This means that the management company may be prevented from entering into an agreement with you if data is not provided.

### *Processing of data for other purposes*

If the management company intends to further process the personal information for a purpose other than that for which they were collected, the management company shall, prior to this further processing, provide you with information on this other purpose and further relevant information.

## Lannebo High Yield

Swedish-registered UCITS fund

### Objective and investment policy

The fund is a fixed income fund that focuses on investments in Swedish and Nordic high-yield corporate bonds. High-yield corporate bonds means bonds issued by companies with lower credit ratings, also known as high-yield bonds.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

Investments may also be made in convertible bonds, preferential shares and other similar assets.

The fund managers assess the credit quality of the investments regularly. The fund avoids bonds issued for specific projects and by companies with excessive debt or a high probability of not being able to fulfill their commitments.

The duration of the fund may not exceed ten years, and the fund may have a negative duration. As a minimum, the fund's duration may be -1 years. The fund may have a negative duration in order to protect the value of the fund's holdings from rising interest rates.

The credit and interest-rate duration of the fund's holdings normally do not exceed 4 years, while the average interest-rate duration generally does not exceed 1 year. Investments are made in securities with a longer fixed interest period when the fund managers deem market interest rates will decline, and if they believe market interest rates will increase they will choose investments with a short fixed interest period.

The fund's principle geographic focus is Sweden and the other Nordic countries, but the fund also has the possibility, to some extent, to make investments with a focus on Europe. A minimum of 80 per cent of the assets are invested with a focus on the Nordic countries.

The fund seeks to minimize the effects of exchange rate fluctuations by investments hedged in foreign currency to Swedish kronor with the help of derivatives.

The fund is actively managed and does not follow any index. The fund's investments are selected according to the fund managers' assessment. Each investment is individually evaluated and the fund invests only in bonds issued by companies that the fund managers are very familiar. The fund managers build a balanced fund of corporate bonds from various industries, geographic regions and varying risk profiles. The objective is, according to the fund rules, while exercising appropriate caution, to achieve the highest possible value appreciation and to achieve a good risk diversification. This objective must be understood on the basis that a corporate bond fund is an alternative to traditional interest bearing savings and is aimed at those who are willing to take more risk but do not want to invest in the equity market.

The asset classes that the fund may invest in are transferable securities, money market instruments, derivatives, fund units and bank deposits. A maximum of 10 per cent of the fund's value may be invested in fund units.

The fund uses derivatives to hedge its holdings to Swedish crowns, SEK, which is the fund's base currency. The fund may use interest rate derivatives as part of its investment strategy.

The fund is authorized under Chapter 5 § 8 Swedish Securities Fund Act, which means that more than 35 per cent of the fund's assets may be invested in bonds and other debt

instruments issued or guaranteed by a state or municipality in the Nordic countries.

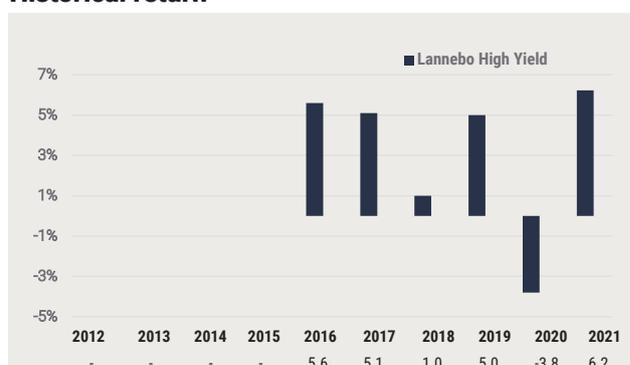
There is no relevant Nordic high-yield index to compare the fund.

Purchase and sale of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have two share classes: SEK and SEK C. At the moment, both share classes have started, share class SEK C is thus not available.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Annual return, %	2021	2020	2019	2018	2017
Share class SEK C <sup>1</sup>	n.a.	-3.3	n.a.	n.a.	n.a.

Average annual return, %	Share class SEK	Share class SEK C <sup>1</sup>
- Last 3 years	2.4	n.a.
- Last 5 years	2.7	n.a.
- Last 10 years	n.a.	n.a.

Key figures	2021	2020	2019	2018	2017
Credit duration, years	3.1	3.0	2.7	2.7	3.0
Interest-rate duration, years	0.8	1.0	0.4	0.5	0.7
Turnover ratio	0.5	0.6	0.3	0.3	0.5

<sup>1</sup>Share class SEK C was launched 6 May 2019.

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of

options or leverage, provide a return in the form of dividends or to be conserved.

- The fund is intended for investors with a short-term investment horizon (at least 3 years).
- The fund is not suitable for investors who want an investment with a particular focus.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 4 out of 7, which corresponds to a medium risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 4 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **Risk profile**

Lannebo High Yield invests in fixed-income transferable securities, which means that the fund is exposed to *interest rate risk*. The fund's interest duration may not exceed ten years. This means that the value of the fund's assets may decrease if the underlying market is increasing. Normally, however, the fund's duration should not exceed five years. The fund may have a negative duration in order to protect the value of the fund's holdings from rising interest rates. Negative duration, however, means that the fund may lose value when interest rates fall. The fund's interest rate risk can be significantly higher than in a money market fund. However, there is an ambition from the fund management company to not expose the fund to market risks that are substantially in excess of the market risks of a representative sample of comparable competing funds.

The fund focuses on high-yield corporate bonds. High-yield corporate bonds mean bonds issued by companies with a lower credit rating, also known as High Yield bonds. This means that the fund is exposed to *credit risk*, which is higher by comparison to equivalent funds that only invest in securities with high credit ratings. Credit risk means increased opportunities for returns, but also that the value of the fund's assets may decrease if the market perception of the creditworthiness of the issuer deteriorates. There is also a higher risk that the issuer of the security cannot meet its payment obligations for the instrument, which may mean that part, or all, of the value of the security is lost.

Lannebo High Yield invests in Swedish transferable securities as well as in foreign financial instruments. Investment in foreign financial instruments involves a *currency risk*. The currency movements against the Swedish crown will affect the translation of the foreign instrument's price from a foreign currency to SEK. The fund will, however, use currency hedging to minimize currency risk.

*Liquidity risk*, i.e. the risk that a security may be difficult to value and cannot be sold at the intended time without a major price reduction or substantial costs can be higher in corporate bond funds than in short-term fixed income funds or equity funds. The corporate bond market is characterized by lower transparency and liquidity than for example the stock market. Liquidity may vary more as a result of changes in demand and supply, which implies that holdings in corporate bonds may be more difficult to value or sell as a result of weak demand. In the case of limited liquidity in the market, larger withdrawals from the fund may imply that holdings

need to be sold at unfavorable prices, and in exceptional cases, withdrawals can not be made immediately upon request. This places greater demands on the management of liquidity, and requires the fund, at any given time, to have an appropriate mix of investments in order to manage liquidity risk in an effective manner.

The fund may trade in derivatives as part of its investment strategy. The primary objective is to manage the fund's currency risk. Interest rate derivatives may also be used in the management of the fund. Trading in derivatives may involve an increased *market risk* and *counterparty risk* in the form of the positive market value of the derivative instrument or any excess collateral that the fund provides to the counterparty. Trade volumes in these instruments are typically limited and are not expected to have a major impact on the fund's risk profile. However, from time to time their use may be more widespread and affect the fund's risk profile. When calculating the fund's total exposure, the 'commitment approach' is applied to derivatives, which means that derivative positions are converted to an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

The fund may be exposed to *operational risk* as a result of the fixed income market's lower transparency and standardization. This is especially true in the event of market turmoil and possible credit events. Operational risk is the risk of loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement and valuation routines.

### **OTC-derivatives and collaterals**

The fund uses OTC derivatives in order to manage the fund's currency risk by hedging securities issued in foreign currency. Trading may only be done with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk. Permitted collateral have highly rated creditworthiness with low or no valuation deductions. The value of the collateral shall at least correspond to the current counterparty exposure.

### **The fund's grade of activity**

#### *The management of the fund*

The fund is an actively managed fixed-income fund that focuses on investments in Swedish and Nordic high-yield corporate bonds. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. The fund's investments are selected according to the fund managers' assessment. Each investment is evaluated individually and investments are made exclusively in corporate bonds issued by stable companies with strong balance sheets that the fund managers are familiar with. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk. The management of the fund may be compared with the fund's benchmark.

### Benchmark

The fund has no benchmark. The reason thereto is because there is no relevant high-yield benchmark which gives a good representation of the fund's long-term strategic investment focus considering factors such as type of asset, market and return and risk profile. Existing benchmarks are not relevant to compare the fund with, rather it may give a wrongful picture of the activity in the fund management. Given the lack of a benchmark, no measure of activity is accounted for.

### **Maximum fees**

#### *Share class SEK*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0.0%
Redemption fee:	0.0%
Management fee, including supervision and audit:	1.0%
Remuneration to the depositary:	0.1%

#### *Share class SEK C*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0,0%
Redemption fee:	0.0%
Management fee, including supervision and audit:	0.5%
Remuneration to the depositary:	0.1%

### **Current fees**

#### *Share class SEK*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.9%
Remuneration to the depositary:	up to 0.02%

#### *Share class SEK C*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including custody, supervision and audit:	0.45%
Remuneration to the depositary:	up to 0.02%

### **Closure of Lannebo High Yield**

In order to avoid that the fund's assets under management may amount to a sum that implies that the fund can not be managed in an optimal way for either the fund or for the existing unit holders, the fund management company has the right to decide to close the fund and whereby the purchase of new units can not be made. Such a decision to close the fund assumes that the fund's total assets amounts to a size that exceeds the fund management company's set capital limit for the fund's optimal management. The fund management company's set capital limit for an optimal management of the fund currently amounts to SEK 2 000 million. The decision to close the fund shall be published in connection with the resolution, but not later than ten days prior to the date that the decision on the close of the fund shall take effect and the fund closes. Likewise, the fund management company's decision to open the fund shall be published together with the decision, but not later than ten days prior to the date when the subscription of new units can again take place. Information about decisions on closing or opening of the fund shall be published on the fund management company's website.

### **Environmental, Social and Governance, ESG**

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

### **Fund rules**

#### **§ 1 The fund's legal status**

The name of the investment fund is Lannebo High Yield, hereinafter referred to as the fund. The fund is a UCITS fund in accordance with the Swedish Securities Fund Act (2004:46), hereinafter referred to as the LVF. Business operations are conducted in accordance with these fund rules, the Articles of Association for the management company, the LVF and other applicable administrative provisions.

The fund's assets are jointly owned by the fund unitholders. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- A. Share class SEK – traded in Swedish krona (see § 9.3 below) and has a maximum management and custody fee of 1.1 per cent per year (see § 11.1 below).
- B. Share class SEK C – traded in Swedish krona (see § 9.3 below) and has a maximum management and custody fee of 0.6 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.4 below).

#### **§ 2 Management company**

The fund is managed by Lannebo Fonder AB, corporate registration number 556584-7042, hereinafter referred to as the management company. The management company holds registers of all unitholders and pledges.

#### **§ 3 The depositary and its role**

The depositary for the fund is Skandinaviska Enskilda Banken AB (publ), corporate registration number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund.

The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict

with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

#### **§ 4 Nature of the fund**

The fund is an actively managed fixed income fund that focuses on investments in high yield corporate bonds, i.e. bonds issued by companies with lower credit ratings (so-called high yield bonds). Investments may also be made in convertible bonds, preferential shares and other similar assets. The fund may also invest in other assets, such as corporate bonds with a higher credit quality and money market instruments issued by a government, municipality or a company, as well as bank deposits.

The fund has a principal geographical focus on Sweden and the rest of the Nordic countries, but also has the possibility, to some extent, to make investments in Europe.

The fund uses derivatives to hedge its holdings to Swedish crowns, SEK, which is the fund's base currency. The fund may also use derivatives as part of its investment strategy.

The fund's duration may not exceed 10 years. The fund may have a negative duration. As a minimum, the fund's duration is -1 year.

The fund's overall financial objective, while exercising appropriate caution, is to achieve the highest possible value appreciation and to achieve a good risk diversification.

#### **§ 5 The fund's investment policy**

The fund may invest in transferable securities, money market instruments, mutual funds, derivatives and bank deposits. The fund may invest a maximum of ten (10) percent of its value in other funds or fund management company.

The underlying assets of derivative instruments included in the fund shall consist of, or relate to, assets according to Chapter 5 § 12 first paragraph LVF.

The fund management company determines, taking into account market conditions, the average duration of the fund's holdings. The fund's average duration is in the range of -1 to 10 years.

The fund's investments are focused on transferable securities and money market instruments with lower credit ratings, i.e. the High Yield segment. Investments may also be made in financial instruments with higher credit ratings, i.e. the so-called Investment Grade segment, as well as in convertible bonds, preferential shares and other similar assets. The fund management company determines the fund's composition regarding the credit quality of the holdings as well as the extent of any investments in convertible bonds, preferential shares and other similar assets based on prevailing market conditions

A minimum of 80 percent of the fund's value over time is placed with a focus on the Nordic countries and a maximum of 20 percent of the value of the fund may be invested in Europe.

The fund's assets may, as part of its primary geographic focus on the Nordic countries, be invested, among others, in securities that at the time of investment are or within a year from the issue are admitted to trading on a regulated market in the Nordic countries, or that fulfils the requirements to be admitted to trading on such a market within one year of issue, or that are admitted to trading on another regulated market open to the public in the Nordic countries.

The fund's assets may, within its European investment mandate, be invested, among others, in securities that at the time of investment or within a year from the issue are admitted to trading on a regulated market or equivalent market in a European country outside the Nordic countries, or admitted to trading on a regulated market open to the public in a European country outside the Nordic countries or that are issued by an issuer which at the time of investment has its registered office in a European country outside the Nordic countries, or that at the time of investment is traded in Euro, or a local European currency, in part on the accounts of a credit institution that has its registered office in a European country outside the Nordic countries.

#### **§ 6 Marketplaces**

The fund can be invested in a regulated market or equivalent market outside the EEA or on another market within or outside of the EEA which is regulated and open to the public.

#### **§ 7 Specific investment policy**

The fund may make use of such transferable securities and money market instruments as detailed in chapter 5 § 5 of the LVF.

In accordance with chapter 5 § 8 of the LVF, the fund may contain an unlimited number of obligations and other promissory notes issued or guaranteed by the state, a municipality or a national or municipal authority in a country within the EEA or by any intergovernmental body in which one or several states within the EEA are members, provided that they are derived from at least six different issues and that no acquisition exceeds 30 per cent of the fund value. In respect of funds intended to be invested in at over 35 per cent of the fund value, information on the issuers or guarantors issuing or guaranteeing promissory notes can be found in the information brochure.

The fund may use derivative instruments as part of the fund's investment strategy. The fund may invest in OTC derivatives in accordance with chapter 5 § 12, second paragraph of the LVF.

The fund uses currency derivatives to hedge their holdings.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

#### **§ 8 Valuation**

The value of a fund unit is the fund value divided by the number of outstanding fund units. The value of the fund is calculated by subtracting the fund liabilities from the assets, including non-billed taxes as determined by the management company, plus the fees set forth in § 11 below.

The fund assets are calculated as follows:

- Transferable securities, money market instruments, fund units and derivatives are valued at the prevailing market value (the last traded price or if not available, the last bid price). If such rates are not available, or the management company believes them to be misleading, the transferable securities, money market instruments and derivative instruments are recorded at the value that the management company objectively determines.
- Such transferable securities and money market instru-

ments as explained in chapter 5 § 5 of the LVF are given a market value in accordance with specific valuation. The basis for the specific valuation can include: market prices from unauthorised regulated markets or 'market makers'; other financial instruments traded on a regulated market or index, adjusted for differences in credit risk and liquidity (the reference value); discounted cash flows (discounted value); or the capital share of the equity (closing value).

- For OTC derivatives, a market value is established in accordance with specific valuation. The basis for the specific valuation includes market prices from unauthorised regulated markets or 'market makers', a reference valuation based on a similar derivative traded on a regulated market or a market value based on generally accepted valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including bank account deposits, short-term investments in money markets and funds in credit institution accounts.
- Accrued interest.
- Accrued dividends.
- Payments not settled.
- Other fund receivables.

The fund liabilities are calculated as follows:

- Accrued management remuneration.
- Remuneration to the depository.
- Acquisitions not settled.
- Tax liabilities.
- Other fund liabilities.

Since the fund has several share classes, the management company must take this into account when calculating the value of a fund unit in the respective share class. The value of a unit in a particular share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of fund units shall be calculated daily (each business day) by the management company.

## **§ 9 Sale and redemption of fund units**

### § 9.1 General provisions

Subscriptions (unitholder 'purchases) and redemptions (unitholders' sales) can be made on each banking day.

The request for subscription or redemption of units is made and with the anticipation as detailed on the management company's website, [www.lannebofonder.se](http://www.lannebofonder.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Subscriptions are at a minimum amount of SEK 100.

Requests for redemption may only be revoked if the management company permits.

Subscriptions and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the purchase and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined according to § 9.2 below.

In order to avoid the fund's managed capital being at a size which means that the fund cannot be managed in a manner optimal to both the fund and existing unitholders, the management company is entitled to decide to close the fund, which means that new units cannot be sold. Such a decision on closure presumes that the fund's managed capital amounts to a size in excess of the capital limit established by the management company for optimal management. The capital limit

set by the management company for optimal management is stated in the company's information brochure. Any decision on closure of the fund shall be publicised in conjunction with the decision, no later than 10 days prior to the day that the closure takes effect and the fund is closed. The management company's decision on opening a fund shall likewise be publicised in conjunction with the decision, no later than 10 days prior to the day that the sale of new units can take place again. Information on the decision to close or open a fund shall be published on the management company's website

### § 9.2 Subscription and redemption price

In order to ensure fair treatment of unit holders and ensure the common interest of unit holders, the management company therefore applies a method for determining the subscription and redemption price for fund units in the fund. The method takes into account transaction costs arising from the subscription and redemption of units in the fund, further called swing pricing.

Swing pricing aims to prevent a unitholder from having to bear transaction costs that arises as a result of subscription and redemption of fund units carried out by other unitholders in the fund. The transaction costs that swing pricing intends to offset are those that arise when assets must be sold or bought to meet the request for redemption or subscription of fund units in the fund, i.e. in the case of net outflows or net inflows. The transaction costs can be direct or indirect and include, in relevant cases, e.g. brokerage, spread, market influence, currency exchange costs and transaction taxes.

The subscription and redemption price for the fund units changes upward and downwards, respectively, if the fund has a net inflow or a net outflow that exceeds a, by the management company, pre-determined limit expressed as a share of the fund's value, hereinafter referred to as the limit. The days when the net flow does not exceed the limit there is no change in the subscription or redemption price. The level of the limit is determined on the basis of the management company assessment of what is a larger net flow for the fund that can be expected to result in the fund having to buy or sell assets to manage the flow and by so give rise to transaction costs. However, the limit can be set to a lower level if the management company deems it to be justified, with consideration taken to the unitholders' interest given the transaction costs. The limit is regularly reviewed by the management company.

The size of the change in the subscription and redemption price, hereinafter referred to as the swing factor, is determined by the management company and can vary over time. The swing factor is determined taking into account historical transaction costs as well as other relevant information and is evaluated on an ongoing basis by the management company. The swing factor may not exceed 2 per cent of the fund unit value.

The subscription and redemption price per fund unit shall, in accordance with what has been stated above, be determined in accordance with the following:

- If the fund has a net inflow exceeding the limit, the subscription and redemption price shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription and redemption takes place after an upward adjustment corresponding to the swing factor.
- If the fund has a net outflow that exceeds the limit, the subscription and redemption price shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription and redemption takes place after an downward adjustment corresponding to the swing factor.
- On the days when the net flow in the fund does not exceed the limit, the subscription price for a fund unit must be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription takes place, and

the redemption price for a fund unit shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the redemption takes place.

The prospectus for the fund contains a more detailed description of the management company's application of swing pricing.

#### § 9.3 Conditions for the currency in which the subscriptions and redemption of units take place

Subscriptions and redemption of fund units are in SEK.

#### § 9.4 Terms for distribution of fund units in share class SEK C

Subscriptions of SEK C are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

#### **§ 10 Extraordinary circumstances**

The fund can be closed for sale or redemption if extraordinary circumstances arise which mean that valuation of the fund's assets cannot be conducted in a manner to ensure equal rights for each fund unitholder; for example if one or several fund trading markets are partially or entirely closed.

#### **§ 11 Fees and remuneration**

##### § 11.1 Fees for share class SEK

Fees shall be paid to the management company and the depository as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.0 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depository fees for carrying out its tasks. The fee may amount to a maximum of 0.10 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.10 per cent per annum of the share class's share of the fund's value.

##### § 11.2 Fees for share class SEK C

Fees shall be paid to the management company and the depository as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.5 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- ii. Fees to the depository fees for carrying out its tasks. The fee may amount to a maximum of 0.10 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.6 per cent per annum of the share class's share of the fund's value.

##### § 11.3 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments.

In addition, the fund may be charged with costs for research.

#### **§ 12 Dividends**

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new units on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

#### **§ 13 The fund's financial year**

The fund's financial year is a calendar year.

#### **§ 14 Half-year report and annual report, changes to the fund rules**

The management company must prepare annual reports and half-yearly reports. On request, the documents shall be sent free of charge to the unitholders and be made available at the management company and depository, at the latest by four months following the end of the financial year (annual report); and two months following the middle of the year (half-yearly report).

Changes to the fund rules may only be made through a decision from the management company board and must be passed to the Swedish Financial Supervisory Authority for approval. Once the change is approved, the decision shall be made available at the management company and depository and announced in a manner indicated by the Swedish Financial Supervisory Authority.

#### **§ 15 Pledging of fund units**

Unitholders may pledge their units in the fund, unless the fund unitholder is an insurance company that invested the insurance premiums on behalf of the policyholders in accordance with the Swedish Insurance Business Act (2010:2043) or a pension saving institution that invested the pension funds on behalf of the policyholders in accordance with the Swedish Act on Individual Pension Savings (1993:931).

When pledging, the unitholder or their representative and/or the pledgee must inform the management company in writing accordingly. The notification must include:

- the name of the fund unitholder,
- the name of the pledgee,
- which fund units are included in the pledge, and
- any limitations in the scope of the pledge.

The management company shall sign the pledge in the fund unitholder register and inform the fund unitholder in writing of the pledge registration. The pledge shall cease when the pledgee informs the management company in writing. The management company has the right to claim remuneration from the unitholders for the registration. This fee is a maximum of SEK 500.

#### **§ 16 Limitation of liability**

##### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boy-

cott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

#### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or

other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

#### **§ 17 Permitted investors**

The fact that the fund is intended for the general public does not mean that it is intended for investors whose purchase of units in the fund or participation in the fund is contrary to the provisions of Swedish or foreign law or regulations. The fund also does not target investors whose purchase or holdings of units mean that the fund or management company becomes liable / obligated to take registration measures or other action that the fund or management company would otherwise not be liable / obligated. The management company is entitled to refuse sale of fund units to such investors as referred to in this paragraph.

The management company may redeem unitholders' fund units – counter to the unitholder - if it appears that unitholders subscribed for a unit in the fund in contravention of provisions in Swedish or foreign law or regulation or that the management company, due to the unitholders purchase or holding in the fund, is obligated to take a registration or other measure for the fund or the management company for which the fund or the management company would not be liable / obligated to take if the unitholder would not hold fund units.

Redemption under the preceding paragraph shall be carried out immediately. The payment of redemptions as stipulated in §9 above shall apply even in case of redemption pursuant to this section.

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

**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:**  
Lannebo High Yield

**Legal entity identifier:**  
549300XRFONRDKE3IM10

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund.

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

That the investments reaches a minimum level of rating in the sustainability analysis.

- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

The following are the overall strategies that the fund uses in the investment process.

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

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus area with the aim of promoting a sustainable society.

● **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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias. This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fundholding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo's policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

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

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies' compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

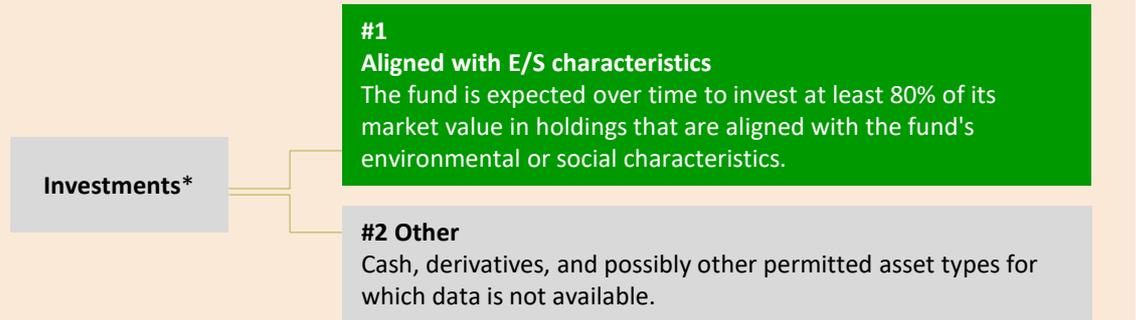
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

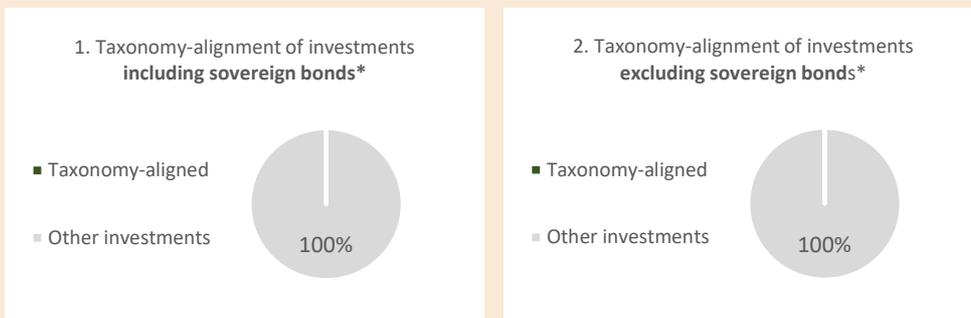
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management, derivatives, and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Räntefond Kort

Swedish-registered short-term fixed-income fund (UCITS)

### Objective and investment policy

The fund is a short-term fixed income fund that focuses on investments in Swedish fixed-income securities.

The average credit duration may not exceed two years and the average interest-rate duration of the fund is normally less than one year.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The fund invest in fixed-income securities deemed with good credit rating. Investments are primarily made in securities issued by corporations. Investments may also be made in securities issued by state or municipalities. The fund managers assess the credit quality of the investments regularly. The average assessed creditworthiness of the holdings must at least meet investment grade. The fund's investments are selected according to the fund managers' assessment. Each investment is individually evaluated and the fund invests only in fixed income securities issued by stable companies with strong balance sheets that the fund managers are very familiar. The fund managers build a balanced fund of fixed income securities from various industries, geographic regions and varying risk profiles.

The objective is, according to the fund rules, while exercising appropriate caution, to achieve the highest possible value appreciation and to achieve a good risk diversification.

The fund's assets may be invested in negotiable fixed-income securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may, exceptionally, be used as part of its investment policy. The use of derivatives will not normally increase the fund's risk level.

The fund is authorized under Chapter 5 § 8 of the Swedish Securities Fund Act, which means that more than 35 per cent of the fund's assets may be invested in bonds and other debt instruments issued or guaranteed by a Nordic state or municipality.

The fund's benchmark index is Solactive SEK IG Credit Index. Before 1 June 2020, the fund's benchmark was NOMX Credit SEK Rated FRN 1-18M Total Return Index. The fund's benchmark index was before April 2018, OMRX Statsskuldväxelindex.

The fund normally pays no dividend for share class SEK and SEK C.

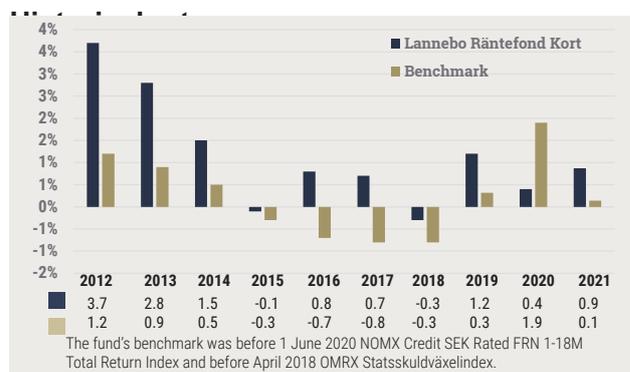
The fund pays an annual dividend for share class B SEK. Dividend is calculated on the basis of the share of the dividing share class of the value of the fund. As starting point for determining the size of the dividend, account is taken to the changes in value of one fund units in the dividend share class held since the previous dividend. The fund company may determine the dividend to a higher or lower amount than the change in value. The goal for share class B SEK is to distributed annually between 0-2 percent of the share class' value at the time of the dividend (based on the interest rate situation as of 15/11/2021). Dividends are paid in January of the year following the end of the financial year, to unit holders who, on the

record date determined by the fund company, are registered unit holders in the dividend unit class.

Purchase and sale of fund units may normally be made every banking dag.

### Share classes

In accordance with the fund rules, the fund may have eight share classes: SEK B SEK, EUR, B EUR, SEK C, B SEK C, EUR C and B EUR C. Currently only share class A SEK, B SEK and SEK C are offered. Those who wish to invest in share class SEK C are requested to contact the management company for further information.



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Annual return, %	2021	2020	2019	2018	2017
Share class SEK C <sup>1</sup>	1.0	0,6	1.3	n.a.	n.a.

Average annual return, %	Share class SEK	Share class SEK C <sup>1</sup>
- Last 3 years	0.8	n.a.
- Last 5 years	0.6	n.a.
- Last 10 years	0.9	n.a.

Key figures	2021	2020	2019	2018	2017
Credit duration, yrs	1.8	1.8	1.7	1.8	1.8
Interest-rate duration, yrs	0.1	0.2	0.2	0.3	0.1
Turnover ratio	0.5	0.3	0.4	0.6	0.5

<sup>1</sup>Share class SEK C was launched 30 October 2018. Share class B SEK was launched 15 November 2021 and is therefore missing in the above tables.

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate. Share class B SEK is also for investors who want the invested capital to provide

a return in the form of a dividend.

The fund may also suit investors with other investment objectives.

- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or to be conserved.
- The fund is intended for investors with a very short-term investment horizon (1 year).
- The fund is not suitable for investors who want an investment with a particular focus.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 2 out of 7, which corresponds to a low risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 2 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment). For share class B SEK, orders on their own initiative are a distribution strategy aimed at professionals or equal counterparties.

### **Risk profile**

Lannebo Likviditetsfond offers investors low levels of risk, which, however, does not mean that the fund is risk-free. *Interest-rate risk* is limited by the fund's interest duration not being allowed to exceed two years. Normally the duration will be less than one year. This means that the price risk is very limited. However, the management company does not aim to expose these funds to market risks substantially exceeding the market risk for a subjective selection of comparable competing funds.

*Credit risk* is limited by the fund investing in fixed-income securities and money-market instruments with an estimated high credit rating. The fund's credit duration may not exceed two years.

*Liquidity risk* – i.e. the risk of it not being possible to trade a security at a given time without a major price reduction or substantial costs – may occur if market liquidity is limited but the risk is assessed for this fund to be low. This places greater demands on the management of liquidity, and requires the fund, at any given time, to have an appropriate mix of investments in order to manage liquidity risk in an effective manner.

The fund may trade with derivative instruments as part of the investment strategy. Trading in derivative instruments can incur an increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any left-over securities that the fund pledges the counterparty. The scope of the trade is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the 'commitment approach' for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indi-

rectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

The fund may be exposed to *operational risk* as a result of the fixed income market's lower transparency and standardization. This is especially true in the event of market turmoil and possible credit events. Operational risk is the risk of loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement and valuation routines.

### **The fund's grade of activity**

#### *The management of the fund*

The fund is an actively managed short-term fixed-income fund that focuses on investments in Swedish fixed-income securities. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. The fund's investments are selected according to the fund managers' assessment. Each investment is evaluated individually and investments are made exclusively in corporate bonds issued by stable companies with strong balance sheets that the fund managers are familiar with. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### *Benchmark*

The management of the fund may be compared with the fund's benchmark, which is Solactive SEK IG Credit Index. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding maturity, credit rating and currency. Solactive SEK IG Credit Index is an index that has been based to reflect developments in corporate- and community bonds issued in SEK and with a high credit rating, better known as investment grade. The bonds in the benchmark have a floating, fixed or zero rate and a remaining time to maturity of at least 12 months. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### **Active risk (tracking error) for the last 10 years**

The fund started in 2001.

Aktiv risk (tracking error), %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Andelsklass SEK	1.4	1.3	0.2	0.3	0.2
Andelsklass SEK C	1.4	1.3			
	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
Andelsklass SEK	0.3	0.3	0.2	0.2	0.3
Andelsklass SEK C					

Before 1 June 2020, the fund's benchmark was NOMX Credit SEK Rated FRN 1-18M Total Return Index and before 1 April 2018, OMRX Statsskuldväxelindex. The measures of activity for the years 2018 – 2019 therefore refers to NOMX Credit SEK Rated FRN 1-18M Total Return Index and for the years 2011 – 2017, to OMRX Statsskuldväx-

Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Interest bearing securities often vary less in value over time than shares, therefore the measure of activity is generally lower for the fund than for an actively managed share fund. The measure of activity is normally further lower for an interest bearing fund with a low interest and credit risk, which this fund has, compared with a fund investing in corporate bonds, which has a higher interest and credit risk. During 2021, the realised active risk in the fund has increased some in relation to 2020. The fund has during the year had a lower average credit duration than its benchmark, which have shorter credit duration than the fund, which contributes to a higher active risk. This, in combination with that the fund has the possibility to invest in bonds with no official credit rating, which have been more volatile during the last two years, while the benchmark only has exposure towards investment-grade bonds with official credit rating, contributes to a higher active risk in the fund.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 1,5, it can theoretically be expected that the fund returns plus or minus 1,5 per cent against its benchmark two years out of three.

**Maximum fees***Share class SEK, B SEK, EUR and B EUR*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0,0%
Redemption fee:	0,0%
Management fee, including supervision and audit:	0,35%
Remuneration to the depositary:	0,05%

*Share class SEK C, B SEK C, EUR C and B EUR C*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0,0%
Redemption fee:	0,0%
Management fee, including supervision and audit:	0,15%
Remuneration to the depositary:	0,05%

**Current fees***Share class SEK and B SEK*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0,2%
Remuneration to the depositary:	up to 0,02%

*Share class SEK C*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0,10%
Remuneration to the depositary:	up to 0,02%

*Share class B SEK C, EUR, B EUR, EUR C and B EUR C*

Information about current fees are not given as share classes B SEK C, EUR, B EUR, EUR C and B EUR C haven't started yet.

**Environmental, Social and Governance, ESG**

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

**Fund rules****§ 1 The fund's legal status**

Lannebo Råntefond Kort, hereinafter referred to as the fund, is a UCITS fund as defined in the Swedish Securities Fund Act (SFS 2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

A. Share class SEK – accumulating, i.e. not distributing, traded in Swedish krona (see § 9.3 below) and has a maximum fee of 0.4 per cent per year (see § 11.1 below).

B. Share class B SEK, distributing, traded in Swedish krona (see § 9.3 below) and has a maximum fee of 0.4 per cent per year (see § 11.1 below).

C. Share class EUR – accumulating, i.e. not distributing, traded in Euro (see § 9.3 below) and has a maximum fee of 0.4 percent per annum (see § 11.1 below).

D. Share class B EUR, distributing, traded in Euros (see § 9.3 below) and has a maximum fee of 0.4 per cent per year (see § 11.1 below).

E. Share class SEK C – accumulating, i.e. not distributing, traded in Swedish krona (see § 9.3 below) and has a maximum fee of 0.2 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.4 below).

F. Share class B SEK C, distributing, traded in Swedish krona (see § 9.3 below) and has a maximum fee of 0.2 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.4 below).

G. Share class EUR C – accumulating, i.e. not distributing, traded in Euros (see § 9.3 below) and has a maximum fee of 0.2 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.4 below).

H. Share class B EUR C, distributing, traded in Euros (see § 9.3 below) and has a maximum fee of 0.2 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.4 below).

## § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

## § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

## § 4 Nature of the fund

The fund is an actively managed short-term fixed-income fund with focus on investments in transferable fixed-income securities and money-market instruments issued by issuers, e.g. companies, housing agencies and banks in Sweden, the Swedish state or issued in Swedish kronor. The fund's duration may not exceed two years.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

## § 5 The fund's investment policy

The fund's assets may be invested in transferable fixed-income securities, money-market instruments, derivative instrument, fund units and in deposits with credit institutions. The fund may invest a maximum of 10 percent of its value in other funds or fund companies. The fund's fund must continuously to at least 90 percent be invested in interest-related/ interest-bearing instruments or on account with a credit institution. The management company will determine the average duration of the fund's holdings on the basis of market conditions.

The fund's duration may not exceed two years.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

Notwithstanding the foregoing about the fund's investment policy, the fund may hold such financial instruments as may be included in the fund because of a previous holding, e.g. as a result of conversions or other corporate events.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

## § 7 Special investment policy

The fund may make use of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

According to chapter 5, section 8 of the Swedish Investment Fund Act, the fund may hold an unlimited number of bonds and other promissory notes issued by or guaranteed by a government, a municipality or a government or municipal authority in a country within the EEA or by an international body of which one or more states within the EEA are members, on the condition that these derive from at least six different issues and that none of the acquisitions exceeds 30% of the value of the fund. In respect of funds intended to be invested in at over 35 per cent of the fund value, information on the issuers or guarantors issuing or guaranteeing promissory notes can be found in the information brochure.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, fund units and derivative instruments are valued at their current market value (firstly market prices are used). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments may be included at a value arrived at by the management company on an objective basis.
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation will be market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called

market makers, a reference value based on a derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).

- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The management company takes into account the different share classes when calculating the value of a fund unit, as the different share classes are, in some respects, associated with different conditions. The value of a unit holding in a particular share class consists of the value of the share class divided by the number of outstanding units in the particular share class.

The management company shall normally calculate on a daily basis (bank day) the value of the fund units.

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sales (unitholder's purchase) and redemption (unitholder's sale) may normally be conducted on every banking day. Any request for sale or redemption is made and with the anticipation as detailed on the management company's website: [www.lannebo.se](http://www.lannebo.se) or as directed by the management company.

If the funds for redemption are acquired through the sale of securities, then such sale and redemption must be carried out as soon as possible.

The sale of shares is done in minimum amounts of SEK 100 or equivalent amount in euro.

A request for sale or redemption may only be withdrawn if permitted by the management company.

The sale price or the redemption price for a fund unit is normally the fund unit value on the banking day that the sale or redemption is conducted. Sale and redemption are conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption rate are published on the management company's website, at the latest by the banking day following the banking day on which the fund unit value is established, as set out according to § 9.2 below.

### § 9.2 Subscription and redemption price

In order to ensure fair treatment of unit holders and ensure the common interest of unit holders, the management company therefore applies a method for determining the subscription and redemption price for fund units in the fund. The method takes into account transaction costs arising from the subscription and redemption of units in the fund, further called swing pricing.

Swing pricing aims to prevent a unitholder from having to bear transaction costs that arises as a result of subscription and redemption of fund units carried out by other unitholders in the fund. The transaction costs that swing pricing intends to offset are those that arise when assets must be sold or bought to meet the request for redemption or subscription of fund units in the fund, i.e. in the case of net outflows or

net inflows. The transaction costs can be direct or indirect and include, in relevant cases, e.g. brokerage, spread, market influence, currency exchange costs and transaction taxes.

The subscription and redemption price for the fund units changes upward and downwards, respectively, if the fund has a net inflow or a net outflow that exceeds a, by the management company, pre-determined limit expressed as a share of the fund's value, hereinafter referred to as the limit. The days when the net flow does not exceed the limit there is no change in the subscription or redemption price. The level of the limit is determined on the basis of the management company assessment of what is a larger net flow for the fund that can be expected to result in the fund having to buy or sell assets to manage the flow and by so give rise to transaction costs. However, the limit can be set to a lower level if the management company deems it to be justified, with consideration taken to the unitholders' interest given the transaction costs. The limit is regularly reviewed by the management company.

The size of the change in the subscription and redemption price, hereinafter referred to as the swing factor, is determined by the management company and can vary over time. The swing factor is determined taking into account historical transaction costs as well as other relevant information and is evaluated on an ongoing basis by the management company. The swing factor may not exceed 1 per cent of the fund unit value.

The subscription and redemption price per fund unit shall, in accordance with what has been stated above, be determined in accordance with the following:

- If the fund has a net inflow exceeding the limit, the subscription and redemption price shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription and redemption takes place after an upward adjustment corresponding to the swing factor.
- If the fund has a net outflow that exceeds the limit, the subscription and redemption price shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription and redemption takes place after a downward adjustment corresponding to the swing factor.
- On the days when the net flow in the fund does not exceed the limit, the subscription price for a fund unit must be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription takes place, and the redemption price for a fund unit shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the redemption takes place.

The prospectus for the fund contains a more detailed description of the management company's application of swing pricing.

### § 9.3 Conditions for the currency in which the subscriptions and redemption of units take place

Sales and redemption of fund units in SEK, B SEK, SEK C and B SEK C share classes are in Swedish krona.

Sales and redemption of fund units in the EUR, B EUR, EUR C and B EUR C unit classes are in Euro.

### § 9.4 Terms for distribution of fund units in share class SEK C, B SEK C, EUR C and B EUR C

Sales of SEK C, B SEK C, EUR C and B EUR C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

## § 11 Fees and payments

### § 11.1 Fees for share class SEK, B SEK, EUR and B EUR

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.35 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.4 per cent per annum of the share class's share of the fund's value.

### § 11.2 Fees for share class SEK C, B SEK C, EUR C and B EUR C

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.15 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.2 per cent per annum of the share class's share of the fund's value.

### § 11.3 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

## § 12 Dividends

### Share class SEK, SEK C, EUR and EUR C – Accumulating (not distributing) share classes

As a general rule, the share classes do not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such

a request must be carried out on the day determined by the management company, if not before.

### Share class B SEK, B EUR, B SEK C and B EUR C – Distributing share classes

The share classes distributes dividends. The management company decides annually on the dividends payable to the unitholder of the distributing share class. Dividends are calculated from the distributing share class share of the fund's value. The starting point for determining the amount of the dividend is the change in value of a unit in share class B since the last dividend. The management company may pay a dividend at a higher or lower amount than the change in value. For more information on the objective in relation to the amount of the dividend please refer to the prospectus. In respect of the fund's first dividend of what has been said above about previous dividend instead relate to the timing of the introduction of the distributing share class.

For dividends that accrues to a unit, the management company shall, after any deductions for withholding tax pay the dividend in cash unless a separate request for reinvested dividends is made. Requests for reinvested dividends shall be made in writing to the management company no later than 10 business days prior to the record date for the dividend. The payment of dividends will be paid in January of the year following the financial year, to unitholders who on the record date, which is decided by the management company, is registered unitholders of the distributing share class.

Dividend affects the ratio between the value of units that is accumulating and the value of units that are distributing i.e. the value of the distributing fund units declines in relation to the size of the dividend.

### Additional dividend

As a general rule, the share classes do not distribute additional dividend. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new units on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a fund unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## § 14 Semi-annual report and annual report, and amendment of fund rules

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

## § 15 Pledging of units

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

## § 16 Limitation of liability

### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late pay-

ment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

## § 17 Permitted investors

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of

investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Röntefond Kort

**Legal entity identifier:**  
549300LG2WC9OWG1OT86

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

That the investments reaches a minimum level of rating in the sustainability analysis.

- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labour rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

The following are the overall strategies that the fund uses in the investment process.

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

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

● **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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias. This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fundholding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo's policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

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

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies' compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

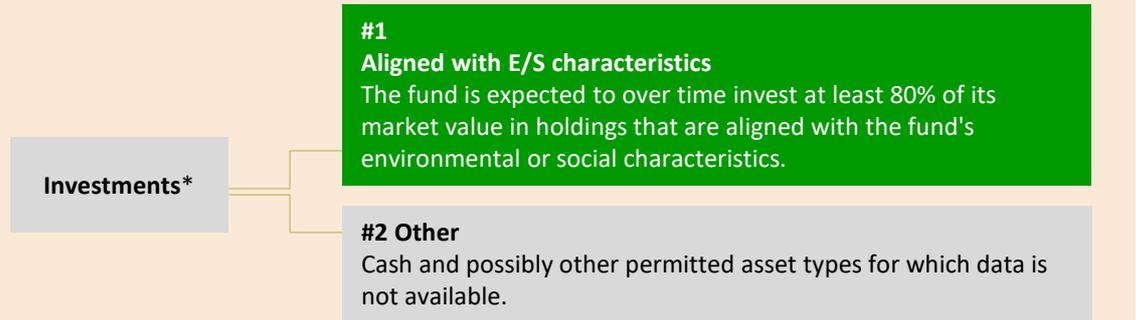
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

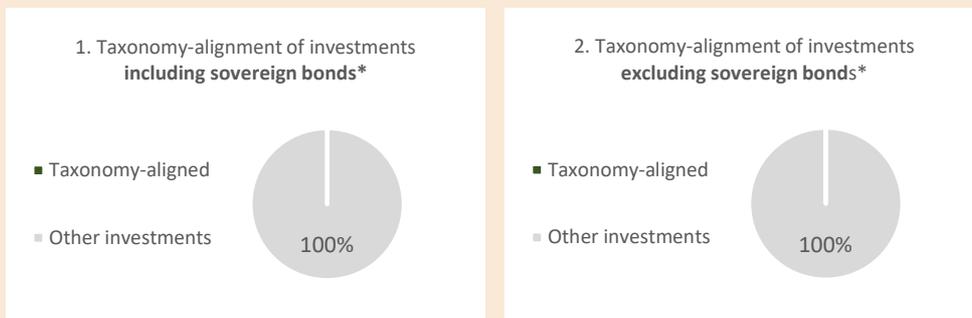
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

# Lannebo Sustainable Corporate Bond

Swedish-registered UCITS fund

## Objective and investment policy

The fund is an actively managed fixed income fund with a focus on investments in corporate bonds. Management of the fund's assets is characterized by the fund's sustainability focus.

The fund's geographic orientation is primarily focused on the Nordic countries; the fund also has the opportunity, to a certain extent, to make investments in the rest of Europe. Over time, a minimum of 50 per cent of the fund's value will be invested with a focus on the Nordic countries and a maximum of 50 per cent of the fund's value will be invested with a focus on the rest of Europe.

Investments follow specific sustainability criteria.

The fund company seeks to invest the fund's assets in bonds, including so-called green-, social- and climate bonds, where proceeds are used for sustainability projects. Companies are selected based on three main themes: a better environment, a healthier life and a sustainable society. Otherwise, a company should score a high rating in our sustainability analysis.

The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The average maturity and interest term for the fund's holdings does not normally exceed four respectively two years. The fund managers will choose a long interest rate term should it be deemed market interest rates will fall and, conversely, a short interest rate term if they deem that market interest rates will rise.

The fund may invest both in interest-bearing securities with lower credit ratings, i.e. the high yield segment, and in those with higher credit ratings, so-called investment grade. The fund may also invest in interest-bearing securities that do not have a credit rating. The fund managers assess the creditworthiness of the investments on an ongoing basis. The average assessed credit rating for the fund's investments is at least investment grade.

The fund seeks to minimize the effects of exchange rate fluctuations by using derivatives to hedge investments in foreign currencies to Swedish kronor.

The fund is actively managed and does not follow any index. Each investment is evaluated individually and the fund invests only in corporate bonds issued by companies with which the managers are familiar. The managers build a well-composed fund of corporate bonds from different sectors, geographies and with different risk profiles. The objective, as expressed in the fund rules, is to, with due care, achieve the highest possible value growth while achieving a good risk spread. This objective should be considered on the basis of a corporate bond fund as an alternative to traditional interest-bearing savings and is aimed at those who wish to take more risk than a traditional interest-bearing savings but do not want to invest in the stock market.

Fund assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and deposits with a credit institution. A maximum of 10 per cent of the fund's value may be invested in fund units. Trading in derivative instruments may take place as part of the fund's investment strategy. Derivatives are normally used to manage the fund's currency risk in order to hedging foreign

currency-denominated securities.

The fund may, in accordance with Chapter 5. Section 8 LVF, indefinitely hold bonds and other debt securities issued- or guaranteed by a state, a municipality or a state or municipal authority in a country in the Nordic region or by any intergovernmental body in which one or more states in the Nordic region are members, provided that these investments originate from at least six different issues and that none of the investments exceeds 30 per cent of the fund's value.

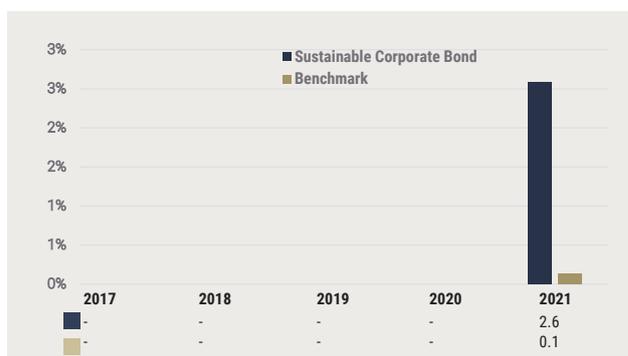
The fund's benchmark index is Solactive SEK IG Credit Index. Before 1 June 2020, the fund's benchmark was NOMX Credit SEK Total Return Index. .

Purchase and sale of fund units may normally be made every banking days.

## Share classes

In accordance with the fund rules, the fund may have seven share classes: A SEK, B SEK, A EUR, A NOK and A DKK. Currently only share class A SEK and A SEK C is offered.

## Historical return



The above graph shows the historical performance in Swedish Krona (SEK) for an investment made at the beginning of the respective year. The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Average annual return, %	
- Last 3 years	n.a.
- Last 5 years	n.a.
- Last 10 years	n.a.

Key figures	2021
Credit duration, years	2,5
Interest-rate duration, years	0,5
Turnover ratio	0,3

Share class A SEK C started 25 August 2022 and historical returns are therefore not available for the share class.

## Target group

### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

### Investment Objective

The target group for the fund are investors who primarily

want their invested capital to appreciate.

The fund is suitable for investor who want an investment based on sustainability-related criteria in such way that sustainability aspects are crucial for the fund manager's choice of company to invest in.

The fund may also suit investors with other investment objectives.

On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, or to be conserved.

The fund is intended for investors with a short-term investment horizon, which means that the fund may be unsuitable for investors who plan to withdraw their money within three years.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 3 out of 7, which corresponds to a moderate risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 3 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **Risk profile**

Lannebo Sustainable Corporate Bond fund invests in interest-bearing securities, which means the fund is exposed to *interest rate risk*. Therefore, the value of the fund's assets may decrease if underlying market interest rates increase. The fund's interest rate duration, that is, the weighted average of the remaining fixed interest term, may not exceed 10 years. Normally, however, it should not exceed 5 years. The fund's interest rate risk can be considerably higher than in a short-term interest rate fund. The fund may also be exposed to market risk in the form that the price of a security may fluctuate. In a fund, this risk is reduced as a result of the fund owning securities issued by several companies (diversification) whose prices do not show exactly the same fluctuations. However, the ambition is to not expose the fund to market risks that substantially exceed the market risk of a representative selection of comparable competing funds.

The fund has the opportunity to invest in both transferable securities and money market instruments with lower credit ratings, i.e. the *high yield segment*; without a credit rating from a rating agency; and in transferable securities and money market instruments with higher credit ratings, so-called *investment grade*. Consequently, the fund's assets are exposed to credit risk that is higher than for funds that only invest in financial instruments issued by companies with high credit ratings. The fund's credit duration, that is, the weighted average remaining maturity, may not exceed 10 years, but should not normally exceed 5 years. Credit risk means increased opportunities for returns; however, the value of the fund's assets may also decrease if the market's perception of the creditworthiness of an issuer deteriorates. There is also a higher risk that the issuer will not be able to meet its payment obligations for the instrument, which could mean that some or all of the instrument's value is lost. In order to limit credit risk, the average assessed credit rating of the holdings should at least correspond to an investment-grade credit rating. The fund further reduces credit risk through a good

spread between different issuers and issues.

In addition to Swedish transferable securities, Lannebo Sustainable Corporate Bond also invests in foreign financial instruments, which entails a *currency risk*. The fund uses currency hedging to minimize this risk.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

*Liquidity risk*, that is the risk that a security may be difficult to value and cannot be traded at the intended time without a substantial reduction in price or considerable costs, may be higher in corporate bond funds than in short-term mutual funds or equity funds. The corporate bond market is characterized by lower transparency and liquidity than, for example, the stock market. Liquidity may vary more as a result of changes in demand and supply, which entails a risk that holdings in corporate bonds may be more difficult to value or sell as a result of weak demand. In the event of limited liquidity in the market, larger withdrawals from the fund may require holdings to be sold at unfavorable prices and, in exceptional cases, withdrawals cannot be concluded immediately upon request. This places greater demand on liquidity management to ensure that at all times the fund has an appropriate composition of holdings in order to effectively manage liquidity risk.

As part of the investment policy, the fund may trade in derivative instruments, where the principal purpose is to manage the fund's currency risk. Trading in derivative instruments may involve increased *market risk*, as well as *counterparty risk* in terms of an increased market value of the derivative instrument or of any pledged collateral provided by the fund to the counterparty. In determining the fund's total exposure, the so-called commitment method is applied, which means that positions are converted to a corresponding position in the underlying assets.

The fund may be exposed to *operational risk* as a result of the fixed income market's lower transparency and standardization. This is especially true in the event of market turmoil and possible credit events. Operational risk is the risk of loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement and valuation routines.

### **OTC-derivatives and collaterals**

The fund uses OTC derivatives in order to manage the fund's currency risk by hedging securities issued in foreign currency. Trading may only be done with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk. Permitted collateral have highly rated creditworthiness with low or no valuation deductions. The value of the collateral shall at least correspond to the current counterparty exposure.

### **The fund's grade of activity**

#### *The management of the fund*

The fund is an actively managed fixed income fund with a focus on investments in Nordic corporate bonds based on specific sustainability-related criteria. The fund invests only

in companies that meet the fund's requirements regarding, for example, investment orientation and sustainability criteria. The fund's investments are selected on the basis of the fund managers own assessments. Each investment is evaluated individually and the fund invests only in interest-bearing securities issued by sound companies with a good balance sheet with which the managers are well-acquainted. The fund's overall financial objective is, with due care, to achieve the highest possible value growth and that a good risk spread is obtained.

### Benchmark

The management of the fund can be compared against the fund's benchmark index. The fund's benchmark index is the Solactive SEK IG Credit Index. The index is relevant to the fund as it is an index that reflects the fund's investment orientation, for example in terms of maturity, creditworthiness and currency. Solactive SEK IG Credit Index is an index that has been constructed on the basis of reflecting the development in corporate- and municipal bonds issued in SEK and that have a high credit rating, so-called investment grade. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### **Active risk over the past 10 years**

#### Explanation to the measure of activity

The fund started on February 18, 2020; therefore, the fund currently has no tracking-error figures given this requires at least two years historical information in order to calculate.

Tracking error, or active risk, shows how the fund's returns vary in relation to its benchmark index. This is calculated by measuring the difference between the fund's return and the benchmark index's return based on monthly data over the past two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that in two out of three years the fund's return will deviate from the index, plus or minus, as a percentage by as much as the activity metric indicates. If a fund has an active risk of, for example, 1.5, theoretically, the fund's expected return will be plus or minus 1.5 per cent against its benchmark index two out of three years.

### **Maximum fees**

#### *Share class A SEK, B SEK, A EUR, A NOK and A DKK*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1%
Remuneration to the depositary:	0.1%

#### *Share class A SEK C and A EUR C*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
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Redemption fee:	0%
Management fee, including supervision and audit:	0.5%
Remuneration to the depositary:	0.1%

### **Current fees**

#### *Share class A SEK*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.5%
Remuneration to the depositary:	up to 0.02%

#### *Share class A SEK C*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the maximum fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including custody, supervision and audit:	0.25%
Remuneration to the depositary:	up to 0.02%

#### *Share class B SEK, A EUR, EUR C, A NOK and A DKK*

The share classes have not yet started, therefore no information about current fee is provide

### **Closure of Lannebo Susianable Corporate Bond**

In order to avoid the fund's managed capital being at a size which means that the fund cannot be managed in a manner that is optimal to both the fund and existing unitholders, the management company is entitled to decide to close the fund, which means that there cannot be any new subscription of shares. Such a decision on closure presumes that the fund's managed capital amounts to a size in excess of the capital limit established by the management company for optimal management. The capital limit established by the management company for optimal management currently totals MSEK 4000. Any decision on closure of the fund shall be publicised in conjunction with the decision, no later than 10 days prior to the day that the closure takes effect and the fund is closed. The management company's decision on opening a fund shall likewise be publicised in conjunction with the decision, no later than 10 days prior to the day that the subscription of new shares can take place again. Information on the decision to close or open a fund shall be published on the management company's website.

### **Environmental, Social and Governance, ESG**

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

### **Fund rules**

#### **§ 1 The fund's legal status**

The name of the investment fund is Lannebo Sustianable Corporate Bond, hereinafter referred to as the fund. The fund is a UCITS fund in accordance with the Swedish Securities

Fund Act (2004:46), hereinafter referred to as the LVF. Business operations are conducted in accordance with these fund rules, the Articles of Association for the management company, the LVF and other applicable administrative provisions.

The fund's assets are jointly owned by the fund unitholders. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- A. Share class A SEK – accumulating, i.e. not distributing (see 12.1 below) traded in Swedish krona (see § 9.3 below) and has a maximum management fee of 1.1 per cent per year (see § 11.1 below).
- B. Share class B SEK – distributing (see § 12.2 below) traded in Swedish krona (see § 9.3 below) and has a maximum management fee of 1.1 per cent per year (see § 11.1 below).
- C. Share class A SEK C – accumulating, i.e. not distributing (see 12.1 below) traded in Swedish krona (see § 9.3 below) and has a maximum fee of 0.6 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.4 below).
- D. Share class A EUR – accumulating, i.e. not distributing (see 12.1 below) traded in Euro (see § 9.3 below) and has a maximum management fee of 1.1 percent per annum (see § 11.1 below).
- E. Share class A EUR C – accumulating, i.e. not distributing (see 12.1 below) traded in Euro (see § 9.3 below) and has a maximum management fee of 1.1 percent per annum (see § 11.1 below) and is subject to distribution terms (see § 9.4 below).
- F. Share class A NOK – accumulating, i.e. not distributing (see 12.1 below) traded in Norwegian krona (see § 9.3 below) and has a maximum management and custody fee of 1.1 percent per annum (see § 11.1 below).
- G. Share class A DKK – accumulating, i.e. not distributing (see 12.1 below) traded in Danish krona (see § 9.3 below) and has a maximum management and custody fee of 1.1 percent per annum (see § 11.1 below).

## § 2 Management company

The fund is managed by Lannebo Fonder AB, corporate registration number 556584-7042, hereinafter referred to as the management company. The management company holds registers of all unitholders and pledgees.

## § 3 Depositary and its role

The depositary for the fund is Skandinaviska Enskilda Banken AB (publ), corporate registration number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund.

The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

## § 4 Nature of the fund

The fund is an actively managed fixed income fund that focuses on investments in corporate bonds in Europe with an emphasis on the Nordic region. Management of the fund's assets is characterized by the fund's sustainability focus.

The fund's overall financial objective is, with due care, to achieve the highest possible value growth and that a good risk spread is obtained.

## § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money market instruments, fund units, derivative instruments, and deposits with a credit institution. The fund may invest a maximum of 10 per cent of its value in other funds or fund company.

The underlying assets for derivative instruments included in the fund shall consist of, or refer to, assets in accordance with Chapter 5. §12, first paragraph LVF.

The fund may invest in both transferable securities and money market instruments with lower credit ratings, i.e. in the high yield segment, and in transferable securities and money market instruments with higher credit ratings, so-called investment grade. The fund may invest in assets that do not have a credit rating.

The fund company determines, taking into account market conditions, the average duration of the fund's holdings, which should be in the interval 0-10 years.

The fund complies with the fund company's policy for responsible investments; sustainability encompasses corporate governance, environment and climate, working conditions, human rights and business ethics. The policy includes the manager's integrated sustainability analysis of the issuer. The fund strives to invest in bonds where proceeds finance projects that promote the environment and climate or projects of other social benefit (including so-called green, social and climate bonds). The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas). In addition, the fund takes into account additional criteria that are resolved by the fund company. More information can be found in the fund's information brochure.

A minimum of 50 per cent of the fund's value will, over time, be invested with a focus on the Nordic countries and a maximum of 50 per cent of the fund's value will be invested with a focus on the rest of Europe.

As part of its geographical focus on the Nordic countries, the fund's assets may be invested in, among other, financial instruments which at the time of investment are, or within one year of issue, intended to be admitted to trading on a regulated market in the Nordic region; or subject to regular trading in another market in the Nordic region that is regulated and open to the public; or that is issued by issuers who have their registered office in the Nordic countries; or who are traded in a local Nordic currency at the time of investment; and partly on deposit in credit institutions that have their registered office in the Nordic region.

Within the framework of the European investment mandate, the fund's assets may be invested in, among other, financial instruments which, at the time of investment, or within

one year of issue, are intended to be admitted to trading on a regulated market or the corresponding market in a country in Europe outside the Nordic region; or subject to regular trading in any other market in a non-Nordic European country that is regulated and open to the public; or issued by issuers whose registered office is located in a non-Nordic European country; or which is traded in Euros or a local European currency at the time of investment; and partly on deposit in credit institutions that are based in a country in Europe outside the Nordic countries.

The fund uses currency derivatives to hedge, at any given time, holdings to the Swedish kronor, which is the fund's base currency.

## § 6 Marketplaces

The fund can be invested in a regulated market or equivalent market outside the EEA or on another market within or outside of the EEA which is regulated and open to the public.

## § 7 Specific investment policy

The fund may make use of such transferable securities and money market instruments as detailed in chapter 5 § 5 of the LVF.

In accordance with chapter 5 § 8 of the LVF, the fund may contain an unlimited number of obligations and other promissory notes issued or guaranteed by the state, a municipality or a national or municipal authority in a country within the EEA or by any intergovernmental body in which one or several states within the EEA are members, provided that they are derived from at least six different issues and that no acquisition exceeds 30 per cent of the fund value. In respect of funds intended to be invested in at over 35 per cent of the fund value, information on the issuers or guarantors issuing or guaranteeing promissory notes can be found in the information brochure.

The fund may use derivative instruments as part of the fund's investment strategy. The fund may invest in OTC derivatives in accordance with chapter 5 § 12, second paragraph of the LVF.

The fund uses currency derivatives to hedge their holdings.

The fund may use such techniques and instruments as referred to in chapter 16 § 10 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of a fund unit is the fund value divided by the number of outstanding fund units. The value of the fund is calculated by subtracting the fund liabilities from the assets, including non-billed taxes as determined by the management company, plus the fees set forth in § 11 below.

The fund assets are calculated as follows:

- Transferable securities, money market instruments, fund units and derivatives are valued at the prevailing market value (the last traded price or if not available, the last bid price). If such rates are not available, or the management company believes them to be misleading, the transferable securities, money market instruments and derivative instruments are recorded at the value that the management company objectively determines.
- Such transferable securities and money market instruments as explained in chapter 5 § 5 of the LVF are given a market value in accordance with specific valuation. The basis for the specific valuation can include: market prices from unauthorised regulated markets or 'market makers'; other financial instruments traded on a regulated market or index, adjusted for differences in credit risk and liquidity (the reference value); discounted cash flows (discounted value); or the capital share of the equi-

ty (closing value).

- For OTC derivatives, a market value is established in accordance with specific valuation. The basis for the specific valuation includes market prices from unauthorised regulated markets or 'market makers', a reference valuation based on an identical derivative traded on a regulated market or a market value based on generally accepted valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including bank account deposits, short-term investments in money markets and funds in credit institution accounts.
- Accrued interest.
- Accrued dividends.
- Payments not settled.
- Other fund receivables.

The fund liabilities are calculated as follows:

- Accrued management remuneration.
- Remuneration to the depository.
- Acquisitions not settled.
- Tax liabilities.
- Other fund liabilities.

Since the fund has several share classes, the management company must take this into account when calculating the value of a fund unit in the respective share class. The value of a unit in a particular share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of fund units shall be calculated daily (each business day) by the management company.

## § 9 Sale and redemption of fund units

### § 9.1 General provisions

Subscriptions (unitholder 'purchases') and redemptions (unitholders' sales) can be made on each banking day.

The request for subscription or redemption of units is and with the anticipation as detailed on the management company's website, [www.lannebofonder.se](http://www.lannebofonder.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Subscriptions are at a minimum amount of SEK 100 or the equivalent in Euro, Norwegian krona or Danish krona.

Requests for redemption may only be revoked if the management company permits.

Subscriptions and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the purchase and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined according to § 9.2 below.

### § 9.2 Subscription and redemption price

In order to ensure fair treatment of unit holders and ensure the common interest of unit holders, the management company therefore applies a method for determining the subscription and redemption price for fund units in the fund. The method takes into account transaction costs arising from the subscription and redemption of units in the fund, further called swing pricing.

Swing pricing aims to prevent a unitholder from having to bear transaction costs that arises as a result of subscription and redemption of fund units carried out by other unitholders in the fund. The transaction costs that swing pricing intends to offset are those that arise when assets must be sold or

bought to meet the request for redemption or subscription of fund units in the fund, i.e. in the case of net outflows or net inflows. The transaction costs can be direct or indirect and include, in relevant cases, e.g. brokerage, spread, market influence, currency exchange costs and transaction taxes.

The subscription and redemption price for the fund units changes upward and downwards, respectively, if the fund has a net inflow or a net outflow that exceeds a, by the management company, pre-determined limit expressed as a share of the fund's value, hereinafter referred to as the limit. The days when the net flow does not exceed the limit there is no change in the subscription or redemption price. The level of the limit is determined on the basis of the management company assessment of what is a larger net flow for the fund that can be expected to result in the fund having to buy or sell assets to manage the flow and by so give rise to transaction costs. However, the limit can be set to a lower level if the management company deems it to be justified, with consideration taken to the unitholders' interest given the transaction costs. The limit is regularly reviewed by the management company.

The size of the change in the subscription and redemption price, hereinafter referred to as the swing factor, is determined by the management company and can vary over time. The swing factor is determined taking into account historical transaction costs as well as other relevant information and is evaluated on an ongoing basis by the management company. The swing factor may not exceed 1 per cent of the fund unit value.

The subscription and redemption price per fund unit shall, in accordance with what has been stated above, be determined in accordance with the following:

- If the fund has a net inflow exceeding the limit, the subscription and redemption price shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription and redemption takes place after an upward adjustment corresponding to the swing factor.
- If the fund has a net outflow that exceeds the limit, the subscription and redemption price shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription and redemption takes place after a downward adjustment corresponding to the swing factor.
- On the days when the net flow in the fund does not exceed the limit, the subscription price for a fund unit must be the fund unit value, calculated in accordance with § 8 above, on the banking day when the subscription takes place, and the redemption price for a fund unit shall be the fund unit value, calculated in accordance with § 8 above, on the banking day when the redemption takes place.

The prospectus for the fund contains a more detailed description of the management company's application of swing pricing.

### § 9.3 Conditions for the currency in which the subscriptions and redemption of units take place

Subscriptions and redemption of fund units in A SEK, B SEK and A SEK C share classes are in Swedish krona.

Subscriptions and redemption of fund units in the A EUR and A EUR C share classes are in Euro.

Subscriptions and redemption of fund units in the A NOK share classes are in Norwegian krona.

Subscriptions and redemption of fund units in the A DKK share classes are in Danish krona.

### § 9.4 Terms for distribution of fund units in unit class A SEK C and A EUR C

Subscriptions of A SEK C and A EUR C unit classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a custo-

mer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## **§ 10 Extraordinary circumstances**

The fund can be closed for sale or redemption if extraordinary circumstances arise which mean that valuation of the fund's assets cannot be conducted in a manner to ensure equal rights for each fund unitholder; for example if one or several fund trading markets are partially or entirely closed.

## **§ 11 Fees and remuneration**

### § 11.1 Fees for unit class A SEK; B SEK, A EUR, A NOK and A DKK

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1 per cent per annum of the unit class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Depositary fees for the fund assets attributable to the unit class. The fee may amount to a maximum of 0.1 per cent per annum of the unit class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.1 per cent per annum of the unit class's share of the fund's value.

### § 11.2 Fees for unit class A SEK C and A EUR C

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.5 per cent per annum of the unit class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- ii. Depositary fees for the fund assets attributable to the unit class. The fee may amount to a maximum of 0.1 per cent per annum of the unit class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.6 per cent per annum of the unit class's share of the fund's value.

### § 11.3 Brokerage fees etc.

Brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments.

## **§ 12 Dividends**

### § 12.1 Terms for dividends for share class A SEK, A SEK C, A EUR, A EUR C, A NOK and A DKK

As a general rule, the share classes do not pay a dividend. However, the fund company may resolve on a dividend to the fund's unit owners if, in the fund company's assessment, it is necessary to take advantage of the unit owners' common interest; dividends are then paid to such an extent and on the day deemed appropriate. For a dividend amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, acquire new fund units on behalf of the unit owner, where the fund unit is registered on a fixed date. At the request of a fund unit owner, dividends - after any tax

deduction - should instead be paid to the unit owner. Such a request must be made no later than the date as resolved by the fund company.

#### § 12.2 Terms for dividends for share class B SEK

##### *Yearly dividend*

Dividends are paid in the share class. The fund company resolves annually on the dividend to be paid to unit holders for the dividend share class. Dividends are calculated based on the share class's share of the fund's value. In determining the size of the dividend, the change in the value of a fund unit of the dividend share class held since the previous dividend is taken into account as a starting point. The fund company may determine the dividend to be an amount higher or lower than the change in value. For more information on the objective regarding the size of the dividend, refer to the information brochure. With regard to the fund's first dividend, the statement above regarding the previous dividend should instead refer to the time of introduction of the dividend share class.

For a dividend amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, pay the dividend in cash unless a special request has been made for reinvestment of dividends. The request for reinvested dividends must be made in writing and must be submitted to the fund company no later than ten banking days prior to the record date for the dividend. Disbursement of dividends shall be made during the month of January of the year following the end of the financial year to unit holders who are registered shareholders in the dividend share class on the record date as determined by the fund company.

The dividend affects the relationship between the value of shares that are accumulating and the value of shares that are dividend shares by reducing the value of the dividend shares in relation to the size of the dividend.

##### *Additional dividends*

As a general rule, no further dividend is paid in the share class. However, the fund company may resolve on a further dividend to the fund unit owners if, in the fund company's assessment, it is necessary to take advantage of the unit owners' common interest; dividends are then paid to such an extent and on the day deemed appropriate. For dividends amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, acquire new fund units on behalf of a unit owner that is registered on a fixed date. At the request of a fund unit owner, dividends - after any tax deduction - may instead be paid to the unit owner. Such a request must be made no later than the date resolved by the fund company.

#### **§ 13 The fund's financial year**

The fund's financial year is a calendar year.

#### **§ 14 Half-year report and annual report, changes to the fund rules**

The management company must prepare annual reports and half-yearly reports. On request, the documents shall be sent free of charge to the unitholders and be made available at the management company and depositary, at the latest by four months following the end of the financial year (annual report); and two months following the middle of the year (half-yearly report).

Changes to the fund rules may only be made through a decision from the management company board and must be passed to the Swedish Financial Supervisory Authority for approval. Once the change is approved, the decision shall be made available at the management company and depositary and announced in a manner indicated by the Swedish Financial Supervisory Authority.

#### **§ 15 Pledging of fund units**

Unitholders may pledge their units in the fund, unless the fund unitholder is an insurance company that invested the insurance premiums on behalf of the policyholders in accordance with the Swedish Insurance Business Act (2010:2043) or a pension saving institution that invested the pension funds on behalf of the policyholders in accordance with the Swedish Act on Individual Pension Savings (1993:931).

When pledging, the unitholder or their representative and/or the pledgee must inform the management company in writing accordingly. The notification must include:

- the name of the fund unitholder,
- the name of the pledgee,
- which fund units are included in the pledge, and
- any limitations in the scope of the pledge.

The management company shall sign the pledge in the fund unitholder register and inform the fund unitholder in writing of the pledge registration. The pledge shall cease when the pledgee informs the management company in writing. The management company has the right to claim remuneration from the unitholders for the registration. This fee is a maximum of SEK 500.

#### **§ 16 Limitation of liability**

##### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding

exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

#### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other market-place, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

#### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is intended for those investors whose sale of units in the fund or other participation in the fund is in conflict with the provisions of Swedish or foreign laws or regulations. Neither is the fund aimed at such investors whose sale or possession of units in the fund would mean that the fund or the management company is obliged/required to take registration action or other measures that they would not otherwise be obliged/required to take. The management company

has the right to refuse sale to such investors as referred to above in this paragraph.

The management company may redeem the holder's units in the fund – to the unitholder's contestation – if it appears that the unitholder has subscribed for units in violation of the provisions of Swedish or foreign law or regulations; or that if, due to the unitholder's sales or holdings in the fund, the management company is forced to undertake registration measures or other measures for the fund or management company, which the fund or management company would not be required/obliged to take, if the unitholder did not hold units in the fund.

Redemption as per the preceding paragraph shall be enforced immediately. The provision for payment of redemption amounts in § 9 above shall remain applicable even in the case of redemption in accordance with § 17.

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

**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:**  
Lannebo Sustainable Corporate Bond

**Legal entity identifier:**  
549300VD1CKLHX5LM106

## 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 **50%** 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 environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment, human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?***

The characteristics that are promoted in the fund are measured via the indicators below.

  - That the investments reaches a minimum level of rating in the sustainability analysis.
  - Number of impact dialogues with invested companies
  - Indicators for principal adverse impact, such as gender equality in the board
  - Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labour rights
  - Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
  - Exposure to companies that are active in the production of fossil fuels



- ***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 aim of the sustainable investments that the product intends to make, is to contribute to the UN's global goals for sustainable development or to an environmental goal aligned with the EU taxonomy. The fund's sustainable investments contribute to one of these goals either via revenues from products and services or operational activities.

- ***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?***

Lannebo ensures that the sustainable investment do not cause any significant harm to other sustainable goals. This is done by analyzing and evaluating Principal Adverse Impact indicators (PAI-indicators). Read more in the heading below.

***How have the indicators for adverse impacts on sustainability factors been considered?***

The fund ensures that no investments significantly harm other sustainable goals. This is done in the sustainability analysis by analyzing Principal Adverse Impact indicators (PAI-indicators). These indicators are developed by EU and are areas that quickly cause negative consequences on sustainability factors. The degree to which they cause negative consequences differs between companies depending on the industry, geography, and business model. Therefore, it is important to analyze these based on the companies' specific characteristics. Companies with negative PAI indicators are further analyzed, which can result in actions such as impact dialogue. It can also result in that the investment in the company is rejected or that the company is being divested.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Investments are not made in companies that violate international norms and conventions related to the environment, human rights, labor rights or the fight against corruption, including the OECD's guidelines for multinational enterprises and the UN's Guiding Principles on business and human rights. The analysis and evaluation of this takes place in the investment process, where companies that violates such norms are excluded.

*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?**

Yes

No

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the fund's annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

The following are the overall strategies that the fund uses in the investment process.

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

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

● **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 binding parts of the investment strategy are (i) that the fund will make a certain minimum share of sustainable investments, (ii) sustainability ratings and (iii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criteria. This means that the following are the binding elements in the fund's investment strategy:

- A minimum of 50 percent of the companies in the fund must fulfill the requirements of being a sustainable investment.
- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No holdings in the fund can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No holdings in the fund can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No holdings in the fund can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
Lannebo acknowledge that good corporate governance promotes the possibility of long-term sustainable development in companies. Practices for good corporate governance are considered at different levels when deciding upon companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo's policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies' compliance are carried out at least annually and are flagged if needed.



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

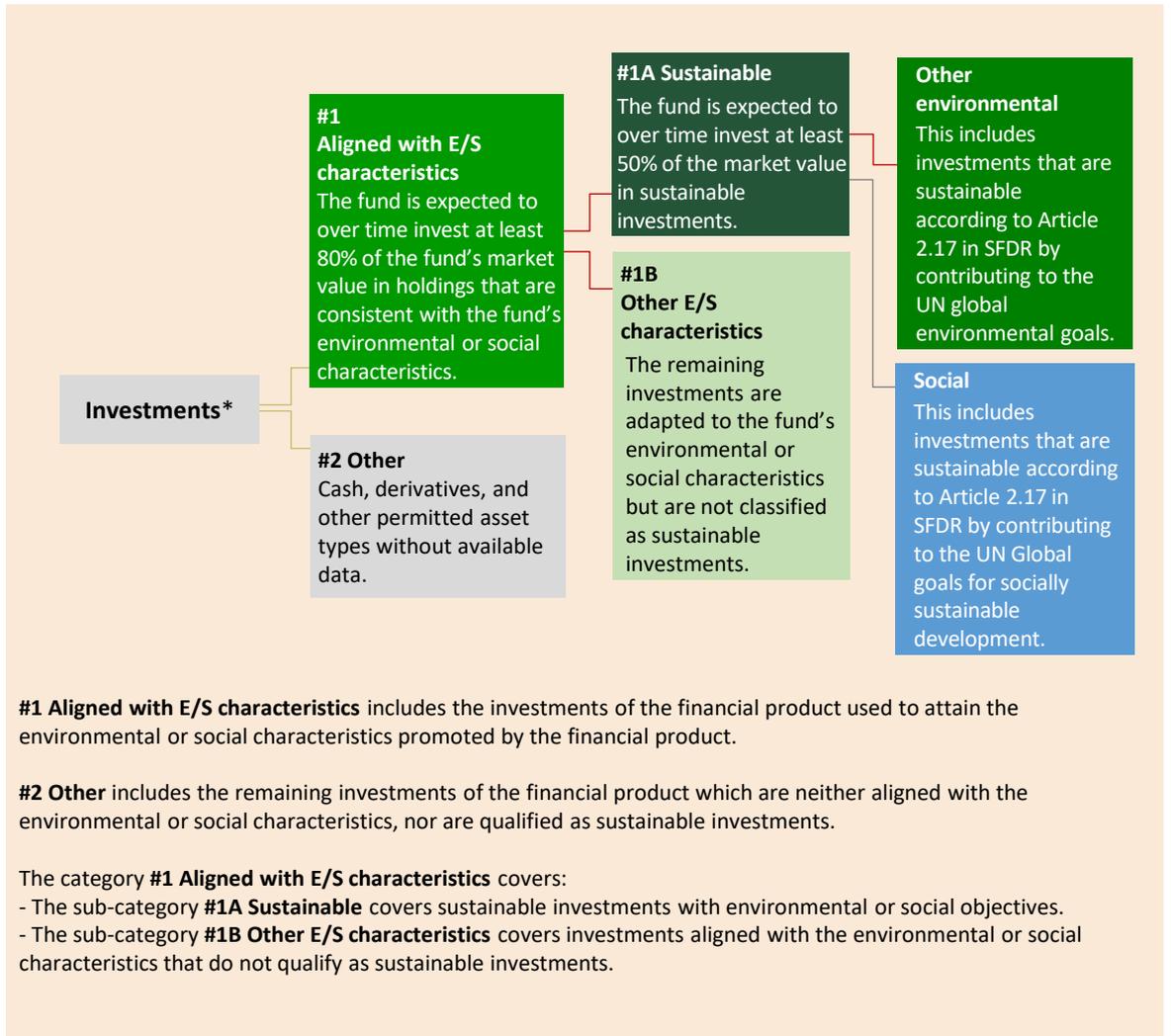
**Asset allocation** describes the share of investments in specific assets.

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** 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 **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

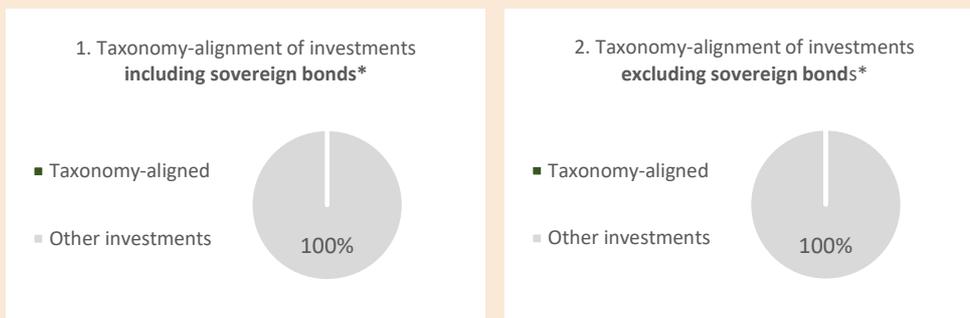
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments aligned with the taxonomy.

*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



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 investments in transitional and enabling activities?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

The fund is expected to invest 50% of the fund's market value in sustainable investments over time according to article 2.17 in SFDR. These investments will either be environmentally or socially sustainable. The distribution between environmentally and socially sustainable investment will vary over time and the fund does not commit to make a minimum proportion of sustainable investments in one of these areas.



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

The fund is expected to invest 50% of the fund's market value in sustainable investments over time according to article 2.17 in SFDR. These investments will either be environmentally or socially sustainable. The distribution between environmentally and socially sustainable investment will vary over time and the fund does not commit to make a minimum proportion of sustainable investments in one of these areas.



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

These investments include cash for liquidity management, derivatives, and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



**Where can I find more product specific information online?**

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Europa Småbolag

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that invests in equities in small and medium-sized listed companies in Europe.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that at the time of investments are held for trading at regulated exchanges in Europe referred to in § 6 below or meets the requirement to be listed in such a market within one year from the issue.

The companies' market capitalization at the time of investment may not exceed EUR5bn or the equivalent in another currency.

Up to 10 per cent of the assets may be invested in companies with registered office in Europe, but not listed in Europe and/or without restriction to the size of the companies' market capitalization.

The intent is to over time invest a minimum of 90 percent of the fund's value in equities and/or other equity related financial instruments. Investments are not focused on any particular sector.

Regardless of what is stated above regarding the fund's geographical focus, as well as the criterion for a company's size, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as as a result of take-overs, spin-offs or other corporate actions.

The fund is actively managed. Equities are selected based on the fund manager's own assessments. Focus is placed on each of the fund's individual investments and its outlooks. The fund managers try to avoid everything that affects the stock price in the short run, which means that the fund invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The objective is, as described in the fund rules, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk. Since the fund is actively managed the performance will over time deviate from this index.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units.

Derivatives may be used as part of its investment policy. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark is MSCI Europe Small Cap Return Index.

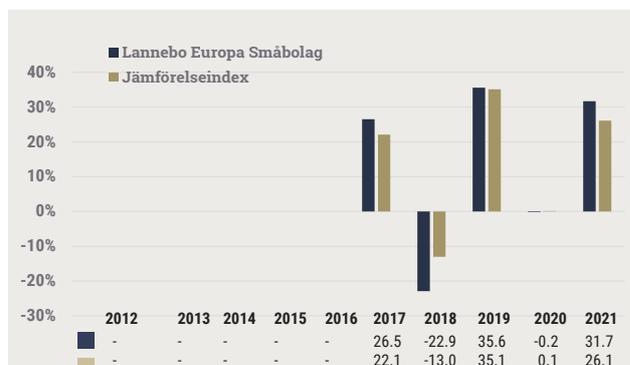
Purchase and sale of units of fund may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have eight share classes, A SEK, A EUR, B SEK and B EUR and A SEK C, A EUR C, B SEK C and B EUR C.

Currently, only share class A SEK and A EUR is offered. The share class A SEK and A EUR is accumulating, which means that, rather than provide dividends, all income is reinvested.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Annual return, %	2021	2020	2019	2018	2017
Share class A EUR	29.4	3.6	31.6	-25.3	23.2
Benchmark EUR	23.9	4.6	31.4	-15.9	19.0

Average annual return, %	Share class A SEK	Share class A EUR
- Last 3 years	21.2	20.8
- Last 5 years	11.7	10.2
- Last 10 years	n.a.	n.a.

Key figures	2021	2020	2019	2018	2017
Active Share, %	n.a.	n.a.	n.a.	n.a.	n.a.
Information ratio					
- share class A SEK	0.4	-0.1	-1.2	-0.8	n.a.
- share class A EUR	0.3	-0.1	-1.1	-0.7	n.a.
Sharpe ratio					
- share class A SEK	0.7	0.8	0.2	0.0	n.a.
- share class A EUR	0.7	0.8	0.1	-0.2	n.a.
Turnover ratio	0.4	0.1	0.2	0.2	0.2

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment

objectives.

- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is not suitable for investors who want an investment with a particular focus.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capita.

#### *Risk*

The fund's share class SEK has a risk factor of 6 out of 7, which corresponds to a high risk level. The fund's share class EUR has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **Risk profile**

Investments in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis. However, the management company does not aim to expose these funds to extreme market risks substantially exceeding the market risk for a subjective selection of comparable competing funds. This is achieved through the diversification required by the fund rules and legislation as well as the company specific analysis.

Lannebo Europa Småbolag usually have a large proportion of its assets invested in foreign equities. This means that the fund is exposed to *currency risk*. Hedging of currency exposure is allowed by the fund rules but is very rarely done.

The *liquidity risk* in the fund is defined as both a cash flow risk, i.e. the fund not having sufficient funds to meet its payment obligations (primarily redemption) and also a market liquidity risk, i.e. securities cannot be traded at a given time without a major price reduction or substantial costs. As shares in small companies generally have lower liquidity, this places great demands on the management of the cash flow in order that the fund is always in a position of readiness to encounter redemptions and make the most of business opportunities that suddenly arise and which should be exploited in the interests of unitholders. In addition, the fund should have an appropriate mix of more or less liquid holdings so as to also be able to manage liquidity flows in an effective manner.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund,

thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

### **The fund's grade of activity**

#### *The management of the fund*

The fund is an actively managed equity fund that invests in equities in small and medium-sized listed companies in Europe. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in between 40-50 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is MSCI Europe Small Cap Net TR EUR. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. MSCI Europe Small Cap Net TR EUR includes small size companies from fifteen developed countries in Europe. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### **Active risk (tracking error) for the last 10 years**

The fund started in 2016. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the fund's first two years.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Share class SEK	5.6	4.7	5.3	5.7	-
Share class EUR	5.7	4.9	5.3	5.6	-

#### Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund.

The measure of activity for 2021 is in line with previous year and the fund has a stable deviation from its benchmark of circa 5 percent. The difference for 2021 can be explained by a higher volatility in the market, the managers have not changed strategy in their management.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

#### **Maximum fees**

##### *Share class A SEK, B SEK, A EUR and B EUR*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee including supervision and audit:	1.7%
Remuneration to the depositary:	0.1%

##### *Share class A SEK C, B SEK C, A EUR C and B EUR C*

The information below is provided regarding the maximum charges the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee including supervision and audit:	0,85%
Remuneration to the depositary:	0.1%

#### **Current fees**

##### *Share class A SEK and A EUR*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

##### *Share class B SEK, B EUR, A SEK C, B SEK C, A EUR C and B EUR C*

Information about current fee for is not given as share class B SEK, B EUR, A SEK C, B SEK C, A EUR C and B EUR C hasn't started yet.

#### **Environmental, Social and Governance, ESG**

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

#### **Fund rules**

##### **§ 1 The fund's legal status**

Lannebo Europa Småbolag, hereinafter referred to as the fund is a UCITS fund as defined in the Swedish Securities Fund Act (2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- Share class A SEK – accumulating, i.e. not distributing (see § 12.1 below) traded in Swedish krona and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- Share class B SEK – distributing traded in Swedish krona (see § 12.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- Share class A EUR – accumulating, i.e. not distributing (see § 12.1 below) traded in Euro and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- Share class B EUR – distributing (see § 12.2 below) traded in Euro and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- Share class A SEK C – accumulating, i.e. not distributing (see § 12.1 below) traded in Swedish krona and has a maximum management and custody fee of 0.95 per cent per year (see § 11.1 below) and is subject to distribution terms (see § 9.3 below).
- Share class B SEK C – distributing (see § 12.2 below) traded in Swedish krona and has a maximum management and custody fee of 0.95 per cent per year (see § 11.1 below) and is subject to distribution terms (see § 9.3 below).
- Share class A EUR C – accumulating, i.e. not distributing

(see § 12.1 below) traded in Euro and has a maximum management and custody fee of 0.95 per cent per year (see § 11.1 below).and is subject to distribution terms (see § 9.3 below).

- H. Share class B EUR C – distributing (see § 12.2 below) traded in Swedish krona and has a maximum management and custody fee of 0.95 per cent per year (see § 11.1 below).and is subject to distribution terms (see § 9.3 below).

## § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

## § 3 Depositary and its role

Skandinaviska Enskilda Banken AB, registered in Sweden no. 502032-9081, has been appointed depositary.

The depositary is to implement decisions of the management company with respect to the fund and is to take receipt of and hold in custody the assets of the fund. The depositary is to ensure that decisions regarding the fund that the management company has made, such as valuations and the redemption and sale of units take place in accordance with legislation, regulations and these fund rules.

## § 4 Nature of the fund

The fund is an actively managed equity fund that focuses on small- and medium-sized listed companies in Europe. The fund is diversified and does not focus on a particular sector.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

## § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund is actively managed with focus on small- and medium-sized companies in Europe.

The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that at the time of investments are held for trading at regulated exchanges in Europe referred to in § 6 below or meets the requirement to be listed in such a market within one year from the issue.

The companies' market capitalization at the time of investment may not exceed EUR5bn or the equivalent in another currency.

No more than 10 per cent of the assets may be invested in equities and / or other equity related financial instruments issued by or involving exposure to companies with registered office in Europe referred to in § 6 below or meets the requirement to be listed in such a market within one year from the issue and/or without restriction to the size of the companies' market capitalization.

The intent is to over time invest a minimum of 90 percent of the fund's value in equities and/or other equity related financial instruments.

Regardless of what is stated above regarding the fund's geographical focus, as well as the criterion for a company's size, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as as a result of take-overs, spin-offs or other corporate actions.

The fund is diversified and consequently does not focus on a particular sector.

The fund may invest in derivative instruments on the condi-

tion that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

## § 7 Special investment policy

The fund may make use of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and fund units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and fund units may be included at a value arrived at by the management company on an objective basis, for example by market prices from so-called market makers, or similar financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values)
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unapproved regulated markets or market makers, reference values, discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on an identical derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.

- Depository's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

As the fund has several share classes, united with different conditions in some respect, the management company take this into account when calculating the value of a unit in each share class. The value of a unit in each share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of the units is to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sales (unitholder's purchase) and redemption (unitholder's sale) may be conducted on every banking day. Any request for sale or redemption is made as detailed on the management company's website: [www.lannebofonder.se](http://www.lannebofonder.se).

If the funds for redemption are acquired through the sale of securities, then such sale and redemption must be carried out as soon as possible.

A request for redemption may only be withdrawn if permitted by the management company.

The sale price for a fund unit is the fund unit value on the banking day that the sale is conducted. The redemption price for a fund unit is the fund unit value on the banking day that the sale is conducted. Sale and redemption are conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption rate are published on the management company's website, at the latest by the banking day following the banking day on which the fund unit value is established, as set out above.

### § 9.2 Conditions for the currency in which the subscriptions and redemption of units take place

Sales and redemption of fund units in A SEK, B SEK, A SEK C and B SEK C share classes are in Swedish krona.

Sales and redemption of fund units in the A EUR, B EUR, A EUR C and B EUR C share classes are in Euro.

### § 9.3 Terms for distribution of fund units in share class A SEK C, B SEK C, A EUR C and B EUR C

Sales of A SEK C, B SEK C, A EUR C and B EUR C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders.

## § 11 Fees and remuneration

### § 11.1 Fees for share class A SEK, B SEK, A EUR and B EUR

The fund shall pay fees to the fund management company and the depository as follows:

- Compensation to the fund management company is in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the fund's value. The fee includes payment for the management of the fund and for the costs of supervision and auditing.

- Depository fees for the fund assets attributable to the share class. Fees charged shall not exceed 0.10 per cent per annum of the fund's value.

The maximum fee that may be charged to the fund, according to i and ii above, is 1.8 per cent per annum of the fund's value.

### § 11.1 Fees for share class A SEK C, B SEK C, A EUR C and B EUR C

The fund shall pay fees to the fund management company and the depository as follows:

- Compensation to the fund management company is in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the fund's value. The fee includes remuneration to the management of the fund, with exception of such compensation to distributors referred to in §9.3 above, and costs for supervision and auditors.
- Depository fees for the fund assets attributable to the share class. Fees charged shall not exceed 0.10 per cent per annum of the fund's value.

The maximum fee that may be charged to the fund, according to i and ii above, is 0.95 per cent per annum of the fund's value.

### § 11.3 Brokerage fees etc.

Brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments.

## § 12 Dividends

### 12.1 Terms for dividends for share class A SEK, A EUR, A SEK C and A EUR C

As a rule, share classes A SEK, A EUR, A SEK C and A EUR C does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new units on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### 12.1 Terms for dividends for share class B SEK, B EUR, B SEK C and B EUR C

#### Annual distribution

Share classes B SEK, B EUR, B SEK C and B EUR C distributes dividends. The management company decides annually on the dividends payable to the unitholder of the distributing share class. Dividends are calculated from the distributing share class share of the fund's value. The starting point for determining the amount of the dividend is the change in value of a unit in share class B since the last dividend. The management company may pay a dividend at a higher or lower amount than the change in value. For more information on the objective in relation to the amount of the dividend please refer to the prospectus. In respect of the fund's first dividend of what has been said above about previous dividend instead relate to the timing of the introduction of the distributing share class.

For dividends that accrues to a unit, the management company shall, after any deductions for withholding tax pay the

dividend in cash unless a separate request for reinvested dividends is made. Requests for reinvested dividends shall be made in writing to the management company no later than 10 business days prior to the record date for the dividend. The payment of dividends will be paid in January of the year following the financial year, to unitholders who on the record date, which is decided by the management company, is registered unitholders of the distributing share class.

Dividend affects the ratio between the value of units that is accumulating and the value of units that are distributing i.e. the value of the distributing fund units declines in relation to the size of the dividend.

#### *Additional dividend*

As a general rule share class B SEK and B EUR do not distribute additional dividend. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new units on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a fund unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

### **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that

the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

### **§ 16 Limitation of liability**

Neither the management company nor the depositary are responsible for any damages arising due to Swedish or foreign legal enactments, action by Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts, interruptions in telecommunications or other similar circumstances. This reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if the management company or the depositary is subjected to or itself takes such measures.

Any damage arising in other instances will not be remunerated by the management company or depositary if a normal level of care was observed. In any case, the management company or depositary take no responsibility for indirect or consequential damages that may occur.

The management company is not responsible for damage occurring that has been caused by the depositary. Neither is the management company responsible for the damage caused by any unitholder or other individual acting in breach of the law, rules, regulations or these fund rules. Unitholders are also informed that it is their responsibility to ensure that all documentation provided to the management company is correct and signed by an authorised representative, plus that the management company is kept informed of any changes to the submitted details.

The management company or depositary is not responsible for any damage caused by – Swedish or foreign – stock exchange or other marketplace, deposit bank, central securities depositary, clearing organisation, or others providing equivalent services, nor by a contracted management company or depositary employed with due care. The same shall apply to damage caused by the above organisations or contractors becoming insolvent. Neither is the management company or depositary responsible for damage arising due to disposal restrictions which may apply to the management company or depositary in respect of financial instruments.

Should the management company be unable to take action, in whole or in part, due to circumstances stated above, the action may be postponed until the hindrance has ceased or been removed. If, as a consequence of such circumstances, the management company is prevented from conducting its business or receiving payment, the company or respective unitholder will not be subject to a fine. Similar exemption from the obligation to pay interest applies even if the management company, under § 10, temporarily postpones the time of the sale or redemption of fund units.

The management company is liable for damages in accordance with chapter 2 § 21 of the Swedish Securities Fund Act.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund

contrary to Swedish or foreign legislation or regulations or, as result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Europa Småbolag

**Legal entity identifier:**  
549300L5238BIDO30341

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrate sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

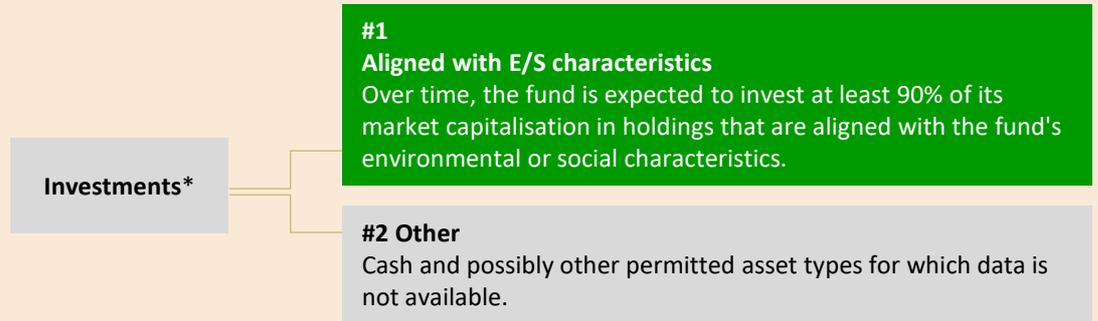
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

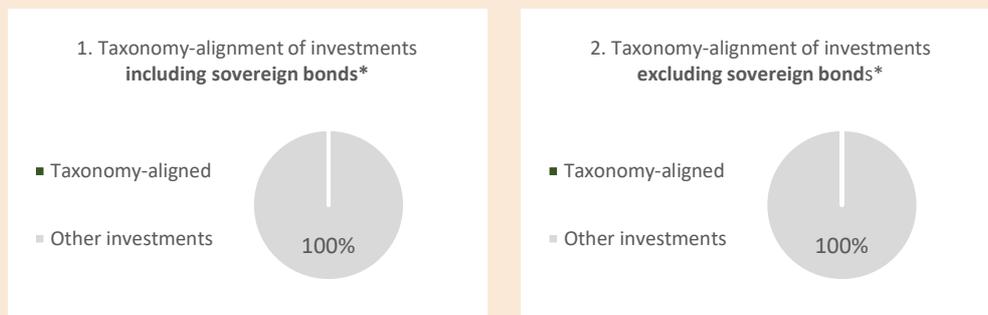
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Europe Green Transition

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that invests in equities in small and medium-sized listed companies in Europe. The fund follows specific sustainability related criteria in the investments, with the aim of making sustainable investments with an environmental focus. Sustainable investment means an investment in companies whose activities contribute to an environmental objective, provided that the investment does not cause significant damage to other environmental or social objectives and that the company in which it is invested complies with good governance practices.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas). The Fund also selects companies that contribute to its investment objectives. These companies are identified through the managers' own sustainability analysis, which takes into account how well a company's operations contribute to the green transition, which is required to inter alia achieve the goals of the Paris Agreement. This is done by investing in companies that contribute to or enable a green transition. An assessment of green transition is made on all companies based on a framework developed by the managers, with criteria for classifying a company's positive environmental affects. At least 25% of turnover must contribute to a sustainability objective. The sustainability objective must be an environmentally sustainable objective, as defined in the EU Taxonomy Regulation, or an environmental objective or one of the UN Sustainable Development Goals (see more below).

The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that are issued by or entail exposure to companies that, at the time of investments are held for trading at regulated exchanges in Europe referred to in § 6 in the fund rules or meets the requirement to be admitted to trading in such a market within one year from the issue.

The companies' market capitalization at the time of investment may not exceed EUR 15bn or the equivalent in another currency.

Up to 10 per cent of the assets may be invested in companies with registered office in Europe, but not listed in Europe and/or without restriction to the size of the companies' market capitalization.

The intent is to over time invest a minimum of 90 percent of the fund's value in equities and/or other equity related financial instruments. Investments are not focused on any particular sector.

Regardless of what is stated above, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as as a result of take-overs, spin-offs or other corporate actions.

The fund is actively managed. Equities are selected based on the fund manager's own assessments. Focus is placed on each of the fund's individual investments and its outlooks. The fund managers try to avoid everything that affects the stock price in the short run, which means that the fund invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations

are considered attractive enough.

The objective is, as described in the fund rules, to make sustainable investments with an environmental focus and while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units.

Derivatives may be used as part of its investment policy. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark is MSCI Europe Small Cap Climate Paris Aligned Index.

Purchase and sale of units of fund may normally be made every banking day.

### Share classes

Share classes in accordance with the fund rules, the fund may have 16 share classes: A SEK, A EUR, A NOK, A DKK, A SEK C, A EUR C, A NOK C, A DKK C and B SEK, B EUR, B NOK, B DKK, B SEK C, B EUR C, B NOK C and B DKK C. As of 19 September 2022, share classes A SEK and A EUR will start.

### Historical return

Historical return information is missing as the fund starts on 19 September 2022.

Average annual return, %	
- Last 3 years	n.a.
- Last 5 years	n.a.
- Last 10 years	n.a.

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

The fund may also suit investors with other investment objectives. On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.

The fund is intended for investors with a long-term investment horizon (at least 5 years).

The fund is suitable for those who want to invest in companies whose activities contribute to a green transition in order to counteract negative impacts on the climate and the environment.

### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

### *Risk*

The fund's share classes A SEK and A EUR have a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding 6 out of 7.

### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

## **Risk profile**

Investments in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis. However, the management company does not aim to expose these funds to extreme market risks substantially exceeding the market risk for a subjective selection of comparable competing funds. This is achieved through the diversification required by the fund rules and legislation as well as the company specific analysis.

Lannebo Europe Green Transition usually have a large proportion of its assets invested in foreign equities. This means that the fund is exposed to *currency risk*. Hedging of currency exposure is allowed by the fund rules but is very rarely done.

The *liquidity risk* in the fund is defined as both a cash flow risk, i.e. the fund not having sufficient funds to meet its payment obligations (primarily redemption) and also a market liquidity risk, i.e. securities cannot be traded at a given time without a major price reduction or substantial costs. As shares in small companies generally have lower liquidity, this places great demands on the management of the cash flow in order that the fund is always in a position of readiness to encounter redemptions and make the most of business opportunities that suddenly arise and which should be exploited in the interests of unitholders. In addition, the fund should have an appropriate mix of more or less liquid holdings so as to also be able to manage liquidity flows in an effective manner.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative in-

strument or any excess collateral that the fund pledges the counterparty. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk*, i.e. an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, is handled partly by sustainability being integrated in the investment decisions and partly by the applied exclusion criteria. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

## **The fund's grade of activity**

### *The management of the fund*

The fund is an actively managed equity fund that invests in equities in small and medium-sized listed companies in Europe. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in between 30-50 companies. The objective of the fund is to make sustainable investments with an environmental focus and while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is MSCI Europe Small Cap Climate Paris Aligned Index. The benchmark is relevant because it reflects the fund's investment orientation, for example in terms of company size, asset class and market. The MSCI Europe Small Cap Climate Paris Aligned Index is based on the MSCI Europe Small Cap Index, which includes small companies in fifteen developed countries in Europe. The Climate Paris Aligned is designed to reduce exposure to physical and transitional risks of climate change and increase exposure to sustainable investment opportunities.

## **Active risk (tracking error) for the last 10 years**

The fund will start on 19 September 2022. Given that two years of history are required to calculate an activity measure, there are no figures for the fund.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

## Maximum fees

Share class A SEK, B SEK, A EUR, B EUR, A NOK, B NOK, A DKK och B DKK

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee including supervision and audit:	1.7%
Remuneration to the depositary:	0.1%

Share class A SEK C, B SEK C, A EUR C, B EUR C, A NOK C, B NOK C, A DKK C och B DKK C

The information below is provided regarding the maximum charges the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee including supervision and audit:	0,85%
Remuneration to the depositary:	0.1%

## Current fees

Share class A SEK and A EUR

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

Share class B SEK, B EUR, A NOK, B NOK, A DKK, B DKK, A SEK C, B SEK C, A EUR C, B EUR C, A NOK C, B NOK C, A DKK C and B DKK C

Information about current fee for is not given as share class B SEK, B EUR, A NOK, B NOK, A DKK, B DKK, A SEK C, B SEK C, A EUR C, B EUR C, A NOK C, B NOK C, A DKK C and B DKK C haven't started yet.

## Environmental, Social and Governance, ESG

Information about the fund's sustainable investments can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Europe Green Transition, hereinafter referred to as the fund is a UCITS fund as defined in the Swedish Securities Fund Act (2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- A. Share class A SEK – accumulating, i.e. not distributing (see § 12.1 below) traded in Swedish krona and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- B. Share class B SEK – distributing (see § 12.2 below) traded in Swedish krona (see § 9.2 nedan) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- C. Share class A EUR – accumulating (see § 12.1 below) traded in euro (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- D. Share class B EUR – distributing (see § 12.2 below) traded in euro (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- E. Share class A NOK – accumulating (see § 12.1 below) traded in Norwegian krona (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- F. Share class B NOK – distributing (see § 12.2 below) traded in Norwegian krona (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- G. Share class A DKK – accumulating (see § 12.1 below) traded in Danish Krona (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- H. Share class B DKK – distributing (see § 12.2 below) traded Danish Krona (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- I. Share class A SEK C – accumulating, i.e. not distributing (see § 12.1 below) traded in Swedish krona (see § 9.2 below) and has a maximum management and custody fee of 0,95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- J. Share class B SEK C – distributing (see § 12.2 below) traded in Swedish krona (see § 9.2 below) and has a maximum custody fee of 0.95 per cent per year (see § 11.2 below and is subject to distribution terms (see § 9.3 below).
- K. Share class A EUR C – accumulating, i.e. not distributing (see § 12.1 below) traded in euro (see § 9.2 below) and has a maximum management and custody fee of 0,95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- L. Share class B EUR C - distributing (see § 12.2 below) traded in euro (see § 9.2 below) and has a maximum custody fee of 0.95 per cent per year (see § 11.2 below and is subject to distribution terms (see § 9.3 below).
- M. Share class A NOK C – accumulating, i.e. not distributing (see § 12.1 below) traded in Norwegian krona (see § 9.2 below) and has a maximum management and custody fee of 0,95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- N. Share class B NOK C – distributing (see § 12.2 below) traded in Norwegian krona (see § 9.2 below) and has a maximum custody fee of 0.95 per cent per year (see § 11.2 below and is subject to distribution terms (see § 9.3 below).
- O. Share class A DKK C – accumulating, i.e. not distributing (see § 12.1 below) traded in Danish krona (see § 9.2 below)

and has a maximum management and custody fee of 0,95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

P. Share class B DKK C distributing (see § 12.2 below) traded in Danish krona and has a maximum custody fee of 0.95 per cent per year (see § 11.2 below and is subject to distribution terms (see § 9.3 below).

## § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

## § 3 Depositary and its role

Skandinaviska Enskilda Banken AB, registered in Sweden no. 502032-9081, has been appointed depositary.

The depositary is to implement decisions of the management company with respect to the fund and is to take receipt of and hold in custody the assets of the fund. The depositary is to ensure that decisions regarding the fund that the management company has made, such as valuations and the redemption and sale of units take place in accordance with legislation, regulations and these fund rules.

## § 4 Nature of the fund

The fund is an actively managed equity fund that focuses on small- and medium-sized listed companies in Europe. The management of the fund's assets is characterised by a sustainability focus, with the objective of making sustainable investments with an environmental focus. This means that the fund invests in companies which, in the opinion of the fund company, contribute to, or enable, the achievement of environmental objectives, such as climate change mitigation or adaptation (including conversion activities). The fund also complies with the sustainability-related criteria set out in paragraph 5 below. The fund's other focus is diversified and thus not specific to any particular sector.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

The fund's overall financial objective is, through the above mentioned investments and while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

## § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund is actively managed with focus on small- and medium-sized companies in Europe.

The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that at the time of investments are held for trading at regulated exchanges in Europe referred to in § 6 below or meets the requirement to be listed in such a market within one year from the issue.

The companies' market capitalization at the time of investment may not exceed EUR5bn or the equivalent in another currency.

No more than 10 per cent of the assets may be invested in equities and / or other equity related financial instruments issued by or involving exposure to companies with registered office in Europe referred to in § 6 below or meets the requirement to be listed in such a market within one year from the issue and/or without restriction to the size of the companies'

market capitalization.

The intent is to over time invest a minimum of 90 percent of the fund's value in equities and/or other equity related financial instruments.

The fund follows specific sustainability-related criteria in its investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or sale of fossil fuels, goods and services in the categories of tobacco, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas). The fund also takes into account such additional criteria as are decided by the management company. More information can be found in the fund's prospectus.

The fund is diversified and consequently does not focus on a particular sector.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

Regardless of what is stated above the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as a result of take-overs, spin-offs or other corporate actions.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

## § 7 Special investment policy

The fund may make use of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and fund units are valued at their current market value (market price, at first hand). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and fund units may be included at a value arrived at by the management company on an objective basis, for example by market prices from so-called market makers, or similar financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values)
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation

will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unapproved regulated markets or market makers, reference values, discounted cash flows (current valuation or proportion of equity (year-end value)).

- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on a similar derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

As the fund has several share classes, united with different conditions in some respect, the management company take this into account when calculating the value of a unit in each share class. The value of a unit in each share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of the units is normally to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sales (unitholder's purchase) and redemption (unitholder's sale) may normally be conducted on every banking day. Any request for sale or redemption is made as detailed on the management company's website: [www.lannebofonder.se](http://www.lannebofonder.se).

If the funds for redemption are acquired through the sale of securities, then such sale and redemption must be carried out as soon as possible.

A request for sale or redemption may only be withdrawn if permitted by the management company.

The sale price for a fund unit is normally the fund unit value on the banking day that the sale is conducted. The redemption price for a fund unit is the fund unit value on the banking day that the sale is conducted. Sale and redemption are conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption rate are published on the management company's website, at the latest by the banking day following the banking day on which the fund unit value is established, as set out above.

### § 9.2 Conditions for the currency in which the subscriptions and redemption of units take place

Sales and redemption of fund units in A SEK, B SEK, A SEK C and B SEK C share classes are in Swedish krona.

Sales and redemption of fund units in the A EUR, B EUR, A EUR C and B EUR C share classes are in Euro.

Sales and redemption of fund units in the A NOK, B NOK, A NOK C and B NOK C share classes are in norwegian kroner.

Sales and redemption of fund units in the A DKK, B DKK, A DKK C and B DKK C share classes are in danish kroner.

### § 9.3 Terms for distribution of fund units in share class A SEK C, B SEK C, A EUR C, B EUR C, A NOK C, B NOK C, A DKK C and B DKK C

Sales of A SEK C, B SEK C, A EUR C, B EUR C, A NOK C, B NOK C, A DKK C and B DKK C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders.

## § 11 Fees and remuneration

### § 11.1 Fees for share class A SEK, B SEK, A EUR, B EUR, A NOK, B NOK, A DKK and B DKK

The fund shall pay fees to the fund management company and the depositary as follows:

- i. Compensation to the fund management company is in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the fund's value. The fee includes payment for the management of the fund and for the costs of supervision and auditing.
- ii. Compensation to the depositary is paid for performance of the depositary's tasks. Fees charged shall not exceed 0.10 per cent per annum of the fund's value.

The maximum fee that may be charged to the fund, according to i and ii above, is 1.8 per cent per annum of the fund's value.

### § 11.1 Fees for share class A SEK C, B SEK C, A EUR C, B EUR C, A NOK C, B NOK C, A DKK C and B DKK C

The fund shall pay fees to the fund management company and the depositary as follows:

- i. Compensation to the fund management company is in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the fund's value. The fee includes remuneration to the management of the fund, with exception of such compensation to distributors referred to in §9.3 above, and costs for supervision and auditors.
- ii. Compensation to the depositary is paid for performance of the depositary's tasks. Fees charged shall not exceed 0.10 per cent per annum of the fund's value.

The maximum fee that may be charged to the fund, according to i and ii above, is 0.95 per cent per annum of the fund's value.

### § 11.3 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. The fund may furthermore be charged with costs for analysis.

## § 12 Dividends

### 12.1 Terms for dividends for share class A SEK, A EUR, A NOK, A DKK, A SEK C, A EUR C, A NOK C and A DKK C

As a rule, the share classes does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's

opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new units on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

#### 12.1 Terms for dividends for share class B SEK, B EUR, B NOK, B DKK, B SEK C, B EUR C, B NOK C and B DKK C

##### *Annual distribution*

The share classes distributes dividends. The management company decides annually on the dividends payable to the unitholder of the distributing share class. Dividends are calculated from the distributing share class share of the fund's value. The starting point for determining the amount of the dividend is the change in value of a unit in share class B since the last dividend. The management company may pay a dividend at a higher or lower amount than the change in value. For more information on the objective in relation to the amount of the dividend please refer to the prospectus. In respect of the fund's first dividend of what has been said above about previous dividend instead relate to the timing of the introduction of the distributing share class.

For dividends that accrues to a unit, the management company shall, after any deductions for withholding tax pay the dividend in cash unless a separate request for reinvested dividends is made. Requests for reinvested dividends shall be made in writing to the management company no later than 10 business days prior to the record date for the dividend. The payment of dividends will be paid in January of the year following the financial year, to unitholders who on the record date, which is decided by the management company, is registered unitholders of the distributing share class.

Dividend affects the ratio between the value of units that is accumulating and the value of units that are distributing i.e. the value of the distributing fund units declines in relation to the size of the dividend.

##### *Additional dividend*

As a general rule share class B SEK and B EUR do not distribute additional dividend. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new units on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a fund unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

#### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

#### **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at

the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

#### **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

#### **§ 16 Limitation of liability**

Neither the management company nor the depositary are responsible for any damages arising due to Swedish or foreign legal enactments, action by Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts, interruptions in telecommunications or other similar circumstances. This reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if the management company or the depositary is subjected to or itself takes such measures.

Any damage arising in other instances will not be remunerated by the management company or depositary if a normal level of care was observed. In any case, the management company or depositary take no responsibility for indirect or consequential damages that may occur.

The management company is not responsible for damage occurring that has been caused by the depositary. Neither is the management company responsible for the damage caused by any unitholder or other individual acting in breach of the law, rules, regulations or these fund rules. Unitholders are also informed that it is their responsibility to ensure that all documentation provided to the management company is correct and signed by an authorised representative, plus that the management company is kept informed of any changes to the submitted details.

The management company or depositary is not responsible for any damage caused by – Swedish or foreign – stock exchange or other marketplace, deposit bank, central securities depositary, clearing organisation, or others providing equivalent services, nor by a contracted management company or depositary employed with due care. The same shall apply to damage caused by the above organisations or contractors becoming insolvent. Neither is the management company or depositary responsible for damage arising due to disposal

restrictions which may apply to the management company or depositary in respect of financial instruments.

Should the management company be unable to take action, in whole or in part, due to circumstances stated above, the action may be postponed until the hindrance has ceased or been removed. If, as a consequence of such circumstances, the management company is prevented from conducting its business or receiving payment, the company or respective unitholder will not be subject to a fine. Similar exemption from the obligation to pay interest applies even if the management company, under § 10, temporarily postpones the time of the sale or redemption of fund units.

The management company is liable for damages in accordance with chapter 2 § 21 of the Swedish Securities Fund Act.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, 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:**  
Lannebo Europe Green Transition

**Legal entity identifier:**  
549300VN56CF0Z4NTW62

## Sustainable investment objective

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

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective: 90%**

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 is the sustainable investment objective of this financial product?

The fund's sustainable goal is to contribute to a green transition with the aim of preventing negative climate and environmental impact. This is accomplished by investing in companies that contribute to the fulfillment of environmentally goals according to the UN's global goals for sustainable development. When data is available, EU taxonomy is used as a reference point for assessing environmentally sustainable investments. The EU taxonomy includes six environmental goals to which the fund may contribute: Mitigation of climate change, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Prevention and control of pollution, and Protection and restoration of biodiversity and ecosystems. The fund is actively managed and does not use an index to achieve the objective of a sustainable investment.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

A sustainable investment is defined in the EU Disclosure Regulation (SFDR) Article 2 (17) as an investment in an economic activity that (i) contributes to an environmental objective or a social objective, provided that the investment (ii) do not cause significant harm to another environmental objective or social objective and that the investee company (iii) follows good governance practices.

Lannebo has developed policies and processes to ensure that the investments are sustainable and contributes to the fund's goal.

The achievement of the fund's goal are measured by the sustainability indicators below.

1. Number of holdings that contribute to the UN's global goals for sustainable development
2. Number of holdings that contribute to one or several environmental goals aligned with the EU taxonomy
3. Number of holdings with communicated carbon neutrality targets or emission targets verified according to the Science Based Targets initiative (SBTi)
4. Exposure to companies that violate the UN Global Compact, OECD guidelines for multinational companies, UN declarations of human rights, and ILO conventions of working conditions

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The fund ensures that no investments significantly harm other sustainable goals. This is managed in the sustainability analysis by analyzing Principal Adverse Impact indicators (PAI-indicators). These indicators are composed by EU and are areas that have been determined to have negative consequences on sustainability factors. The degree to which they cause negative consequences differs between companies depending on industry, geography, and business model. Therefore, it is important to analyze these based on the companies' specific characteristics. Companies with PAI-indicators that stand out negatively are further analyzed and can lead to additional actions, such as impact dialogue. It can also lead to rejection of the investment or that the investment is being divested.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Investments are not made in companies that violate international norms and conventions related to the environment, human rights, labor rights or the fight against corruption, including the OECD's guidelines for multinational enterprises and the UN's Guiding Principles on business and human rights. Analysis and evaluation of this takes place in the investment process, where companies that violate such norms and conventions are excluded.



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

Yes

No

**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.

Yes, Lannebo considers and integrates negative consequences for sustainable factors in the investment analysis made for each company, before including it in the portfolio. This is completed by analyzing Principal Adverse Impact indicators (PAI-indicators), see more above under the heading "*How have the indicators for adverse impacts on sustainability factors been taken into account?*". Information about how the indicators were considered during the past year is presented in the fund's annual report under the heading "*How were main negative consequences for sustainability factors considered in this financial product?*".



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

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

The fund's sustainability goal is to contribute to a green transition with the aim of preventing negative impact on the climate and environment. This is managed by investing in companies that contribute to the fulfillment of an environmentally sustainable goal according to UN's global goals for sustainable development or an environmental goal aligned with the EU taxonomy. The fund manager identifies these companies by using a self-developed framework that is part of Lannebo's model for sustainability analysis. This framework identifies the proportion of a company's revenues that is linked to one or several of the environmental sustainability goals. For a company to be included in the fund, at least 25 percent of the revenues from products and services must contribute to an environmental goal.

**Sustainability analysis including assessment of contributions to green transition:** The fund managers integrate sustainability factors into the investment process via the portfolio company's sustainability analysis. The companies in the fund must fulfill point 1 or 2 as well as point 3 and 4.

1. Contribute to one or more of the UN's global goals for sustainable development according to Lannebo's self-developed framework. The UN's global goals for sustainable development include 17 goals with the aim of ending extreme poverty, reducing inequalities and injustice in the world, promoting peace and justice, and solve the climate crisis. The UN global goals that the fund can invest in, given its investment focus, are those linked to the environment and climate, which are the following:

- Goal 6: Clean water and sanitation for all
- Goal 7: Sustainable energy for all
- Goal 9: Sustainable industry, innovations and infrastructure
- Goal 11: Sustainable cities and communities
- Goal 12: Sustainable consumption and production
- Goal 13: Combat climate change
- Goal 14: Oceans and marine resources
- Goal 15: Ecosystems and biological diversity

2. Contribute to one or several environmental goals aligned with the EU taxonomy. The EU taxonomy is a classification system that aims to establish common criteria for environmentally sustainable economic activities. The environmental objectives for the EU taxonomy are:

- 1. Mitigation of climate change
- 2. Adaptation to climate change
- 3. Sustainable use and protection of water and marine resources
- 4. Transition to a circular economy
- 5. Prevention and control of pollution
- 6. Protection and restoration of biodiversity and ecosystems

3. Not do significant harm to any other environmental or social goals. This is ensured in the sustainability analysis by analyzing PAI indicators and other sustainability factors, in addition to the company's environmental contribution.

4. Companies must follow good governance practice to be classified as a sustainable investment. To ensure companies have good governance, this is evaluated in the sustainability analysis before a potential investment. The company must live up to Lannebo's requirements for management structures, personnel relations, remuneration, and compliance with tax legislation.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. Exclusion criteria can be found in Lannebo's sustainability policy. The exclusion criteria are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's principles for shareholder engagement and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction. Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The binding elements in the investment strategy are (i) that the fund will make environmentally sustainable investments that contribute to the fund's goal of a green transition (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criteria. This means that:

- All companies in the fund must reach the requirements for environmentally sustainable investment.
- No holding in the fund can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No holding in the fund can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No holding in the fund can be active in the production of fossil fuels.

Note that above exclusion criteria in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criteria can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding upon companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s principles for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated, as a minimum, on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



## What is the asset allocation and the minimum share of sustainable investments?

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

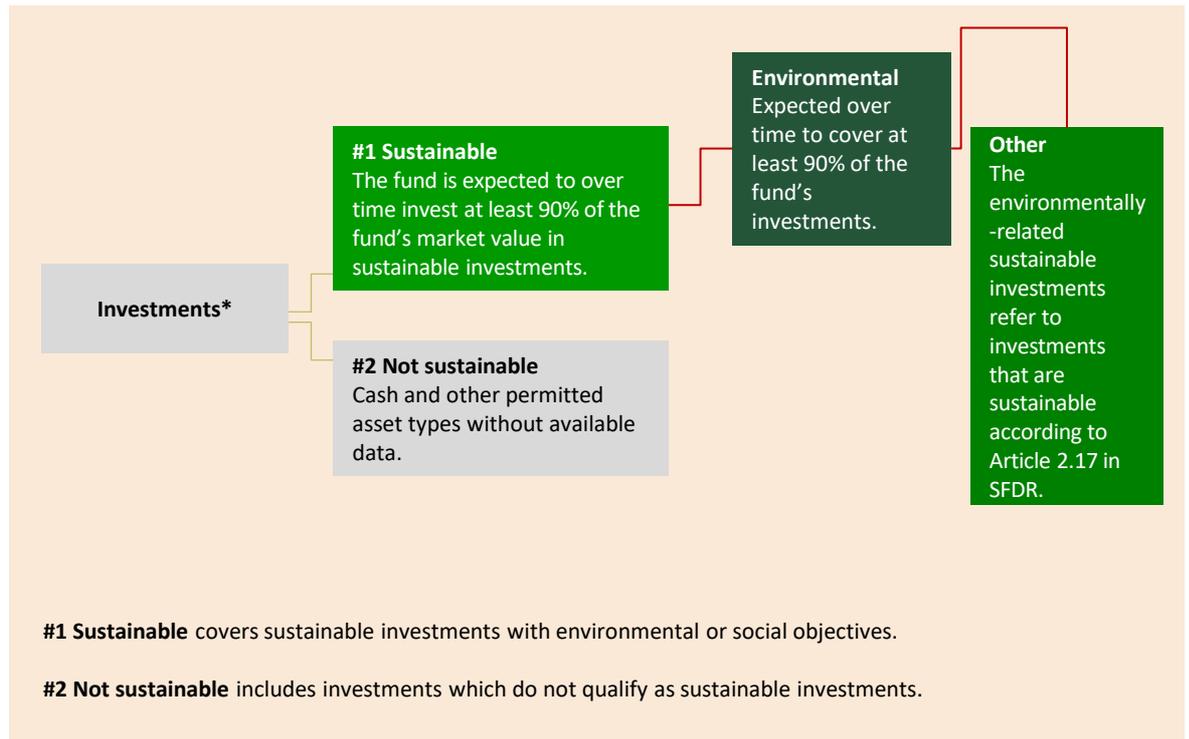
- **turnover** reflecting the share of revenue from green activities of investee companies

- **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.

**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.



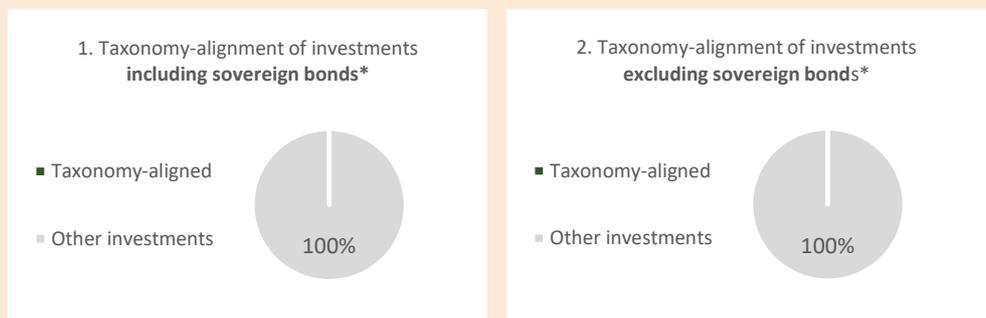
\* Investments refer to the fund's total market value.



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

The fund does not commit to make a minimum proportion of sustainable investments aligned with the taxonomy.

*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



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

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

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

The fund is expected to invest 90% of the fund's market value in sustainable investments over time according to article 2.17 in SFDR.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

These investments include cash for liquidity management and other permitted asset classes, for which data is unavailable. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



**Where can I find more product specific information online?**

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Fastighetsfond

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that mainly invests in equities in Nordic listed companies but can to some extent make investments on the European market. The fund is focused on real estate companies and related sectors such as the construction sector, housing development as well as infrastructure.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The fund is actively managed and follows no index. Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is fundamentally similar to a traditional equity fund, but in some respects, the fund has wider investment rules. The fund may invest more than 100 per cent of the fund assets. The fund is for example able to invest 130 per cent in real estate shares that the management company is positive about and, at the same time, balance this by reducing its share exposure by, for example, 30 per cent through the sale of stocks that the fund does not own but has borrowed, so-called short selling. The fund may also take long and/or short positions in fixed-income securities. The fund is able to use derivatives as part of the investment strategy. The fund is expected to invest between 130 and 150 per cent in real estate stocks and take short positions in stocks and/or fixed-income securities up to between 30 and 50 percent. However, the net exposure to the equity market is normally between 90 and 100 per cent.

Shares are selected based on the fund manager's assessment; therefore deviations from the benchmark can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is that the fund over the long term achieves the best possible return taking into account the fund's risk level.

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The total underlying risk associated with such derivatives may not exceed the total value of the fund's shareholdings. The fund may also engage in securities borrowing in order to sell specific securities short. Short selling means that the fund borrows a security and then sells it on the stock market. If the price of this security has fallen by the time the fund buys it back and returns it to the lender, a positive return will be generated.

The base of the fund is a traditional long equity portfolio to which the managers may add both long and short positions in equity, equity-related instruments and fixed-income securities. As a starting point, the fund has a share portfolio with a gross and net exposure of about 100 per cent of the value of the fund, or less to secure a necessary liquidity in the fund. In addition, exposure may be increased by taking dif-

ferent positions on both the "short side" and the "long side". The exposure from these positions may increase the gross exposure for the fund up to 100 per cent of the fund's value. The starting point is that this further exposure, in addition to the initial 100 per cent on the long side, will be roughly as great on the short side as on the long side. The fund shall have a gross exposure no greater than 200 percent of the fund's value and a long net exposure of approximately 100 per cent of the fund's value or less with regard to required liquidity in the fund.

The fund borrows securities, in order to take short positions, against a predetermined interest accruing to the fund.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase the return and create leverage in the fund. In securities lending and the use of other techniques and instruments there are no direct or indirect operational costs/fees charged to the fund.

The fund's benchmark index is VINX Real Estate SEK NI.

Normally the fund pays no dividend for share class A and all income is reinvested in the fund.

Purchase and sale of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have 24 share classes: SEK, A EUR, A NOK, A DKK, B SEK, B EUR, B NOK, B DKK, A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C, B DKK C, A SEK F, A EUR F, A NOK F, A DKK F, B SEK F, B EUR F, B NOK F and B DKK F. Share class A SEK and A SEK F started 15 September 2021.

### Historical return

Information about historical return is not available since the fund started 15 September 2021.

Average annual return, %	
- Last 3 years	n.a.
- Last 5 years	n.a.
- Last 10 years	n.a.

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

The fund may also be suitable for investors who want the invested capital to contain of an option or leverage part and for investors with other investment objectives. On the other hand, the fund is not suitable for investors who primarily wants the invested capital to provide protection against other investments, provide a return in the form of dividends or similar, or to be conserved.

The fund is intended for investors with a long-term (at least 5 years) investment horizon.

The fund is suitable for investors who want an investment with a particular focus.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **Risk profile**

As the fund is a long equity fund the fund's risk will primarily lie in the market risk in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The fund can, by concentrating the assets mainly to one sector, have a higher risk than funds investing in several sectors. In the fund the total market risk can be higher than in a traditional mutual fund because the fund may use leverage. Both long and short positions can be added to the equity portfolio, which means that both gross and net exposure can exceed 100 per cent. The starting point is that the additional exposure should be roughly as great on the short side as on the long side. Normally the net exposure against the stock market is between 90 and 100 per cent. The fund's value may vary greatly due to the composition of the fund and the management methods used by the management company.

The management company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential short-comings in company specific investment analysis.

**Liquidity risk** – i.e. the risk of not being able to trade a security at a given time without a major price reduction or substantial costs, places great demand on the management of the cash flow in order for the fund to always be in a position of readiness to encounter redemptions and make the most of business opportunities which should be exploited in the interest of unitholders. In addition, the fund should also have an appropriate mix of more or less liquid holdings to be able to manage liquidity flows in an effective manner. The liquidity risk is also handled by the management company limiting the size of the fund.

Lannebo Fastighetsfond focuses its investments to Nordic transferable securities but has the opportunity to make investments in European financial instruments to some extent. This means that the fund is exposed to a currency risk. In accordance with the fund's rules, hedging is possible but does not normally occur.

The fund borrow shares in order to obtain short positions. In relation to stock borrowing the fund places collaterals that may exceed the value of the borrowed shares which means that the fund may be exposed to counterparty risk.

In addition to counterparty risk, the fund's short positions increase the gross exposure which in turn could lead to increased market risk. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

**Sustainability risk** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The sustainability risk is managed partly by integrating sustainability into investment decisions and by using the exclusion criteria that Lannebo Funds apply. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. To limit the counterparty risk securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. Trading in derivatives can be used to increase or decrease the net and gross exposure for the fund, which can lead to an increased market risk. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

The fund may be exposed to **operational risk** because the managing of the fund contains certain complex elements, such as the use of techniques and instruments that gives rise to safety requirements. Operational risk is the risk of a loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement and valuation routines.

### **The fund's grade of activity**

#### *The management of the fund*

The fund is an actively managed equity fund that mainly invests in equities in the Nordic region but can to some extent make investments in the European market. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in 20-30 companies. The most attractive companies are the fund's largest holding. The fund also takes short positions, mainly through short selling. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth.

### Benchmark

The management of the fund may be compared with the fund's benchmark which is VINX Real Estate SEK NI. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, in terms of sectors, geography, companies' size, assets and market. VINX Real Estate SEK NI is a equity index that reflects the market trends for real estate companies in the Nordic region. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### **Active risk (tracking error) for the last 10 years**

#### Explanation to the measure of activity

The fund started 15 September 2021. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the fund. Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

### **Maximum fees**

*Share class A SEK, A EUR, A NOK, A DKK, B SEK, B EUR, B NOK and B DKK*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.05%*
Remuneration to the depositary:	0.05%

*\*Any performance fee may be added as below*

*Share class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C*

The information below is provided regarding the maximum charges the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.55%*
Remuneration to the depositary:	0.05%

*\*Any performance fee may be added as below*

*Share class A SEK F, A EUR F, A NOK F, A DKK F, B SEK F, B EUR F, B NOK F and B DKK F*

The information below is provided regarding the maximum fees the management company may charge under the fund

rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.65%
Remuneration to the depositary:	0.05%

### **Current fees**

*Share class A SEK*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.0%*
Remuneration to the depositary:	up to 0.02%

*\*Any performance fee may be added as below*

*Share class A SEK F*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

*Share class A EUR, A NOK, A DKK, B SEK, B EUR, B NOK, B DKK, A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C, B DKK C, A EUR F, A NOK F, A DKK F, B SEK F, B EUR F, B NOK F and B DKK F*

Information about current fee for A EUR, A NOK, A DKK, B SEK, B EUR, B NOK, B DKK, A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C, B DKK C, A EUR F, A NOK F, A DKK F, B SEK F, B EUR F, B NOK F and B DKK F are not given as the share classes haven't started yet.

### **Performance-based fee**

A performance-based fee of twenty (20) per cent of the part of the total return from a fund's share class that exceeds the fund's benchmark, VINX Real Estate SEK NI, is also payable to the management company (where applicable converted to the same currency in which the share class is traded). The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units. The performance-based fee may be payable even if a fund's share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated daily but deducted from the fund's account monthly. If the total return of a fund's share class is below the benchmark on a particular day and above it on a subsequent day, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when charging the fee. The high water mark can't be reset.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders in a share class pay the same performance-based fee per unit for a particular day and the underperformance for all unitholders

must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in a fund's share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

### **Closure of Lannebo Fastighetsfond**

The fund company is entitled to resolve on closing the fund in order to prevent the fund's managed capital reaching a size whereby the fund cannot be managed in an optimal way for either the fund or existing unit holders; this means no new subscriptions. The decision to close the fund requires that the fund's managed capital amounts to a size that exceeds the capital limit set by the fund company for optimal management. This currently amounts to 5 000 million Swedish krona.

The decision to close the fund shall be published in conjunction with the decision, connection with the decision, but no later than ten days prior to the day after which the decision to close the fund will take place and the fund will be closed. The management company's decision to reopen shall likewise be published in connection with the decision, but no later than ten days before the date on which new shares can be subscribed to. Information regarding a resolution to close or open the fund shall be published on the management company's website.

### **Information according to the EU Regulation on indices used as benchmark**

The EU regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (benchmark regulation) came into effect on 1 January 2018. The benchmark regulation applies if a management company measures the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees.

For Lannebo Fastighetsfond, a benchmark is used in such a way that the fund's performance-based fee is related to VINX Real Estate SEK NI.

According to the benchmark regulation, a benchmark administrator must be approved and registered with the European Securities and Markets Authority (ESMA) no later than the end of 2023. VINX Real Estate SEK NI is provided by an administrator not yet registered with ESMA. However, according to the transitional provisions in the new rules, a third-country-index can be used by the management company until the end of 2023.

A management company must have a plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided. If such an event would occur, Lannebo Fonder will attempt to identify an appropriate alternative benchmark and replace the previously used benchmark.

### **Environmental, Social and Governance, ESG**

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## **Fund rules**

### **§ 1 The fund's legal status**

Lannebo Fastighetsfond, hereinafter the fund, is a UCITS fund as defined in the Swedish Securities Fund Act (SFS 2004:46). Its business is conducted in accordance with the these fund rules, the management company's articles of association, the Swedish Securities Fund Act and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

A. Share class A SEK – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

B. Share class B SEK – Dividend paid (see § 12.2 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

C. Share class A EUR – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

D. Share class B EUR – Dividend paid (see § 12.2 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

E. Share class A NOK – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

F. Share class B NOK – Dividend paid (see § 12.2 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

G. Share class A DKK – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

H. Share class B DKK – Dividend paid (see § 12.2 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

I. Share class A SEK C – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1

below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

J. Share class B SEK C – Dividend payed (see § 12.2 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

K. Share class A EUR C – Accumulated, i.e. no dividend is payed and all income is reinvested in the fund (see § 12.1 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

L. Share class B EUR C – Dividend payed (see § 12.2 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

M. Share class A NOK C – Accumulated, i.e. no dividend is payed and all income is reinvested in the fund (see § 12.1 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

N. Share class B NOK C – Dividend payed (see § 12.2 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

O. Share class A DKK C – Accumulated, i.e. no dividend is payed and all income is reinvested in the fund (see § 12.1 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

P. Share class B DKK C – Dividend payed (see § 12.2 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

Q. Share class A SEK F – Accumulated, i.e. no dividend is payed and all income is reinvested in the fund (see § 12.1 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

R. Share class B SEK F – Dividend payed (see § 12.2 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

S. Share class A EUR F – Accumulated, i.e. no dividend is payed and all income is reinvested in the fund (see § 12.1 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

T. Share class B EUR F – Dividend payed (see § 12.2 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

U. Share class A NOK F – Accumulated, i.e. no dividend is payed and all income is reinvested in the fund (see § 12.1 below), traded in Norwegian krona (see § 9.2 below) and

has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

V. Share class B NOK F – Dividend payed (see § 12.2 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

W. Share class A DKK F – Accumulated, i.e. no dividend is payed and all income is reinvested in the fund (see § 12.1 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

X. Share class B DKK F – Dividend payed (see § 12.2 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

## § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

## § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

## § 4 Nature of the fund

The fund is an actively managed equity fund that mainly invests in equities in Nordic listed companies but can to some extent make investments in the European market. The fund is focused on real estate companies and closely related sectors such as construction, housing development and infrastructure.

The base of the fund is a traditional long equity portfolio to which the managers may add both long and short positions in equity, equity-related instruments and fixed-income securities. As a starting point, the fund has a share portfolio with a gross and net exposure of about 100 per cent of the value of the fund, or less to secure a necessary liquidity in the fund. In addition, exposure may be increased by taking different positions on both the short side and the long side. The exposure from these positions may increase the gross exposure for the fund up to 100 per cent of the fund's value. The starting point is that this further exposure, in addition to the initial 100 per cent on the long side, will be roughly as great on the short side as on the long side. The fund shall have a gross exposure no greater than 200 percent of the fund's value and a

long net exposure of approximately 100 per cent of the fund's value or less with regard to required liquidity in the fund.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund shall continuously invest at least 90 per cent of the fund's value in equities and / or other equity-related financial instruments, which includes, in addition to ordinary shares (Sw. *stamaktier*), i.e. preferential shares and convertibles.

The fund shall have a net exposure of at least 90 per cent of the fund's value attributable to the real estate sector and closely related sectors, such as construction and housing development.

The fund has a main geographical focus on the Nordic region. The fund's assets may as a part of the investment strategy be invested in, amongst other, equities and other financial instruments that at the time of investments are held for trading at a regulated market in the Nordic region or meets the requirement to be listed in such a market within one year from the issue or subject to regular trading on another market in the Nordic region that is regulated and open for the public or that are issued by an issuer which at the time of the investment has its registered office in the Nordic region. The fund's assets may also be invested in equities or other financial instruments that at the time of investment is traded in Swedish kronor or another local Nordic currency. The fund may continuously have a net exposure amounting to a maximum of 15 per cent of the fund's value against investment with a focus on Europe.

Regardless of what is stated above regarding the fund's sector and geographical focus, the fund may hold such financial instruments that have been included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

Underlying assets to derivative instruments that is included in the fund shall be made up of or related to assets referred to in Chapter 5, Section 12, Paragraph 1 of the LVF.

### § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market or on another market, within or outside of the EEA, which is regulated and open to the public (e.g. a MTF-platform).

### § 7 Special investment policy

The fund may make use of such transferable securities and money market instruments as detailed in chapter 5 § 5 of the LVF.

The fund may use derivative instruments as part of the fund's investment strategy. The fund may invest in OTC derivatives in accordance with Chapter 5, Section 12, second paragraph of the LVF.

The fund may use such techniques and instruments as referred to in Chapter 25, Section 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

### § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, fund units and derivative instruments are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.
- Such transferable securities and money market instruments as explained in chapter 5, section 5 of the LVF are given a market value in accordance with specific valuation. The basis for the specific valuation can include: market prices from unauthorised regulated markets or 'market makers'; other financial instruments traded on a regulated market or index, adjusted for differences in credit risk and liquidity (the reference value); discounted cash flows (discounted value); or the capital share of the equity (closing value).
- For OTC derivatives, a market value is established in accordance with a separate valuation. The basis for the separate valuation includes market prices from unauthorised, regulated markets or 'market makers', a reference valuation based on a similar derivative traded on a regulated market or a market value based on generally accepted valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including bank account deposits, short-term investments in money markets and funds in credit institution accounts.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The fund liabilities are calculated as follows:

- Accrued management remuneration.
- Remuneration to the depositary.
- Acquisitions not settled.
- Tax liabilities.
- Other fund liabilities.

Since the fund has several share classes, the management company must take this into account when calculating the value of a fund unit in the respective share class. The value of a unit in a particular share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of fund units shall be calculated daily (each business day) by the management company.

### § 9 Sale and redemption of units

#### § 9.1 General regulations

Subscriptions (unitholder 'purchases) and redemptions (unitholders' sales) can be made on each banking day. The request for subscription or redemption of units is made as stated on the management company's website, [www.lannebofonder.se](http://www.lannebofonder.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible. Subscriptions

are at a minimum amount of SEK 100, or corresponding amount in Euro, Norwegian krona or Danish Krona.

Requests for redemption may only be revoked if the management company permits.

The subscription price of a fund unit will be the unit value on the business day the subscription is made. Subscriptions and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the purchase and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

In order to avoid the fund's managed capital being at a size which means that the fund cannot be managed in a manner optimal to both the fund and existing unitholders, the management company is entitled to decide to close the fund, which means that new units cannot be sold. Such a decision on closure presumes that the fund's managed capital amounts to a size in excess of the capital limit established by the management company for optimal management. The capital limit set by the management company for optimal management is stated in the company's information brochure. Any decision on closure of the fund shall be publicised in conjunction with the decision, no later than 10 days prior to the day after which the closure takes effect and the fund is closed. The management company's decision on opening a fund shall likewise be publicised in conjunction with the decision, no later than 10 days prior to the day that the sale of new units can take place again. Information on the decision to close or open a fund shall be published on the management company's website.

#### § 9.2 Conditions for the currency in which the sale and redemption of units take place

Subscriptions and redemption of fund units in share classes A SEK, B SEK, A SEK C, B SEK C, A SEK F and B SEK F takes place in Swedish krona.

Subscriptions and redemption of fund units in share classes A EUR, B EUR, A EUR C, B EUR C, A EUR F and B EUR F takes place in Euro.

Subscriptions and redemption of fund units in share classes A NOK, B NOK, A NOK C, B NOK C, A NOK F and B NOK F takes place in Norwegian krona.

Subscriptions and redemption of fund units in share classes A DKK, B DKK, A DKK C, B DKK C, A DKK F and B DKK F takes place in Danish krona.

#### § 9.3 Terms for distribution of fund units in unit class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C

Subscriptions of unit class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C are available only through

- a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer, and

- an insurance company, that within the framework of an agreement with the policyholder invest in the fund, and there an agreement has been entered between the management company and the insurance company or insurance distributor according to which investment in the share class is permitted but where no distribution compensation is added to the insurance company or insurance distributor by the management company

### **§ 10 Extraordinary circumstances**

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

### **§ 11 Fees and remuneration**

#### 11.1 Fees for unit class A SEK, A EUR, A NOK, A DKK, B SEK, B EUR, B NOK and B DKK

Fees shall be paid to the management company as fixed fees and performance fee.

##### *Fixed fee*

The fund shall pay compensation to the management company and the depositary as following.

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.05 per cent per annum of the unit class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its task. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.1 per cent per annum of the unit class's share of the fund's value.

##### *Performance-based fee*

A performance-based fee of twenty (20) per cent of the part of the total return from a share class that exceeds the fund's benchmark, VINX Real Estate SEK NI (where applicable, converted to the same currency in which the share class is traded), is also payable to the management company. The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if the share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated daily but deducted from the fund's account monthly. If the total return of a share class is below the benchmark on a given day and above it on a subsequent day, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when charging the fee. The high water mark can't be reset.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders pay the same performance-based fee per unit for a given day and the underperformance for all unit-holders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in the share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

#### 11.2 Fees for unit class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C

Fees shall be paid to the management company fixed fees and performance fee.

##### *Fixed fees*

Compensation shall be paid to the management company and the depositary as following.

- i. The management company is paid in the form of a fixed

fee. The maximum fee is 0.55 per cent per annum of the unit class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.

- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.6 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.

#### *Performance-based fee*

A performance-based fee of twenty (20) per cent of the part of the total return from a share class that exceeds the fund's benchmark, VINX Real Estate SEK NI (where applicable, converted to the same currency in which the share class is traded, is also payable to the management company. The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if the share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated daily but deducted from the fund's account monthly. If the total return of a share class is below the benchmark on a particular day and above it on a subsequent day, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when charging the fee. The high water mark can't be reset.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders pay the same performance-based fee per unit for a particular day and the underperformance for all unit-holders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in the share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

#### § 11.3 Conditions for fees for share A SEK F, A EUR F, A NOK F, A DKK F, B SEK F, B EUR F, B NOK F and B DKK F

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.65 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.7 per cent per annum of the share class's share of the fund's value.

#### § 11.4 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs

for research.

## **§ 12 Dividends**

### § 12.1 Conditions for dividends for share class A SEK, A EUR, A NOK, A DKK, A SEK C, A EUR C, A NOK C, A DKK C, A SEK F, A EUR F, A NOK F and A DKK F – Accumulated share classes

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. On a request of the unitholder, the dividend shall – after any tax deductions – be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### § 12.2 Conditions for dividend for share class B SEK, B EUR, B NOK, B DKK, B SEK C, B EUR C, B NOK C, B DKK C, B SEK F, B EUR F, B NOK F and B DKK F – Dividend share classes

#### *Yearly dividend*

Dividends are paid in the share class. The fund company decides annually on the dividend to be paid to unit holders for the dividend share class. Dividends are calculated based on the share class's share of the fund's value. In determining the size of the dividend, the change in the value of a fund unit of the dividend share class held since the previous dividend is taken into account as a starting point. The fund company may determine the dividend to be an amount higher or lower than the change in value. For more information on the objective regarding the size of the dividend, refer to the information brochure. With regard to the fund's first dividend, the statement above regarding the previous dividend should instead refer to the time of introduction of the dividend share class.

For a dividend amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, pay the dividend in cash unless a special request has been made for reinvestment of dividends. The request for reinvested dividends must be made in writing and must be submitted to the fund company no later than 10 banking days prior to the record date for the dividend. Disbursement of dividends shall be made during the month of January of the year following the end of the financial year to unit holders who are registered shareholders in the dividend share class on the record date as determined by the fund company.

The dividend affects the relationship between the value of shares that are accumulating and the value of shares that are dividend shares by reducing the value of the dividend shares in relation to the size of the dividend.

#### *Additional dividends*

As a general rule, no further dividend is paid in the share class. However, the fund company may resolve on a further dividend to the fund unit owners if, in the fund company's assessment, necessary to safeguard the unit owners' common interest. Dividends are then paid to such an extent and on the day deemed appropriate. For dividends amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, acquire new fund units on behalf of a unit owner that is registered on a fixed date. At the request of a unitholder, dividends - after any tax deduction - may instead be paid to the unitholder. Such a request must be made no later than the date decided by the fund company.

### § 13 The fund's financial year

The fund's financial year is the calendar year.

### § 14 Half-year report and annual report, changes to the fund rules

The management company must prepare annual reports and half-yearly reports. On request, the documents shall be sent free of charge to the unitholders and be made available at the management company and depository, at the latest by four months following the end of the financial year (annual report); and two months following the middle of the year (half-yearly report).

Changes to the fund rules may only be made through a decision from the management company board and must be passed to the Swedish Financial Supervisory Authority for approval. Once the change is approved, the decision shall be made available at the management company and depository and be published by such other means.

### § 15 Pledging of units

Unitholders may pledge their units in the fund, unless the fund unitholder is an insurance company that invested the insurance premiums on behalf of the policyholders in accordance with the Swedish Insurance Business Act (2010:2043) or a pension saving institution that invested the pension funds on behalf of the policyholders in accordance with the Swedish Act on Individual Pension Savings (1993:931).

When pledging, the unitholder or their representative and/or the pledgee must inform the management company in writing accordingly. The notification must include:

- the name of the fund unitholder,
- the name of the pledgee,
- which fund units are included in the pledge, and
- any limitations in the scope of the pledge.

The management company shall sign the pledge in the fund unitholder register and inform the fund unitholder in writing of the pledge registration. The pledge shall cease when the pledgee informs the management company in writing. The management company has the right to claim remuneration from the unitholders for the registration. This fee is a maximum of SEK 500.

### § 16 Limitation of liability

#### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, section 21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed.

The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depository. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depository. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depository in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

#### § 16.2 Limitation of the depository's liability

Without deviating from the provisions of Chapter 3, sections 14–16 of the Swedish Investment Funds Act, the following applies regarding the depository's liabilities:

In the event that the depository has lost financial instruments deposited with the depository, the depository shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depository is not liable for the loss of financial instruments caused by an external event outside the depository's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depository is subject to or itself undertakes such a conflict.

The depository is not liable for any damages other than the damages referred to in the first paragraph, unless the depository intentionally or negligently caused such other damage. The depository is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depository shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depository or other contractors with whom the depository with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depository is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depository of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depository is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depository regarding financial instruments. The depository is in no case responsible for indirect damages. If the depository is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depository shall not

pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is intended for those investors whose sale of units in the fund or other participation in the fund is in conflict with the provisions of Swedish or foreign laws or regulations. Neither is the fund aimed at such investors whose sale or possession of units in the fund would mean that the fund or the management company is obliged/required to take registration action or other measures that they would not otherwise be obliged/required to take. The management company has the right to refuse sale to such investors as referred to above in this paragraph.

The management company may redeem the holder's units in the fund – to the unitholder's contestation – if it appears that the unitholder has subscribed for units in violation of the provisions of Swedish or foreign law or regulations; or that if, due to the unitholder's sales or holdings in the fund, the management company is forced to undertake registration measures or other measures for the fund or management company, which the fund or management company would not be required/obliged to take, if the unitholder did not hold units in the fund.

Redemption as per the preceding paragraph shall be enforced immediately. The provision for payment of redemption amounts in § 9 above shall remain applicable even in the case of redemption in accordance with § 17.

## Annex 1

### Example of calculation of performance fee for Lannebo Fastighetsfond

The fund applies a variable performance fee that is payable if the fund outperforms the benchmark, VINX Real Estate SEK NI. The performance fee is calculated daily but applied monthly. This daily calculation means that the fund's unit price each day is reduced by any performance fee payable. "Applied" means that the sum is debited from the fund's account. The fund uses a collective model where all unitholders pay the same fee per unit wherever any performance fee is payable.

### About the choice of benchmark

The fund invest primarily in companies on the Nordic Stock Exchange and is therefore benchmarked against an equity index for this market known as VINX Real Estate SEK NI. The fund may to some extent invest in stocks that is not included in VINX Real Estate SEK NI.

### Example of calculation of performance fee

The variable fee is accrued daily on the condition that the return exceeds the benchmark. Under the fund rules, the management company may claim 20% of any excess return relative to the benchmark. The performance-based fee may be payable even if the fund generates a negative return but outperforms the benchmark. The deciding factor is the fund's return relative to the benchmark. The fund applies a "high water mark", which means that the fund must attain a new peak level of excess return relative to the benchmark before any further performance fee becomes payable.

The example below illustrates the performance fee payable from the fund after a unitholder invests a sum of SEK 100,000. Besides the performance fee, a fixed management fee of 1% per annum is payable. However, this calculation example illustrates only the effect of the performance fee.

Period	Return for the period before variable performance fee	Benchmark return	Relative return compared with benchmark	Value before variable performance fee	High water mark	Variable performance fee	Variable performance fee	Return for the period after variable performance fee	Value after variable performance fee	NAV per unit
0	-	-	-	100 000	100 000	-	-	-	-	100.00
1	10.0%	1.0%	9.0%	110 000	101 000	1 800	1.80%	8.20%	108 200	108.20
2	-10.0%	1.0%	-11.0%	97 380	109 282	0	0.00%	-10.00%	97 380	97.38
3	10.0%	1.0%	9.0%	107 118	110 375	0	0.00%	10.00%	107 118	107.12
4	20.0%	1.0%	19.0%	128 542	111 479	3 413	3.19%	16.81%	125 129	125.13
5	-1.0%	-5.0%	4.0%	123 878	118 873	1 001	0.80%	-1.80%	122 877	122.88
6	1.0%	5.0%	-4.0%	124 105	129 021	0	0.00%	1.00%	124 105	124.10
7	0.0%	-10.0%	10.0%	124 105	116 118	1 597	1.29%	-1.29%	122 508	122.51
8	0.0%	0.0%	0.0%	122 508	122 508	0	0.00%	0.00%	122 508	122.51

\* This column shows the value that must be exceeded before the management company can claim a variable performance fee. This will rise and fall with movements in the benchmark index. If the management company claims a variable performance fee, a new level is established from which the benchmark must move.

### Example 1

#### Period 1

Return on fund:	10%
Return on benchmark:	1%
Relative return:	9%

The variable performance fee is 20% of the element of the return that exceeds the benchmark. In this case the fee will be:  $20\% \times (110\,000 - 101\,000) = \text{SEK } 1\,800$ . The value SEK 101 000 in the equation is the upwardly adjusted high water mark (what the unitholder would have received if he or she had invested in the benchmark) that must be exceeded before a variable performance fee becomes payable.

#### Period 2

Return on fund:	-10%
Return on benchmark:	1%
Relative return:	-11%
The fund's return from the start:	-2.6%
Benchmark's return from the start:	2.0%
Accumulated relative return:	-4.6%

No variable performance fee is payable for the second period, because the return on the fund lagged behind the benchmark.

#### Period 3

Return on fund:	10%
Return on benchmark:	1%
Relative return:	9%
The fund's return from the start:	7.1%
Benchmark's return from the start:	3.0%
Accumulated relative return:	4.1%

Nor is any variable fee payable for the third period, even though the fund outperformed the benchmark. The reason for this is that the underperformance of the previous period must be made up before any variable performance fee becomes payable and the fund's new high water mark must be exceeded before any variable performance fee is payable. The high water mark in the table above is based on the higher of the two alternatives: either (1) the previous period's high water mark, linked to the benchmark performance in the current period; or (2) the fund's closing value for the previous period, linked to the benchmark performance in the current period

#### Period 4

Return on fund:	20%
Return on benchmark:	1%
Relative return:	19%
The fund's return from the start:	25.1%
Benchmark's return from the start:	4.1%
Accumulated relative return:	21.1%

A variable performance fee is, however, again payable for the fourth period, because the value of the investment before the variable performance fee exceeds the high water mark. In this case, the variable performance bonus is:  $20\% \times (128\,542 - 111\,479) = \text{SEK } 3\,413$ . The figure of SEK 111 479 in the equation reflects the high water mark that must be exceeded before any variable performance fee becomes payable.

#### Period 5

Return on fund:	-1%
Return on benchmark:	-5%
Relative return:	4%
The fund's return from the start:	22.9%
Benchmark's return from the start:	-1.1%
Accumulated relative return:	24.0%

During this period, the return on the fund is negative, but the return on the benchmark is even worse. This means that the unit value again exceeds the high water mark. The management company can therefore claim a variable performance fee equivalent to:  $20\% \times (123\,878 - 118\,873) = \text{SEK } 1\,001$ .

#### Period 6

Return on fund:	1%
Return on benchmark:	5%
Relative return:	-4%
The fund's return from the start:	24.1%
Benchmark's return from the start:	3.8%
Accumulated relative return:	20.3%

During this period, the return on the fund is positive, but the return on the benchmark is higher. No variable performance fee is payable. The fund's high water mark is adjusted upwards in line with the return on the benchmark.

#### Period 7

Return on fund:	0%
Return on benchmark:	-10%
Relative return:	10%
The fund's return from the start:	22.5%
Benchmark's return from the start:	-6.6%
Accumulated relative return:	29.1%

During this period, the fund is unchanged, while the benchmark goes back 10%. The high water mark thus goes down and the unit value exceeds this. The management company can therefore claim a variable performance fee equivalent to:  $20\% \times (124\,105 - 116\,118) = \text{SEK } 1\,597$ .

#### Period 8

Return on fund:	0%
Return on benchmark:	0%
Relative return:	0%
The fund's return from the start:	22.5%
Benchmark's return from the start:	-6.6%
Accumulated relative return:	29.1%

During this period, the fund is unchanged. The benchmark is also unchanged. No variable performance fee is payable. The fund's high water mark is unchanged through to the next period.

### Example 2 -Unitholder buys in period 2 and sells in period 3

This example can also be used to illustrate the effect of the variable performance fee being paid straight out of the fund and not by each individual unitholder.

A unitholder investing in period two acquires units at a price (NAV) of SEK 97.38. The price rises to SEK 107.12 in the next period. This is a return of 10%. Meanwhile the benchmark gains

1%. However, the management company is not due a variable performance fee, because the high water value was not exceeded. In other words, this unitholder can "ride piggyback" due to previous periods' underperformance.

### Example 3 -Unitholder buys in period 4 and sells in period 5

This example can also be used to illustrate the effect of the management company receiving a variable performance fee when the fund's return is negative but still better than the benchmark.

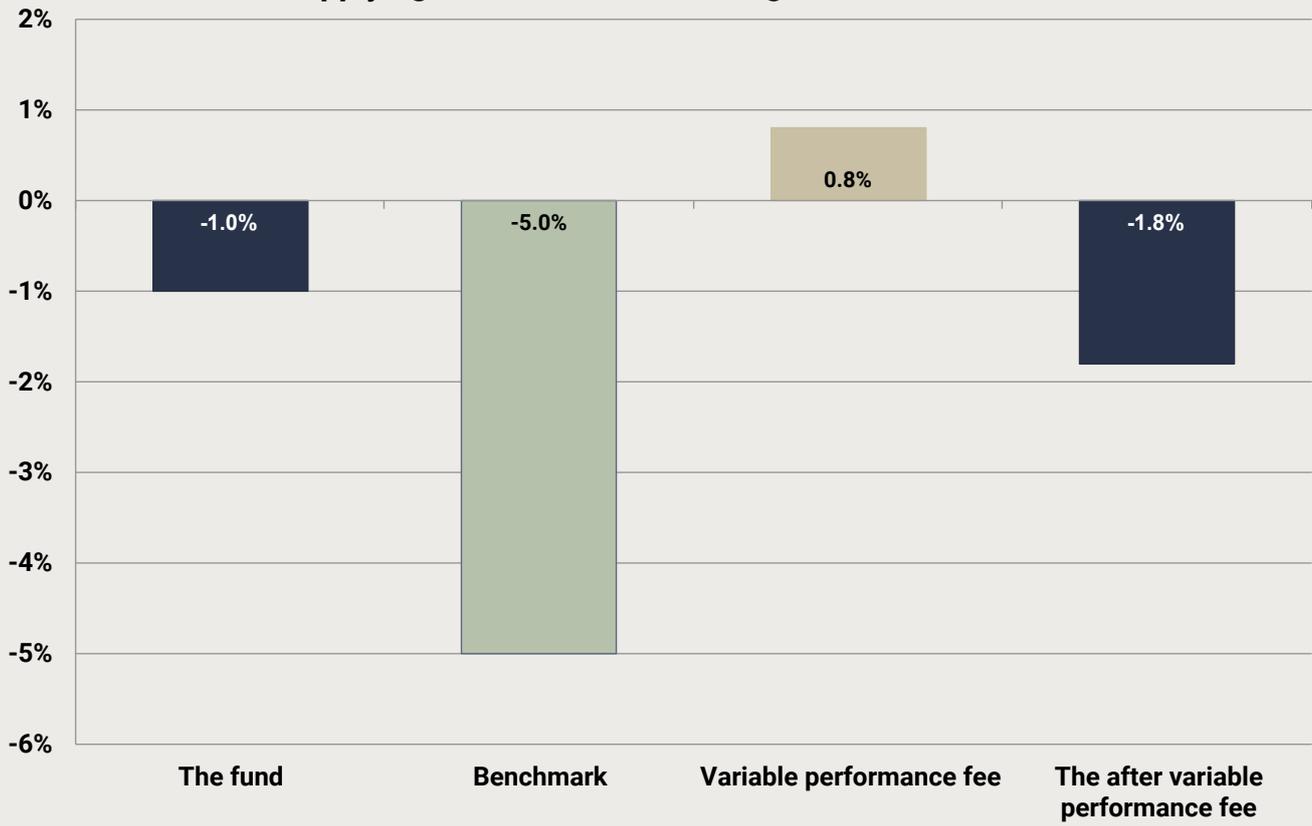
A unitholder investing in period 4 acquires units at a price (NAV) of SEK 125.13. The price before variable performance fee drops to SEK 123.88. This is a return of -1%. Meanwhile the benchmark falls by 5%. The performance fee is  $20\% \times (123\,878 - 118\,873) = \text{SEK } 1\,001$ . The price after variable performance fee is SEK 122.88, which represents a fall of 1.8%.

### Applying a fee in the case of negative absolute return

The performance fee may be payable even if the fund generates a negative return but outperforms the benchmark. The fund must, however, always exceed the high water mark in order for a variable performance fee to be payable. The diagram on the next page illustrates this situation:

In this case, the fund falls by 1% while the benchmark falls by 5%. The excess return against the benchmark is therefore 4%. If the fund value exceeds the high water value, a variable performance fee is payable. This amounts to  $20\% \times 4\% = 0.8\%$ . The fund's return after variable performance fee is thus -1.8%.

### Applying a fee in the case of negative absolute return



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

**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:**  
Lannebo Fastighetsfond

**Legal entity identifier:**  
549300P1LRETLDRKHC53

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

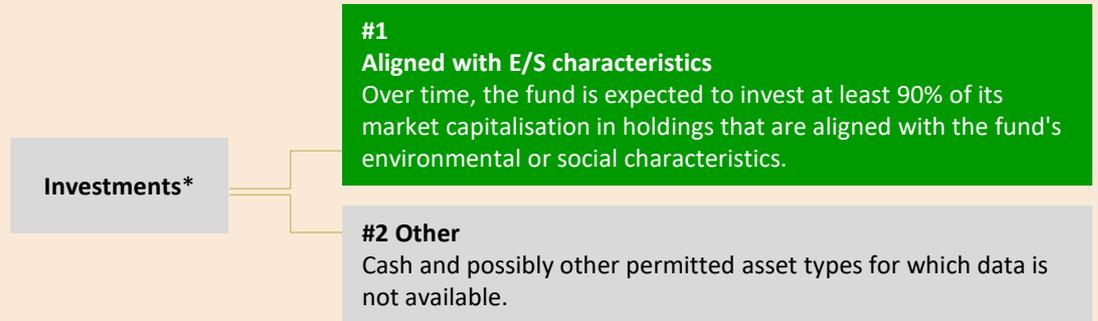
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

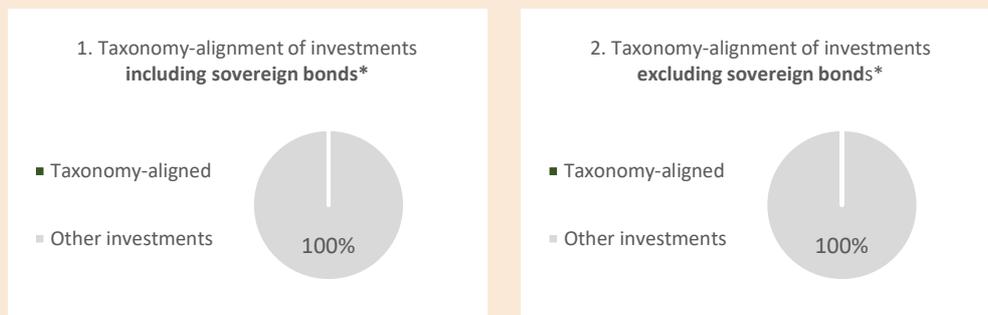
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Mixfond

Swedish-registered balanced fund (UCITS)

### Objective and investment policy

The fund is an actively managed balanced fund that invests in equities in Sweden and globally as well as in fixed-income securities.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The fund may invest up to 100 per cent of the fund's assets in either equities or fixed-income securities. Depending on the fund managers' market outlook, the fund managers decide the fund's allocation between equities and fixed income securities. The fund managers then select the companies to invest in. The fund primarily invests in Sweden, but has global investment opportunities.

The fund invests in companies where the fund managers can have a qualified opinion about the company's future and where the valuations are attractive enough.

The fund's fixed income investments are primarily in fixed income securities issued by companies, for instance corporate bonds and commercial paper. The fund may invest in both fixed-income securities with low or no credit ratings and those with a high credit rating (investment grade). The fund managers assess the credit quality of the investments regularly. The average assessed creditworthiness of the holdings must at least meet investment grade. The credit and interest-rate duration of the fund's holdings is a maximum of five years. The fund manager chooses a longer fixed interest-rate duration if they believe in decreasing market rates, where as if the fund manager believes in rising market rates they will choose shorter fixed interest-rate duration.

The fund is actively managed and follows no index. The allocation between equities and fixed income markets is decided by the fund managers based on their market outlook, and individual shares and fixed-income investments are chosen based on the fund manager's own assessments; therefore deviations from the benchmark index can be both larger and smaller over time. The objective, according to the fund rules, is to generate good returns over the long term, taking into account the fund's risk level. The fund seeks to minimize the effects of exchange rate fluctuations by investments hedged in foreign currency to Swedish kronor with the help of derivatives. Derivatives may be used to adjust the fund's exposure to equity and fixed income markets.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The aim under normal circumstances is to manage the fund's currency risk by hedging the securities issued in foreign currency.

The fund is authorized under Chapter 5 § 8 of the Swedish Securities Fund Act (2004:46), which means that more than 35 per cent of the fund's assets may be invested in bonds and other debt instruments issued or guaranteed by a Nordic state or municipality.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use

other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is a composite index consisting of 50 per cent SIX Portfolio Return Index and 50 per cent Solactive SEK IG Credit Index. Before 1 June 2020, the fund's benchmark was a composite index consisting of 50 per cent SIX Portfolio Return Index and 50 per cent NOMX Credit SEK Total Return Index. Before January 2016, the fund's benchmark was a composite index consisting of 50 per cent SIX Portfolio Return Index and 50 per cent OMRX Statsskuldväxelindex.

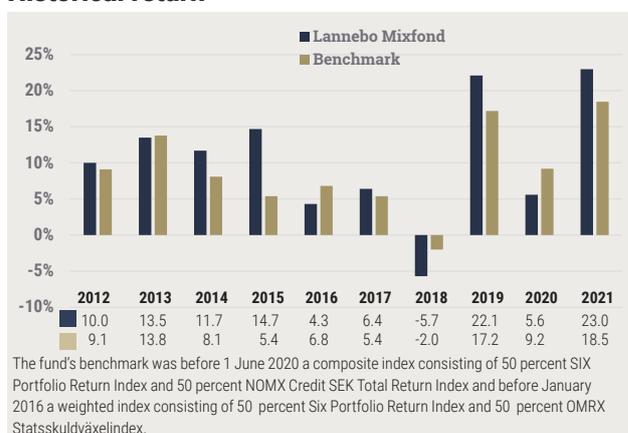
The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of units of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have two share classes: SEK and EUR. Currently, only share class SEK is offered.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

### Average annual return, %

- Last 3 years	16.6
- Last 5 years	9.7
- Last 10 years	10.3

Key figures	2021	2020	2019	2018	2017
Active Share, %	n.a.	n.a.	n.a.	n.a.	n.a.
Information ratio	0.1	0.1	0.0	-0.6	-0.2
Sharpe ratio	1.1	1.0	0.9	0.2	0.9
Turnover ratio	0.6	0.8	0.9	1.0	0.8

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about

the fund or when receiving basic information from a sales person or distributor.

#### *Investment Objective*

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is intended for investors with a medium-term investment horizon (at least 3 years).
- The fund is not suitable for investors who want an investment with a particular focus.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 5 out of 7, which corresponds to a medium risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 5 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **The fund's risk profile**

Lannebo Mixfond is an actively managed balanced fund that actively allocates fund assets between equities and fixed income securities. Investments in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. In Lannebo Mixfond, this risk can be reduced further as a result of the fund always having a certain proportion of its assets invested in fixed-income securities and/or money-market instruments (strategic allocation). Thus the fund offers a lower market risk than a traditional equity fund.

The company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis. However, the management company does not aim to expose these funds to market risks substantially exceeding the market risk for a subjective selection of comparable competing funds.

Lannebo Mixfond invests in fixed-income securities, which means that the fund is exposed to *interest rate risk*. This means that the value of the fund's assets may decrease if the underlying market is increasing. The fund's interest-rate duration, i.e. the average remaining fixed interest term, exceeds normally not 5 years. Interest rate risk can therefore be substantially higher than in a fixed-income fund.

The fund is able to invest in transferable securities, money-market instruments, derivative instruments, fund units and

deposits with credit institutions. This means that the fund is exposed to *credit risk* that is greater compared to financial instruments issued by companies with high credit rating. The fund's credit duration, i.e. the average remaining maturity, exceeds normally not 5 years. The credit risk holds increased opportunity for profit, but also the potential for the value of the fund assets to be reduced if there is a worsened market perception of the instrument issuer's credit rating. There is also a higher risk that the instrument issuer may not be able to meet the payment obligations for the instrument, which could mean that the entity of or part of the instrument value is lost. This risk is reduced through a good spread between various issuers and issues.

Lannebo Mixfond is able to invest in foreign negotiable securities. This means that the fund may be exposed to *currency risk*. Hedging of currencies is possible according to the fund rules, but occurs normally only for fixed-income securities.

*Liquidity risk* – i.e. the risk that a security cannot be traded at the intended time without a major price reduction or large costs may be higher than in funds that only invest in financial instruments issued by companies with an assessed high credit rating. The corporate bond market is characterized by lower transparency and liquidity than is the case for e.g. the stock market. Liquidity may vary more as a result of changes in demand and supply, which entails a risk that holdings in corporate bonds may be more difficult to value or sell as a result of weak demand. In the event of limited liquidity in the market, larger withdrawals from the fund may mean that holdings need to be sold at unfavorable prices and, in exceptional cases, mean that withdrawals cannot take place immediately upon request. This places somewhat greater demands on the management of the fund and that the fund at all times has a suitable composition of holdings in order to be able to manage the liquidity risk in an efficient manner.

The fund may lend a portion of the fund's holding in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. The aim is to primarily manage the currency risk in the fund's fixed-income securities, but derivatives may also be used to reduce the fund's costs and risks. The fund may use derivatives to adjust the fund's exposure to equity and fixed income markets, which means that the fund's market risk could increase. The scope of the trade is if appropriate limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example,

lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

The fund may be exposed to *operational risk* as a result of the fixed income market's lower transparency and standardization. This is especially true in the event of market turmoil and possible credit events. Operational risk is the risk of loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement and valuation routines.

### OTC-derivatives and collaterals

The fund uses OTC derivatives in order to manage the fund's currency risk by hedging securities issued in foreign currency. Trading may only be done with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk. Permitted collateral have highly rated creditworthiness with low or no valuation deductions. The value of the collateral shall at least correspond to the current counterparty exposure.

### The fund's grade of activity

#### The management of the fund

The fund is an actively managed balanced fund that invests in equities in Sweden and globally as well as in fixed-income securities. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### Benchmark

The management of the fund may be compared with the fund's benchmark which is a composite index consisting of 50 per cent SIX Portfolio Return Index and 50 per cent Solactive SEK IG Credit Index. SIX Portfolio Return Index is an index devised on the basis of reflecting market trends for companies on the Stockholm Stock Exchange, with the restriction that no company may exceed 10 per cent and that companies comprising 5 per cent or more must not total more than 40 per cent together (weighting restriction in accordance with UCITS). The SIX Portfolio Return Index further takes account of the return the shareholders receive in the form of a dividend. Solactive SEK IG Credit Index is an index that has been based to reflect developments in corporate- and community bonds issued in SEK and with a high credit rating, better known as investment grade.

The composite benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. The composite benchmark is motivated since it is a comparison object that, in a relevant way, reflects the allocation of assets that the fund has, over time. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### Active risk (tracking error) for the last 10 years

The fund started in 2000.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
	4.2	4.5	3.7	2.5	3.2
Tracking error, %	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
	3.7	3.7	2.2	1.8	2.1

Before 1 June 2020, the fund's benchmark was a composite index consisting of 50 per cent SIX Portfolio Return Index and 50 per cent NOMX Credit SEK Total Return Index. Before January 2016, the fund's benchmark was a composite index consisting of 50 per cent SIX Portfolio Return Index and 50 per cent OMRX Statsskuldväxelindex. The measures of activity for the years 2011–2015 therefore refers to 50 per cent SIX Portfolio Return Index and 50 per cent OMRX Statsskuldväxelindex. The measures of activity for the years 2016 – 2019 refers to 50 per cent SIX Portfolio Return Index and 50 per cent NOMX Credit SEK Total Return Index.

#### Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, since the fund is a balanced fund, with holdings in both shares and interest bearing securities, the measure of activity for the fund is generally lower than for an actively managed share fund but generally higher than for an actively managed fixed income fund.

The measure of activity did decrease slightly during 2021, compared to 2020, but was still, compared with previous years, relatively high. The reason therefore is that the fund during 2021 have had a higher amount of shares than its benchmark. Among these shares there has further been a large amount of smaller companies, compared with the holdings of the benchmark. The fund has further had a higher concentration of companies listed on other markets than the Swedish market.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 4, it can theoretically be expected that the fund returns plus or minus 4 per cent against its benchmark two years out of three.

### Maximum fees

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.65%
Remuneration to the depositary:	0.05%

### Current fees

The following information is provided regarding current fees

that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided:

Sales fee:	0%
Redemption fee	0%
Management fee, including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Mixfond, hereinafter referred to as the fund, is a UCITS fund as defined in the Swedish Securities Fund Act (SFS 2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- A. Share class SEK - traded in SEK
- B. Share class EUR - trades in euro

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

### § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive

2009/65/EC in regards of requirements for depositaries.

### § 4 Nature of the fund

The fund is an actively managed balanced fund with focus on Sweden but has global investment opportunities.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk. Capital growth is defined as realised and unrealised capital gains on the fund's holdings of securities plus dividends and option premiums received and interest income net of costs and any taxes.

### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund is an actively managed balanced fund with focus on Sweden but has global investment opportunities. The Management Company will determine, taking into account market conditions, allocation between equities and fixed income securities, and geographic allocation. The fund may be completely or largely, ie up to and including 100 percent of the value of the fund, exposed to equities or interest rates, and to individual geographic markets.

Regardless of what is stated above regarding the fund's geographical focus, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

The fund is diversified and does not focus on a particular sector.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

### § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

### § 7 Special investment policy

The fund may make use of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

According to chapter 5, section 8 of the Swedish Securities Fund Act, the fund may hold an unlimited number of bonds and other promissory notes issued by or guaranteed by a government, a municipality or a government or municipal authority in a country within the EEA or by an international body of which one or more states within the EEA are members, on the condition that these derive from at least six different issues and that none of the acquisitions exceeds 30% of the value of the fund. In respect of funds intended to be invested in at over 35 per cent of the fund value, information on the issuers or guarantors issuing or guaranteeing promissory notes can be found in the information brochure.

The fund may use such techniques and instruments as referred to in chapter 25 § 13 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

### § 8 Valuation

The value of the fund is calculated by subtracting from the

fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and fund units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and fund units may be included at a value arrived at by the management company on an objective basis.
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation will be market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on a derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depository's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

As the fund has two share classes, one which is traded in Swedish kronor and one traded in euros, the management company take this into account when calculating the value of a unit in each share class. The value of a unit in each share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of the units is to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sale (unit holder 'purchases) and redemptions (unitholders' sales) can be made on each banking day. The request for sale or redemption of units is made as stated on the management company's website, [www.lannebo.se](http://www.lannebo.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Sales are at a minimum amount of SEK 100 or the equivalent in Euro.

Requests for redemption may only be revoked if the management company permits.

The sale price of a fund unit will be the unit value on the business day the subscription is made. The redemption price of a fund unit will be the unit value of the business day the redemption is done. Sales and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the sale and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

### § 9.2 Conditions for the currency in which the sale and redemption of units take place

Sales and redemption of fund units in share class SEK are in Swedish krona.

Sales and redemption of fund units in share class EUR are in Euro.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

## § 11 Fees and payments

### § 11.1 Fees for share class SEK, EUR, NOK and DKK

Fees shall be paid to the management company and the depository as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.65 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depository for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.7 per cent per annum of the share class's share of the fund's value.

### § 11.2 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

## § 12 Dividends

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depository within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depository and be published by such other means as the Swedish Financial Supervisory Authority instructs.

## **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge, and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

## **§ 16 Limitation of liability**

### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depository. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages

caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depository. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depository in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

### § 16.2 Limitation of the depository's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depository's liabilities:

In the event that the depository has lost financial instruments deposited with the depository, the depository shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depository is not liable for the loss of financial instruments caused by an external event outside the depository's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depository is subject to or itself undertakes such a conflict.

The depository is not liable for any damages other than the damages referred to in the first paragraph, unless the depository intentionally or negligently caused such other damage. The depository is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depository shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depository or other contractors with whom the depository with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depository is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depository of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depository is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depository regarding financial instruments. The depository is in no case responsible for indirect damages. If the depository is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depository shall not

pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Mixfond

**Legal entity identifier:**  
549300QG0J2673JXLY25

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrate sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fundholding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



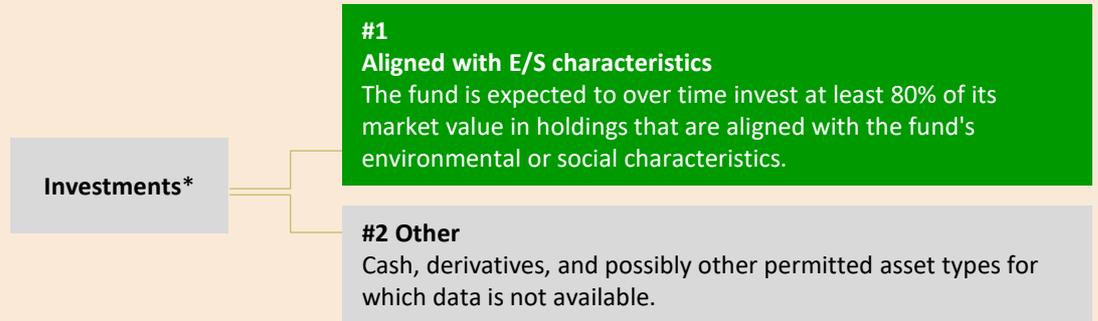
## What is the asset allocation planned for this financial product?

### 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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

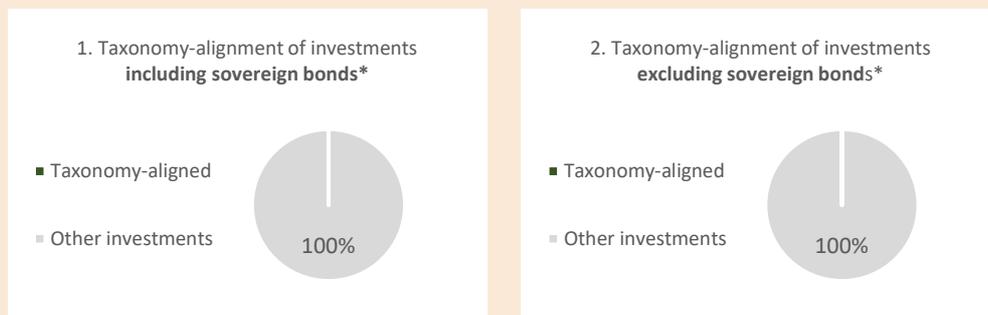
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management, derivatives, and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Mixfond Offensiv

Swedish-registered balanced fund (UCITS)

### Objective and investment policy

The fund is an actively managed balanced fund that invests in equities in Sweden and globally as well as in fixed-income securities.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The allocation to listed equities amounts to between 50 and 100 per cent of the assets. The allocation in interest-bearing securities cannot exceed 50 per cent of the assets.

The fund primarily invests in Sweden, but has global investment opportunities. Over time, at least 50 per cent of the fund's assets will be invested in Sweden, while the remaining 50 per cent may be invested globally.

The fund invests in companies where the fund managers can have a qualified opinion about the company's future and where the valuations are attractive enough.

The fund's fixed income investments are primarily in fixed income securities issued by companies, for instance corporate bonds and commercial paper. The fund may invest in both fixed-income securities with low or no credit ratings and those with a high credit rating (investment grade). The fund managers assess the credit quality of the investments regularly. The average assessed creditworthiness of the holdings must at least meet investment grade. The credit and interest-rate duration of the fund's holdings is a maximum of five years. The fund manager chooses a longer fixed interest-rate duration if they believe in decreasing market rates, where as if the fund manager believes in rising market rates they will choose shorter fixed interest-rate duration.

The fund is actively managed and follows no index. The allocation between equities and fixed income markets is decided by the fund managers based on their market outlook, and individual shares and fixed-income investments are chosen based on the fund manager's own assessments; therefore deviations from the benchmark index can be both larger and smaller over time. The objective, according to the fund rules, is to generate good returns over the long term, taking into account the fund's risk level. The fund seeks to minimize the effects of exchange rate fluctuations by investments hedged in foreign currency to Swedish kronor with the help of derivatives. Derivatives may be used to adjust the fund's exposure to equity and fixed income markets.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The aim under normal circumstances is to manage the fund's currency risk by hedging the securities issued in foreign currency.

The fund is authorized under Chapter 5 § 8 of the Swedish Securities Fund Act (2004:46), which means that more than 35 per cent of the fund's assets may be invested in bonds and other debt instruments issued or guaranteed by a Nordic state or municipality.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use

other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is a composite index consisting of 75 per cent SIX Portfolio Return Index and 25 per cent Solactive SEK IG Credit Index. Before 1 June 2020, the fund's benchmark was a composite index consisting of 75 per cent SIX Portfolio Return Index and 25 per cent NOMX Credit SEK Total Return Index. Before June 2018, the fund's benchmark was SIX Return Index.

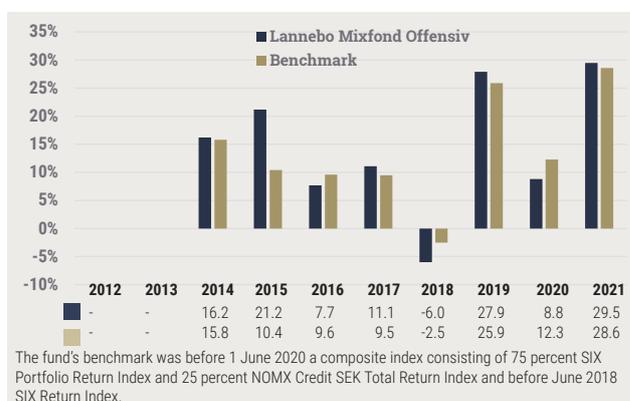
The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of units of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have four share classes: SEK and EUR and SEK C and EUR C. Currently, only share class SEK and SEK C is offered. Those who wish to invest in share class SEK C are, however requested to contact the management company for further information.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Please note that past performance) has been achieved under circumstances that no longer apply. Significant changes have been made to the fund's objective and investment policy since the fund rules were changed in June 2018. In connection with these changes, the fund also changed the benchmark index, which was again changed in June 2020.

### Average annual return, %

- Last 3 years	21.7
- Last 5 years	13.5
- Last 10 years	n.a.

Key figures	2021	2020	2019	2018	2017
Active Share, %	n.a.	n.a.	78	78	78
Information ratio	-0.3	-1.6	-0.8	0.0	0.0
Sharpe ratio	1.1	1.0	0.9	0.4	0.9
Turnover ratio	0.6	0.8	0.9	1.4	1.3

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in

funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### *Investment Objective*

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is not suitable for investors who want an investment with a particular focus.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **Risk profile**

Lannebo Mixfond Offensiv is an actively managed balanced fund that actively allocates fund assets between equities and fixed income securities.

Savings in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. In Lannebo Mixfond Offensiv, this risk can be reduced further as a result of the fund always having a certain proportion of its assets invested in fixed-income securities and/or money-market instruments (strategic allocation). Thus the fund offers a lower market risk than a traditional equity fund.

The management company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis. However, the management company does not aim to expose these funds to market risks substantially exceeding the market risk for a subjective selection of comparable competing funds.

Lannebo Mixfond Offensiv invests in fixed-income securities, which means that the fund is exposed to *interest rate risk*. This means that the value of the fund's assets may decrease if the underlying market is increasing. The fund's interest-rate duration, i.e. the average remaining fixed interest term, ex-

ceeds normally not 5 years. Interest rate risk can therefore be substantially higher than in a fixed-income fund.

The fund is able to invest in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. This means that the fund is exposed to *credit risk* that is greater compared to financial instruments issued by companies with high credit rating. The fund's credit duration, i.e. the average remaining maturity, exceeds normally not 5 years. The credit risk holds increased opportunity for profit, but also the potential for the value of the fund assets to be reduced if there is a worsened market perception of the instrument issuer's credit rating. There is also a higher risk that the instrument issuer may not be able to meet the payment obligations for the instrument, which could mean that the entity of or part of the instrument value is lost. This risk is reduced through a good spread between various issuers and issues.

Lannebo Mixfond Offensiv is able to invest in foreign negotiable securities. This means that the fund may be exposed to *currency risk*. Hedging of currencies is possible according to the fund rules, but occurs normally only for fixed-income securities.

*Liquidity risk* – i.e. the risk that a security cannot be traded at the intended time without a major price reduction or large costs may be higher than in funds that only invest in financial instruments issued by companies with an assessed high credit rating. The corporate bond market is characterized by lower transparency and liquidity than is the case for e.g. the stock market. Liquidity may vary more as a result of changes in demand and supply, which entails a risk that holdings in corporate bonds may be more difficult to value or sell as a result of weak demand. In the event of limited liquidity in the market, larger withdrawals from the fund may mean that holdings need to be sold at unfavorable prices and, in exceptional cases, mean that withdrawals cannot take place immediately upon request. This places somewhat greater demands on the management of the fund and that the fund at all times has a suitable composition of holdings in order to be able to manage the liquidity risk in an efficient manner.

The fund may lend a portion of the fund's holding in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. The aim is to primarily manage the currency risk in the fund's fixed-income securities, but derivatives may also be used to reduce the fund's costs and risks. The fund may use derivatives to adjust the fund's exposure to equity and fixed income markets, which means that the fund's market risk could increase. The scope of the trade is if appropriate limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indi-

rectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

The fund may be exposed to *operational risk* as a result of the fixed income market's lower transparency and standardization. This is especially true in the event of market turmoil and possible credit events. Operational risk is the risk of loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement and valuation routines.

### OTC-derivatives and collaterals

The fund uses OTC derivatives in order to manage the fund's currency risk by hedging securities issued in foreign currency. Trading may only be done with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk. Permitted collateral have highly rated creditworthiness with low or no valuation deductions. The value of the collateral shall at least correspond to the current counterparty exposure.

### The fund's grade of activity

#### The management of the fund

The fund is an actively managed balanced fund that mainly invests in equities in listed companies and in fixed-income securities. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### Benchmark

The management of the fund may be compared with the fund's benchmark which is a composite index consisting of 75 per cent SIX Portfolio Return Index and 25 per cent NOMX Credit SEK Total Return Index. SIX Portfolio Return Index is an index devised on the basis of reflecting market trends for companies on the Stockholm Stock Exchange, with the restriction that no company may exceed 10 per cent and that companies comprising 5 per cent or more must not total more than 40 per cent together (weighting restriction in accordance with UCITS). The SIX Portfolio Return Index further takes account of the return the shareholders receive in the form of a dividend. NOMX Credit SEK Total Return Index is an index that has been based to reflect developments in corporate- and community bonds issued in SEK and with a high credit rating, better known as investment grade.

The composite benchmark is relevant to the fund since it reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. The composite benchmark is motivated since it is a comparison object that, in a relevant way, reflects the allocation of assets that the fund has, over time. Shares often vary more in value over time than interest bearing securities, since the fund is a balanced fund, with holdings in both shares and interest bearing securities, the measure of activity for the fund is generally lower than for an actively managed share fund but generally higher

than for an actively managed fixed income fund. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### Active risk (tracking error) for the last 10 years

The fund started in 2013. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the first two years of the fund.

	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Tracking error, %	4.4	4.1	5.1	4.9	4.4
	31/12/16	31/12/15	31/12/14	31/12/13	
	4.5	3.9	-	-	

Before 1 June 2020, the fund's benchmark was a composite index consisting of 75 per cent SIX Portfolio Return Index and 25 per cent NOMX Credit SEK Total Return Index. Before 1 June 2018, the fund's benchmark was SIX Return Index. The measures of activity for the years 2018 - 2019 therefore refers to 75 per cent SIX Portfolio Return Index and 25 per cent NOMX Credit SEK Total Return Index. The measures of activity for the years 2015–2017 refers to SIX Return Index.

#### Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, since the fund is a balanced fund, with holdings in both shares and interest bearing securities, the measure of activity for the fund is generally lower than for an actively managed share fund but generally higher than for an actively managed fixed income fund.

The measure of activity increased some during 2021 compared with 2020. Compared with previous years, the measure was close to its average. The fund has during 2021 had an amount of shares higher than its benchmark. Among these shares there has further been a large amount of smaller companies, compared with the holdings of the benchmark. The fund has further had a higher concentration of companies listed on other markets than the Swedish market

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return variates in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 4, it can theoretically be expected that the fund returns plus or minus 4 per cent against its benchmark two years out of three.

### Maximum fees

#### *Share class SEK and EUR*

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:

0.0%

Redemption fee:	0.0%
Management fee, including supervision and audit:	1.7%
Remuneration to the depository:	0.1%

#### Share class SEK C and EUR C

The information below is provided regarding the maximum fees the fund management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depository is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0,0%
Redemption fee:	0.0%
Management fee, including supervision and audit:	0.85%
Remuneration to the depository:	0.1%

### Current fees

#### Share class SEK and EUR

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depository is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.6%
Remuneration to the depository:	up to 0.02%

#### Share class SEK C and EUR C

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depository is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.8%
Remuneration to the depository:	up to 0.02%

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

### Fund rules

#### § 1 The fund's legal status

Lannebo Mixfond Offensiv, hereinafter referred to as the "fund", is a securities fund under the Swedish Investment Funds Act (2004: 46) (LVF). The fund operations are conducted in accordance with these fund rules, the Articles of Association of the management company, the Swedish Investment Funds Act and other applicable regulations.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- Share class SEK - traded in SEK (see §9.2 below) with a maximum fee of 1.8 per cent per annum (see §11.1 below).
- Share class EUR - traded in euro (see §9.2 below) with a maximum fee of 1.8 per cent per annum (see §11.1 below).
- Share class SEK C - traded in SEK (see §9.2 below) with a maximum fee of 0.95 per cent per annum and united with terms of distribution.
- Share class EUR C - traded in euro (see §9.2 below) with a maximum fee of 0.95 per cent per annum (see §11.1 below) and united with terms of distribution.

#### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

#### § 3 Depository and its role

The depository of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depository shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depository shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

- the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
- the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
- payments for transactions involving the fund assets are paid to the fund without delay, and
- the fund's revenue is applied in accordance with the regulations and the fund rules.

The depository's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC with regards to obligations of depositaries.

#### § 4 Nature of the fund

The fund is an actively managed fund and the management company will determine, taking into account market conditions, allocation between equities and fixed income securities. The allocation to listed equities amounts to between 50 and 100 per cent of the assets. the allocation in interest-bearing securities cannot exceed 50 per cent of the assets. The fund primarily invests in Sweden but has global investment opportunities. The fund's overall orientation is diversified and thus not specified to any particular industry.

The objective is that by investments allocated in equities and fixed income securities and given a balanced risk level, which is below the risk level of the stock market as entirety but at the same time exceeds the level of risk in the fixed income markets, to achieve as high a return as possible on long term.

#### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The underlying assets of derivative instruments included in the fund shall consist of, or relate to, assets according to Chapter 5 § 12 first paragraph LVF.

The fund is an actively managed balanced fund with focus on Sweden but has global investment opportunities. The management company will determine, taking into account market conditions, allocation between equities and fixed income securities, and geographic allocation.

The fund's investment in equities and equity-related financial instruments shall amount to between 50 and 100 per cent of the assets. The fund's investment in interest-bearing securities and deposits with credit institutions shall not exceed 50 per cent of the fund's assets.

The fact that the fund has a main geographical focus on Sweden means that at least 50 per cent of the fund's assets will focus on Sweden. The fund may, as part of this main focus, invest in such financial instruments as i) are admitted to trading on a regulated market in Sweden, or subject to regular trading in any market in Sweden that is regulated and open to the public, or meets the requirement to within one year from the issue be considered this, or ii) issued by an issuer which has its registered office in Sweden, or iii) traded in Swedish kronor. Furthermore, the fund's assets may be placed in accounts with credit institutions established in Sweden or a branch established in Sweden.

Remaining assets may be invested globally.

Regardless of what is stated above regarding the fund's geographical focus, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

The fund is diversified and does not focus on a particular sector.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

## § 7 Special investment policy

The fund may make use of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

According to chapter 5, section 8 of the Swedish Securities Fund Act, the fund may hold an unlimited number of bonds and other promissory notes issued by or guaranteed by a government, a municipality or a government or municipal authority in the Nordic countries, on the condition that these derive from at least six different issues and that none of the acquisitions exceeds 30 per cent of the value of the fund.

The fund may use such techniques and instruments as referred to in chapter 25 § 13 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and fund units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company,

transferable securities, money-market instruments and derivative instruments and fund units may be included at a value arrived at by the management company on an objective basis.

- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation will be market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on an identical derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

As the fund has several share classes, united with different conditions in some respect, the management company take this into account when calculating the value of a unit in each share class. The value of a unit in each share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of the units is to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sales (unitholder's purchase) and redemption (unitholder's sale) may be conducted on every banking day. Any request for sale or redemption is made as detailed on the management company's website: [www.lannebofonder.se](http://www.lannebofonder.se).

If the funds for redemption are acquired through the sale of securities, then such sale and redemption must be carried out as soon as possible.

The sale of shares is done in minimum amounts of SEK 100.

A request for redemption may only be withdrawn if permitted by the management company.

The sale price for a fund unit is the fund unit value on the banking day that the sale is conducted. The redemption price for a fund unit is the fund unit value on the banking day that the sale is conducted. Sale and redemption are conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption rate are published on the management company's website, at the latest by the banking day following the banking day on which the fund unit value is

established, as set out above.

#### § 9.2 Conditions for the currency in which the subscriptions and redemption of units take place

Sales and redemption of fund units in SEK and SEK C share classes are in Swedish krona.

Sales and redemption of fund units in the EUR and EUR C unit classes are in Euro.

#### § 9.3 Terms for distribution of fund units in share class SEK C and EUR C

Sales of SEK C and EUR C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

### **§ 10 Extraordinary circumstances**

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

### **§ 11 Fees and payments**

#### § 11.1 Fees for share class SEK and EUR

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Depositary fees for the fund assets attributable to the share class. The fee may amount to a maximum of 0.10 per cent per annum of the unit class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.8 per cent per annum of the share class's share of the fund's value.

#### § 11.2 Fees for share class SEK C and EUR C

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.85 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- ii. Depositary fees for the fund assets attributable to the share class. The fee may amount to a maximum of 0.10 per cent per annum of the unit class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.95 per cent per annum of the share class's share of the fund's value.

#### § 11.3 Brokerage fees etc.

Brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments.

### **§ 12 Dividends**

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

### **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

### **§ 16 Limitation of liability**

#### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due

to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depositary, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

#### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of

equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

#### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The management company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Mixfond Offensiv

**Legal entity identifier:**  
5493003MNUPUMDLWBG97

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fundholding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



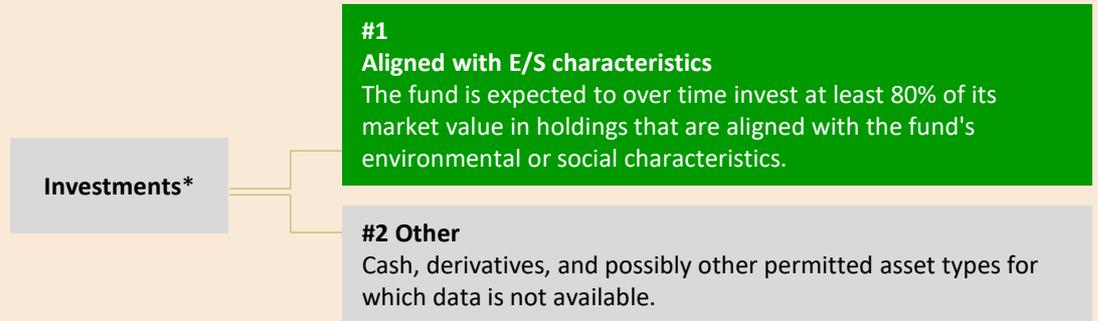
## What is the asset allocation planned for this financial product?

### 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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

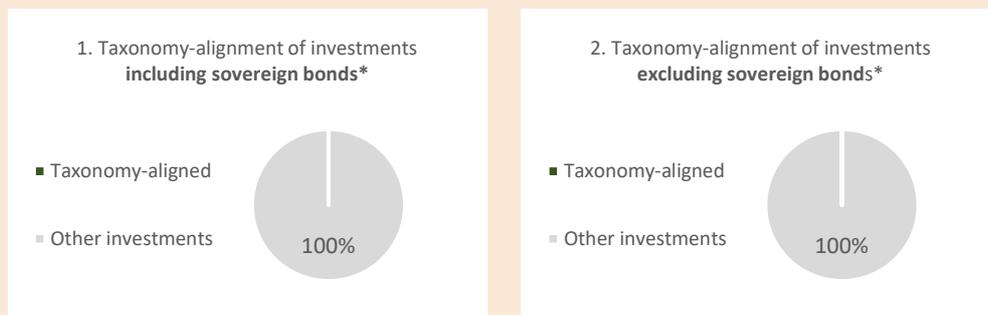
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management, derivatives, and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Norden Hållbar

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that invests in equities in Nordic listed companies.

The fund follows specific sustainability related criteria in the investments. Companies are selected based on three main themes: a better environment, a healthier life and a sustainable society. Otherwise, a company should score a high rating in our sustainability analysis. The fund does neither invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The focus is on fundamental company analysis and valuation of individual shares in companies, whose business models the managers understand. The fund invests in companies where the fund manager can have a qualified opinion about the company's future and where the valuation is attractive enough.

The fund is actively managed and does not follow any index. Stocks are chosen on the basis of the fund manager's assessments; therefore, market deviations may be both larger and smaller over time. Stock selection is based on long-term fundamental analysis combined with portfolio turnover.

The goal, as determined in the fund rules, is to achieve, with due caution, the highest possible value growth and with a good diversification of risk.

The fund may invest in transferable securities, money market instruments, derivative instruments, fund units and cash on account in a credit institution. Up to 10 per cent of the fund's value may be invested in fund units. Trading in derivative instruments may take place as part of the fund's investment orientation. However, the use of derivative instruments is only in exceptional cases and usually does not increase the risk level of the fund.

The fund is able to lend a portion of the securities holdings at a predetermined interest rate accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risk in the management as well as to increase the return and create leverage in the fund. In the case of securities loans and the use of other techniques and instruments, no direct or indirect operating costs / fees are charged to the fund.

The fund's benchmark is VINX Benchmark Cap SEK\_NI

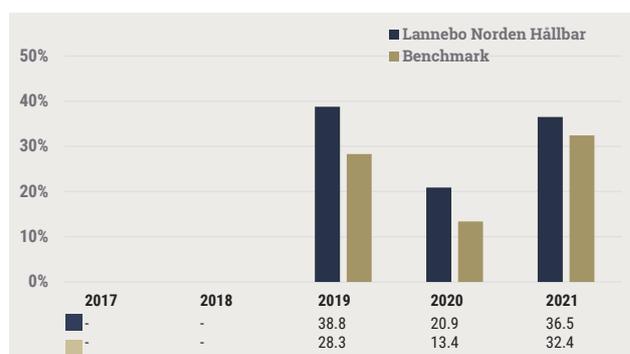
The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have six share classes: SEK, EUR and NOK and SEK C, NOK C and EUR C. Currently, only share class SEK and SEK C has started, share class SEK C is thus not available.

## Historical return



The above graph shows the historical performance in Swedish Krona (SEK) for an investment made at the beginning of the respective year. The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Please note that past performance has been achieved under circumstances that no longer apply. Significant changes of the fund's objectives and investment policy has taken place since the fund rules was altered 22 September 2020.

Annual return, %	2021	2020	2019	2018	2017
Share class SEK C	n.a.	21.8	39.9	n.a.	n.a.

Average annual return, %	Share class SEK	Share class SEK C
- Last 3 years	31.8	n.a.
- Last 5 years	n.a.	n.a.
- Last 10 years	n.a.	n.a.

Key figures	2021	2020	2019	2018	2017
Active Share, %	82	83	82	78	n.a.
Information ratio					
- share class SEK	0.7	1.2	n.a.	n.a.	n.a.
- share class SEK C	n.a.	1.4	n.a.	n.a.	
Sharpe ratio					
- share class SEK	0.6	0.6	n.a.	n.a.	n.a.
- share class SEK C	n.a.	0.6	n.a.	n.a.	n.a.
Turnover ratio	0.5	0.9	0.8	0.6	n.a.

## Target group

### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.

- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is not suitable for investors who want an investment with a particular focus.
- The fund is suitable for investor who want an investment based on sustainability-related criteria in such way that sustainability aspects are crucial for the fund manager's choice of company to invest in.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **Risk profile**

Savings in equities always implies a *market risk* in the form of share price fluctuations. In a fund, this risk is reduced through investments in shares in a variety of companies (diversification) whose prices do not exhibit exactly the same share price fluctuations. The objective is to not expose the fund to market risks that significantly exceed the market risk of a representative sample of comparable competing funds. This is achieved through the diversification set forth by the fund regulations and legislation as well as the company-specific risk analyses. The fund's value may vary, however, due to the composition of the fund and the management methods used by the management company.

The management company's investment philosophy is based on an index-independent management, whereby the fund invests in shares, following fundamental analyses, that are deemed to have good price potential at a reasonable level of risk. Consequently, relative risk such as the fund's tracking error relative to any index are not a type of market risk that the management company intends to limit. The management company is of the opinion that the biggest risk of loss follows as a result of shortcomings in the company-specific investment analysis.

Lannebo Norden Hållbar usually has a large proportion of assets invested in foreign equities, thereby the fund is exposed to a *currency risk*. Hedging of currencies is possible according to the fund's rules but does not normally occur.

Lannebo Norden Hållbar's *liquidity risk*, i.e. the risk that securities cannot be traded at the intended time without major price reductions or substantial costs, is low as a result of the fund's size in relation to the markets the fund invests in.

The fund is able to lend a portion of the holdings in securities at a predetermined interest rate accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade in derivatives as part of its investment policy. However, the fund will normally not use derivative in-

struments and the possibility of using such instruments is therefore not expected to affect the fund's risk profile. When calculating the fund's total exposure, the so-called 'commitment method' is applied, which means that positions are converted to a corresponding position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

### **The fund's grade of activity**

#### *The management of the fund*

The fund is an actively managed equity fund that invests in equities in the Nordic region. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in 20-30 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is VINX Benchmark CAP SEK\_NI. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. VINX Benchmark CAP SEK\_NI consists of a selection of the largest and most traded stocks, with representation from a majority of the sector Industries at NASDAQ Nordic and Oslo Börs. Cap means restriction that no company may exceed 10 per cent and that companies comprising 5 per cent or more must not total more than 40 per cent together (weighting restriction in accordance with UCITS). Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### **Active risk (tracking error) for the last 10 years**

The fund started in 2018. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the fund's first two years.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Share class SEK	8.1	7.3	-	-	-
Share class SEK C	-	7.3			-

#### *Explanation to the achieved measure of activity*

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what in-

vestment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund.

The active risk in the fund during 2021 increased some compared with 2020. The fund has in relative terms had a large amount of smaller companies in the fund, compared with its benchmark. Some of the larger positions in the fund relative their weight in the benchmark have had major deviations compared with the development of the benchmark. For example companies operating within re-newable energy, which have had a poor development on the market during 2021. It has caused a higher volatility in the fund's development.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

### Maximum fees

#### Share class SEK, EUR and NOK

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.7%
Remuneration to the depositary:	0.1%

#### Share class SEK C, EUR C and NOK C

The information below is provided regarding the maximum charges the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.85%
Remuneration to the depositary:	0.1%

### Current fees

#### Share class SEK

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%

Management fee, including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.1%

#### Share class SEK C

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.85%
Remuneration to the depositary:	up to 0.1%

#### Share class EUR, NOK, EUR C and NOK C

Information about current fee for EUR, NOK, EUR C and NOK C is not given as share class EUR, NOK, EUR C and NOK C and EUR C hasn't started yet.

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Norden Hållbar, hereinafter referred to as the "fund", is a securities fund under the Swedish Investment Funds Act (2004: 46) (LVF). The fund operations are conducted in accordance with these fund rules, the Articles of Association of the management company, the Swedish Investment Funds Act and other applicable regulations.

Fund assets are jointly owned by the unitholders. Each unit of each share class have equal rights to the assets included in the fund. The management company listed in §2 manages the fund and represents the unitholders in all matters relating to the fund, decisions on the assets included in the fund and exercise of the rights deriving from the fund. The fund may not acquire rights or assume obligations. The fund targets the general public.

The fund has the following share classes:

- Share class SEK – traded in Swedish krona (see § 9.2 below) and has a maximum fee of 1.8 per cent per year (see § 11.1 below).
- Share class EUR – traded in Euro (see § 9.2 below) and has a maximum fee of 1.8 percent per annum (see § 11.1 below).
- Share class NOK – traded in Norwegian krona (see § 9.2 below) and has a maximum fee of 1.8 per cent per year (see § 11.1 below).
- Share class SEK C – traded in Swedish krona (see § 9.2 below) and has a maximum fee of 0.95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- Share class EUR C – traded in Euros (see § 9.2 below) and has a maximum fee of 0.95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- Share class NOK C – traded in Norwegian krona (see § 9.2 below) and has a maximum fee of 0.95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

### § 2 Management company

The fund is managed by Lannebo Fonder AB, organization number 556584-7042, hereinafter referred to as the management company. The management company maintains a register of all unitholders and pledgees.

### § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

### § 4 Nature of the fund

The fund is an actively managed equity fund with focus on the Nordic region. The management of the fund's assets is characterized by the fact that the fund has a sustainability focus. The fund follows the sustainability-related criteria set out in § 5 below. The fund's overall orientation is diversified and thus not specified to any particular sector.

The fund's overall financial objective is to achieve, with due caution, the highest value growth and with a good diversification of risk.

### § 5 Investment policy

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and in an account at a credit institution. The fund may invest up to 10 per cent of its value in other funds or another management company.

The underlying assets to derivative instruments included in the fund shall consist of or relate to assets according to Chapter 5, §12, first paragraph Swedish Investment Funds Act.

The fund may invest in such financial instruments as i) are admitted to trading on a regulated market in the Nordic region, or subject to regular trading in any other Nordic market that is regulated and open to the public, or meets the requirement to within one year from the issue be considered this, or ii) issued by an issuer which has its registered office in the Nordic region, or iii) traded in a local Nordic currency. Furthermore, the fund's assets may be placed in accounts with credit institutions established in the Nordic region or a branch established in the Nordic region.

The fund shall continuously invest at least 90 per cent of the fund's value in shares and / or other equity-related financial instruments.

The fund follows specific sustainability-related criteria in its investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or sale of fossil fuels, goods and services in the categories of tobacco, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which

more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas). The fund also takes into account such additional criteria as are decided by the management company. More information can be found in the fund's prospectus.

The fund's overall orientation is diversified and thus not specified to any particular sector.

Notwithstanding the foregoing in this item, the fund may hold such financial instruments as may be included in the fund because of a previous holding, e.g. as a result of acquisitions, divestments or other corporate events.

### § 6 Marketplaces

The fund may invest through a regulated market or equivalent market and in any other market, within or outside the EEA, which is regulated and open to the public.

### § 7 Special investment policy

The fund may use such transferable securities and money market instruments as referred to in Chapter 5, §5 of the Swedish Investment Funds Act.

The fund may use derivative instruments as part of the fund's investment focus.

The fund may invest in OTC derivatives according to Chapter 5, §12, second paragraph of the Swedish Investment Funds Act.

The fund may use the techniques and instruments to create leverage as referred to in Chapter 2, §21 of the Financial Supervisory Authority's regulations (FFFS 2013: 9) regarding securities funds.

### § 8 Valuation

The fund's value is calculated by deducting from the assets the liabilities relating to the fund, including non-debited taxes according to the management company's determination and fees as set out in §11 below.

The fund's assets are calculated as follows:

- Transferable securities, money market instruments, derivative instruments and fund units are valued at current market value (firstly market prices are used). If such prices are not available or are misleading according to the management company's assessment, transferable securities, money market instruments, derivative instruments and fund unit may be registered to a value determined by the management company on an objective basis;
- For such transferable securities and money market instruments as referred to in Chapter 5, §5 Swedish Investment Funds Act, market value is established according to a special valuation. The basis for the special valuation may be, among other things: market prices from a trading venue or so-called market maker; other financial instrument admitted to trading on a regulated market or equivalent; or index adjusted for differences in e.g. credit risk and liquidity (reference valuation), discounted cash flow (present value valuation) or ratio to equity (financial statement);
- For OTC derivatives, a market value is determined according to special valuation. The basis for the special valuation is: market prices from a trading venue or so-called market maker; a benchmark based on a similar derivative admitted to trading on a regulated market; or a market value based on generally accepted valuation models (e.g. Black & Scholes for European options);
- Liquid assets including cash deposits on bank accounts, short-term positions in the money market and assets in an account at a credit institution;
- Accrued interest;
- Accrued dividends;

- Non-liquidated sales;
- Other receivables relating to the fund.

Fund liabilities are calculated as follows:

- Accrued management fees;
- Depositary fees;
- Non-liquidated investments;
- Tax liabilities;
- Other liabilities relating to the fund.

The management company takes into account the different share classes when calculating the value of a fund unit, as the different share classes are, in some respects, associated with different conditions. The value of a unit holding in a particular share class consists of the value of the share class divided by the number of outstanding units in the particular share class.

The management company shall normally calculate on a daily basis (bank day) the value of the fund units.

## § 9 Subscription and redemption of fund units

### § 9.1 General provisions

Subscriptions (unitholder 'purchases) and redemptions (unitholders' sales) can normally be made on each banking day. The request for subscription or redemption of units is made as stated on the management company's website, [www.lannebofonder.se](http://www.lannebofonder.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Subscriptions are at a minimum amount of SEK 100 or the equivalent in Euro or Norwegian krona.

Requests for sale or redemption may only be revoked if the management company permits.

The subscription price of a fund unit will normally be the unit value on the business day the subscription is made. The redemption price of a fund unit will be the unit value of the business day the redemption is done with a deduction of any redemption fees according to §11. Subscriptions and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the purchase and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

### § 9.2 Conditions for the currency in which the subscriptions and redemption of units take place

Subscriptions and redemption of fund units in SEK and SEK C share classes are in Swedish krona.

Subscriptions and redemption of fund units in the EUR and EUR C share classes are in Euro.

Subscriptions and redemption of fund units in NOK and NOK C share classes are in Norwegian krona.

### § 9.3 Terms for distribution of fund units in share class SEK C, EUR C and NOK C

Subscriptions of SEK C, EUR C and NOK C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for subscriptions and redemptions if such extraordinary circumstances have occurred that a va-

luation of the fund's assets cannot be made in a way that ensures the equal rights of unitholders, for example, that one or more of the markets where the fund conducts trades is wholly or partly closed.

## § 11 Fees and remuneration

### § 11.1 Fees for share class SEK, EUR and NOK

Fees shall be paid to the management company and the depositary as follows:

- The management company is paid in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- Compensation to the depositary is paid for performance of the depositary's tasks. The fee may amount to a maximum of 0.10 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.8 per cent per annum of the share class's share of the fund's value.

### § 11.2 Fees for share class SEK C, EUR C and NOK C

Fees shall be paid to the management company and the depositary as follows:

- The management company is paid in the form of a fixed fee. The maximum fee is 0.85 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- Depositary fees for the fund assets attributable to the share class. The fee may amount to a maximum of 0.10 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.95 per cent per annum of the share class's share of the fund's value.

### § 11.3 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. The fund may furthermore be charged with costs for analysis.

## § 12 Dividend

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## **§ 14 Semi-annual and annual report, Amendments to the fund rules**

The management company shall establish semi-annual and annual reports. These documents shall be sent free of charge to unitholders on request and made available at the management company and the depository no later than four months after the end of the financial year (annual report) and two months after the end of the half-year (half-yearly report).

Changes to fund rules may only be made through resolutions by the management company's board of directors and shall be submitted to the Financial Supervisory Authority for approval. Following an approval, the decision shall be made available to the management company and the depository and shall be announced in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 15 Pledging of fund units**

Unitholders may pledge their fund units unless the unitholder is an insurance company that invested insurance premiums on behalf of policyholders under the Insurance Business Act (2010: 2043) or a pension institution which invested pension savings for pensioners in accordance with the Swedish Individual Pension Savings Act (1993: 931).

When pledging fund units, the unitholder or the representative of the units and / or the pledgee shall notify the management company in writing. The notification shall include the following information:

- the fund unitholder,
- the pledgee,
- which fund units are in scope of the pledge and
- any limitations on the scope of the pledge.

The management company shall record the pledge in the Register of Fund Unitholders and inform the fund unitholder in writing of the registration of the pledge. The pledge ceases when the pledgee notifies the management company in writing. The management company is entitled to compensation from the unitholder for registration. This fee may not exceed SEK 500.

## **§ 16 Limitation of Liability**

### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depository. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depository,

clearing, or others providing similar services, including a contractor hired with due care by the management company or depository. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depository in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

### § 16.2 Limitation of the depository's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depository's liabilities:

In the event that the depository has lost financial instruments deposited with the depository, the depository shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depository is not liable for the loss of financial instruments caused by an external event outside the depository's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depository is subject to or itself undertakes such a conflict.

The depository is not liable for any damages other than the damages referred to in the first paragraph, unless the depository intentionally or negligently caused such other damage. The depository is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depository shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depository or other contractors with whom the depository with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depository is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depository of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depository is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depository regarding financial instruments. The depository is in no case responsible for indirect damages. If the depository is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depository shall not pay interest on late payment. If interest is paid, the depository shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the

first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

#### **§ 17 Permitted investors**

The fact that the fund is intended for the general public does not mean that it is intended for investors whose purchase of units in the fund or participation in the fund is contrary to the provisions of Swedish or foreign law or regulations. The fund also does not target investors whose purchase or holdings of units mean that the fund or management company becomes liable / obligated to take registration measures or other action that the fund or management company would otherwise not be liable / obligated. The management company is entitled to refuse sale of fund units to such investors as referred to in this paragraph.

The management company may redeem unitholders' fund units – counter to the unitholder - if it appears that unitholders subscribed for a unit in the fund in contravention of provisions in Swedish or foreign law or regulation or that the management company, due to the unitholders purchase or holding in the fund, is obligated to take a registration or other measure for the fund or the management company for which the fund or the management company would not be liable / obligated to take if the unitholder would not hold fund units.

Redemption under the preceding paragraph shall be carried out immediately. The payment of redemptions as stipulated in §9 above shall apply even in case of redemption pursuant to this section.

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

**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:**  
Lannebo Norden Hållbar

**Legal entity identifier:**  
54930002LEVWV3EHZP32

## 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 **50%** 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 environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment, human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?***

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or commercial gambling
- Exposure to companies that are active in the production of fossil fuels



● ***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 aim of the sustainable investments that the product intends to make, is to contribute to the UN's global goals for sustainable development or to an environmental goal aligned with the EU taxonomy. The fund's sustainable investments contribute to one of these goals either via revenues from products and services or operational activities.

● ***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?***

Lannebo ensures that the sustainable investment do not cause any significant harm to other sustainable goals. This is done by analyzing and evaluating Principal Adverse Impact indicators (PAI-indicators). Read more in the heading below.

***How have the indicators for adverse impacts on sustainability factors been considered?***

The fund ensures that no investments significantly harm other sustainable goals. This is done in the sustainability analysis by analyzing Principal Adverse Impact indicators (PAI-indicators). These indicators are developed by EU and are areas that quickly cause negative consequences on sustainability factors. The degree to which they cause negative consequences differs between companies depending on the industry, geography, and business model. Therefore, it is important to analyze these based on the companies' specific characteristics. Companies with negative PAI indicators are further analyzed, which can result in actions such as impact dialogue. It can also result in that the investment in the company is rejected or that the company is being divested.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Investments are not made in companies that violate international norms and conventions related to the environment, human rights, labor rights or the fight against corruption, including the OECD's guidelines for multinational enterprises and the UN's Guiding Principles on business and human rights. The analysis and evaluation of this takes place in the investment process, where companies that violates such norms are excluded.

*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?**

Yes

No

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the fund's annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



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

The fund is actively managed with the aim of in the long term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

The following are the overall strategies that the fund uses in the investment process.

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

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction. Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) that the fund will make a certain minimum share of sustainable investments, (ii) sustainability ratings and (iii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criteria. This means that the following are the binding elements in the fund's investment strategy:

- A minimum of 50 percent of the companies in the fund must fulfill the requirements of being a sustainable investment.
- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No holdings in the fund can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No holdings in the fund can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No holdings in the fund can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term sustainability development in companies. Practices for good corporate governance are considered at different levels when deciding upon companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

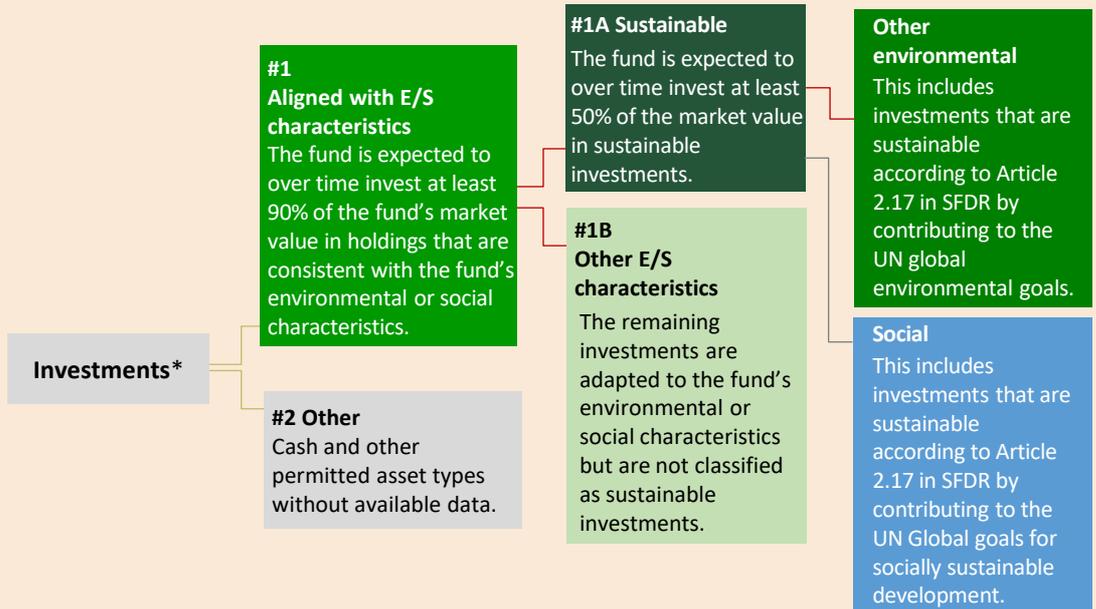
**Asset allocation** describes the share of investments in specific assets.

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** 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 **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

\* Investments refer to the fund's total market value.

**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.

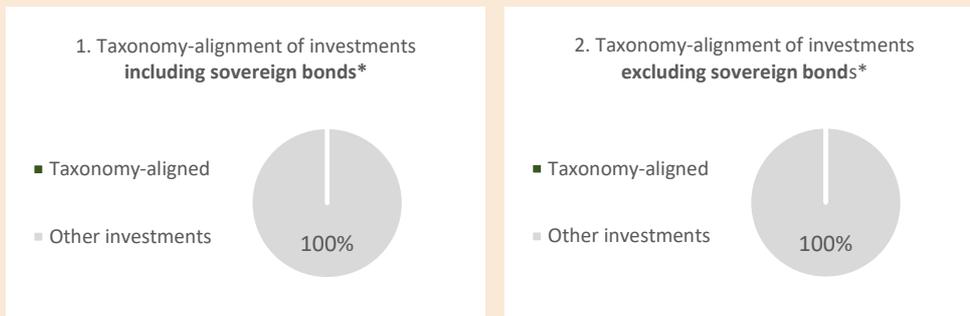
are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

The fund does not commit to make a minimum proportion of sustainable investments aligned with the taxonomy.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

The fund is expected to invest 50% of the fund's market value in sustainable investments over time according to article 2.17 in SFDR. These investments will either be environmentally or socially sustainable. The distribution between environmentally and socially sustainable investment will vary over time and the fund does not commit to make a minimum proportion of sustainable investments in one of these areas.



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

The fund is expected to invest 50% of the fund's market value in sustainable investments over time according to article 2.17 in SFDR. These investments will either be environmentally or socially sustainable. The distribution between environmentally and socially sustainable investment will vary over time and the fund does not commit to make a minimum proportion of sustainable investments in one of these areas.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



**Where can I find more product specific information online?**

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Småbolag

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that invests in equities in small and medium-sized listed companies in the Nordic region, with the emphasis on Sweden.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The companies in which the fund invests may at most have a market capitalization equal to 1 per cent of the Swedish stock market's total market capitalization. By year-end 2021, this meant a market capitalization of approximately SEK 124 billion. With the Swedish stock market's total capitalization means market capitalization of Nasdaq OMX - regulated market for trading in equities and similar instruments.

Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is actively managed and follows no index. Equities are selected based on the fund manager's own assessments; therefore deviations from the benchmark index can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is to generate good returns over the long term taking into account the fund's risk level.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The use of derivatives is done exceptionally and will not normally increase the fund's risk level.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is Carnegie Small Cap Return Index.

The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of units of fund may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have six share classes: SEK, EUR, SEK C, EUR C, NOK and DKK. Currently, only share class SEK, EUR and SEK C is offered. Those who wish to invest in share class SEK C are, however requested to contact the management company for further information.

## Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Annual return, %	2021	2020	2019	2018	2017
Share class SEK C <sup>1</sup>	30.5	19.0	41.5	n.a.	n.a.
Share class EUR <sup>2</sup>	27.2	22.6	36.3	-4.8	9.8
Benchmark EUR	34.8	27.7	40.5	-4.3	6.1

Average annual return, %	Share class SEK	Share class SEK C <sup>1</sup>	Share class EUR <sup>2</sup>
- Last 3 years	17.7	n.a.	n.a.
- Last 5 years	15.0	n.a.	17.3
- Last 10 years	15.7	n.a.	n.a.

Key figures	2021	2020	2019	2018	2017
Active Share, %	68	66	67	70	69
Information ratio					
- share class SEK	-1.4	-0.8	-0.4	0.2	0.2
- share class SEK C <sup>1</sup>	-1.1	-0.6	n.a.	n.a.	
- share class EUR <sup>2</sup>	-1.4	-0.8	-1.1	-0.2	n.a.
Sharpe ratio					
- share class SEK	1.0	1.2	1.4	0.6	1.0
- share class SEK C <sup>1</sup>	1.0	1.2	n.a.	n.a.	
- share class EUR <sup>2</sup>	0.9	1.1	1.2	0.4	n.a.
Turnover ratio	0.3	0.3	0.2	0.2	0.2

<sup>1</sup>Share class SEK C was launched 3 July 2018.

<sup>2</sup>Share class EUR was launched 2 May 2016.

## Target group

### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of divi-

- depends or the like or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is not suitable for investors who want an investment with a particular focus.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund's share classes SEK and EUR have a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

### **Risk profile**

Investments in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The fund can, by concentrating the assets of small and medium-sized companies, have a higher risk than funds investing in larger companies. However, the management company does not aim to expose these funds to extreme market risks substantially exceeding the market risk for a subjective selection of comparable competing funds. This is achieved through the diversification required by the fund rules and legislation as well as the company specific risk analysis. The fund's value may, however, due to composition of the fund and the management methods used by the management company.

The company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis.

Lannebo Småbolag invest i swedish transferable securities and to some extent nordic financial instruments. This means that the fund is exposed to *currency risk*. Hedging of currency exposure is allowed by the fund rules but is very rarely done.

Liquidity risk – i.e. the risk of not being possible to trade a security at a given time without a major price reduction. As shares in small companies generally have lower liquidity, this places great demands on the management of the cash flow in order that the fund is always in a position of readiness to encounter redemptions and make the most of business opportunities that suddenly arise and which should be exploited in the interests of unitholders. In addition, the fund should have an appropriate mix of more or less liquid holdings so as to also be able to manage liquidity flows in an effective manner.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected

to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

### **The fund's grade of activity**

#### *The management of the fund*

The fund is an actively managed equity fund that invests in equities in small and medium-sized listed companies in the Nordic region, with the emphasis on Sweden. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in approximately 50 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is Carnegie Small Cap Return Index Sweden. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. Carnegie Small Cap Return Index Sweden is an established re-investing and dividend-paying index that includes small and medium-sized companies at NASDAQ OMX Nordic, which best reflect the fund's investment rules, the index further takes account of the return the shareholders receive in the form of a dividend. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### **Active risk (tracking error) for the last 10 years**

The fund (share class SEK) started in 2000. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the fund's share classes EUR and SEK C for the first two years.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Share class SEK	4.6	5.3	5.2	4.5	3.5
Share class EUR	4.7	5.5	5.5	4.4	-
Share class SEK C	4.6	5.3	-	-	-
	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
Share class SEK	5.0	4.8	3.0	3.4	3.6
Share class EUR	-	-	-	-	-
Share class SEK C	-	-	-	-	-

#### Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund.

During 2021, the realised active risk in the fund has been close to its figures for 2020 and previous years. The fund has overall had a stable deviation towards its benchmark of approximately five percent.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

#### **Maximum fees**

##### *Share class SEK, EUR, NOK and DKK*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	2%
Management fee, including supervision and audit:	1.65%
Remuneration to the depositary:	0.05%

##### *Share class SEK C and EUR C*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided. The management fee does not include compensation

to certain distributors:

Sales fee:	0%
Redemption fee:	2%
Management fee, including supervision and audit:	0.85%
Remuneration to the depositary:	0.05%

#### **Current fees**

##### *Share class SEK and EUR*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

##### *Share class SEK C*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.8%
Remuneration to the depositary:	up to 0.02%

##### *Share class EUR C, NOK and DKK*

Information about current fee for share class EUR C, NOK and DKK is not given as share class EUR C, NOK and DKK hasn't started yet.

#### **Environmental, Social and Governance, ESG**

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

#### **Fund rules**

##### **§ 1 The fund's legal status**

Lannebo Småbolag, hereinafter referred to as the fund is a UCITS fund as defined in the Swedish Securities Fund Act (2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- Share class SEK – traded in Swedish krona (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- Share class EUR – traded in Euro (see § 9.2 below) and has a maximum management and custody fee of 1.8

- percent per annum (see § 11.1 below).
- C. Share class SEK C – traded in Swedish krona (see § 9.2 below) and has a maximum management and custody fee of 0.95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
  - D. Share class EUR C – traded in Euros (see § 9.2 below) and has a maximum management and custody fee of 0.95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
  - E. Share class NOK – traded in Norwegian krona (see § 9.2 below) and has a maximum fee of 1.7 per cent per year (see § 11.1 below).
  - F. Share class DKK – traded in Danish krona (see § 9.2 below) and has a maximum fee of 1.7 per cent per year (see § 11.1 below).

## § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

## § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

## § 4 Nature of the fund

The fund is an actively managed equity fund that focuses on small- and medium-sized listed companies in the Nordic region, with the emphasis on Sweden. The fund is diversified and does not focus on a particular sector. The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

## § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund focuses on small- and medium-sized listed companies in the Nordic region, with the emphasis on Sweden, i.e. the fund's investment with a focus on Sweden should be at least 50 per cent of its value. The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that at the time

of investments are or are intended to be admitted for trading within one year from the issue at regulated exchanges in the Nordic region respectively Sweden or subject to regular trading in any other market in the Nordic region respectively Sweden which is regulated and open to trading to public or issued by an issuer that at the time of investment is resident in the Nordic region respectively Sweden or at the time of investment is traded in local Nordic currency respectively Swedish kronor. The fund's assets may also be invested in equities or other financial instruments that at the time of investment is traded in Swedish kronor or another local Nordic currency.

The companies in which the fund invests may at most have a market capitalization equal to 1 per cent of the Swedish stock market's total market capitalization at the end of the calendar month prior to an investment. Regardless of what is stated above regarding the fund's geographical focus, as well as the criterion for a company's size, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

The fund is diversified and consequently does not focus on a particular sector.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

## § 7 Special investment policy

The fund may make use of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and fund units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and fund units may be included at a value arrived at by the management company on an objective basis.
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on

regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).

- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on a derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The management company takes into account the different share classes when calculating the value of a fund unit, as the different share classes are, in some respects, associated with different conditions. The value of a unit holding in a particular share class consists of the value of the share class divided by the number of outstanding units in the particular share class.

The value of the units is to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sale (unit holder 'purchases) and redemptions (unitholders' sales) can be made on each banking day. The request for sale or redemption of units is made as stated on the management company's website, [www.lannebofonder.se](http://www.lannebofonder.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Sales are at a minimum amount of SEK 100 or the equivalent in Euro, Norwegian krona or Danish krona.

Requests for redemption may only be revoked if the management company permits.

The sale price of a fund unit will be the unit value on the business day the subscription is made. The redemption price of a fund unit will be the unit value of the business day the redemption is done. Sales and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the sale and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

§ 9.2 Conditions for the currency in which the sale and redemption of units take place

Sales and redemption of fund units in SEK and SEK C share classes are in Swedish krona.

Sales and redemption of fund units in the EUR and EUR C share classes are in Euro.

Sales and redemption of fund units in NOK share class are in Norwegian krona.

Sales and redemption of fund units in DKK share class are in Danish krona.

### § 9.3 Terms for distribution of fund units in share class SEK C and EUR C

Sales of SEK C and EUR C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

## § 11 Fees and payments

### § 11.1 Fees for share class SEK, EUR, NOK and DKK

Fees shall be paid to the management company and the depositary as follows:

- The management company is paid in the form of a fixed fee. The maximum fee is 1.65 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.7 per cent per annum of the share class's share of the fund's value.

### § 11.2 Fees for share class SEK C and EUR C

Fees shall be paid to the management company and the depositary as follows:

- The management company is paid in the form of a fixed fee. The maximum fee is 0.85 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.9 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.

### § 11.3 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs

for research.

## § 12 Dividends

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## § 14 Semi-annual report and annual report, and amendment of fund rules

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

## § 15 Pledging of units

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

## § 16 Limitation of liability

### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due

to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, depositary bank, central securities depositary, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other market-place, registrar, clearing organization or other provider of

equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

#### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Småbolag

**Legal entity identifier:**  
549300JC5787N3394631

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



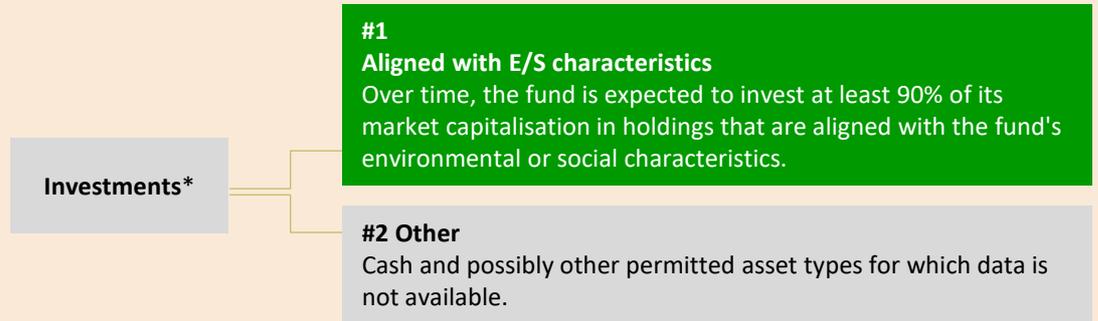
## What is the asset allocation planned for this financial product?

### 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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

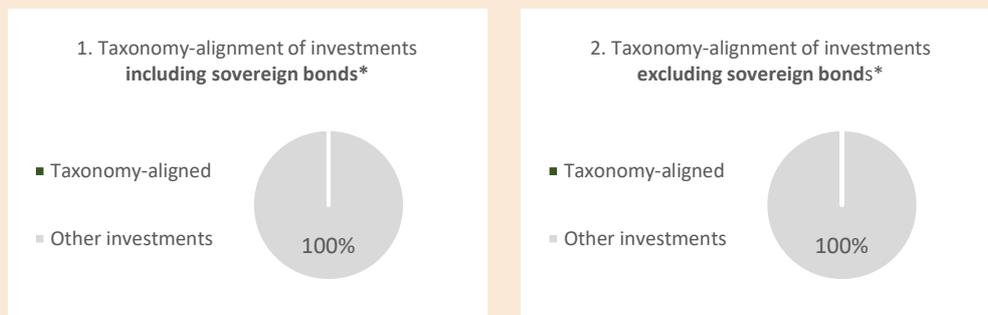
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Sverige

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that is focused on Sweden and which invests in shares without a specific industry focus.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is actively managed and follows no index. Shares are selected based on the fund managers' assessment; therefore deviations from the benchmark index can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is that the fund over the long term achieves a good return taking into account the fund's risk level.

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The use of derivatives is done exceptionally and will not normally increase the fund's risk level.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is SIX Portfolio Return Index.

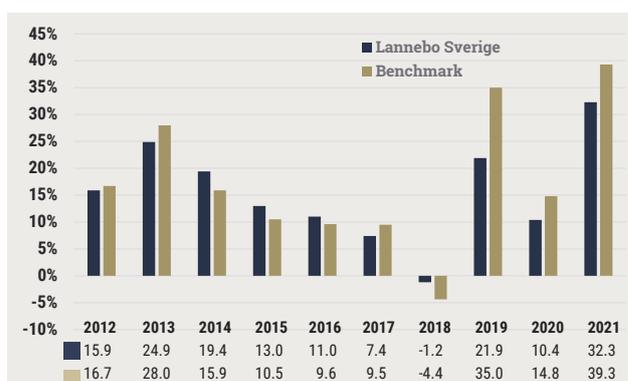
The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have six share classes: SEK, EUR, SEK C, EUR C NOK and DKK. Currently, only share class SEK and SEK C is offered. Those who wish to invest in share class SEK C are, however requested to contact the management company for further information.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

#### Average annual return, %

- Last 3 years	21.2
- Last 5 years	13.6
- Last 10 years	15.2

Key figures	2021	2020	2019	2018	2017
Active Share, %	75	73	64	55	56
Information ratio	-0.7	-1.3	-0.8	0.2	-0.1
Sharpe ratio	1.0	0.8	0.8	0.4	0.8
Turnover ratio	1.4	1.6	1.3	1.3	1.0

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is not suitable for investors who want an investment with a particular focus.

#### Ability to bear losses

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### Risk

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

#### **Risk profile**

Investments in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The fund can, by concentrating the assets to a country, have a higher risk than funds investing in several countries. However, the management company does not aim to expose these funds to extreme market risks substantially exceeding the market risk for a subjective selection of comparable competing funds. This is achieved through the diversification required by the fund rules and legislation as well as the company specific risk analysis. The fund's value may, however, due to composition of the fund and the management methods used by the management company.

The company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis, including valuation risk.

*Liquidity risk* – i.e. the risk of it not being possible to trade a security at a given time without a major price reduction or substantial costs – is negligible given the size of the fund relative to the markets in which it invests.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share

price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

#### **The fund's grade of activity**

##### *The management of the fund*

The fund is an actively managed equity fund that invests in equities on the Swedish market. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in 20-30 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

##### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is SIX Portfolio Return Index. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. SIX Portfolio Return Index is an index devised on the basis of reflecting market trends for companies on the Stockholm Stock Exchange, with the restriction that no company may exceed 10% and that companies comprising 5% or more must not total more than 40% together (weighting restriction in accordance with UCITS). The SIX Portfolio Return Index further takes account of the return the shareholders receive in the form of a dividend. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

#### **Active risk (tracking error) for the last 10 years**

The fund started in 2000.

	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
<b>Tracking error, %</b>	7.8	6.3	4.9	4.0	4.5
	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
	4.6	3.2	3.2	4.2	6.1

##### *Explanation to the achieved measure of activity*

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund. The higher activity measure for 2020 is explained by large weight changes within the fund's benchmark index after sharp price increases and changes in the fund's portfolio have had a limited impact on the activity measure.

Regarding the measure of activity for 2021, the fund's management and positions (in term of sizes of the holdings) are similar to previous years. On the other hand, has the sizes of the components in the fund's benchmark largely changed during the last years. This causes the fund to, for the moment, deviate more than previously from its benchmark.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

## Maximum fees

### Share class SEK, EUR, NOK and DKK

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	2%
Management fee, including supervision and audit:	1.65%
Remuneration to the depositary:	0.05%

### Share class SEK C and EUR C

The information below is provided regarding the maximum charges the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	2%
Management fee, including supervision and audit:	0.85%
Remuneration to the depositary:	0.05%

## Current fees

### Share class SEK

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

### Share class SEK C, EUR C, NOK and DKK

Information about current fee for SEK C, EUR C, NOK and DKK is not given as share class SEK C, EUR C, NOK and DKK hasn't started yet.

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Sverige, hereinafter referred to as the fund, is a UCITS fund as defined in the Swedish Securities Fund Act (SFS 2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- Share class SEK – traded in Swedish krona (see § 9.2 below) and has a maximum fee of 1.7 per cent per year (see § 11.1 below).
- Share class EUR – traded in Euro (see § 9.2 below) and has a maximum fee of 1.7 percent per annum (see § 11.1 below).
- Share class SEK C – traded in Swedish krona (see § 9.2 below) and has a maximum fee of 0.9 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- Share class EUR C – traded in Euros (see § 9.2 below) and has a maximum fee of 0.9 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- Share class NOK – traded in Norwegian krona (see § 9.2 below) and has a maximum fee of 1.7 per cent per year (see § 11.1 below).
- Share class DKK – traded in Danish krona (see § 9.2 below) and has a maximum fee of 1.7 per cent per year (see § 11.1 below).

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

### § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

- the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
- the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
- payments for transactions involving the fund assets are paid to the fund without delay, and
- the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

#### § 4 Nature of the fund

Lannebo Sverige is an actively managed equity fund with focus on Sweden. The fund is diversified and does not focus on a particular sector.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

The fund has a main geographical focus on Sweden, but also an opportunity to partly make investments with different focus. The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that at the time of investments are or are held for trading at regulated exchanges in Sweden or subject to regular trading in any other market in Sweden which is regulated and open to trading to public or issued by an issuer that at the time of investment is resident in Sweden or at the time of investment is traded in Swedish kronor, or in deposits of credit institutions in Sweden or a branch established in Sweden. Further examples of investments covered by the fund's geographical focus may be specified in the prospectus of the fund.

Regardless of what is stated above regarding the fund's geographical focus, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

The fund is diversified and consequently does not focus on a particular sector.

#### § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

#### § 7 Special investment policy

The fund may make use of the transferable securities and money market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act. The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

#### § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are mi-

leading in the view of the management company, transferable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.

- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on a derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The management company takes into account the different share classes when calculating the value of a fund unit, as the different share classes are, in some respects, associated with different conditions. The value of a unit holding in a particular share class consists of the value of the share class divided by the number of outstanding units in the particular share class.

The value of the units is to be calculated by the management company daily (each banking day).

#### § 9 Sale and redemption of units

##### § 9.1 General regulations

Sale (unit holder 'purchases) and redemptions (unit holders' sales) can be made on each banking day. The request for sale or redemption of units is made as stated on the management company's website, [www.lannebo.se](http://www.lannebo.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Sales are at a minimum amount of SEK 100 or the equivalent in Euro, Norwegian krona or Danish krona.

Requests for redemption may only be revoked if the management company permits.

The sale price of a fund unit will be the unit value on the business day the subscription is made. The redemption price of a fund unit will be the unit value of the business day the redemption is done. Sales and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the sale and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

#### § 9.2 Conditions for the currency in which the sale and redemption of units take place

Sales and redemption of fund units in SEK and SEK C share classes are in Swedish krona.

Sales and redemption of fund units in the EUR and EUR C share classes are in Euro.

Sales and redemption of fund units in the NOK share class are in Norwegian krona.

Sales and redemption of fund units in the DKK share class are in Danish krona.

#### § 9.3 Terms for distribution of fund units in share class SEK C and EUR C

Sales of SEK C and EUR C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

### **§ 10 Extraordinary circumstances**

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

### **§ 11 Fees and payments**

#### § 11.1 Fees for share class SEK, EUR, NOK and DKK

Fees shall be paid to the management company and the depositary as follows:

- i. i. The management company is paid in the form of a fixed fee. The maximum fee is 1.65 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.7 per cent per annum of the share class's share of the fund's value.

#### § 11.2 Fees for share class SEK C and EUR C

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.85 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i

and ii above is 0.9 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.

#### § 11.3 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

### **§ 12 Dividends**

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

### **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to

charge the unitholder a registration fee. This fee must not exceed SEK 500.

## **§ 16 Limitation of liability**

### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the

depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign – stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

## **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Sverige

**Legal entity identifier:**  
549300GJSC541WIWX079

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



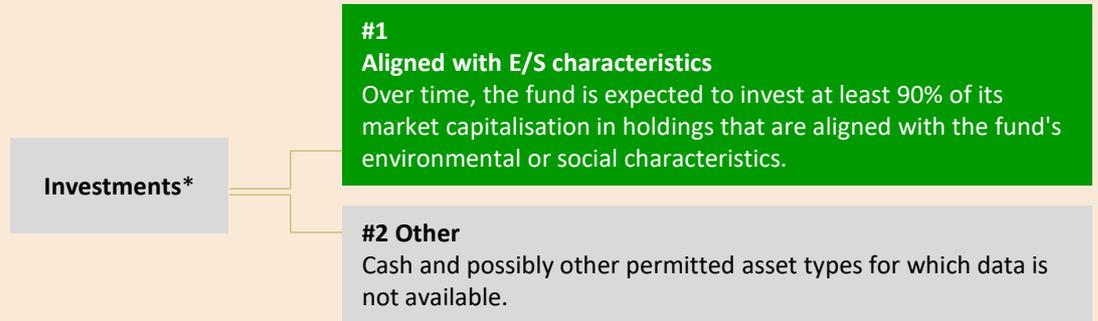
## What is the asset allocation planned for this financial product?

### 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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

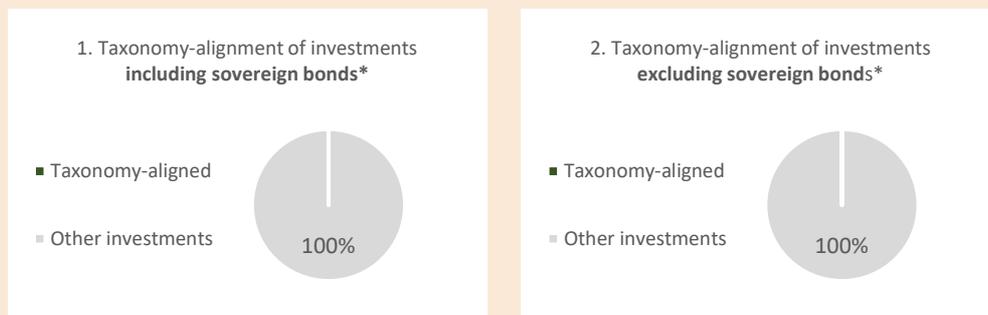
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Sverige Hållbar

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund which mainly has a geographical focus on Sweden, but also an opportunity to partly make investments with different focus. The fund's gross exposure to the equity market may not exceed 10 per cent related to investments with different focus than against Sweden.

The fund follows specific sustainability related criteria in the investments. Companies are selected based on three main themes: a better environment, a healthier life and a sustainable society. Otherwise, a company should score a high rating in our sustainability analysis. The fund does neither invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is actively managed and follows no index. Equities are selected based on the fund managers' assessment; therefore deviations from the benchmark index can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is that the fund over the long term achieves a good return taking into account the fund's risk level.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The use of derivatives is done exceptionally and will not normally increase the fund's risk level.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The terms of share class B SEK implicate that it is disadvantageous to make purchases or sales in the fund during January. For the rest of the year, these terms do not apply. Purchase and sale of fund units may normally be made every banking day.

The fund's benchmark index is SIX Portfolio Return Index. The fund's benchmark was before December 20, 2018 SIX Return Index.

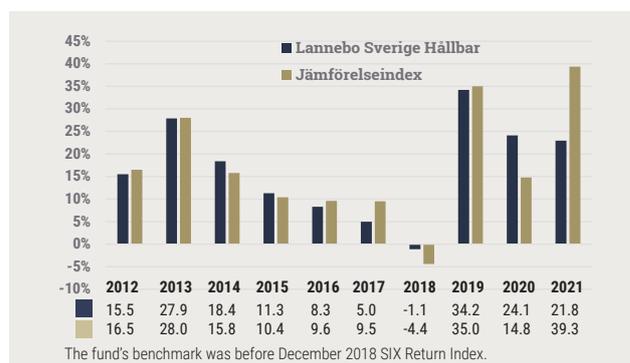
The fund normally pays no dividend for share class A SEK.

The fund will provide an annual dividend for share class B SEK amounting to at least 5 per cent of the fund's assets at the end of the year. The dividend is paid within five banking days from the end of January. Please note that dividends will only accrue to unitholders who are a unitholder in a dividend share class at the end of January of the following year.

### Share classes

In accordance with the fund rules, the fund may have eight share classes: A SEK, B SEK, A EUR and B EUR and A SEK C, B SEK C, A EUR C and B EUR C. Currently, only share class A SEK and B SEK is offered.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Please note that past performance has been achieved under circumstances that no longer apply. Significant changes of the fund's objectives and investment policy has taken place since the fund rules was altered December 20, 2018.

Annual return, %	2021	2020	2019	2018	2017
Share class A SEK <sup>1</sup>	23.0	24.1	34.2	n.a.	n.a.

Average annual return, %	Share class A SEK <sup>1</sup>	Share class B SEK
- Last 3 years	n.a.	27.0
- Last 5 years	n.a.	16.3
- Last 10 years	n.a.	16.2

Key figures	2021	2020	2019	2018	2017
Active Share, %	83	80	81	67	62
Information ratio					
- share class A SEK <sup>1</sup>	-0.4	0.9	n.a.	n.a.	n.a.
- share class B SEK	-0.4	0.9	0.2	-0.1	-0.6
Sharpe ratio					
- share class A SEK <sup>1</sup>	1.1	1.4	n.a.	n.a.	n.a.
- share class B SEK	1.1	1.4	1.2	0.3	0.6
Turnover ratio	0.5	0.6	0.8	1.4	0.6

<sup>1</sup>Share class A SEK was launched 20 December 2018.

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment

objectives.

- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is suitable for investor who want an investment based on sustainability-related criteria in such way that sustainability aspects are crucial for the fund manager's choice of company to invest in.

#### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### *Risk*

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

For an investor it is important to know that the conditions for share class B SEK mean that it is disadvantageous to make purchase or sale in the fund during January.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment). For share class B SEK, self-initiated orders are a distribution strategy aimed at professionals or equal counterparts.

#### **Risk profile**

Investments in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The fund can, by concentrating the assets to a country, have a higher risk than funds investing in several countries. However, the management company does not aim to expose these funds to extreme market risks substantially exceeding the market risk for a subjective selection of comparable competing funds. This is achieved through the diversification required by the fund rules and legislation as well as the company specific risk analysis. The fund's value may, however, due to composition of the fund and the management methods used by the management company.

The management company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or sale of fossil fuels, goods and services in the categories of tobacco, alcohol, weapons, gambling or pornography. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indi-

rectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

As the fund's investment focus means that investments may take place in companies of varying sizes poses *liquidity risk* – i.e. the risk that the securities may not be sold at the intended time without a major reduction in price or high costs, greater demand on the management of the fund, so that the fund is always ready to meet redemption and take advantage of business opportunities that are in the unit holders' interest to use. It further requires that the fund has an appropriate mix of holdings in order to manage liquidity risk in an effective manner.

The *currency risk* is limited since the fund mainly invests in Swedish kronor.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of the investment strategy. Trading in derivative instruments can incur an increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any left-over securities that the fund pledges the counterparty. The scope of the trade is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

#### **The fund's grade of activity**

##### *The management of the fund*

The fund is an actively managed equity fund that invests in equities mainly on the Swedish market. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in approximately 30 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

##### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is SIX Portfolio Return Index. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. SIX Portfolio Return Index is an index devised on the basis of reflecting market trends for companies on the Stockholm Stock Exchange, with the restriction that no company may exceed 10 per cent

and that companies comprising 5 per cent or more must not total more than 40 per cent together (weighting restriction in accordance with UCITS). The SIX Portfolio Return Index further takes account of the return the shareholders receive in the form of a dividend. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### Active risk (tracking error) for the last 10 years

The fund (share class SEK B) started in 2010. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the first two years.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Share class A SEK	7.3	5.2	-		
Share class B SEK	7.3	5.2	3.9	3.9	4.7
	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
Share class A SEK					
Share class B SEK	4.7	3.5	3.5	4.5	6.8

Before 20 December 2018, the fund's benchmark was SIX Return Index. The measures of activity for the years 2012 – 2017 therefore refers to SIX Return Index.

### Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund.

The measure of activity increased a lot during 2021. The reason thereto is that the fund has had a relative large amount of smaller companies in the fund, compared to its benchmark. Some of the larger positions in the fund, relative to its weights in the benchmark, have had large deviations compared to the development of the benchmark. Among these companies are those operating with in re-newable energy, which overall have had a poor development on the market during 2021. This has created a higher volatility in the fund's development.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

### Maximum fees

Share class A SEK, B SEK, A EUR and B EUR

The information below is provided regarding the maximum fees the management company may charge under the fund

rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee A SEK and A EUR	0%
Redemption fee, B SEK and B EUR	
holdings <30 days:	2% (accrues to the fund)
Management fee, including supervision and audit:	1.7%
Remuneration to the depositary:	0.1%

Share class A SEK C, B SEK C, A EUR C and B EUR C

The information below is provided regarding the maximum charges the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee A SEK C and A EUR C	0%
Redemption fee, B SEK C and B EUR C	
holdings <30 days:	2% (accrues to the fund)
Management fee, including supervision and audit:	1.7%
Remuneration to the depositary:	0.1%

Please note that the conditions for share class B SEK mean that it is disadvantageous to make purchase or sale in the fund during January.

### Current fees

Share class A SEK and B SEK

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Redemption fee A SEK	0%
Redemption fee, B SEK	
holdings <30 days:	2% (accrues to the fund)
Management fee, including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

Please note that the conditions for share class B SEK mean that it is disadvantageous to make purchase or sale in the fund during January.

Share class A EUR, B EUR, A SEK C, B SEK C, A EUR C and B EUR C

Information about current fee for A EUR, B EUR, A SEK C, B SEK C, A EUR C and B EUR C is not given as share class A EUR, B EUR, A SEK C, B SEK C, A EUR C and B EUR C hasn't started yet.

### Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Sverige Hållbar, hereinafter referred to as the fund is a UCITS fund as defined in the Swedish Securities Fund Act (SFS 2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes :

- A. Share class A SEK – accumulating, i.e. not distributing (see § 12.1 below) traded in Swedish krona and has a maximum fee of 1.8 per cent per year (see § 11.1 below).
- B. Share class B SEK – distributing traded in Swedish krona (see § 12.2 below) and has a maximum fee of 1.8 per cent per year (see § 11.1 below) and a possible redemption fee for short-term holdings (see § 11.4 below).
- C. Share class A EUR – accumulating, i.e. not distributing (see § 12.1 below) traded in Euro and has a maximum fee of 1.8 per cent per year (see § 11.1 below) and a possible redemption fee for short-term holdings (see § 11.4 below).
- D. Share class B EUR – distributing (see § 12.2 below) traded in Euro and has a maximum fee of 1.8 per cent per year (see § 11.1 below).
- E. Share class A SEK C – accumulating, i.e. not distributing (see § 12.1 below) traded in Swedish krona and has a maximum fee of 0.95 per cent per year (see § 11.1 below) and is subject to distribution terms (see § 9.3 below).
- F. Share class B SEK C – distributing (see § 12.2 below) traded in Swedish krona and has a maximum fee of 0.95 per cent per year (see § 11.1 below) and a possible redemption fee for short-term holdings (see § 11.4 below) and is subject to distribution terms (see § 9.3 below).
- G. Share class A EUR C – accumulating, i.e. not distributing (see § 12.1 below) traded in Euro and has a maximum fee of 0.95 per cent per year (see § 11.1 below) and is subject to distribution terms (see § 9.3 below).
- H. Share class B EUR C – distributing (see § 12.2 below) traded in Swedish krona and has a maximum fee of 0.95 per cent per year (see § 11.1 below) and a possible redemption fee for short-term holdings (see § 11.4 below) and is subject to distribution terms (see § 9.3 below).

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

### § 3 Depositary and its role

The depositary for the fund is Skandinaviska Enskilda Banken AB (publ), corporate registration number 502032-9081. The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund.

The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

### § 4 Nature of the fund

Lannebo Sverige Hållbar is an actively managed equity fund with focus on Sweden. The management of the fund's assets is characterized by the fact that the fund has a sustainability focus. The fund is diversified and does not focus on a particular sector.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

The fund has a main geographical focus on Sweden, but also an opportunity to partly make investments with different focus. The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that at the time of investments are held for trading at a regulated exchange in Sweden or meets the requirement to be listed in such a market within one year from the issue or that is issued by an issuer that at the time of investment is resident in Sweden or at the time of investment is traded in Swedish kronor, or in deposits of credit institutions in Sweden or a branch established in Sweden. Further examples of investments covered by the fund's geographical focus may be specified in the prospectus of the fund. Maximum 10 per cent of the fund's value may be invested in investments with a different focus than towards Sweden.

The fund follows specific sustainability-related criteria in its investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or sale of fossil fuels, goods and services in the category

ries of tobacco, alcohol, weapons, gambling or pornography. The fund also has a restrictive attitude towards investments in companies that extract fossil fuels (coal, oil and gas). The fund also takes into account such additional criteria as are decided by the management company. More information can be found in the fund's prospectus.

The fund is diversified and consequently does not focus on a particular sector.

Regardless of what is stated above regarding the fund's investment focus, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

## § 7 Special investment policy

The fund may make use of the transferable securities and money market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and units are valued at their current market value (firstly market prices are used). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Investment Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from market place or so-called market makers, other financial instruments admitted to trading on regulated markets or equivalent or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from market place or so-called market makers, a reference value based on a similar derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.

- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

As the fund has several share classes, which are associated with certain terms in some respects, the management company take this into account when calculating the value of a unit in each share class. The value of a unit in each share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of the units is usually to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sales (unitholder's purchase) and redemption (unitholder's sale) may usually be conducted on every banking day. Any request for sale or redemption is made as detailed on the management company's website: [www.lannebofonder.se](http://www.lannebofonder.se).

If the funds for redemption are acquired through the sale of securities, then such sale and redemption must be carried out as soon as possible.

Sales are at a minimum amount of SEK 100 or the equivalent in Euro.

A request for sale or redemption may only be withdrawn if permitted by the management company.

The sale price for a fund unit is usually the fund unit value on the banking day that the sale is conducted. The redemption price for a fund unit is the fund unit value on the banking day that the sale is conducted with deduction of any redemption fee as stated in § 11. Sale and redemption are conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption rate are published on the management company's website, at the latest by the banking day following the banking day on which the fund unit value is established, as set out above.

### § 9.2 Conditions for the currency in which the subscriptions and redemption of units take place

Sales and redemption of fund units in A SEK, B SEK, A SEK C and B SEK C share classes are in Swedish krona.

Sales and redemption of fund units in the A EUR, B EUR, A EUR C and B EUR C share classes are in Euro.

### § 9.3 Terms for distribution of fund units in share class A SEK C, B SEK C, A EUR C and B EUR C

Sales of A SEK C, B SEK C, A EUR C and B EUR C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially

or completely closed.

## § 11 Fees and payments

### § 11.1 Fees for share class A SEK, B SEK, A EUR and B EUR

The fund shall pay fees to the management company and the depositary as follows:

- i. Compensation to the management company is in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the fund's value. The fee includes payment for the management of the fund and for the costs of supervision and auditing.
- ii. Fees to the depositary for carrying out its tasks attributable to the share class. Fees charged shall not exceed 0.10 per cent per annum of the fund's value.

The maximum fee that may be charged to the fund, according to i and ii above, is 1.8 per cent per annum of the fund's value.

### § 11.2 Fees for share class A SEK C, B SEK C, A EUR C and B EUR C

The fund shall pay fees to the management company and the depositary as follows:

- i. Compensation to the management company is in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the fund's value. The fee includes remuneration to the management of the fund, with exception of such compensation to distributors referred to in §9.3 above, and costs for supervision and auditors.
- ii. Fees to the depositary for carrying out its tasks attributable to the share class. Fees charged shall not exceed 0.10 per cent per annum of the fund's value.

The maximum fee that may be charged to the fund, according to i and ii above, is 0.95 per cent per annum of the fund's value.

### § 11.3 Brokerage fees etc.

Transaction costs, such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

### § 11.4 Possible redemption fee for short-term holdings.

If a fund unit in shareclass B SEK, B SEK C, B EUR or B EUR C is held for less than thirty (30) days the redemption price may be reduced by an amount corresponding to a maximum of two per cent of the net asset value on the banking day of the redemption. The redemption fees go to the fund.

## § 12 Dividends

### 12.1 Terms for dividends for share class A SEK, A EUR, A SEK C and A EUR C – Accumulating share classes

As a general rule, the share classes do not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new units on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### 12.2 Terms for dividends for share class B SEK, B EUR, B SEK C and B EUR C – Distributing share classes

The share classes provide an annual dividend amounting to at least 5 per cent of the share class's assets at the end of the year. The management company's board of directors will decide the dividend amount.

Dividends will only accrue to the unit holders who are unit holders in a distributing share class at the end of January the following year.

For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, pay dividend to the unitholder or purchase new shares if requested. Such a request must be carried out in writing 10 days prior to the last banking day in January.

Payment of dividends shall be made within five days after the end of January the year following the financial year.

Dividend affects the ratio between the value of units that is accumulating and the value of units that are distributing i.e. the value of the distributing fund units declines in relation to the size of the dividend.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## § 14 Semi-annual report and annual report, and amendment of fund rules

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

## § 15 Pledging of units

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge, and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

## § 16 Limitation of liability

### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, depositary bank, central securities depositary, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other market-place, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

## § 17 Permitted investors

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Sverige Hållbar

**Legal entity identifier:**  
549300Y41WZFO1E996

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

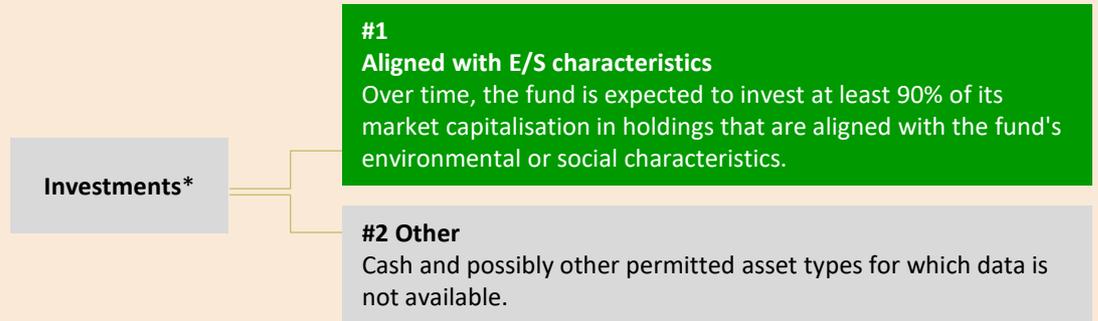
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

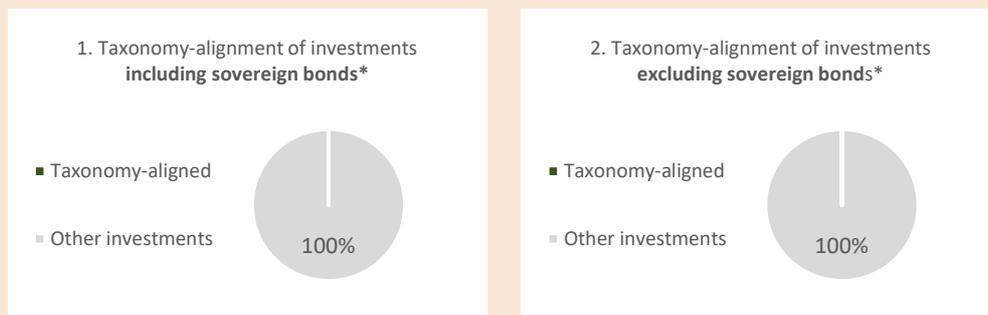
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Sverige Plus

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that mainly invests in equities on the Swedish stock market. Up to 10 per cent of the assets may be invested in equity markets outside Sweden.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The fund is fundamentally similar to a traditional equity fund, but in some respects, the fund has wider investment rules. The fund may invest more than 100 per cent of the fund assets. The fund is able to invest 130 per cent in shares that the management company is positive about and, at the same time, balance this by reducing its share exposure by, for example, 30 per cent through the sale of stock that the fund does not own, so-called short selling. The fund may use derivatives as part of its investment strategy. Net exposure to the equity market, however, is normally between 90 and 100 per cent.

The fund is actively managed and follows no index. Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is to achieve good long-term capital growth that exceeds the growth of the fund's benchmark, SIXPRX.

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy.

This exposure will be achieved primarily using equity index futures and equity options in the Swedish stock market. The total underlying risk associated with such derivatives may not exceed the total value of the fund's shareholdings. The fund may also engage in securities borrowing in order to sell specific securities short. Short selling means that the fund borrows a security and then sells it on the stock market. If the price of this security has fallen by the time the fund buys it back and returns it to the lender, a positive return will be generated.

The base of the fund is a traditional long equity portfolio to which the managers may add both long and short positions in equity and equity-related instruments. As a starting point, the fund has a share portfolio with a gross and net exposure of about 100 per cent. In addition, exposure may be increased by taking different positions on both the "short side" and the "long side". The exposure these positions lead to may be 0-50 per cent on either side, with the result being that the fund's gross exposure can then be increased by up to 100 per cent. The starting point is that this further exposure, in addition to the initial 100 per cent on the long side, will be roughly as great on the short side as on the long side, with the objective of a gross exposure in equity and equity-related instruments over time do not exceed 160 per cent and a long net exposure

of about 100 per cent.

The fund's gross exposure is the sum of the fund's exposures through directly owned holdings and exposures through derivative positions and so-called techniques and instruments, including short selling. Exposure through direct holdings correspond to the market value of the holdings. When calculating exposure in derivative positions and exposure through techniques and instruments, a conversion to a comparable position in the underlying assets is made.

The fund may borrow shares in order to obtain short positions against a predetermined interest accruing to the fund, thus contributing to the fund's return.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is SIX Portfolio Return Index.

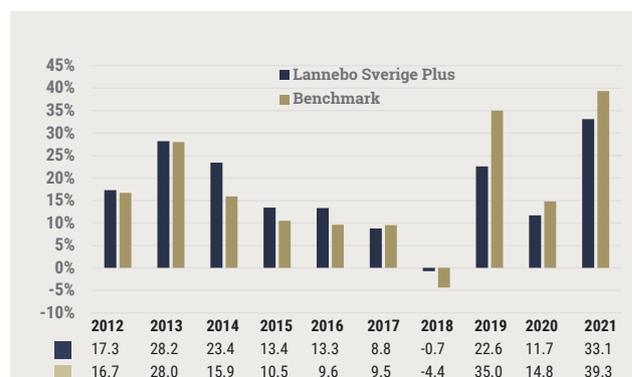
The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of units of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have six share classes: SEK, EUR, SEK C, EUR C, NOK, DKK and SEK F. Currently, only share class SEK, SEK C and SEK F is offered. Those who wish to invest in share class SEK C are, however, requested to contact the management company for further information.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Annual return, %	2021	2020	2019	2018	2017
Share class SEK C <sup>1</sup>	33.7	12.3	23.2	n.a.	n.a.
Share class SEK F <sup>2</sup>	32.3	11.1	n.a.	n.a.	n.a.

Average annual return, %	Share class SEK	Share class SEK C <sup>1</sup>	Share class SEK F <sup>2</sup>
- Last 3 years	22.1	n.a.	n.a.
- Last 5 years	14.5	n.a.	n.a.
- Last 10 years	16.4	n.a.	n.a.

Key figures	2021	2020	2019	2018	2017
Active Share. %	80	79	68	57	63
Information ratio					
- share class SEK	-0.6	-1.1	-0.7	0.4	0.3
- share class SEK C <sup>1</sup>	-0.5	-1.0	n.a.	n.a.	
- share class SEK F <sup>2</sup>	n.a.	n.a.	n.a.	n.a.	n.a.
Sharpe ratio					
- share class SEK	1.0	0.8	0.8	0.4	0.9
- share class SEK C <sup>1</sup>	1.1	0.8	n.a.	n.a.	
- share class SEK F <sup>2</sup>	0.4	n.a.	n.a.		
Turnover ratio	1.6	1.8	1.6	1.9	1.6

<sup>1</sup>Share class SEK C was launched 4 January 2018.

<sup>2</sup>Share class SEK F was launched 4 November 2019.

## Target group

### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is not suitable for investors who want an investment with a particular focus.

### Ability to bear losses

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

### Risk

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

### Distribution strategy

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

## Risk profile

As the fund is a long equity fund the fund's risk will primarily lie in the *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The fund can, by concentrating the assets to a country, have a higher risk than funds investing in several countries. In the fund the total market risk can be higher than in a traditional mutual

fund because the fund may use leverage. Both long and short positions can be added to the equity portfolio, which means that both gross and net exposure can exceed 100 per cent. However, the management company does not aim to expose the fund to market risks that substantially exceed the equity market as a whole, as measured as SIXPRX index, and comparable competing funds. This is achieved partly through the diversification resulting from the fund rules and legislation as well as the company specific analysis and partly by the gross and net exposure being adjusted if the fund's level of risk is deemed too high. The fund's value may, however, due to composition of the fund and the management methods used by the management company.

The management company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis.

*Liquidity risk* – i.e. the risk of it not being possible to trade a security at a given time without a major price reduction or substantial costs – is negligible to Lannebo Sverige Plus given the size of the fund relative to the markets in which it invests.

The *currency risk* is limited since the fund mainly invests in Swedish kronor.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. The fund borrow shares in order to obtain short positions. In relation to stock borrowing the fund places collaterals that may exceed the value of the borrowed shares which means that the fund may be exposed to counterparty risk. In addition to counterparty risk, the fund's short positions increase the gross exposure which in turn could lead to increased market risk. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund. The higher activity measure for 2020 is explained by large weight changes within the fund's benchmark index after sharp price increases and changes in the fund's portfolio have had a limited impact on the activity measure.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile. Counterparty risk is limited because the fund does not normally use OTC derivatives. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's finan-

cial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

## The fund's grade of activity

### The management of the fund

The fund is an actively managed equity fund that invests in equities mainly on the Swedish market. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in 25-40 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### Benchmark

The management of the fund may be compared with the fund's benchmark which is SIX Portfolio Return Index. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. SIX Portfolio Return Index is an index devised on the basis of reflecting market trends for companies on the Stockholm Stock Exchange, with the restriction that no company may exceed 10% and that companies comprising 5% or more must not total more than 40% together (weighting restriction in accordance with UCITS). The SIX Portfolio Return Index further takes account of the return the shareholders receive in the form of a dividend. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### **Active risk (tracking error) for the last 10 years**

The fund (share class SEK) started in 2008. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the share classes SEK C and SEK F for the first two years.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Share class SEK	8.1	6.7	5.0	4.2	4.7
Share class SEK C	8.1	6.7	-	-	
Share class SEK F	8.3	-	-		
	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
Share class SEK	4.4	3.3	4.5	5.2	8.0
Share class SEK C					
Share class SEK F					

### Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on

how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund.

Regarding the measure of activity for 2021, the fund's management and positions (in term of sizes of the holdings) are similar to previous years. On the other hand, has the sizes of the components in the fund's benchmark largely changed during the last years. This causes the fund to, for the moment, deviate more than previously from its benchmark.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

## Maximum fees

### *Share class SEK, EUR, NOK and DKK*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.05%*
Remuneration to the depositary:	0.05%

*\*Any performance fee may be added as below*

### *Share class SEK C and EUR C*

The information below is provided regarding the maximum charges the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.55%*
Remuneration to the depositary:	0.05%

*\*Any performance fee may be added as below*

### *Share class SEK F*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
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Redemption fee:	0%
Management fee, including supervision and audit:	1.65%*
Remuneration to the depositary:	0.05%

### Current fees

#### Share class SEK

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.0%*
Remuneration to the depositary:	up to 0.02%

\*Any performance fee may be added as below

#### Share class SEK C

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.5%*
Remuneration to the depositary:	up to 0.02%

\*Any performance fee may be added as below

#### Share class SEK F

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.6%*
Remuneration to the depositary:	up to 0.02%

#### Share class EUR, EUR C, NOK and DKK

Information about current fee for EUR, EUR C, NOK and DKK is not given as share class EUR, EUR C, NOK and DKK hasn't started yet.

### Performance-based fee

A performance-based fee of twenty (20) per cent of the part of the total return from a fund's share class that exceeds the fund's benchmark, SIXPRX, is also payable to the management company. The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if a fund's share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated daily but deducted from the fund's account monthly. If the total return of a fund's share class is below the benchmark on a particular day and above it on a subsequent day, no performance-based fee is payable until the previous underperform-

mance is offset. Thus, the "high water mark" system is used when charging the fee.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders in a share class pay the same performance-based fee per unit for a particular day and the underperformance for all unitholders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in a fund's share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

### Information according to the EU Regulation on indices used as benchmark

The EU regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (benchmark regulation) came into effect on 1 January 2018. The benchmark regulation applies if a management company measures the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees.

For Lannebo Sverige Plus, a benchmark is used in such a way that the fund's performance-based fee is related to SIX-PRX.

According to the benchmark regulation, a benchmark administrator must be approved and registered with the European Securities and Markets Authority (ESMA) by May 2020. Financial Information Nordic AB was approved by Finansinspektionen as a benchmark administrator on June 14, 2019 and is registered with ESMA.

A management company must have a plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided. If such an event would occur, Lannebo Fonder will attempt to identify an appropriate alternative benchmark and apply for the Swedish Financial Supervisory Authority's (Finansinspektionen) approval to change the fund rules for the fund, thereby replacing the previously used benchmark.

### Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

### Fund rules

#### § 1 The fund's legal status

Lannebo Sverige Plus, hereinafter referred to as the fund is a UCITS fund as defined in the Swedish Securities Fund Act (SFS 2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

A. Share class SEK – traded in Swedish krona (see § 9.2

below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark, SIXPRX (see § 11.1 below).

- B. Share class EUR – traded in Euro (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark, SIXPRX (see § 11.1 below).
- C. Share class SEK C – traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark, SIXPRX (see § 11.1 below).
- D. Share class EUR C – traded in Euros (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark, SIXPRX (see § 11.1 below).
- E. Share class NOK – traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark, SIXPRX (see § 11.1 below).
- F. Share class DKK – traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark, SIXPRX (see § 11.1 below).
- A. Share class SEK F – traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 1.7 per cent per year (see § 11.3 below).

## § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

## § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

## § 4 Nature of the fund

The fund is an actively managed equity fund with a main focus on Sweden.

The base of the fund is a traditional long share portfolio to which the managers may add both long and short positions

in shares and equity-related instruments. As a starting point, the fund has a share portfolio with a gross exposure of about 100%. In addition, exposure may be increased by taking different positions on both the "short side" and the "long side". The exposure these positions lead to may be 0-50% on either side, with the result being that the fund's gross exposure can then be increased by up to 100%. The starting point is that this further exposure, in addition to the initial 100% on the long side, will be roughly as great on the short side as on the long side, with the aspiration of a gross exposure in shares and equity-related instruments over time of about 160% and a long net exposure of about 100%.

The focus of the fund is diversified and not therefore limited to any particular sector. The fund's objective is to achieve good long-term capital growth that exceeds the growth of the fund's benchmark, SIXPRX.

## § 5 The fund's investment policy

The assets of the fund may be invested in transferable securities, money market instruments, derivative instruments and deposits with credit institutions. The fund may invest a maximum of ten (10) per cent of its value in other funds or fund managers.

The fund has a main geographical focus on Sweden, but also an opportunity to partly make investments with different focus. The fund's assets may as a part of the investment strategy be invested in, amongst other, shares and other financial instrument that at the time of investments are or are held for trading at regulated exchanges in Sweden or subject to regular trading in any other market in Sweden which is regulated and open to trading to public or issued by an issuer that at the time of investment is resident in Sweden or or at the time of investment is traded in Swedish kronor, or in deposits of credit institutions in Sweden or a branch established in Sweden. The fund's gross exposure to the equity market may not exceed 10 per cent related to investments with different focus than against Sweden.

Regardless of what is stated above regarding the fund's geographical focus, as well as the criterion for a company's size, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

The fund is diversified and consequently does not focus on a particular sector.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

The fund may borrow in transferable securities in order to execute the sale of these (so-called shortselling).

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

## § 7 Special investment policy

The fund may make use of the transferable securities but not the money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act. The fund employs derivative instruments as part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may borrow in transferable securities in order to execute the sale of these (so-called shortselling).

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation will be market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on a derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The management company takes into account the different share classes when calculating the value of a fund unit, as the different share classes are, in some respects, associated with different conditions. The value of a unit holding in a particular share class consists of the value of the share class divided by the number of outstanding units in the particular share class.

The value of the units is to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sale (unit holder 'purchases) and redemptions (unit holders' sales) can be made on each banking day. The request for sale or redemption of units is made as stated on the management company's website, [www.lannebo.se](http://www.lannebo.se), or as directed by the

management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Sales are at a minimum amount of SEK 100 or the equivalent in Euro, Norwegian krona or Danish krona.

Requests for redemption may only be revoked if the management company permits.

The sale price of a fund unit will be the unit value on the business day the subscription is made. The redemption price of a fund unit will be the unit value of the business day the redemption is done. Sales and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the sale and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

### § 9.2 Conditions for the currency in which the sale and redemption of units take place

Sales and redemption of fund units in SEK, SEK C and SEK F share classes are in Swedish krona.

Sales and redemption of fund units in the EUR and EUR C share classes are in Euro.

Sales and redemption of fund units in the NOK share class are in Norwegian krona.

Sales and redemption of fund units in the DKK share class are in Danish krona.

### § 9.3 Terms for distribution of fund units in share class SEK C and EUR C

Sales of SEK C and EUR C share classes are available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

## § 11 Fees and payments

### 11.1 Fees for share class SEK, EUR, NOK and DKK

Fees shall be paid to the management company and the depositary as follows:

#### Fixed fee

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.05 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.1 per cent per annum of the share class's share of the fund's value.

#### Performance-based fee

A performance-based fee of twenty (20) per cent of the part of the total return from a share class that exceeds the fund's benchmark, SIXPRX (where applicable, converted to the same currency in which the share class is traded), is also payable to the management company. The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if the share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated daily but deducted from the fund's account monthly. If the total return of a share class is below the benchmark on a particular day and above it on a subsequent day, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when charging the fee.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders pay the same performance-based fee per unit for a particular day and the underperformance for all unit-holders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in the share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

#### 11.2 Fees for share class SEK C and EUR C

Fees shall be paid to the management company and the depositary as follows:

##### *Fixed fee*

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.55 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.6 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.

##### *Performance-based fee*

A performance-based fee of twenty (20) per cent of the part of the total return from a share class that exceeds the fund's benchmark, SIXPRX (where applicable, converted to the same currency in which the share class is traded), is also payable to the management company. The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if the share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated daily but deducted from the fund's account monthly. If the total return of a share class is below the benchmark on a particular day and above it on a subsequent day, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when

charging the fee.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders pay the same performance-based fee per unit for a particular day and the underperformance for all unit-holders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in the share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

#### § 11.3 Fees for share class SEK F

Fees shall be paid to the management company and the depositary as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.65 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.7 per cent per annum of the share class's share of the fund's value.

#### § 11.4 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

### **§ 12 Dividends**

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as

the Swedish Financial Supervisory Authority instructs.

### **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

### **§ 16 Limitation of liability**

#### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, custodian bank, central securities depositary, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall

not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

#### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management

company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

## Annex 1

### Example of calculation of performance fee for Sverige Plus

The fund applies a variable performance fee that is payable if the fund outperforms the benchmark, SIXPRX. The performance fee is calculated daily but applied monthly. This daily calculation means that the fund's unit price each day is reduced by any performance fee payable. "Applied" means that the sum is debited from the fund's account. The fund uses a collective model where all unitholders pay the same fee per unit wherever any performance fee is payable.

### About the choice of benchmark

The fund invests primarily in companies on the Stockholm Stock Exchange and is therefore benchmarked against an equity index for this market known as SIXPRX. SIXPRX is a total return index and thus takes account of dividends paid by the companies in the index. The fund may to some extent invest in stock markets not covered by SIXPRX.

### Example of calculation of performance fee

The variable fee is accrued daily on the condition that the return exceeds the benchmark. Under the fund rules, the management company may claim 20% of any excess return relative to the benchmark. The performance-based fee may be payable even if the fund generates a negative return but outperforms the benchmark. The deciding factor is the fund's return relative to the benchmark. The fund applies a "high water mark", which means that the fund must attain a new peak level of excess return relative to the benchmark before any further performance fee becomes payable.

The example below illustrates the performance fee payable from the fund after a unitholder invests a sum of SEK 100,000. Besides the performance fee, a fixed management fee of 1% per annum is payable. However, this calculation example illustrates only the effect of the performance fee.

Period	Return for the period before variable performance fee	Benchmark return	Relative return compared with benchmark	Value before variable performance fee	High water mark	Variable performance fee	Variable performance fee	Return for the period after variable performance fee	Value after variable performance fee	NAV per unit
0	-	-	-	100 000	100 000	-	-	-	-	100.00
1	10.0%	1.0%	9.0%	110 000	101 000	1 800	1.80%	8.20%	108 200	108.20
2	-10.0%	1.0%	-11.0%	97 380	109 282	0	0.00%	-10.00%	97 380	97.38
3	10.0%	1.0%	9.0%	107 118	110 375	0	0.00%	10.00%	107 118	107.12
4	20.0%	1.0%	19.0%	128 542	111 479	3 413	3.19%	16.81%	125 129	125.13
5	-1.0%	-5.0%	4.0%	123 878	118 873	1 001	0.80%	-1.80%	122 877	122.88
6	1.0%	5.0%	-4.0%	124 105	129 021	0	0.00%	1.00%	124 105	124.10
7	0.0%	-10.0%	10.0%	124 105	116 118	1 597	1.29%	-1.29%	122 508	122.51
8	0.0%	0.0%	0.0%	122 508	122 508	0	0.00%	0.00%	122 508	122.51

\* This column shows the value that must be exceeded before the management company can claim a variable performance fee. This will rise and fall with movements in the benchmark index. If the management company claims a variable performance fee, a new level is established from which the benchmark must move.

### Example 1

#### Period 1

Return on fund:	10%
Return on benchmark:	1%
Relative return:	9%

The variable performance fee is 20% of the element of the return that exceeds the benchmark. In this case the fee will be:  $20\% \times (110\,000 - 101\,000) = \text{SEK } 1\,800$ . The value SEK 101 000 in the equation is the upwardly adjusted high water mark (what the unitholder would have received if he or she had invested in the benchmark) that must be exceeded before a variable performance fee becomes payable.

#### Period 2

Return on fund:	-10%
Return on benchmark:	1%
Relative return:	-11%
The fund's return from the start:	-2.6%
Benchmark's return from the start:	2.0%
Accumulated relative return:	-4.6%

No variable performance fee is payable for the second period, because the return on the fund lagged behind the benchmark.

#### Period 3

Return on fund:	10%
Return on benchmark:	1%
Relative return:	9%
The fund's return from the start:	7.1%
Benchmark's return from the start:	3.0%
Accumulated relative return:	4.1%

Nor is any variable fee payable for the third period, even though the fund outperformed the benchmark. The reason for this is that the underperformance of the previous period must be made up before any variable performance fee becomes payable and the fund's new high water mark must be exceeded before any variable performance fee is payable. The high water mark in the table above is based on the higher of the two alternatives: either (1) the previous period's high water mark, linked to the benchmark performance in the current period; or (2) the fund's closing value for the previous period, linked to the benchmark performance in the current period.

#### Period 4

Return on fund:	20%
Return on benchmark:	1%
Relative return:	19%
The fund's return from the start:	25.1%
Benchmark's return from the start:	4.1%
Accumulated relative return:	21.1%

A variable performance fee is, however, again payable for the fourth period, because the value of the investment before the variable performance fee exceeds the high water mark. In this case, the variable performance bonus is:  $20\% \times (128\,542 - 111\,479) = \text{SEK } 3\,413$ . The figure of SEK 111 479 in the equation reflects the high water mark that must be exceeded before any variable performance fee becomes payable.

#### Period 5

Return on fund:	-1%
Return on benchmark:	-5%
Relative return:	4%
The fund's return from the start:	22.9%
Benchmark's return from the start:	-1.1%
Accumulated relative return:	24.0%

During this period, the return on the fund is negative, but the return on the benchmark is even worse. This means that the unit value again exceeds the high water mark. The management company can therefore claim a variable performance fee equivalent to:  $20\% \times (123\,878 - 118\,873) = \text{SEK } 1\,001$ .

#### Period 6

Return on fund:	1%
Return on benchmark:	5%
Relative return:	-4%
The fund's return from the start:	24.1%
Benchmark's return from the start:	3.8%
Accumulated relative return:	20.3%

During this period, the return on the fund is positive, but the return on the benchmark is higher. No variable performance fee is payable. The fund's high water mark is adjusted upwards in line with the return on the benchmark.

#### Period 7

Return on fund:	0%
Return on benchmark:	-10%
Relative return:	10%
The fund's return from the start:	22.5%
Benchmark's return from the start:	-6.6%
Accumulated relative return:	29.1%

During this period, the fund is unchanged, while the benchmark goes back 10%. The high water mark thus goes down and the unit value exceeds this. The management company can therefore claim a variable performance fee equivalent to:  $20\% \times (124\,105 - 116\,118) = \text{SEK } 1\,597$ .

#### Period 8

Return on fund:	0%
Return on benchmark:	0%
Relative return:	0%
The fund's return from the start:	22.5%
Benchmark's return from the start:	-6.6%
Accumulated relative return:	29.1%

During this period, the fund is unchanged. The benchmark is also unchanged. No variable performance fee is payable. The fund's high water mark is unchanged through to the next period.

### Example 2 -Unitholder buys in period 2 and sells in period 3

This example can also be used to illustrate the effect of the variable performance fee being paid straight out of the fund and not by each individual unitholder.

A unitholder investing in period two acquires units at a price (NAV) of SEK 97.38. The price rises to SEK 107.12 in the next period. This is a return of 10%. Meanwhile the benchmark gains

1%. However, the management company is not due a variable performance fee, because the high water value was not exceeded. In other words, this unitholder can "ride piggyback" due to previous periods' underperformance.

### Example 3 -Unitholder buys in period 4 and sells in period 5

This example can also be used to illustrate the effect of the management company receiving a variable performance fee when the fund's return is negative but still better than the benchmark.

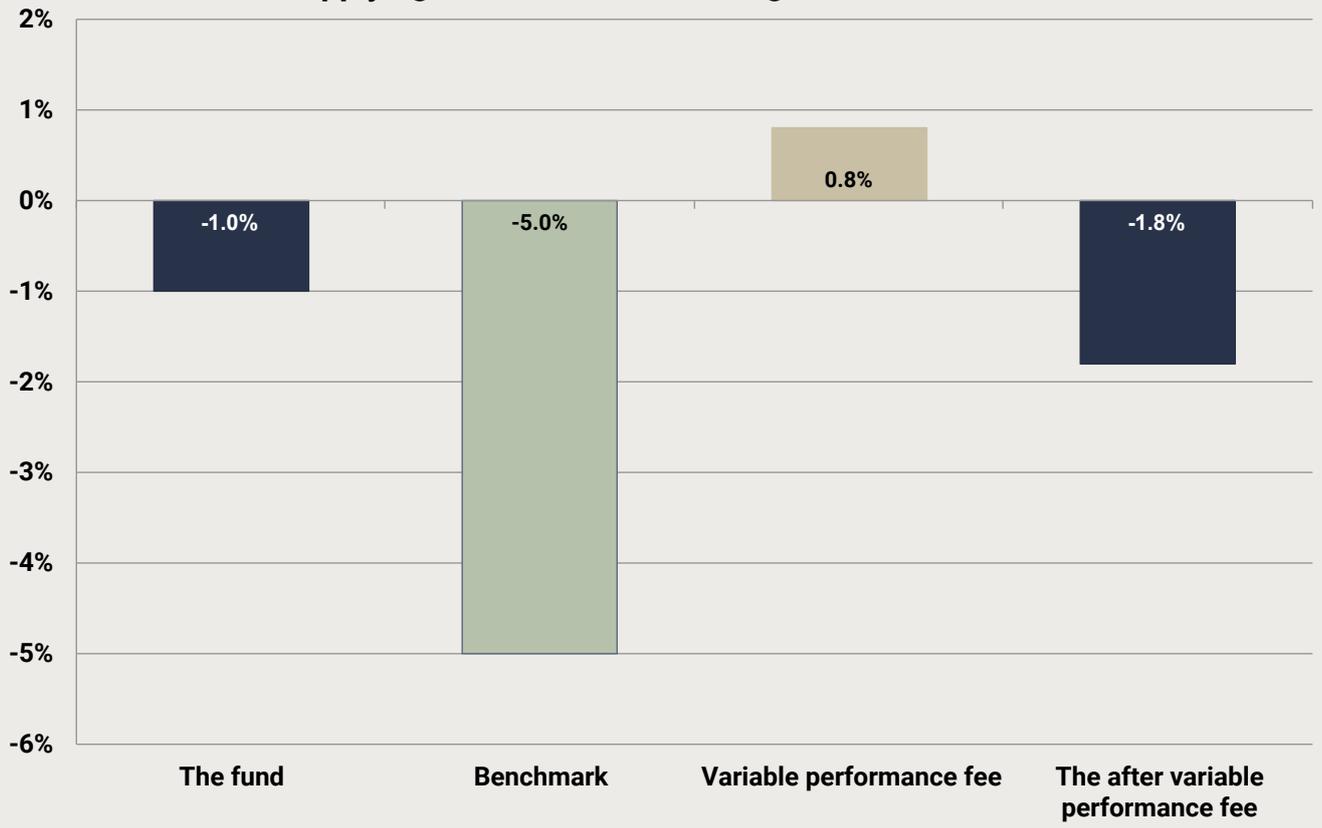
A unitholder investing in period 4 acquires units at a price (NAV) of SEK 125.13. The price before variable performance fee drops to SEK 123.88. This is a return of -1%. Meanwhile the benchmark falls by 5%. The performance fee is  $20\% \times (123\,878 - 118\,873) = \text{SEK } 1\,001$ . The price after variable performance fee is SEK 122.88, which represents a fall of 1.8%.

### Applying a fee in the case of negative absolute return

The performance fee may be payable even if the fund generates a negative return but outperforms the benchmark. The fund must, however, always exceed the high water mark in order for a variable performance fee to be payable. The diagram on the next page illustrates this situation:

In this case, the fund falls by 1% while the benchmark falls by 5%. The excess return against the benchmark is therefore 4%. If the fund value exceeds the high water value, a variable performance fee is payable. This amounts to  $20\% \times 4\% = 0.8\%$ . The fund's return after variable performance fee is thus -1.8%.

### Applying a fee in the case of negative absolute return



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

**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:**  
Lannebo Sverige Plus

**Legal entity identifier:**  
549300W8FUNESQQE9448

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



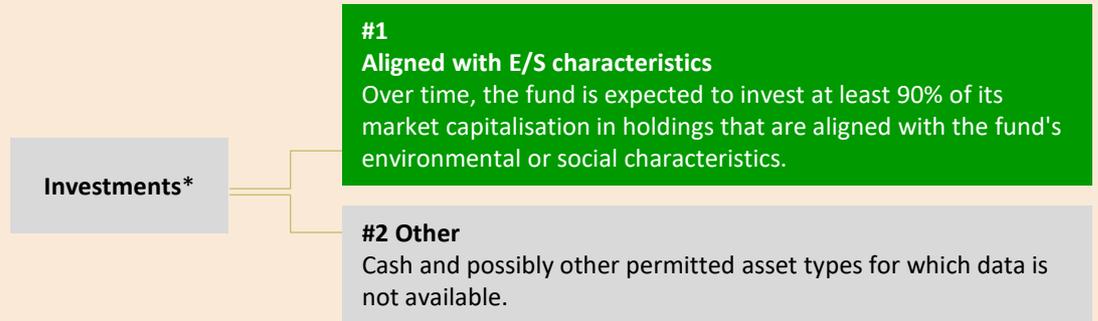
## What is the asset allocation planned for this financial product?

### 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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

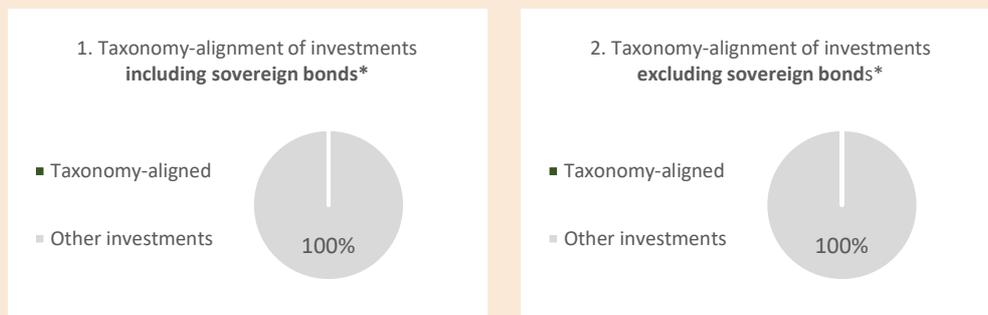
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Teknik

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that invests globally in equities in listed companies with a high content of technology, but can operate in different lines of business.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The management company will determine, taking into account market conditions, geographic distribution in general. The fund may be completely or largely, ie. up to and including 100 percent of the value of the fund, exposed to individual geographic markets. Since the sector is dominated by US companies, most of the fund's assets are normally invested in the US.

Investments may be made at a maximum of 10 per cent of the fund's value in equities and / or other equity-related financial instruments issued by or entails exposure to other types of companies.

Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is actively managed and follows no index. Shares are selected based on the fund manager's assessment; therefore deviations from the benchmark can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is that the fund over the long term achieves a good return taking into account the fund's risk level.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The use of derivatives is done exceptionally and will not normally increase the fund's risk level.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is MSCI World IT 10/40 Net TR USD.

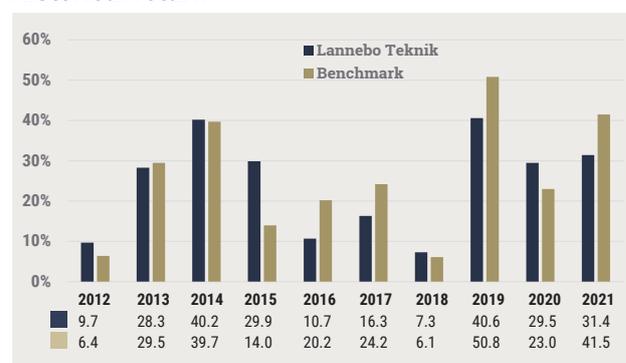
The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have four share classes: SEK, EUR, NOK and DKK. Currently, only share class SEK is offered.

## Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

### Average annual return, %

- Last 3 years	33.7
- Last 5 years	24.4
- Last 10 years	23.6

Key figures	2021	2020	2019	2018	2017
Active Share, %	n.a.	n.a.	n.a.	n.a.	n.a.
Information ratio	-0.3	-0.3	-0.7	-0.7	-1.3
Sharpe ratio	1.8	1.9	1.4	0.8	1.0
Turnover ratio	0.1	0.2	0.1	0.2	0.2

## Target group

### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is suitable for investors who want an investment with a particular focus.

### Ability to bear losses

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

### Risk

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tole-

rance corresponding to 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

#### **Risk profile**

Savings in equities always implies a *market risk* in the form of share price fluctuations. In a fund, this risk is reduced through investments in shares in a variety of companies (diversification) whose prices do not exhibit exactly the same share price fluctuations. By concentrating the assets to certain industries, the fund may have a higher risk than funds investing in several industries. The objective is to not expose the fund to market risks that significantly exceed the market risk of a representative sample of comparable competing funds. This is achieved through the diversification set forth by the fund regulations and legislation as well as the company specific risk analyses. The fund's value may vary, however, due to the composition of the fund and the management methods used by the management company.

The management company's investment philosophy is based on an index-independent management, whereby the fund invests in shares, following fundamental analyses, that are deemed to have good price potential at a reasonable level of risk. Consequently, relative risk such as the fund's tracking error relative to any index are not a type of market risk that the management company intends to limit. The management company is of the opinion that the biggest risk of loss follows as a result of shortcomings in the company specific investment analysis.

Lannebo Teknik can have a high proportion of its assets invested in foreign equities. This means that the fund is exposed to *currency risk*. Hedging of currency exposure is allowed by the fund rules but is very rarely done.

*Liquidity risk* – i.e. the risk of it not being possible to trade a security at a given time without a major price reduction or substantial costs – is negligible given the size of the fund relative to the markets in which it invests.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of the investment strategy. Trading in derivative instruments can incur an increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any left-over securities that the fund pledges the counterparty. The scope of the trade is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's finan-

cial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

#### **The fund's grade of activity**

##### *The management of the fund*

The fund is an actively managed equity fund that invests globally in equities in listed companies with a high content of technology, but can operate in different lines of business. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in 25-35 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

##### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is MSCI World IT 10/40 Net TR USD. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. MSCI World IT 10/40 Net TR USD is an index devised on the basis of reflecting market trends for global IT companies, with the restriction that no company may exceed 10 per cent and that companies comprising 5 per cent or more must not total more than 40 per cent together (weighting restriction in accordance with UCITS). MSCI World IT 10/40 Net TR USD further takes account of the return the shareholders receive in the form of a dividend. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

#### **Active risk (tracking error) for the last 10 years**

The fund started in 2000.

<b>Tracking error, %</b>	<b>31/12/21</b>	<b>31/12/20</b>	<b>31/12/19</b>	<b>31/12/18</b>	<b>31/12/17</b>
	5.6	6.2	5.3	4.4	6.5
	<b>31/12/16</b>	<b>31/12/15</b>	<b>31/12/14</b>	<b>31/12/13</b>	<b>31/12/12</b>
	7.9	5.4	3.8	4.5	6.5

##### *Explanation to the achieved measure of activity*

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund.

During 2021 the active risk in the fund has decreased compared to 2020. The reason therefore is mainly due to that the fund have had a lower risk than its benchmark. Some of the largest holdings in the fund have further had large weights in the benchmark.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

## Maximum fees

*Shareclass SEK, EUR, NOK and DKK*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depository is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.65%
Remuneration to the depository:	0.05%

## Current fees

*Shareclass SEK*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depository is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.6%
Remuneration to the depository:	up to 0.02%

*Shareclass EUR, NOK and DKK*

Information about current fee for share class EUR, NOK and DKK is not given as share class EUR, NOK and DKK hasn't started yet.

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Teknik, hereinafter referred to as the fund, is a UCITS fund as defined in the Swedish Securities Fund Act (SFS 2004:46). Its business is conducted in accordance with the Swedish Investment Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund

cannot acquire rights or assume any obligations.

The fund has the following share classes:

- Share class SEK – traded in Swedish krona (see § 9.2 below)
- Share class EUR – traded in euro (see § 9.2 below)
- Share class NOK – traded in Norwegian krona (see § 9.2 below)
- Share class DKK – traded in Danish krona (see 9.2 below)

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledges.

### § 3 Depository and its role

The depository of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depository shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depository shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

- the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
- the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
- payments for transactions involving the fund assets are paid to the fund without delay, and
- the fund's revenue is applied in accordance with the regulations and the fund rules.

The depository's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

### § 4 Nature of the fund

The fund is an actively managed equity fund with global investment opportunities focused on technology companies.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund can invest globally; the management company, taking into account market conditions, determines the fund's geographical distribution. Up to 100 per cent of the fund's value may be exposed to individual geographical markets.

The fund invests in companies with a high level of technology content that could be active in various industries such as: companies with digital -products and -services; companies that enable digital interactivity; companies whose operations are mainly focused on various forms of technology development; companies that provide other products or services that have a high technology content; as well as companies whose operations are characterized by a high degree of research and development.

The companies mentioned above are active in sector such as:

- Information technology;
- Tele-communications;
- Software development;
- Pharmaceuticals / Medical technology;
- Life science;
- Fintech;
- Cleantech;
- Industrial technology; and
- Digital brands/services.

However, investments may be made at a maximum of 10 per cent of the fund's value in equities and / or other equity-related financial instruments issued by or entails exposure to other types of companies.

Notwithstanding the foregoing, the fund may hold indefinitely any financial instrument that has been included in the fund due to a previous holding, for example, as a result of acquisitions, spin-offs or other corporate action.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

### **§ 6 Marketplaces**

The fund's assets may be invested in a regulated market or similar market as well as another market within or outside the EEA which is regulated and open to the public.

### **§ 7 Special investment policy**

The fund may make use of the transferable securities but not the money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

Trading may take place in derivative instruments for the purposes of rendering management more effective with a view to reducing costs and risks involved in management. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

### **§ 8 Valuation**

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and fund units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and fund units may be included at a value arrived at by the management company on an objective basis.
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation will be market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion

of equity (year-end value).

- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on a derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depository's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

When calculating the value of a fund unit in each share class, the management company must take into account that the fund has several share classes that are traded in Euros linked to different terms corresponding to the currency in which the units are subscribed and redeemed. The value of a fund unit in a particular share class consists of the value of the share class divided by the number of outstanding units in the relevant share class.

The value of the units is to be calculated by the management company daily (each banking day).

### **§ 9 Sale and redemption of units**

#### § 9.1 General regulations

Sale (unit holder 'purchases) and redemptions (unitholders' sales) can be made on each banking day. The request for sale or redemption of units is made as stated on the management company's website, [www.lannebo.se](http://www.lannebo.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Sales are at a minimum amount of SEK 100 or the equivalent in Euro, Norwegian krona or Danish krona.

Requests for redemption may only be revoked if the management company permits.

The sale price of a fund unit will be the unit value on the business day the subscription is made. The redemption price of a fund unit will be the unit value of the business day the redemption is done. Sales and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the sale and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

#### § 9.2 Conditions for the currency in which the sale and redemption of units take place

Sales and redemption of fund units in share class SEK are in Swedish krona.

Sales and redemption of fund units in share class EUR are in Euro.

Sales and redemption of fund units in share class NOK are in Norwegian krona.

Sales and redemption of fund units in share class DKK are in Danish krona.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

## § 11 Fees and payments

### § 11.1 Fees for share class SEK, EUR, NOK and DKK

Fees shall be paid to the management company and the depository as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.65 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depository for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.7 per cent per annum of the share class's share of the fund's value.

### § 11.2 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

## § 12 Dividends

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## § 14 Semi-annual report and annual report, and amendment of fund rules

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depository within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depository and be published by such other means as the Swedish Financial Supervisory Authority instructs.

## § 15 Pledging of units

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge, and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

## § 16 Limitation of liability

### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depository. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, depository bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depository. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depository in respect of financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late pay-

ment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

#### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

#### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The ma-

agement company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Teknik

**Legal entity identifier:**  
549300Y3UW5Y5DPJSO02

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

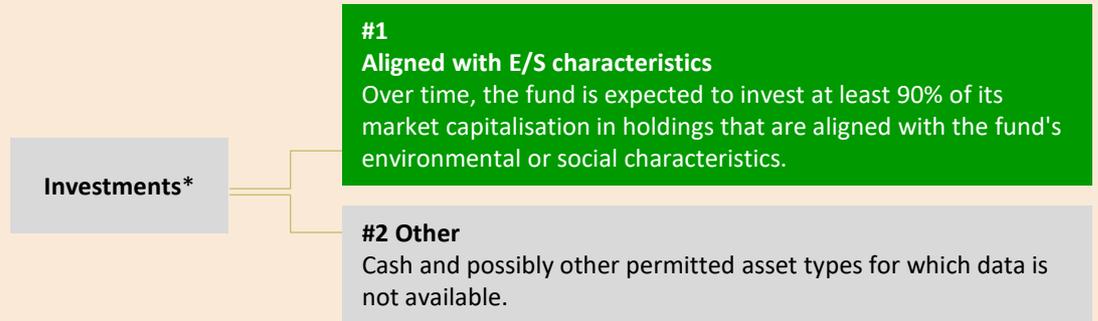
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

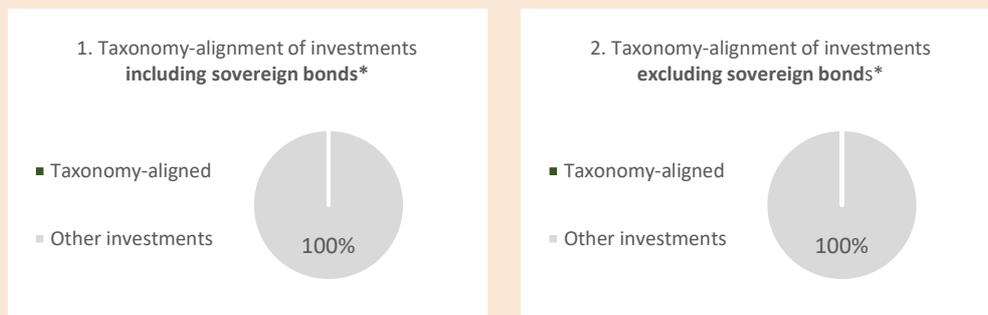
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Teknik Småbolag

Swedish-registered equity fund (UCITS)

### Objective and investment policy

The fund is an actively managed equity fund that invests globally in equities in small and medium-sized listed companies with a high content of technology, but can operate in different lines of business. The fund has a thematic strategy with a focus on major growth trends and fundamental small company analysis and has no geographical limitations but can invest in interesting companies anywhere in the world.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The management company will determine, taking into account market conditions, geographic distribution in general. The fund may be completely or largely, ie. up to and including 100 percent of the value of the fund, exposed to individual geographic markets.

The criteria for a company's size is market capitalization, which at the time of investment may not exceed USD 6.6 billion or the equivalent amount in another currency. The market capitalization limit shall be adjusted annually in accordance with the performance of the fund's benchmark index, rounded to the nearest hundred million USD. The revised size limit shall be applied to investments made subsequent to the implementation of the adjusted market capitalization limit and will continue in force until the next adjustment is applied.

Investments can be made at a maximum of 10 percent of the fund's value in equities and / or other equity-related financial instruments that give exposure to companies other than technology companies.

Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is actively managed and follows no index. Shares are selected based on the fund manager's assessment; therefore deviations from the benchmark can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is that the fund over the long term achieves a good return taking into account the fund's risk level.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The use of derivatives is done exceptionally and will not normally increase the fund's risk level.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is MSCI World Small Cap Information Technology Index.

The fund normally pays no dividend and all income is reinvested in the fund.

Purchase and sale of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have five share classes: SEK, SEK C, EUR, NOK and DKK. Currently, only share class SEK is offered.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

#### Average annual return, %

- Last 3 years	n.a.
- Last 5 years	n.a.
- Last 10 years	n.a.

#### Key figures

	2021	2020
Information ratio	0.6	n.a.
Sharpe ratio	1.5	n.a.
Turnover ratio	0.3	0.4

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is suitable for investors who want an investment with a particular focus.

### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

### *Risk*

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

## **Risk profile**

Savings in equities always implies a *market risk* in the form of share price fluctuations. In a fund, this risk is reduced through investments in shares in a variety of companies (diversification) whose prices do not exhibit exactly the same share price fluctuations. The fund can, by concentrating the assets of small and medium-sized companies, have a higher risk than funds investing in larger companies. By concentrating the assets to technology companies, the fund may have a higher risk than funds investing in several industries. The objective is to not expose the fund to market risks that significantly exceed the market risk of a representative sample of comparable competing funds. This is achieved through the diversification set forth by the fund regulations and legislation as well as the company specific risk analyses. The fund's value may vary, however, due to the composition of the fund and the management methods used by the management company.

The management company's investment philosophy is based on an index-independent management, whereby the fund invests in shares, following fundamental analyses, that are deemed to have good price potential at a reasonable level of risk. Consequently, relative risk such as the fund's tracking error relative to any index are not a type of market risk that the management company intends to limit. The management company is of the opinion that the biggest risk of loss follows as a result of shortcomings in the company specific investment analysis.

Lannebo Teknik Småbolag can have a high proportion of its assets invested in foreign equities. This means that the fund is exposed to *currency risk*. Hedging of currency exposure is allowed by the fund rules but is very rarely done.

*Liquidity risk* – i.e. the risk of not being possible to trade a security at a given time without a major price reduction. As shares in small companies generally have lower liquidity, this places great demands on the management of the cash flow in order that the fund is always in a position of readiness to encounter redemptions and make the most of business opportunities that suddenly arise and which should be exploited in the interests of unitholders. In addition, the fund should have an appropriate mix of more or less liquid holdings so as to also be able to manage liquidity flows in an effective manner.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns

and create leverage in the fund.

The fund may trade with derivative instruments as part of the investment strategy. Trading in derivative instruments can incur an increased market risk together with *counterparty risk* in the form of the positive market value of the derivative instrument or any left-over securities that the fund pledges the counterparty. The scope of the trade is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

## **The fund's grade of activity**

### *The management of the fund*

The fund is an actively managed equity fund that invests globally in equities in small and medium-sized companies. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in 40-50 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### *Benchmark*

The management of the fund may be compared with the fund's benchmark which is MSCI World Small Cap Information Technology Index. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. MSCI World Small Cap Information Technology Index includes small-size companies within the IT sector from developed countries in different geographical markets. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

## **Active risk (tracking error) for the last 10 years**

The fund started in 2019. The fund started in 2018. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the first two years for the fund.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Share class SEK	11.6	-	-		

### *Explanation to the achieved measure of activity*

2021 is the first time a measure of activity is available for the fund. Therefore, a comparing between years is not possible.

The slightly high measure is mainly explained by the fact that the fund has a more concentrated portfolio than its benchmark, due to the manager's strategic decisions. This further causes a difference in exposure compared with the benchmark, regarding the sizes of the companies, geographical exposure and currency exposure.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

## Maximum fees

### *Shareclass SEK, EUR, NOK and DKK*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.7%
Remuneration to the depositary:	0.1%

### *Shareclass SEK C*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided. The management fee does not include compensation to certain distributors:

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.85%
Remuneration to the depositary:	0.1%

## Current fees

### *Shareclass SEK*

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.6%
Remuneration to the depositary:	up to 0.02%

### *Shareclass SEK C, EUR, NOK and DKK*

Information about current fee for share class SEK C, EUR, NOK and DKK is not given as share class SEK C, EUR, NOK and DKK hasn't started yet.

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Teknik Småbolag, hereinafter referred to as the fund is a UCITS fund as defined in the Swedish Securities Fund Act (2004:46). Its business is conducted in accordance with the Swedish Securities Fund Act (SFS 2004:46), these fund rules, the management company's articles of association, and any other rules issued pursuant to laws or ordinances.

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- Share class SEK – traded in Swedish krona (see § 9.2 below) and has a maximum management and custody fee of 1.8 per cent per year (see § 11.1 below).
- Share class SEK C – traded in Swedish krona (see § 9.2 below) and has a maximum management fee of 0.95 per cent per year (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).
- Share class EUR – traded in Euro (see § 9.2 below) and has a maximum management and custody fee of 1.8 percent per annum (see § 11.1 below).
- Share class NOK – traded in Norwegian krona (see § 9.2 below) and has a maximum management fee of 1.8 per cent per year (see § 11.1 below).
- Share class DKK – traded in Danish krona (see § 9.2 below) and has a maximum management fee of 1.8 per cent per year (see § 11.1 below).

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

### § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

- the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
- the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
- payments for transactions involving the fund assets are paid to the fund without delay, and
- the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regula-

tion (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries

#### **§ 4 Nature of the fund**

The fund is an actively managed equity fund with global investment opportunities focused on small and medium-sized technology companies. The fund is managed according to the management company's investment philosophy of active management; the manager invests in companies considered to have potential for a positive share price return at a reasonable level of risk. Stock selection is based on fundamental analysis combined with active portfolio adjustments, independent of the stock's weighting in the benchmark index.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### **§ 5 The fund's investment policy**

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

The fund can invest globally; the management company, taking into account market conditions, determines the fund's geographical distribution. Up to 100 per cent of the fund's value may be exposed to individual geographical markets.

The criteria for a company's size is market capitalization, which at the time of investment may not exceed USD 5 billion or the equivalent amount in another currency. The market capitalization limit shall be adjusted annually in accordance with the performance of the fund's benchmark index, rounded to the nearest hundred million USD. The revised size limit shall be applied to investments made subsequent to the implementation of the adjusted market capitalization limit and will continue in force until the next adjustment is applied. Information on the fund's benchmark index and the size limit applicable at any given point in time can be found in the information brochure.

The fund invests in companies with a high level of technology content that could be active in various industries such as: companies with digital -products and -services; companies that enable digital interactivity; companies whose operations are mainly focused on various forms of technology development; companies that provide other products or services that have a high technology content; as well as companies whose operations are characterized by a high degree of research and development.

The companies mentioned above are active in industries such as:

- Information technology;
- Tele-communications;
- Software development;
- Pharmaceuticals / Medical technology;
- Life science;
- Fintech;
- Cleantech;
- Industrial technology; and
- Digital brands/services.

A maximum of 10 per cent of the fund's value may be invested in shares and / or other equity-related financial instruments without limitation to market capitalization and / or other investment criteria stated above.

The fund shall continuously invest at least 90 per cent of the fund's value in equities and / or other equity-related financial instruments.

Notwithstanding the foregoing, the fund may hold indefinitely any financial instrument that has been included in the fund due to a previous holding, for example, as a result of acquisitions, spin-offs or other corporate action.

#### **§ 6 Marketplaces**

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public.

#### **§ 7 Special investment policy**

The fund may make use of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

#### **§ 8 Valuation**

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, derivative instruments and fund units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and fund units may be included at a value arrived at by the management company on an objective basis.
- In the case of the transferable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on a derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in deposits with credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.

- Depositary's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

When calculating the value of a fund unit in each share class, the management company must take into account that the fund has several share classes that are traded in Euros linked to different terms corresponding to the currency in which the units are subscribed and redeemed. The value of a fund unit in a particular share class consists of the value of the share class divided by the number of outstanding units in the relevant share class.

The value of the units is to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General regulations

Sale (unit holder 'purchases) and redemptions (unitholders' sales) can be made on each banking day. The request for sale or redemption of units is made as stated on the management company's website, [www.lannebofonder.se](http://www.lannebofonder.se), or as directed by the management company.

Should a redemption require funds to be obtained through the sale of securities, such sales shall be carried out and the redemption shall occur as soon as possible.

Sales are at a minimum amount of SEK 100 or the equivalent in Euro, Norwegian krona or Danish krona.

Requests for redemption may only be revoked if the management company permits.

The sale price of a fund unit will be the unit value on the business day the subscription is made. The redemption price of a fund unit will be the unit value of the business day the redemption is done. Sales and redemptions are made at a price that is not known to the unit holder at the time of the request for subscription or redemption.

Information on the sale and redemption price is published on the management company's website no later than the banking day after the banking day when the fund value is determined as above.

### § 9.2 Conditions for the currency in which the sale and redemption of units take place

Sales and redemption of fund units in share class SEK and share class SEK C are in Swedish krona.

Sales and redemption of fund units in share class EUR are in Euro.

Sales and redemption of fund units in share class NOK are in Norwegian krona.

Sales and redemption of fund units in share class DKK are in Danish krona.

### § 9.3 Terms for distribution of fund units in share class SEK C

Subscriptions of share class SEK C is available through a distributor, who has entered into an agreement with the management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer.

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

## § 11 Fees and payments

### § 11.1 Fees for share class SEK, EUR, NOK and DKK

Fees shall be paid to the management company and the depositary as follows:

- The management company is paid in the form of a fixed fee. The maximum fee is 1.7 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.1 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.8 per cent per annum of the share class's share of the fund's value.

### § 11.2 Fees for share class SEK C

Fees shall be paid to the management company and the depositary as follows:

- The management company is paid in the form of a fixed fee. The maximum fee is 0.85 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.1 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.95 per cent per annum of the share class's share of the fund's value.

### § 11.3 Brokerage fees etc.

Brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

## § 12 Dividends

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## § 14 Semi-annual report and annual report, and amendment of fund rules

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depositary within four months of the end of the financial year (annual report) and two months of the end of the six months period

(semi-annual report) respectively.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depositary and be published by such other means as the Swedish Financial Supervisory Authority instructs.

### **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

### **§ 16 Limitation of liability**

#### § 16.1 Limitation of the management company's liability

Without deviating from the provisions of Chapter 2, §21 of the Swedish Investment Funds Act, the following applies regarding the management company's liabilities:

The management company is not liable for damages due to Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the management company is subject to or itself undertakes such a conflict.

Losses incurred in other cases shall not be compensated for by the management company if normal caution has been observed. The management company is in no case liable for indirect or consequential damages.

The management company is not liable for damages caused by the depositary. Nor shall the management company be liable for damages caused by unitholders or others that violate the law, ordinances, regulation or these fund rules. In this regard, unitholders are informed that they are responsible for documents submitted to the management company are correct and duly signed and that the management company is informed of changes in the information provided.

The management company is not liable for damages caused by - Swedish or foreign - stock exchanges or other marketplaces, depositary bank, central securities depository, clearing, or others providing similar services, including a contractor hired with due care by the management company or depositary. The same applies to damages caused by the insolvency of the above-mentioned organizations or contractors. The management company also is not liable for any damages arising from disposal restrictions that may be applied to the management company or depositary in respect of

financial instruments.

In the event the management company is prevented from taking measures, fully or in part, due to circumstances mentioned above, the measures may be postponed until the obstacle has ceased. If, as a result of such circumstances, the management company is prevented from executing or receiving payment, the management company or unitholder shall not be liable to pay interest on late payment. Corresponding exemption from the obligation to pay interest on late payment applies even if the management company temporarily defers the date of purchase or redemption of fund units pursuant to §10.

#### § 16.2 Limitation of the depositary's liability

Without deviating from the provisions of Chapter 3 14–16 §§ of the Swedish Investment Funds Act, the following applies regarding the depositary's liabilities:

In the event that the depositary has lost financial instruments deposited with the depositary, the depositary shall without undue delay return financial instruments of the same kind or issue an amount of equivalent value to the management company on behalf of the fund. However, the depositary is not liable for the loss of financial instruments caused by an external event outside the depositary's reasonable control, and whose consequences were impossible to avoid even though all reasonable efforts have been made, such as damage caused by Swedish or foreign legal statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout, interruptions in data communications or other similar circumstances. The reservation concerning strike, blockade, boycott and lockout applies even if the depositary is subject to or itself undertakes such a conflict.

The depositary is not liable for any damages other than the damages referred to in the first paragraph, unless the depositary intentionally or negligently caused such other damage. The depositary is not responsible for such other damages if the circumstances mentioned in the first paragraph are present.

The depositary shall not be liable for damages caused by a - Swedish or foreign - stock exchange or other marketplace, registrar, clearing organization or other provider of equivalent services, nor for - other than those mentioned in the first paragraph - damages caused by the depositary or other contractors with whom the depositary with due skill, care and diligence hired and regularly supervised or that is designated by the management company. The depositary is not responsible for damages caused by the insolvency of the said organizations or contractors. However, a contract for the custody of assets and ownership controls does not limit the depositary of its liabilities for losses and other damages under the Swedish Investment Funds Act.

The depositary is not liable for damages arising from the management company, unitholders of the fund, the fund or others in the event of disposal restrictions which may apply to the depositary regarding financial instruments. The depositary is in no case responsible for indirect damages. If the depositary is prevented, fully or in part, from execution of this agreement due to circumstances referred to in the first paragraph, the action may be postponed until the obstacle has ceased. In case of deferred payment, the depositary shall not pay interest on late payment. If interest is paid, the depositary shall pay interest at the interest rate applicable on the due date. If, as a result of the circumstance referred to in the first paragraph, the depositary is prevented from receiving payment for the fund, the depositary has the right to interest payments for the period during which the issue hindered payment only under the terms of the due date.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does

not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo Teknik Småbolag

**Legal entity identifier:**  
549300M9YG743U6ONZ47

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



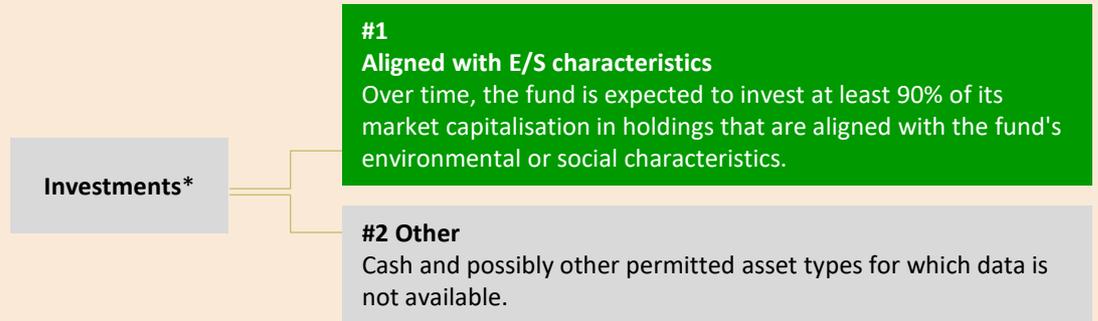
## What is the asset allocation planned for this financial product?

### 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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

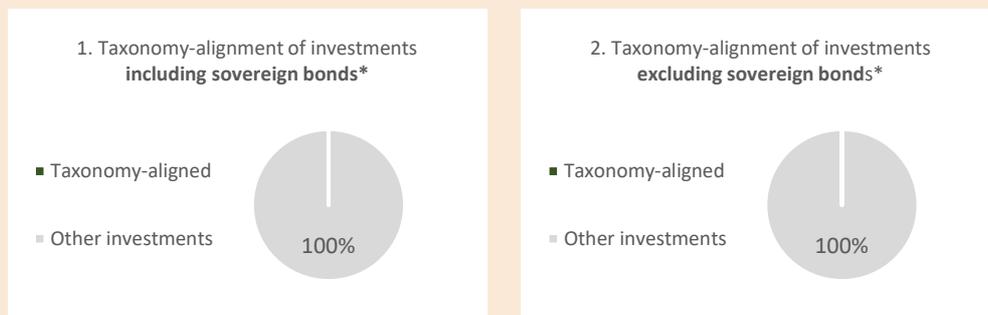
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Fastighetsfond Select

Swedish-registered special fund

### Objective and investment policy

The fund is an actively managed equity fund that mainly invests in equities in Nordic listed companies but can to some extent make investments on the European market. The fund is focused on real estate companies and related sectors such as the construction sector, housing development as well as infrastructure.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The fund is actively managed and follows no index. Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is fundamentally similar to a traditional equity fund, but in some respects, the fund has wider investment rules. The fund may invest more than 100 per cent of the fund assets. The fund is for example able to invest 150 per cent in real estate shares that the management company is positive about and, at the same time, balance this by reducing its share exposure by, for example, 50 per cent through the sale of stocks that the fund does not own but has borrowed, so-called short selling. The fund may also take long and/or short positions in fixed-income securities. The fund is able to use derivatives as part of the investment strategy. The fund is expected to invest between 150 and 180 per cent in real estate stocks and take short positions in stocks and/or fixed-income securities up to between 50 and 80 percent. However, the net exposure to the equity market is normally between 90 and 100 per cent.

Shares are selected based on the fund manager's assessment; therefore deviations from the benchmark can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is that the fund over the long term achieves the best possible return taking into account the fund's risk level.

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The total underlying risk associated with such derivatives may not exceed the total value of the fund's shareholdings.

The fund is a special fund, which means, among other things, that the fund may concentrate its holding to a smaller number of companies than is the case for an ordinary equity fund. No holding may account for more than 25 per cent of the fund's value. Further, the fund differs from corresponding mutual funds in that trading is offered once a month (redemption once a month) and it invests more than 100 per cent of the fund's value.

The fund may also engage in securities borrowing in order to sell specific securities short. Short selling means that the fund borrows a security and then sells it on the stock market. If the price of this security has fallen by the time the fund buys it back and returns it to the lender, a positive return will

be generated.

The base of the fund is a traditional long equity portfolio to which the managers may add both long and short positions in equity, equity-related instruments and fixed-income securities. As a starting point, the fund has a share portfolio with a gross and net exposure of about 100 per cent of the value of the fund, or less to secure a necessary liquidity in the fund. In addition, exposure may be increased by taking different positions on both the "short side" and the "long side". The exposure from these positions may increase the gross exposure for the fund up to 160 per cent of the fund's value. The starting point is that this further exposure, in addition to the initial 100 per cent on the long side, will be roughly as great on the short side as on the long side. The fund shall have a gross exposure no greater than 260 percent of the fund's value and a long net exposure of approximately 100 per cent of the fund's value or less with regard to required liquidity in the fund.

The fund borrows securities, in order to take short positions, against a predetermined interest accruing to the fund.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase the return and create leverage in the fund. In securities lending and the use of other techniques and instruments there are no direct or indirect operational costs/fees charged to the fund.

The fund's benchmark index is VINX Real Estate SEK NI.

Normally the fund pays no dividend for share class A and all income is reinvested in the fund.

Purchase and sale of fund units may normally be made every banking day.

### Share classes

In accordance with the fund rules, the fund may have 16 share classes: A SEK, A EUR, A NOK, A DKK, B SEK, B EUR, B NOK, B DKK, A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C. Currently only share class A SEK is offered.

### Information regarding the fund's performance and financial position

According to the fund's rules, the value of the fund unit is calculated the last banking day every month and published monthly on the management company's website.

### Historical return

Information about historical return is not available since the fund started 30 September 2021.

Average annual return, %	
- Last 3 years	n.a.
- Last 5 years	n.a.
- Last 10 years	n.a.

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales

person or distributor.

### *Investment Objective*

The target group for the fund are investors who primarily want their invested capital to appreciate.

The fund may also be suitable for investors who want the invested capital to contain of an option or leverage part and for investors with other investment objectives. On the other hand, the fund is not suitable for investors who primarily wants the invested capital to provide protection against other investments, provide a return in the form of dividends or similar, or to be conserved.

The fund is intended for investors with a long-term (at least 5 years) investment horizon.

The fund is suitable for investors who want an investment with a particular focus.

### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

### *Risk*

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

## **Risk profile**

As the fund is a long equity fund the fund's risk will primarily lie in the market risk in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. The fund can, by concentrating the assets mainly to one sector, have a higher risk than funds investing in several sectors. In the fund the total market risk can be higher than in a traditional mutual fund because the fund may use leverage. Both long and short positions can be added to the equity portfolio, which means that both gross and net exposure can exceed 100 per cent. The fund is expected to invest between 150 and 180 per cent in real estate stocks and take short positions in stocks and/or fixed-income securities up to between 50 and 80 per cent. Normally the net exposure against the stock market is between 90 and 100 per cent. The fund's value may vary greatly due to the composition of the fund and the management methods used by the management company.

The management company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis.

Lannebo Fastighetsfond Select focuses its investments to Nordic transferable securities but has the opportunity to make investments in European financial instruments to some extent. This means that the fund is exposed to a currency risk.

**Liquidity risk** – i.e. the risk of not being able to trade a security at a given time without a major price reduction or substantial costs, places great demand on the management of the cash flow in order for the fund to always be in a position of readiness to encounter redemptions and make the most of business opportunities which should be exploited in the interest of unitholders. In addition, the fund should also have an appropriate mix of more or less liquid holdings to be able to manage liquidity flows in an effective manner. The liquidity risk is also handled by the management company limiting the size of the fund, and by the fund being open for redemptions once a month whereby unit holders must notify the management company 15 banking days in advance.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. To limit the counterparty risk securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned.

The fund borrow shares in order to obtain short positions. In relation to stock borrowing the fund places collaterals that may exceed the value of the borrowed shares which means that the fund may be exposed to counterparty risk. In addition to counterparty risk, the fund's short positions increase the gross exposure which in turn could lead to increased market risk. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. Trading in derivatives can be used to increase or decrease the net and gross exposure for the fund, which can lead to an increased market risk. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

**Sustainability risk** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The sustainability risk is managed partly by integrating sustainability into investment decisions and by using the exclusion criteria that Lannebo Funds apply. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns. The fund may be exposed to **operational risk** because the managing of the fund contains certain complex elements, such as the use of techniques and instruments that gives rise to safety requirements. Operational risk is the risk of a loss due to lack of internal routines or external factors such as legal and documentation-related risks as well as risks as a result of trading, settlement and valuation routines.

## Leverage

Leverage is a method by which a fund manager increases risk exposure of an alternative investment fund through, among other, the borrowing of cash or securities, or through the use of derivative instruments. The fund's exposure, as a per cent of the fund's net assets, is calculated in accordance with two independent methods (commitment method and gross method). Leverage has not been created if a fund's exposure does not exceed 100 per cent. An alternative investment fund that, for example, only has holdings in equities does not create any leverage unless the equity holdings have been borrowed.

As mentioned above, normally the fund will not use derivative instruments. The fund may borrow money at a maximum of 260 per cent of the fund's value. The fund may take money loan to a maximum 20 per cent of the fund value. Such loans may be raised with the aim of improving the return on an investment in companies where, in the fund's estimation, indebtedness is too low and in which the fund is promoting change, but where it has yet to occur. Financial leverage may also be created through the use of other techniques or instruments, most commonly short selling. Calculated according to the commitment method the fund's total exposure through the use of techniques and instruments may amount to a maximum of 260 per cent of the fund's value. By the following the financial leverage cannot exceed 360 per cent when calculated by the gross method and 260 per cent when calculated by the commitment method.

Lannebo Fonder may use the fund's assets as pledged collateral in the fulfilment of obligations incurred as part of the management of the fund, and can be exercised, for example, through a pledge agreement or collateral transfer or so-called transfer of title by which title to the asset is transferred to the fund's counterparty.

## Periodic information disclosure about risk and liquidity management and leverage

Lannebo Fonder regularly provides information on risk and liquidity management and leverage as follows:

Information about the current risk profile and the applicable risk management system, as well as detail of any eventual share of non-cash assets, is provided in the annual- and semi annual report for the fund. The annual and semi annual report for the fund will also provide information about the total amount of leverage calculated using both the gross and commitment method.

Information regarding changes to the maximum level of leverage that may be used by the fund and the authority to dispose of collateral or any guarantee that has been provided under the scheme of leverage is provided on the company's website. The same applies to changes in the fund's liquidity risk management, which is of material importance.

Information regarding changes to the terms of the redemption of units as well as information regarding a postponement of the redemption of units in accordance with Chapter 4 § 13a Securities Funds Act, or of the fund closes for redemption of units due to extraordinary circumstances in accordance with the fund rules, shall be communicated to the unitholders by letter and / or via the management company's website.

## The fund's grade of activity

### The management of the fund

The fund is an actively managed equity fund that mainly invests in equities in the Nordic region but can to some extent make investments in the European market. The fund only

invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in 20-30 companies. The most attractive companies are the fund's largest holding. The fund also takes short positions, mainly through short selling. The concentration in the fund is at a higher level than a traditional equity fund. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth.

### Benchmark

The management of the fund may be compared with the fund's benchmark which is VINX Real Estate SEK NI. The benchmark is relevant to the fund since it's a benchmark that reflects the fund's investment policy, in terms of sectors, geography, companies' size, assets and market. VINX Real Estate SEK NI is an equity index that reflects the market trends for real estate companies in the Nordic region. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

## Active risk (tracking error) for the last 10 years

### Explanation to the measure of activity

The fund started 30 September 2021. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the fund.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return varies in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

## Maximum fees

*Share class A SEK, A EUR, A NOK, A DKK, B SEK, B EUR, B NOK and B DKK*

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.05%*
Remuneration to the depositary:	0.05%

*\*Any performance fee may be added as below*

*Share class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C*

The information below is provided regarding the maximum charges the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	0.55%*
Remuneration to the depositary:	0.05%

\*Any performance fee may be added as below

## Current fees

### Share class A SEK

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary for custody of the fund's assets is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1.0%*
Remuneration to the depositary:	up to 0.02%

\*Any performance fee may be added as below

Share class A EUR, A NOK, A DKK, B SEK, B EUR, B NOK, B DKK, A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C

Information about current fee for A EUR, A NOK, A DKK, B SEK, B EUR, B NOK, B DKK, A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C are not given as the share classes haven't started yet.

## Performance-based fee

A performance-based fee of twenty (20) per cent of the part of the total return from a fund's share class that exceeds the fund's benchmark, VINX Real Estate SEK NI, is also payable to the management company (where applicable converted to the same currency in which the share class is traded). The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if a fund's share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated daily but deducted from the fund's account monthly. If the total return of a fund's share class is below the benchmark on a particular day and above it on a subsequent day, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when charging the fee. The high water mark can't be reset.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders in a share class pay the same performance-based fee per unit for a particular day and the underperformance for all unitholders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in a fund's share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

## Closure of Lannebo Fastighetsfond Select

The fund company is entitled to resolve on closing the fund in order to prevent the fund's managed capital reaching a size whereby the fund cannot be managed in an optimal way for either the fund or existing unit holders; this means no new subscriptions. The decision to close the fund

requires that the fund's managed capital amounts to a size that exceeds the capital limit set by the fund company for optimal management. This currently amounts to 10 000 million Swedish krona.

Unit holders should be immediately informed when the capital limit set by the Board of Directors is surpassed. Information regarding a resolution to close the fund shall be published on the management company's website and distributed to unit holders at the registered address held by the fund management company. The decision to close the fund shall be executed at the earliest 20 days following the announcement to unit holders of the resolution.

Notifications regarding the sale of fund units that are received by the fund company prior to the date on which the resolution to close the fund came into force shall be processed and entail the right to sell new fund units in accordance with the submitted notification and the applicable fund rules.

In connection with the decision to close the fund, the fund company's Board of Directors shall resolve on a maximum amount for the sale of fund units until the decision to close the fund has entered into force, which, at a minimum, can be set of SEK 50 million.

In the event of over-subscriptions new shares shall be allocated to unit holders in accordance with the notification together with the applicable fund rules within the framework of the maximum amount as determined by the Board of Directors prioritized by the order in which the notifications where received by the fund company.

Notifications that are received by the fund company after the decision to close the fund takes effect, and until the fund company resolves to again open the fund, will be returned along with information regarding the resolution and other practical information. Any amount paid will be refunded to the designated bank account.

When the Board of Directors resolves to reopen the fund, this shall be immediately communicated to unit holders. The information on the resolution to open the fund shall be announced on the fund company's website and distributed to all unit holders at the registered address held by the fund management company. The resolution to open the fund shall come into force no earlier than 30 days following the communication of the resolution having been sent to unit holders. The fund will remain open until the capital limit is crossed.

## Information according to the EU Regulation on indices used as benchmark

The EU regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (benchmark regulation) came into effect on 1 January 2018. The benchmark regulation applies if a management company measures the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees.

For Lannebo Fastighetsfond Select, a benchmark is used in such a way that the fund's performance-based fee is related to VINX Real Estate SEK NI.

According to the benchmark regulation, a benchmark administrator must be approved and registered with the European Securities and Markets Authority (ESMA) no later than the end of 2023. VINX Real Estate SEK NI is provided by an administrator not yet registered with ESMA. However, according to the transitional provisions in the new rules, a third-country-index can be used by the management company until the end of 2023.

A management company must have a plan setting out the actions that will be taken in the event that a benchmark ma-

terially changes or ceases to be provided. If such an event would occur, Lannebo Fonder will attempt to identify an appropriate alternative benchmark and replace the previously used benchmark.

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo Fastighetsfond Select, hereinafter the fund, is a special fund regulated under the laws (2013: 561) regarding the management of alternative investment funds, hereinafter called AIFM (Alternative Investment Fund Managers Act). The management of the fund is conducted in accordance with these fund rules, the statutes of the management company, AIFM and other applicable regulations

The fund's assets are owned by its unitholders jointly. Each unit of each share class holds equal right to the assets included in the fund. The management company as stated in § 2 manages the fund and represents the unitholders in all matters relating to the fund, decides on the assets included in the fund, and exercises any rights arising from the fund. The fund cannot acquire rights or assume any obligations.

The fund has the following share classes:

- A. Share class A SEK – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).
- B. Share class B SEK – Dividend paid (see § 12.2 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).
- C. Share class A EUR – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).
- D. Share class B EUR – Dividend paid (see § 12.2 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).
- E. Share class A NOK – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).
- F. Share class B NOK – Dividend paid (see § 12.2 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).
- G. Share class A DKK – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Danish krona (see § 9.2 below) and has a

maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

H. Share class B DKK – Dividend paid (see § 12.2 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 1.1 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.1 below).

I. Share class A SEK C – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

J. Share class B SEK C – Dividend paid (see § 12.2 below), traded in Swedish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

K. Share class A EUR C – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

L. Share class B EUR C – Dividend paid (see § 12.2 below), traded in Euro (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

M. Share class A NOK C – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

N. Share class B NOK C – Dividend paid (see § 12.2 below), traded in Norwegian krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

O. Share class A DKK C – Accumulated, i.e. no dividend is paid and all income is reinvested in the fund (see § 12.1 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the part of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

P. Share class B DKK C – Dividend paid (see § 12.2 below), traded in Danish krona (see § 9.2 below) and has a maximum fixed fee of 0.6 per cent per year and a maximum performance fee of 20 per cent of the total return from the fund that exceeds the fund's benchmark (see § 11.2 below) and is subject to distribution terms (see § 9.3 below).

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

### § 3 Depositary and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are regulated in the Swedish Securities Fund Act and the Commission Delegated Regulation (EU) no 231/2013 of December 19 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regards to exceptions, general conditions, depositary, leverage, openness and supervision.

### § 4 Nature of the fund

The fund is an actively managed equity fund that mainly invests in equities in Nordic listed companies but can to some extent make investments in the European market. The fund is focused on real estate companies and closely related sectors such as construction, housing development and infrastructure.

The base of the fund is a traditional long equity portfolio to which the managers may add both long and short positions in equity, equity-related instruments and fixed-income securities. As a starting point, the fund has a share portfolio with a gross and net exposure of about 100 per cent of the value of the fund, or less to secure a necessary liquidity in the fund. In addition, exposure may be increased by taking different positions on both the short side and the long side. The exposure from these positions may increase the gross exposure for the fund up to 160 per cent of the fund's value. The starting point is that this further exposure, in addition to the initial 100 per cent on the long side, will be roughly as great on the short side as on the long side. The fund shall have a gross exposure no greater than 260 percent of the fund's value and a long net exposure of approximately 100 per cent of the fund's value or less with regard to required liquidity in the fund.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund shall continuously invest at least 90 per cent of the fund's value in equities and / or other equity-related financial instruments, which includes, in addition to ordinary shares (Sw. *stamaktier*), i.e. preferential shares and convertibles.

The fund shall have a net exposure of at least 90 per cent of the fund's value attributable to the real estate sector and closely related sectors, such as construction and housing development.

The fund has a main geographical focus on the Nordic region. The fund's assets may as a part of the investment strategy

be invested in, amongst other, equities and other financial instruments that at the time of investments are held for trading at a regulated market in the Nordic region or meets the requirement to be listed in such a market within one year from the issue or subject to regular trading on another market in the Nordic region that is regulated and open for the public or that are issued by an issuer which at the time of the investment has its registered office in the Nordic region. The fund's assets may also be invested in equities or other financial instruments that at the time of investment is traded in Swedish kronor or another local Nordic currency. The fund may continuously have a net exposure amounting to a maximum of 15 per cent of the fund's value against investment with a focus on Europe.

Regardless of what is stated above regarding the fund's sector and geographical focus, the fund may hold such financial instruments that have been included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

Underlying assets to derivative instruments that is included in the fund shall be made up of or related to assets referred to in Chapter 5, section 12, Paragraph 1 of the Swedish Securities Fund Act (2004:46), hereinafter referred to as LVF.

The management of assets in a special fund follow Chapter 5 LVF, unless the Swedish Financial Supervisory Authority has granted any exceptions. The following exemptions from the provisions of the LVF have been granted with regards to the investment policy:

- As a departure from Chapter 5, Section 5 LVF, investments in transferable securities and money market instruments referred to in Chapter 5, Section 5 LVF, together may not exceed 20 per cent of the fund's value;
- As a departure from Chapter 5, Section 6, first paragraph, second paragraph 3 and last paragraph, as well as Paragraph 21 LVF, transferable securities and money market instruments from one and the same issuer may not constitute more than 25 per cent of the fund's value. Regarding short positions, the exposure to one single issuer may not exceed 15 per cent of the fund's value. Regarding transferable securities and money market instruments referred to in Chapter 5, Section 5 LVF, the exposure to one single issuer may not exceed 10 per cent of the fund's value. The total value of all holdings that separately exceeds five per cent of the fund's value, may not exceed 65 per cent of the fund's value.
- As a departure from Chapter 5, Section 11 LVF, deposits in one credit institution or credit institutions included in the same corporate group may not amount to more than 25 per cent of the fund's value.
- As a departure from Chapter 5, Section 13 second subparagraph LVF and Chapter 25, Section 6 FFFS 2013:9, the funds total exposure, calculated by the commitment method, may not amount to more than 250 per cent of the fund's value.
- As a departure from Chapter 5, Section 14 LVF the funds exposure to one counterparty when trading with OTC derivatives, may not amount to more than 20 per cent of the fund's value when the counterparty is a credit institution.
- As a departure from Chapter 5, Section 19 first paragraph 2 LVF, the fund may hold bonds exceeding 10 per cent of the instruments issued by a single issuer, however not more than 25 per cent.
- As a departure from Chapter 5, Section 19, first paragraph 3 LVF, the fund may hold money market instruments exceeding 10 per cent of the instruments issued by an individual issuer, however not more than 25 per cent.
- As a departure from Chapter 5, Section 20, first paragraph LVF, the fund may acquire shares with such voting rights that it is possible for the fund to exercise significant influence over the management of a company, however, this

is limited to 25 per cent of the voting rights in a company.

- As a departure from Chapter 5, Section 6, last paragraph, Section 11, Section 21 and Section 22 LVF, the exposure to one company or companies in the same corporate group, may not constitute more than 45 per cent of the fund's value.

- As a departure from Chapter 5, Section 23, first paragraph 1 LVF, money borrowing may not exceed 20 per cent of the fund's value.

The fund's risk level may occasionally be higher than that which applies to the stock market as a whole given the fund may hold large positions in companies concentrated to a particular sector where liquidity can be limited. The risk measure used is the standard deviation for the variation of the fund's total return. The management company strives for the fund's average standard deviation to be between 10 and 30 per cent, on a rolling 24-month period. It should be noted that the desired average level of risk that the fund strives for may be exceeded or undershot during unusual or extra ordinary market conditions.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market or on another market, within or outside of the EEA, which is regulated and open to the public (e.g. a MTF-platform).

## § 7 Special investment policy

The fund may make use of such transferable securities and money market instruments as detailed in chapter 5 § 5 of the LVF.

The fund may use derivative instruments as part of the fund's investment strategy. The fund may invest in OTC derivatives in accordance with Chapter 5, Section 12, second paragraph of the LVF.

The fund may use such techniques and instruments as referred to in Chapter 25, Section 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Transferable securities, money-market instruments, fund units and derivative instruments are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, transferable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.
- Such transferable securities and money market instruments as explained in chapter 5, section 5 of the LVF are given a market value in accordance with specific valuation. The basis for the specific valuation can include: market prices from unauthorised regulated markets or 'market makers'; other financial instruments traded on a regulated market or index, adjusted for differences in credit risk and liquidity (the reference value); discounted cash flows (discounted value); or the capital share of the equity (closing value).
- For OTC derivatives, a market value is established in accordance with a separate valuation. The basis for the separate valuation includes market prices from unaut-

horised, regulated markets or 'market makers', a reference valuation based on a similar derivative traded on a regulated market or a market value based on generally accepted valuation models (e.g. Black & Scholes for European options).

- Liquid assets, including bank account deposits, short-term investments in money markets and funds in credit institution accounts.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depository's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The fund liabilities are calculated as follows:

- Accrued management remuneration.
- Remuneration to the depository.
- Acquisitions not settled.
- Tax liabilities.
- Other fund liabilities.

Since the fund has several share classes, the management company must take this into account when calculating the value of a fund unit in the respective share class. The value of a unit in a particular share class of the fund is made up of the share class divided by the number of outstanding shares of the relevant class.

The value of fund units shall be calculated monthly (the last banking day each month) by the management company. This is a departure from Chapter 4, Section 10, paragraph 5 LVF.

## § 9 Sale and redemption of units

### § 9.1 General regulations

Subscriptions (unitholder 'purchases') and redemptions (unitholders' sales) may be conducted on the last banking day each month. This is an exception in Chapter 4, Section 13, first paragraph, first sentence LVF. In addition, the Board of Directors of the management company has the opportunity to decide on further occasions for redemption as described in the last chapter below.

The request for subscription or redemption of units is made as stated at the time being on the management company's website, [www.lannebofonder.se](http://www.lannebofonder.se), or as directed by the management company.

Any requests for subscription received by the management company by 16:00 two banking days before the last banking day in the month (12:00 on half days) will be processed on the last banking day in the month. Any requests received later than these times will be processed next month. The minimum amount for subscription is SEK 100 000, or corresponding amount in Euro, Norwegian krona or Danish Krona.

Any request for redemption received by the management company by 16:00 fifteen (15) banking days before the last banking day in the month (12:00 on half days) will be processed on the last banking day in the month. Any request received later than these times will be processed next month.

Upon redemption, a unitholder can, if he consents thereto, as payment, in whole or in part, receive financial instruments held by the fund at the time of redemption, but only if the management company's believe it is in the unitholders joint interests. The portion of the settlement that shall consist of financial instruments shall either correspond to the composition of the fund's total holdings of financial instruments at

the time of redemption or have such other composition that ensures equal treatment of the unitholders.

The redemption payment will be received no later than fifteen (15) days after the redemption day.

If liquidity for redemption has to be obtained through the sale of securities, such a sale should be conducted and redemption shall take place as soon as possible.

A request for redemption may only be withdrawn if permitted by the management company.

The sale or redemption price for a fund unit is normally the fund unit value on the banking day that the sale or redemption is conducted. Sale and redemption is conducted at a price that is not publicised to the unitholder at the time of the request for sale or redemption.

Details on the sale and redemption price is notified to the buying and selling unit holder within 15 banking days.

In order to avoid the fund's managed capital being at a size which means that the fund cannot be managed in a manner optimal to both the fund and existing unitholders, the management company is entitled to decide to close the fund, which means that new units cannot be sold. Such a decision on closure presumes that the fund's managed capital amounts to a size in excess of the capital limit established by the management company for optimal management. The capital limit set by the management company for optimal management is stated in the company's information brochure.

Any decision on closure of the fund shall be publicised in conjunction with the decision, no later than twenty (20) days prior to the day after which the closure takes effect and the fund is closed. The management company's decision on opening a fund shall likewise be publicised in conjunction with the decision, no later than 10 days prior to the day that the sale of new units can take place again. Information on the decision to close or open a fund shall be published on the management company's website. The management company shall in connection with the decision to close the fund decide on a maximum amount of fund units that can be subscribed on until the closure of the fund. The amount decided can't be below 50 million Swedish kronor. In an event of oversubscription, the fund units shall be assigned pro rata based on the size of the requested amount.

The management company's decision to open the fund should be communicated at the time of the decision, but no later than 30 days before the date on which new units may again be subscribed to.

Information regarding any decision to close or open the fund shall be sent to unit holders at the registered address the management company holds.

#### § 9.2 Conditions for the currency in which the sale and redemption of units take place

Subscriptions and redemption of fund units in share classes A SEK, B SEK, A SEK C and B SEK C takes place in Swedish krona.

Subscriptions and redemption of fund units in share classes A EUR, B EUR, A EUR C and B EUR C takes place in Euro.

Subscriptions and redemption of fund units in share classes A NOK, B NOK, A NOK C and B NOK C takes place in Norwegian krona.

Subscriptions and redemption of fund units in share classes A DKK, B DKK, A DKK C and B DKK C takes place in Danish krona.

#### § 9.3 Terms for distribution of fund units in unit class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C

Subscriptions of unit class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C are available only through

- a distributor, who has entered into an agreement with the

management company, providing investment advice on an independent basis or portfolio management to a customer and, consequently, may not receive and retain compensation from the management company but is paid directly by the customer, and

- an insurance company, that within the framework of an agreement with the policyholder invest in the fund, and there an agreement has been entered between the management company and the insurance company or insurance distributor according to which investment in the share class is permitted but where no distribution compensation is added to the insurance company or insurance distributor by the management company

#### **§ 10 Extraordinary circumstances**

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

#### **§ 11 Fees and remuneration**

##### 11.1 Fees for unit class A SEK, A EUR, A NOK, A DKK, B SEK, B EUR, B NOK and B DKK

Fees shall be paid to the management company as fixed fees and performance fee.

##### *Fixed fee*

The fund shall pay compensation to the management company and the depositary as following.

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.05 per cent per annum of the unit class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its task. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.1 per cent per annum of the unit class's share of the fund's value.

##### *Performance-based fee*

A performance-based fee of twenty (20) per cent of the part of the total return from a share class that exceeds the fund's benchmark, VINX Real Estate SEK NI (where applicable, converted to the same currency in which the share class is traded), is also payable to the management company. The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if the share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated and deducted from the fund's account monthly. If the total return of a share class is below the benchmark one month and above it on a subsequent month, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when charging the fee. The high water mark can't be reset.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders pay the same performance-based fee per unit for a given month and the underperformance for all unit-holders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in the share class are entitled to compensation, which

is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

#### 11.2 Fees for unit class A SEK C, A EUR C, A NOK C, A DKK C, B SEK C, B EUR C, B NOK C and B DKK C

Fees shall be paid to the management company fixed fees and performance fee.

##### *Fixed fees*

Compensation shall be paid to the management company and the depositary as following.

- i. The management company is paid in the form of a fixed fee. The maximum fee is 0.55 per cent per annum of the unit class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.
- ii. Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 0.6 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the management of the fund, with the exception of such compensation to distributors referred to in §9.3 above, and costs for regulatory oversight and auditors.

##### *Performance-based fee*

A performance-based fee of twenty (20) per cent of the part of the total return from a share class that exceeds the fund's benchmark, VINX Real Estate SEK NI (where applicable, converted to the same currency in which the share class is traded, is also payable to the management company. The performance-based fee will be calculated after a deduction in respect of the fixed fee. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

The performance-based fee may be payable even if the share class generates a negative return but outperforms the benchmark. The performance-based fee is calculated and deducted from the fund's account monthly. If the total return of a share class is below the benchmark one month and above it on a subsequent month, no performance-based fee is payable until the previous underperformance is offset. Thus, the "high water mark" system is used when charging the fee. The high water mark can't be reset.

The performance-based fee is calculated in accordance with a collective model. In other words, all unitholders pay the same performance-based fee per unit for a given month and the underperformance for all unit-holders must be offset before any of them are required to pay a fee. However, a unitholder who sells his or her units is not entitled to compensation for any underperformance. Only unitholders who remain in the share class are entitled to compensation, which is deducted from any future outperformance. The underperformance to be offset by future outperformance before the performance-based fee is charged will change in line with the benchmark.

#### § 11.3 Brokerage fees etc.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

## **§ 12 Dividends**

### § 12.1 Conditions for dividends for share class A SEK, A EUR,

### A NOK, A DKK, A SEK C, A EUR C, A NOK C and A DKK C – Accumulated share classes

As a general rule, the fund does not distribute dividends. However, the management company can decide on distributing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then distributed on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. On a request of the unitholder, the dividend shall – after any tax deductions – be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### § 12.2 Conditions for dividend for share class B SEK, B EUR, B NOK, B DKK, B SEK C, B EUR C, B NOK C and B DKK C – Dividend share classes

#### *Yearly dividend*

Dividends are paid in the share class. The fund company decides annually on the dividend to be paid to unit holders for the dividend share class. Dividends are calculated based on the share class's share of the fund's value. In determining the size of the dividend, the change in the value of a fund unit of the dividend share class held since the previous dividend is taken into account as a starting point. The fund company may determine the dividend to be an amount higher or lower than the change in value. For more information on the objective regarding the size of the dividend, refer to the information brochure. With regard to the fund's first dividend, the statement above regarding the previous dividend should instead refer to the time of introduction of the dividend share class.

For a dividend amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, pay the dividend in cash unless a special request has been made for reinvestment of dividends. The request for reinvested dividends must be made in writing and must be submitted to the fund company no later than 10 banking days prior to the record date for the dividend. Disbursement of dividends shall be made during the month of January of the year following the end of the financial year to unit holders who are registered shareholders in the dividend share class on the record date as determined by the fund company.

The dividend affects the relationship between the value of shares that are accumulating and the value of shares that are dividend shares by reducing the value of the dividend shares in relation to the size of the dividend.

#### *Additional dividends*

As a general rule, no further dividend is paid in the share class. However, the fund company may resolve on a further dividend to the fund unit owners if, in the fund company's assessment, necessary to safeguard the unit owners' common interest. Dividends are then paid to such an extent and on the day deemed appropriate. For dividends amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, acquire new fund units on behalf of a unit owner that is registered on a fixed date. At the request of a unitholder, dividends - after any tax deduction - may instead be paid to the unitholder. Such a request must be made no later than the date decided by the fund company.

## **§ 13 The fund's financial year**

The fund's financial year is a calendar year.

## § 14 Half-year report and annual report, changes to the fund rules

The management company must prepare annual reports and half-yearly reports. On request, the documents shall be sent free of charge to the unitholders and be made available at the management company and depository, at the latest by four months following the end of the financial year (annual report); and two months following the middle of the year (half-yearly report).

Changes to the fund rules may only be made through a decision from the management company board and must be passed to the Swedish Financial Supervisory Authority for approval. Once the change is approved, the decision shall be made available at the management company and depository and be published by such other means.

## § 15 Pledging of units

Unitholders may pledge their units in the fund, unless the fund unitholder is an insurance company that invested the insurance premiums on behalf of the policyholders in accordance with the Swedish Insurance Business Act (2010:2043) or a pension saving institution that invested the pension funds on behalf of the policyholders in accordance with the Swedish Act on Individual Pension Savings (1993:931).

When pledging, the unitholder or their representative and/or the pledgee must inform the management company in writing accordingly. The notification must include:

- the name of the fund unitholder,
- the name of the pledgee,
- which fund units are included in the pledge, and
- any limitations in the scope of the pledge.

The management company shall sign the pledge in the fund unitholder register and inform the fund unitholder in writing of the pledge registration. The pledge shall cease when the pledgee informs the management company in writing. The management company has the right to claim remuneration from the unitholders for the registration. This fee is a maximum of SEK 500.

## § 16 Limitation of liability

### § 16.1 Limitation of the management company's liability

In the event that the depository has lost financial instruments held in custody with the depository or its depository bank, the depository shall without undue delay return to the fund financial instruments of the same type or an amount equivalent to the value. The depository is not responsible in the event the loss of the financial instruments or other damage is caused by an external event beyond the depository's control, such as damage due to Swedish or foreign legislation, Swedish or foreign authority, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The management company shall not be responsible for damage caused by such an external event beyond the fund's control. Provision with respect of strikes, blockades, boycotts and lockouts apply even if the depository or the management company is the subject of, or is itself, taking such actions.

Neither the depository nor the management company is liable for any damages caused by - Swedish or foreign - stock exchange or other marketplace, central securities depository or clearing organization. Neither the depository nor the management company is liable for damage arising as a result of restriction of authority that can be brought against the management.

The depository shall not be liable for any loss of financial instruments held by a depository bank or other provider of corresponding services that the depository, with due care, engaged for the custody of financial instruments and with which the depository has agreed to the transfer of responsi-

lity, including the right for the management company to make claims directly against the depository bank. Such a transfer of responsibility from the depository to the depository bank is a result of the depository instructing the custodian bank to keep foreign financial instruments in a local market in the manner specified in the depository agreement in effect between the depository and the management company.

The management company and the depository shall not compensate for losses incurred in other events if the management company and the depository have exercised normal prudence and provided that nothing otherwise follows by applicable mandatory law.

Neither the management company nor the depository is responsible for indirect losses.

In the event the management company or the depository is hindered from fully or partially enforcing measures due to circumstances mentioned in the second paragraph, measures may be postponed until the impediment has ceased. In case of deferred payment as a result of such circumstances, neither the management company nor the depository will pay punitive interest fees. If interest has been offered, the management company or the depository shall pay interest at the rate in force on the due date.

Should the depository, due to circumstances stated in the second paragraph, be prevented from receiving payment for the fund, the depository, for the period during which the interference occurred, has the right to interest solely under the terms prevailing on the due date.

The management company is not liable for damages incurred by the depository or its depository bank. Nor shall the management company be responsible for damages caused by a unit holder, or other, that breaches law or regulation or these fund rules. Unit holders are hereby notified that they are responsible for that the documents submitted to the management company are correct and duly signed and that the management company is informed of any changes to information submitted.

The management company is liability pursuant to Chapter 8, Section 28-31 AIFM (Alternative Investment Fund Managers Act). The depository is liable under Chapter 9, Section 22 AIFM. The management company and the depository liable according to the mentioned provisions in AIFM regardless what has been stated here in § 16.

## § 17 Permitted investors

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous subparagraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

## Annex 1

### Example of calculation of performance fee for Lannebo Fastighetsfond Select

The fund applies a variable performance fee that is payable if the fund outperforms the benchmark, VINX Real Estate SEK NI. The performance fee is calculated and applied monthly. This monthly calculation means that the fund's unit price each month is reduced by any performance fee payable. "Applied" means that the sum is debited from the fund's account. The fund uses a collective model where all unitholders pay the same fee per unit wherever any performance fee is payable.

### About the choice of benchmark

The fund invest primarily in companies on the Nordic Stock Exchange and is therefore benchmarked against an equity index for this market known as VINX Real Estate SEK NI. The fund may to some extent invest in stocks that is not included in VINX Real Estate SEK NI.

### Example of calculation of performance fee

The variable fee is accrued monthly on the condition that the return exceeds the benchmark. Under the fund rules, the management company may claim 20% of any excess return relative to the benchmark. The performance-based fee may be payable even if the fund generates a negative return but outperforms the benchmark. The deciding factor is the fund's return relative to the benchmark. The fund applies a "high water mark", which means that the fund must attain a new peak level of excess return relative to the benchmark before any further performance fee becomes payable.

The example below illustrates the performance fee payable from the fund after a unitholder invests a sum of SEK 100,000. Besides the performance fee, a fixed management fee of 1% per annum is payable. However, this calculation example illustrates only the effect of the performance fee.

Period	Return for the period before variable performance fee	Benchmark return	Relative return compared with benchmark	Value before variable performance fee	High water mark	Variable performance fee	Variable performance fee	Return for the period after variable performance fee	Value after variable performance fee	NAV per unit
0	-	-	-	100 000	100 000	-	-	-	-	100.00
1	10.0%	1.0%	9.0%	110 000	101 000	1 800	1.80%	8.20%	108 200	108.20
2	-10.0%	1.0%	-11.0%	97 380	109 282	0	0.00%	-10.00%	97 380	97.38
3	10.0%	1.0%	9.0%	107 118	110 375	0	0.00%	10.00%	107 118	107.12
4	20.0%	1.0%	19.0%	128 542	111 479	3 413	3.19%	16.81%	125 129	125.13
5	-1.0%	-5.0%	4.0%	123 878	118 873	1 001	0.80%	-1.80%	122 877	122.88
6	1.0%	5.0%	-4.0%	124 105	129 021	0	0.00%	1.00%	124 105	124.10
7	0.0%	-10.0%	10.0%	124 105	116 118	1 597	1.29%	-1.29%	122 508	122.51
8	0.0%	0.0%	0.0%	122 508	122 508	0	0.00%	0.00%	122 508	122.51

\* This column shows the value that must be exceeded before the management company can claim a variable performance fee. This will rise and fall with movements in the benchmark index. If the management company claims a variable performance fee, a new level is established from which the benchmark must move.

### Example 1

#### Period 1

Return on fund:	10%
Return on benchmark:	1%
Relative return:	9%

The variable performance fee is 20% of the element of the return that exceeds the benchmark. In this case the fee will be:  $20\% \times (110\,000 - 101\,000) = \text{SEK } 1\,800$ . The value SEK 101 000 in the equation is the upwardly adjusted high water mark (what the unitholder would have received if he or she had invested in the benchmark) that must be exceeded before a variable performance fee becomes payable.

#### Period 2

Return on fund:	-10%
Return on benchmark:	1%
Relative return:	-11%
The fund's return from the start:	-2.6%
Benchmark's return from the start:	2.0%
Accumulated relative return:	-4.6%

No variable performance fee is payable for the second period, because the return on the fund lagged behind the benchmark.

#### Period 3

Return on fund:	10%
Return on benchmark:	1%
Relative return:	9%
The fund's return from the start:	7.1%
Benchmark's return from the start:	3.0%
Accumulated relative return:	4.1%

Nor is any variable fee payable for the third period, even though the fund outperformed the benchmark. The reason for this is that the underperformance of the previous period must be made up before any variable performance fee becomes payable and the fund's new high water mark must be exceeded before any variable performance fee is payable. The high water mark in the table above is based on the higher of the two alternatives: either (1) the previous period's high water mark, linked to the benchmark performance in the current period; or (2) the fund's closing value for the previous period, linked to the benchmark performance in the current period

#### Period 4

Return on fund:	20%
Return on benchmark:	1%
Relative return:	19%
The fund's return from the start:	25.1%
Benchmark's return from the start:	4.1%
Accumulated relative return:	21.1%

A variable performance fee is, however, again payable for the fourth period, because the value of the investment before the variable performance fee exceeds the high water mark. In this case, the variable performance bonus is:  $20\% \times (128\,542 - 111\,479) = \text{SEK } 3\,413$ . The figure of SEK 111 479 in the equation reflects the high water mark that must be exceeded before any variable performance fee becomes payable.

#### Period 5

Return on fund:	-1%
Return on benchmark:	-5%
Relative return:	4%
The fund's return from the start:	22.9%
Benchmark's return from the start:	-1.1%
Accumulated relative return:	24.0%

During this period, the return on the fund is negative, but the return on the benchmark is even worse. This means that the unit value again exceeds the high water mark. The management company can therefore claim a variable performance fee equivalent to:  $20\% \times (123\,878 - 118\,873) = \text{SEK } 1\,001$ .

#### Period 6

Return on fund:	1%
Return on benchmark:	5%
Relative return:	-4%
The fund's return from the start:	24.1%
Benchmark's return from the start:	3.8%
Accumulated relative return:	20.3%

During this period, the return on the fund is positive, but the return on the benchmark is higher. No variable performance fee is payable. The fund's high water mark is adjusted upwards in line with the return on the benchmark.

#### Period 7

Return on fund:	0%
Return on benchmark:	-10%
Relative return:	10%
The fund's return from the start:	22.5%
Benchmark's return from the start:	-6.6%
Accumulated relative return:	29.1%

During this period, the fund is unchanged, while the benchmark goes back 10%. The high water mark thus goes down and the unit value exceeds this. The management company can therefore claim a variable performance fee equivalent to:  $20\% \times (124\,105 - 116\,118) = \text{SEK } 1\,597$ .

#### Period 8

Return on fund:	0%
Return on benchmark:	0%
Relative return:	0%
The fund's return from the start:	22.5%
Benchmark's return from the start:	-6.6%
Accumulated relative return:	29.1%

During this period, the fund is unchanged. The benchmark is also unchanged. No variable performance fee is payable. The fund's high water mark is unchanged through to the next period.

### Example 2 -Unitholder buys in period 2 and sells in period 3

This example can also be used to illustrate the effect of the variable performance fee being paid straight out of the fund and not by each individual unitholder.

A unitholder investing in period two acquires units at a price (NAV) of SEK 97.38. The price rises to SEK 107.12 in the next period. This is a return of 10%. Meanwhile the benchmark gains

1%. However, the management company is not due a variable performance fee, because the high water value was not exceeded. In other words, this unitholder can "ride piggyback" due to previous periods' underperformance.

### Example 3 -Unitholder buys in period 4 and sells in period 5

This example can also be used to illustrate the effect of the management company receiving a variable performance fee when the fund's return is negative but still better than the benchmark.

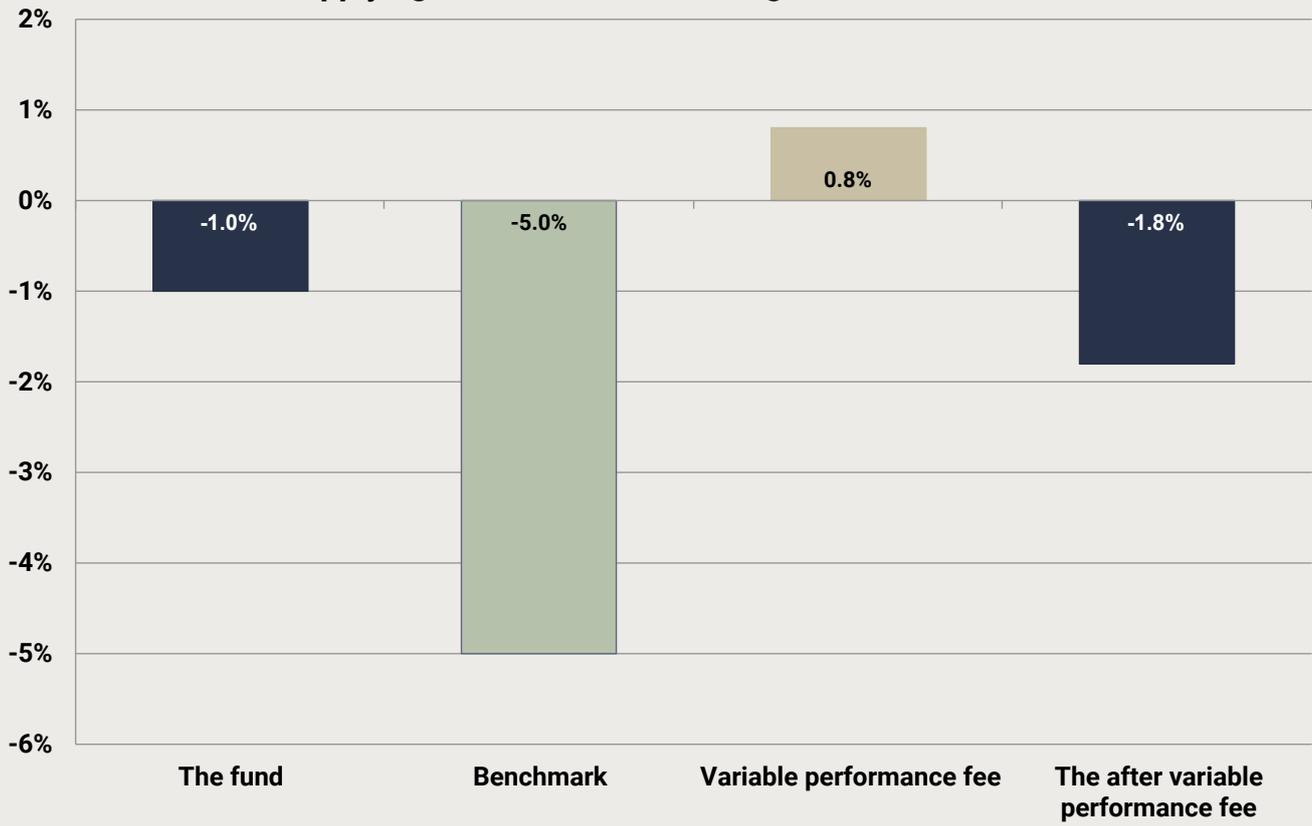
A unitholder investing in period 4 acquires units at a price (NAV) of SEK 125.13. The price before variable performance fee drops to SEK 123.88. This is a return of -1%. Meanwhile the benchmark falls by 5%. The performance fee is  $20\% \times (123\,878 - 118\,873) = \text{SEK } 1\,001$ . The price after variable performance fee is SEK 122.88, which represents a fall of 1.8%.

### Applying a fee in the case of negative absolute return

The performance fee may be payable even if the fund generates a negative return but outperforms the benchmark. The fund must, however, always exceed the high water mark in order for a variable performance fee to be payable. The diagram on the next page illustrates this situation:

In this case, the fund falls by 1% while the benchmark falls by 5%. The excess return against the benchmark is therefore 4%. If the fund value exceeds the high water value, a variable performance fee is payable. This amounts to  $20\% \times 4\% = 0.8\%$ . The fund's return after variable performance fee is thus -1.8%.

### Applying a fee in the case of negative absolute return



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

**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:**  
Lannebo Fastighetsfond Select

**Legal entity identifier:**  
549300FCCBFDPMY55

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

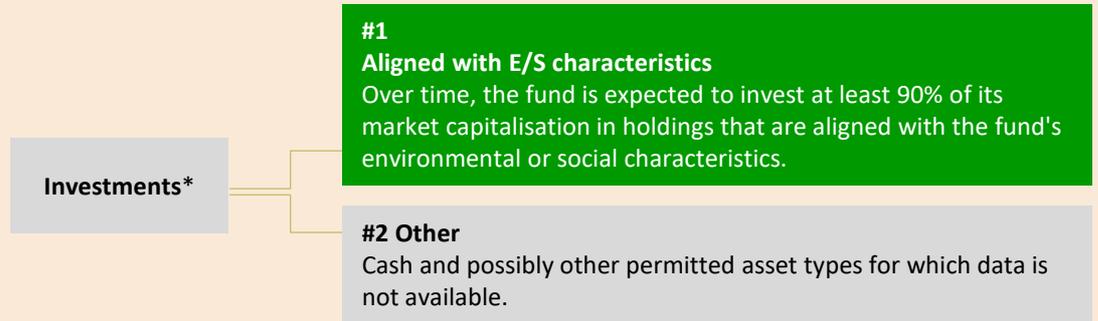
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

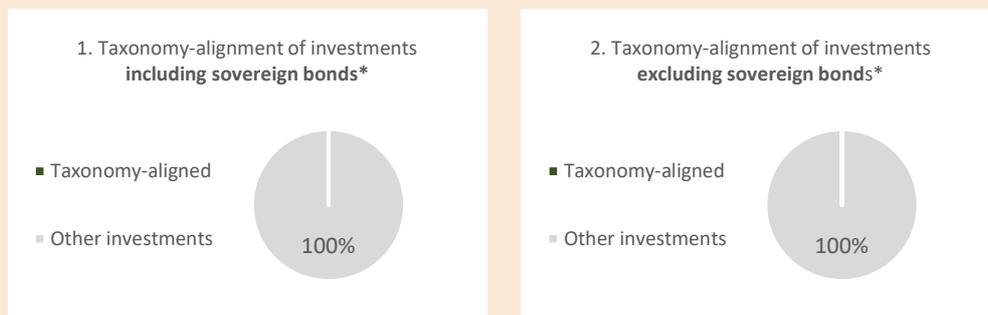
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo MicroCap

Swedish-registered special fund

### Objective and investment policy

The fund is an actively managed equity fund that invests in publicly listed small-cap companies in the Nordic region, where the emphasis is on Sweden.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

Investments are made in companies with a market capitalization that amount to no more than 0.1 per cent of the total stock market value of the Swedish stock market, designated as the market capitalization for NASDAQ OMX – a regulated market for the trading of shares and similar instruments; at the end of 2021, market capitalization amounted to approximately SEK 12.4 billion.

The fund invests in companies where the fund managers can have a qualified view of the company's future and where the valuation is sufficiently attractive.

The fund is a special fund, which means holdings may be concentrated to a smaller number of companies than is the case for an ordinary equity fund. An individual holding may amount to a maximum of 25 per cent of the fund's value. Further, the fund differs from corresponding mutual funds in that trading is offered once a quarter (redemption once a year); in addition, leverage can be used in special cases to a limited extent.

The fund is actively managed and does not follow any index. Stocks are selected on the basis of the fund manager's own assessment, which means that deviations from the market can be both greater and smaller over time. The objective of the fund is to achieve a competitive return through active management, irrespective of the weight of each individual share in the index. Stock selection is based on long-term fundamental analysis of companies in all sectors combined with adequate portfolio turnover.

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units and deposits with credit institutions. Trading in derivative instruments may take place as part of the fund's investment policy; however, the use of derivative instruments only occurs in exceptional cases and does not normally intend to increase the fund's risk level.

The fund may lend a portion of the securities holdings at a predetermined interest rate that accrues to the fund and thus contributes to returns. The fund may also use other techniques and instruments to reduce risks in the management and to increase returns and create leverage in the fund. No direct or indirect operational costs and/or fees are charged to the fund in the case of securities lending or in the use of other techniques and instruments.

The fund's benchmark index is the Carnegie Micro Cap Sweden Return Index.

The fund normally does not pay any dividends for share class A, which is the share class available, all income is reinvested in the fund.

The fund provides an annual dividend for share class B, which starts on 31 October, 2022. The dividend amounts to a minimum of 5 per cent of the share class's share of the fund's assets at the end of the previous year. Dividends accrue to

each fund unit owner who is a fund unit owner in share class B at the end of January the following year.

The fund is closed for deposits. Withdrawals can be made on the last banking day in June and December month.

### Information regarding the fund's performance and financial position

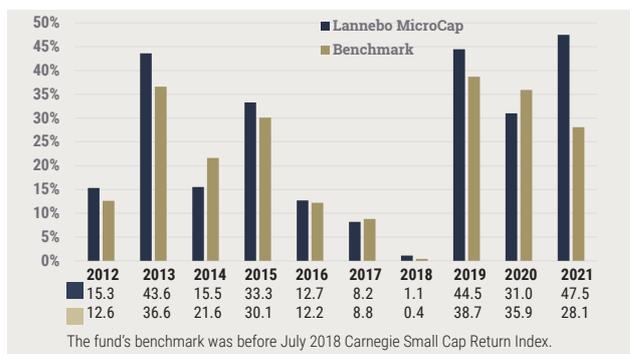
According to the fund's rules, the value of a fund unit is calculated each banking day and published monthly on the fund company's website. The fund company, however, offers unit holders an opportunity to access the unit value on a daily basis. Unit holders interested in this information should contact the fund company.

In addition, the fund company also has the opportunity to offer the fund's unit holders an in-depth report on the fund's development and status. Unit holders interested in this information should contact the fund company

### Share classes

The fund can, according to the fund rules, have two share classes, A and B. At the moment, only share class A has started. Share class B starts on 31 October, 2022.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK) for an investment made at the beginning of the respective year. The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Average annual return, %	
- Last 3 years	40.8
- Last 5 years	25.0
- Last 10 years	23.9

Key figures	2021	2020	2019	2018	2017
Active Share, %	94	91	91	88	95
Information ratio	0.9	0.1	0.3	-0.2	0.0
Sharpe ratio	1.5	1.5	1.3	0.4	0.7
Turnover ratio	0.2	0.2	0.2	0.3	0.1

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

This fund is primarily intended for investors who have more than basic knowledge of funds. However, it may also be suitable for investors with basic fund knowledge.

An investor with more than basic knowledge may make an informed investment decision based on the documentation of the fund and its knowledge and experience of the specific

risks mentioned in these documents..

### *Investment Objective*

The target group for the fund are investors who primarily want their invested capital to appreciate. Share class B also targets investors who want their invested capital to yield returns in the form of dividends.

The fund may also suit investors with other investment objectives. On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.

The fund is intended for investors with a long-term investment horizon.

The fund is not suitable for investors who want an investment with a particular focus.

### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

### *Risk*

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

### *Distribution strategy*

The fund is distributed directly by the fund management company.

## **Risk profile**

Investments in equities always entail a *market risk* in the form of fluctuations in the price of a share. This risk is reduced as a result of the fund owning shares in several companies whose prices do not fluctuate in exactly the same way, known as diversification. In special funds, this diversification effect may be less than in a traditional mutual fund given special funds are able to have a more concentrated portfolio than mutual funds. Given the concentration on investments in smaller companies, the fund may have a higher risk than funds investing in larger companies. The fund strives for a level of risk that does not significantly exceed that applicable to the stock market. There is also an ambition not to expose the fund to market risks that substantially exceed the market risk of a representative selection of comparable competing funds. This is achieved through diversification that follows from the fund rules and regulations and the company-specific risk analysis. However, the value of the fund can vary greatly due to the composition of the fund and the management methods used by the fund company.

The fund company's investment philosophy is based on index-independent management where the fund invests in stocks that, following a fundamental analysis, are deemed to have a good share price potential at a reasonable level of risk. It follows that relative risks such as the fund's tracking error relative to any index are not a type of market risk that the fund company intends to limit. The fund company is of the opinion that the greatest risk of loss results from deficiencies in the company-specific investment analysis.

In addition to Swedish transferable securities, Lannebo MicroCap invests, to a certain extent, in Nordic financial instruments. This means that the fund is exposed to *currency risk*. In accordance with the fund's rules, hedging is possible but does not normally occur.

Shares in smaller companies generally have lower liquidity; the *liquidity risk* - the risk that a security cannot be traded

at the intended time without major price reductions or large costs – puts greater demands on cash management to always be prepared to meet redemptions and to take advantage of business opportunities that are in the interest of unit holders. In addition, the fund should also have an appropriate mix of holdings to manage liquidity risk in an effective manner. Risk is also managed by the fund company limiting the size of the fund, and by the fund being open for redemptions once a year whereby unit holders must notify the fund company 30 banking days in advance.

The fund has the opportunity to lend a portion of the securities holdings at a predetermined interest rate, which accrues to the fund and thus contributes to returns. To limit *counterparty risk*, lending may only be made to counterparties with assessed high creditworthiness and against collateral with low market-, liquidity- and credit risk, which means that the fund's risk profile is not expected to be affected. Collateral received must at least correspond to the market value of the borrowed securities. The fund may also use other techniques and instruments to reduce risk in the management, as well as to increase the fund's returns and leverage, which occurs to a limited extent where appropriate.

As part of the investment policy, the fund may trade in derivative instruments, which may involve an increased market risk, as well as counterparty risk in the form of an increased market value of the derivative instrument or of any pledged collateral provided by the fund to the counterparty. However, the fund will not normally use derivative instruments, and the possibility of using such instruments is not expected to affect the fund's risk profile. In determining the fund's total exposure, the so-called commitment method is applied, which means that positions are converted to a corresponding position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

## **Leverage**

Leverage is a method by which a fund manager increases risk exposure of an alternative investment fund through, among other, the borrowing of cash or securities, or through the use of derivative instruments. The fund's exposure, as a per cent of the fund's net assets, is calculated in accordance with two independent methods, commitment method and gross method. Leverage has not been created if a fund's exposure does not exceed 100 per cent. An alternative investment fund that, for example, only has holdings in equities does not create any leverage unless the equity holdings have been borrowed.

As mentioned above, normally the fund will not use derivative instruments. The fund may borrow money at a maximum of 50 per cent of the fund's value. Such loans may be raised with the aim of improving the return on an investment in companies where, in the fund's estimation, indebtedness is too low and in which the fund is promoting change, but where it has yet to occur. Financial leverage is normally not intended to be created through the use of any other techniques or instruments. However, according to current regulation, Lannebo MicroCap, in this regard, has a theoretical opportunity to comply with the rules applicable to traditional mutual

funds. As a result, the financial leverage cannot exceed 300 per cent as calculated by the gross method and 200 per cent as calculated by the commitment method.

However, under current legislation the fund has the theoretical possibility, in this respect, to comply with the rules that apply to traditional equity funds. In this regard, it follows that the leverage cannot exceed 300 per cent calculated by way of the gross method and 200 per cent calculated by way of the commitment method.

### Periodic information disclosure about risk and liquidity management and leverage

Lannebo Fonder regularly provides information on risk and liquidity management and leverage as follows:

Information about the current risk profile and the applicable risk management system, as well as detail of any eventual share of non-cash assets, is provided in the annual- and semi annual report for the fund. The annual and semi annual report for the fund will also provide information about the total amount of leverage calculated using both the gross and commitment method.

Information regarding changes to the maximum level of leverage that may be used by the fund and the authority to dispose of collateral or any guarantee that has been provided under the scheme of leverage is provided on the company's website. The same applies to changes in the fund's liquidity risk management, which is of material importance.

Information regarding changes to the terms of the redemption of units as well as information regarding a postponement of the redemption of units in accordance with Chapter 4 § 13a Securities Funds Act, or of the fund closes for redemption of units due to extraordinary circumstances in accordance with the fund rules, shall be communicated to the unitholders by letter and / or via the management company's website.

### The fund's grade of activity

#### The management of the fund

The fund is an actively managed equity fund that invests in the shares of small publicly listed companies in the Nordic region where the emphasis is on Sweden. The fund invests only in companies that meet the fund's criteria regarding, for example, investment orientation and sustainability criteria. Focus is placed on the fund's individual investments and its future opportunities. The fund invests in companies where the fund managers can have a qualified view of the company's potential and where valuation is sufficiently attractive; the most attractive shares are the fund's largest holdings. In many cases the fund becomes one of the largest owners of the companies in which fund assets are invested. The concentration in the fund is at a higher level than a traditional equity fund. The overall objective of the fund is to achieve, with due care, the highest possible value growth. Management of the fund can be compared with the fund's benchmark index.

#### Benchmark

The fund's benchmark index is the Carnegie Micro Cap Sweden Return Index. The index is relevant to the fund in that it reflects the fund's investment orientation, for example, company size, asset class and market. The Carnegie Micro Cap Sweden Return Index is a reinvested dividend index that reflects the development of smaller companies listed on Nasdaq Stockholm and First North. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### Active risk over the past 10 years

The fund was started in 2007.

Tracking error, %	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
	7.7	6.9	7.1	7.3	6.2
Tracking error, %	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
	6.8	7.1	5.3	5.5	6.2

The fund's benchmark index prior to July 1, 2018, was the Carnegie Small Cap Return Index Sweden; the activity measure for 2011-2017 is calculated in relation to this index.

#### Explanation to the achieved measure of activity

The activity measure attained was due to the fund is actively managed and therefore deviated from the benchmark index. The fund's investments, and how the fund covaries with the market, affects the activity measure, where fluctuations depend on how investments deviate from the benchmark index in relation to, for example, the holdings of a single security or general changes in the market. The return on a concentrated portfolio of smaller companies usually varies more in relation to their benchmark index than, for instance, that of a broader portfolio consisting of larger companies. This also partly explains the fund's activity measures.

Active risk is relatively unchanged compared with the previous year. The fund has significant holdings in equities that have a significantly lower weight in the benchmark index. In addition, the fund has holdings that do not exist in the benchmark index.

Tracking error, also known as active risk, indicates the degree to which the fund's return varies in relation to its benchmark index. This is calculated by measuring the difference between the return on the fund and the benchmark index based on monthly data from the previous two years, calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the index, plus or minus, as a percentage by as much as the activity measure indicates. For example, if a fund has an active risk of 5, theoretically the expected return for the fund will be plus or minus 5 per cent compared to its benchmark index two years out of three.

### Maximum fees

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0.0%
Redemption fee:	0.0%
Management fee, including supervision and audit:	2.05%
Remuneration to the depositary:	0.05%

### Current fees

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including custody, supervision and audit:	2.0%
Remuneration to the depositary:	up to 0.02%

## Closure of Lannebo MicroCap

The fund company is entitled to resolve on closing the fund in order to prevent the fund's managed capital reaching a size whereby the fund cannot be managed in an optimal way for either the fund or existing unit holders; this means no new subscriptions. The decision to close the fund requires that the fund's managed capital amounts to a size that exceeds the capital limit set by the fund company for optimal management. This currently amounts to SEK 1,300 million.

Unit holders should be immediately informed when the capital limit set by the Board of Directors is surpassed. Information regarding a resolution to close the fund shall be published on the management company's website and distributed to unit holders at the registered address held by the fund management company. The decision to close the fund shall be executed at the earliest 20 days following the announcement to unit holders of the resolution.

Notifications regarding the sale of fund units that are received by the fund company prior to the date on which the resolution to close the fund came into force shall be processed and entail the right to sell new fund units in accordance with the submitted notification and the applicable fund rules.

In connection with the decision to close the fund, the fund company's Board of Directors shall resolve on a maximum amount for the sale of fund units until the decision to close the fund has entered into force, which, at a minimum, can be set of SEK 50 million.

In the event of over-subscriptions new shares shall be allocated to unit holders in accordance with the notification together with the applicable fund rules within the framework of the maximum amount as determined by the Board of Directors prioritized by the order in which the notifications were received by the fund company.

Notifications that are received by the fund company after the decision to close the fund takes effect, and until the fund company resolves to again open the fund, will be returned along with information regarding the resolution and other practical information. Any amount paid will be refunded to the designated bank account.

When the Board of Directors resolves to reopen the fund, this shall be immediately communicated to unit holders. The information on the resolution to open the fund shall be announced on the fund company's website and distributed to all unit holders at the registered address held by the fund management company. The resolution to open the fund shall come into force no earlier than 30 days following the communication of the resolution having been sent to unit holders. The fund will remain open until the capital limit is crossed.

The fund is closed for investments since April 1, 2017.

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo MicroCap, hereinafter the fund, is a special fund regulated under the laws (2013:561) regarding the management of alternative investment funds, hereinafter called AIFM (Alternative Investment Fund Managers Act). The management of the fund is conducted in accordance with these fund rules, the statutes of the fund management company, AIFM and other applicable regulations.

The unitholders jointly own the fund's assets. Each fund unit carries equal rights to the assets included in the fund. The fund management company, as indicated in § 2, manages the fund and represents unitholders in all matters rela-

ting to the fund, decides on the assets included in the fund and exercises the rights stemming from the fund. The fund may not acquire rights or assume obligations. The fund is intended for the public.

The fund has the following share classes:

A. Share class A - accumulating, i.e. not dividend (see 12.1. below), share class with condition of minimum deposit of SEK 100,000 on the first payment and thereafter SEK 100 (see § 9.2 below).

B. Share class B - Dividend (see § 12.2 below) share class with conditions regarding the minimum deposit of SEK 10,000,000 (see § 9.2 below).

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

### § 3 Depository and its role

The depository of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depository shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depository shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depository's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

### § 4 Nature of the fund

The fund is an actively managed equity fund that invests in listed small cap companies in the Nordic region. The fund is diversified and does not focus on a particular sector.

The fund has greater freedom in its investment rules than UCITS funds.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund shares and in an account with credit institutions. The fund may invest a maximum of 10 percent of its value in other funds or fund companies.

The fund invests in a concentrated portfolio of small companies in the Nordic region where the emphasis is on Sweden. The fund's assets may, as part of this focus, invest in shares or other financial instruments which, at the time of investment, or within one year of the issue, are intended to be admitted to trading on a regulated market in the Nordic countries or subject to regular trading on any other market in the Nordic region that is regulated and open to the public or

that is issued by companies who have their registered office in the Nordic region at the time of investment, or are traded in a local nordic currency. The criterion for a company's size is its market capitalization, which at the time of investment may amount to a maximum of 0.1 per cent of the total stock market value of the Swedish stock market at the end of the prior calendar month. Notwithstanding the above criterion, the fund may hold financial instruments that have been included in the fund due to a previous holding, e.g. as a result of acquisitions, spin-offs or other business events. The fund may participate in both directed issues and rights issues in existing holdings. The definition of the total stock market value of the Swedish stock market is described in the Information Brochure. The fund's focus is otherwise diversified and thus not specified for any particular sector.

Underlying assets for derivative instruments included in the fund shall consist of, or refer to, assets in accordance with Chapter 5. § 12, first paragraph of the Securities Funds Act (2004: 46), hereinafter referred to as LVF.

The management of assets in a special fund follow Chapter 5. LVF, unless the Swedish Financial Supervisory Authority has granted any exceptions. The following exemptions from the provisions of the LVF have been granted with regards to the investment policy:

- With the exception of Chapter 5. § 5 LVF, investments in transferable securities and money market instruments referred to in Chapter 5. § 5 LVF, together may not exceed 20 per cent of the fund's value;
- With the exception of Chapter 5. § 6, second paragraph 1 LVF, the fund may hold up to 100 per cent of the fund's assets in bonds and other debt securities issued or guaranteed by a state, a municipality or a state or municipal authority in a country within the EEA, or by any intergovernmental body in which one or more states within the EEA is a member, provided that these originate from at least six different issues and that none of the investments exceeds 30 per cent of the fund's value;
- With the exception of Chapter 5. § 6, first paragraph, second paragraph 3 and last paragraph, as well as § 21 LVF, transferable securities and money market instruments from one and the same issuer may not constitute more than 25 per cent of the fund's value;
- With the exception of Chapter 5. § 19, first paragraph 1 LVF, the fund may hold non-voting right shares exceeding 10 per cent of the shares issued by an individual issuer, however not more than 25 per cent;
- With the exception of Chapter 5. § 19, first paragraph 2 LVF, the fund may hold bonds exceeding 10 per cent of the instruments issued by a single issuer, however not more than 25 per cent;
- With the exception of Chapter 5. § 19, first paragraph 3 LVF, the fund may hold money market instruments exceeding 10 per cent of the instruments issued by an individual issuer, however not more than 25 per cent;
- With the exception of Chapter 5. § 20, first paragraph LVF, the fund may acquire shares with such voting rights that it is possible for the fund to exercise significant influence over the management of a company, however, this is limited to 25 per cent of the voting rights in a company.
- With the exception of Chapter 5. § 23, first paragraph 1 LVF, borrowings may not exceed 50 per cent of the fund's value. Such loans may be taken with the aim of improving the return on an investment in companies that, in the fund's estimation, have too low indebtedness and where the fund works for a change, which has not yet taken place. The fund's assets may be provided as collateral for such loans.

The fund's risk level may occasionally be higher than that

which applies to the stock market as a whole given the fund may hold large positions in a few smaller companies, where liquidity is limited. The fund strives for a level of risk that does not significantly exceed that of the stock market. The risk measure used is the standard deviation for the variation of the fund's total return.

## § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public

## § 7 Special investment policy

The fund may make use of the negotiable securities referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on investment funds in order to create leverage.

## § 8 Valuation

The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Negotiable securities, money-market instruments, derivative instruments and units are valued at their current market value (firstly, market prices are used). If such prices cannot be obtained or are misleading in the view of the management company, negotiable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.
- In the case of the negotiable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unregulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unregulated markets or so-called market makers, a reference value based on an identical derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in accounts at credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depository's fees.
- Purchases not yet settled.

- Tax liabilities.
- Other liabilities in respect of the fund.

As the fund has several unit classes, which are associated with different conditions in certain respects, the fund company must take this into account when calculating the value of a fund unit in each unit class. The value of a fund unit in a special unit class in the fund consists of the value of the unit class divided by the number of outstanding units in the relevant unit class.

The value of the units is normally to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 General provisions

Sales (unitholder's purchase) may normally be conducted on the last banking day each month. Redemption (unitholder's sale) may normally be conducted on the last banking day in June and December month. This is an exception in Chapt 4. § 13 first paragraph, first sentence LVF. In addition, the Board of Directors of the management company has the opportunity to decide on further occasions for redemption as described in the last chapter below.

Requests for sales or redemptions are made in the manner specified on the fund company's website at any given time, [www.lannebo.se](http://www.lannebo.se), or according to the instructions that can be obtained from the fund company.

Any requests for sale received by the management company by 16:00 two banking days before the last banking day of the month (12:00 on half days) will be processed on the last banking day in the quarter. Any requests received later than these times will be processed in the next month.

To be executed on the last banking day in June, a request for redemption must be the fund company received no later than the last banking day in March. Requests received by the fund company later than the last banking day in March, but before the last banking day in September, is executed at the next regular redemption opportunity.

To be executed by the last banking day in December, a request for redemption must be the fund company no later than the last banking day in September. Request received the fund company later than the last banking day in September, but before the last banking day in March of the following year, will be executed at the next ordinary redemption occasion, ie. the last banking day in June.

Upon redemption, a unitholder can, if he consents thereto, as payment, in whole or in part, receive financial instruments held by the fund at the time of redemption, but only if the management company's believe it is in the unitholders joint interests. The portion of the settlement that shall consist of financial instruments shall either correspond to the composition of the fund's total holdings of financial instruments at the time of redemption or have such other composition that ensures equal treatment of the unitholders.

If liquidity for redemption has to be obtained through the sale of securities, should such a sale be conducted and redemption shall take place as soon as possible.

A request for sale or redemption may only be withdrawn if permitted by the management company.

The sale or redemption price for a fund unit is the fund unit value on the banking day that the sale or redemption is conducted. Sale and redemption is conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption rate are normally published on the management company's website, at the latest by

the banking day following the banking day on which the fund unit value is established, as set out above.

In order to avoid the capital managed by the fund reaching an amount that means that the fund cannot be managed in an optimal manner for the fund and existing unitholders, the management company is entitled to decide to close the fund so that there can be no subscription to new units. Any such decision on closure would require the fund's managed capital to reach an amount that exceeds the capital limit laid down by the management company for optimal management. The capital limit laid down by the management company for optimal management is shown in the company's prospectus. Any decision to close the fund should be communicated at the time of the decision, but no later than 20 days before the date on which the decision on closure will enter into force with the fund being closed. Similarly, the management company's decision to open the fund should be communicated at the time of the decision, but no later than 30 days before the date on which new units may again be subscribed to. Information regarding any decision to close or open the fund should be published on the management company's website and also sent to unit holders at the registered address the management company holds.

The Board of Directors of the management company has the right to resolve on additional instances for redemptions, in addition to the last banking day in June and December. Resolutions on extra redemption opportunities must be communicated in connection with the decision, but no later than 20 days prior to the first day on which redemptions can take place. Information on resolutions regarding additional redemption opportunities must be communicated on the fund company's website and distributed to unit holders at the registered address held by the fund management company. The request for redemptions in accordance with this paragraph shall be submitted to the fund company no later than ten banking days prior to the redemption date.

### § 9.2. Minimum sales amount

Sales of shares in share class A take place to a minimum amount of SEK 100,000 at the first the payment. Thereafter, sales take place to a minimum amount of SEK 100.

Shares in share class B are sold at a minimum amount of SEK 10,000,000

## § 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders,

## § 11 Fees and payments

Fees shall be paid to the management company and the depositary as follows:

- The management company is paid in the form of a fixed fee. The maximum fee is 2.05 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- Fees to the depositary for carrying out its tasks. The fee may amount to a maximum of 0.05 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 2.5 per cent per annum of the share class's share of the fund's value.

Transaction costs, such as brokerage fees for the purchase and sale of financial instruments, are charged to the fund as are taxes. The fund may also be charged with costs for ana-

lysis.

## § 12 Dividends

### § 12.1 Conditions for share class A

The share class does not issue dividends. However, the management company can decide on issuing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then issued on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a fund unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### § 12.2 Conditions for share class B

The share class must pay an annual dividend of at least 5 percent of the share class' share of the fund's assets at the end of the previous year. The fund company's board decides how much dividend is to be distributed.

Dividends accrue to the fund unit holder who is a unit holder in the unit class at the end of January of the following year.

For the dividend amounting to a fund unit, the fund company shall, after any deduction for preliminary tax, pay the dividend in cash unless a special request for a reinvested dividend has been made.

Requests for reinvested dividends must be made in writing and be received by the fund company no later than ten banking days before the last banking day in January.

Dividends shall be paid within five banking days from the end of January of the year following the end of the financial year.

The dividend affects the relationship between the value of units that are accumulating and the value of units that are dividends in that the value of the dividend fund units decreases in relation to the size of the dividend.

## § 13 The fund's financial year

The fund's financial year is the calendar year.

## § 14 Semi-annual report and annual report, and amendment of fund rules

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depository within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively. When sending out annual statements, the management company is to ask unitholders whether they wish to receive the annual report and semi-annual report.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depository and be published by such other means as the Swedish Financial Supervisory Authority instructs.

## § 15 Pledging of units

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of

pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge, and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

## § 16 Limitation of liability

In the event that the depository has lost financial instruments held in custody with the depository or its depository bank, the depository shall without undue delay return to the fund financial instruments of the same type or an amount equivalent to the value. The depository is not responsible in the event the loss of the financial instruments or other damage is caused by an external event beyond the depository's control, such as damage due to Swedish or foreign legislation, Swedish or foreign authority, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The management company shall not be responsible for damage caused by such an external event beyond the fund's control. Provision with respect of strikes, blockades, boycotts and lockouts apply even if the depository or the management company is the subject of, or is itself, taking such actions. Neither the depository nor the management company is liable for any damages caused by - Swedish or foreign – stock exchange or other marketplace, central securities depository or clearing organization.

Neither the depository nor the management company is liable for damage arising as a result of restriction of authority that can be brought against the management company or the depository regarding financial instruments.

The depository shall not be liable for any loss of financial instruments held by a depository bank or other provider of corresponding services that the depository, with due care, engaged for the custody of financial instruments and with which the depository has agreed to the transfer of responsibility, including the right for the management company to make claims directly against the depository bank. Such a transfer of responsibility from the depository to the depository bank is a result of the depository instructing the custodian bank to keep foreign financial instruments in a local market in the manner specified in the depository agreement in effect between the depository and the management company.

The management company and the depository shall not compensate for losses incurred in other events if the management company and the depository have exercised normal prudence and provided that nothing otherwise follows by applicable mandatory law.

Neither the management company nor the depository is responsible for indirect losses.

In the event the management company or the depository is hindered from fully or partially enforcing measures due to circumstances mentioned in the second paragraph, measures may be postponed until the impediment has ceased. In case of deferred payment as a result of such circumstances, neither the management company nor the depository will pay punitive interest fees. If interest has been offered, the management company or the depository shall pay interest at the rate in force on the due date.

Should the depositary, due to circumstances stated in the second paragraph, be prevented from receiving payment for the fund, the depositary, for the period during which the interference occurred, has the right to interest solely under the terms prevailing on the due date.

The management company is not liable for damages incurred by the depositary or its depository bank. Nor shall the management company be responsible for damages caused by a unit holder, or other, that breaches law or regulation or these fund rules. Unit holders are hereby notified that they are responsible for that the documents submitted to the management company are correct and duly signed and that the management company is informed of any changes to information submitted.

The management company is liability pursuant to Chapter 8. 28-31 §§ AIFM (Alternative Investment Fund Managers Act). The depositary is liable under Chapter 9. 22 § AIFM.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

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

**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:**  
Lannebo MicroCap

**Legal entity identifier:**  
549300E6EBVU2F2X5Q33

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

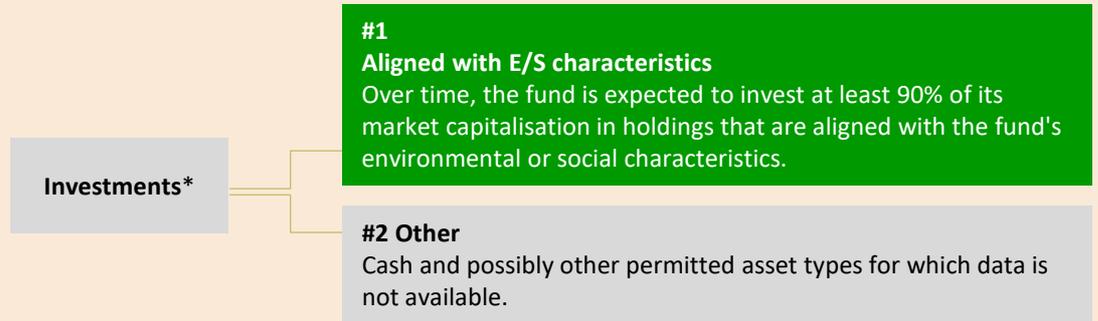
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

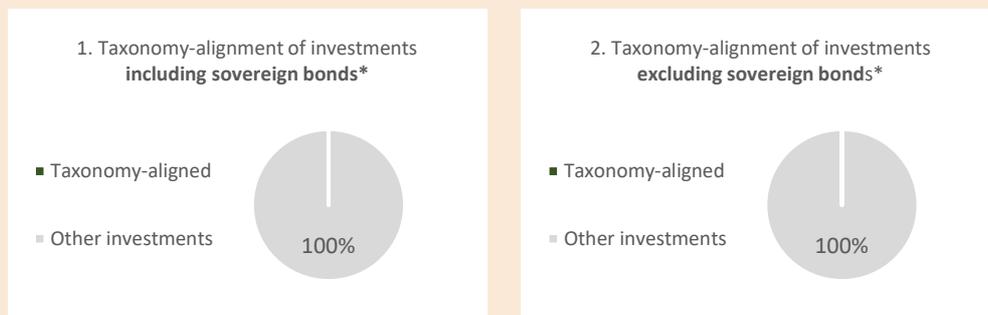
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo NanoCap

Swedish-registered special fund

### Objective and investment policy

The fund is an actively managed equity fund that invests in equities in listed small cap companies in the Nordic region.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

A companies' market capitalization at the time of investment may not exceed 0.05 per cent of the Swedish stock market's total market capitalization. With the Swedish stock market's total capitalization means market capitalization of Nasdaq OMX - regulated market for trading in equities and similar instruments. By year-end 2021, this meant a market capitalization of approximately SEK6.2bn.

The fund's assets may, as part of its geographic focus, be invested, among others, in equities or other financial instruments that at the time of investment are admitted to trading on a regulated market in the Nordic countries, or that fulfill the requirements to be admitted to trading on such a market within one year of issue, or that are issued by an issuer which at the time of the investment has its registered office in the Nordic region. The fund's assets may also be invested in equities or other financial instruments that at the time of investment is traded in Swedish kronor or another local Nordic currency. The intent is to over time invest up to 75 per cent of the fund's value in equities and/or other equity related financial instruments.

The fund's manager has the option to, taking into account market conditions, to determine the geographical allocation of the fund's Nordic investment mandate. The fund may therefore be completely or largely exposed to the individual Nordic markets. Investments are not focused on any particular sector.

The fund may unlimited hold financial instruments that have come to be included in the fund due to previous holdings, such as a result of take-overs, spin-offs or other corporate events. The fund's manager has thus the flexibility to freely determine the holding period of such equities in a take-over company supplied to the fund as consideration for an acquisition and that may not fit within the fund's regular investment policy.

The fund is a special fund, which means, among other things, that the fund may concentrate its holding to a smaller number of companies than is the case for an ordinary equity fund. No holding may account for more than 20 per cent of the fund's value. The fund must have at least a minimum of 11 different holdings.

The fund is actively managed and follows no index. Equities are selected based on the fund manager's own assessments.

Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The objective, according to the fund rules, is to generate good returns over the long term taking into account the fund's risk level. The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions.

The fund may invest a maximum of 10 per cent of its value in fund units.

Derivatives may be used as part of its investment policy. The fund's manager, however, has no intention of using derivatives.

The fund may, according to the fund rules, also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

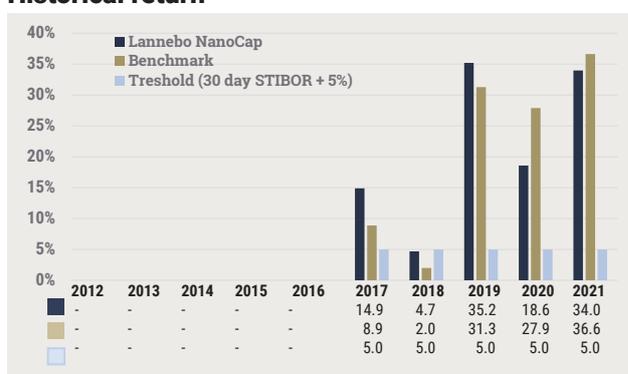
The fund's benchmark index is OMX Stockholm Small Cap Index.

The fund normally pays no dividend and all income is reinvested in the fund.

### Information regarding the fund's performance and financial position

According to the fund's rules, the value of a fund unit is calculated each banking day and published daily on the fund company's website.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK) for an investment made at the beginning of the respective year. The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included.

Average annual return, %	
- Last 3 years	29.1
- Last 5 years	20.9
- Last 10 years	n.a.

Key figures	2021	2020	2019	2018	2017
Active Share, %	99	86	85	90	91
Information ratio	-0.8	0.4	0.5	0.6	n.a.
Sharpe ratio	1.2	1.3	1.6	0.9	n.a.
Turnover ratio	0.2	0.2	0.2	0.3	0.2

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

This fund is primarily intended for investors who have more than basic knowledge of funds. However, it may also be suitable for investors with basic fund knowledge.

An investor with more than basic knowledge may make an informed investment decision based on the documentation of the fund and its knowledge and experience of the specific risks mentioned in these documents.

### *Investment Objective*

The target group for the fund are investors who primarily want their invested capital to appreciate.

The fund may also suit investors with other investment objectives. On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.

The fund is intended for investors with a long-term investment horizon (at least 5 years).

The fund is not suitable for investors who want an investment with a particular focus.

### *Ability to bear losses*

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

### *Risk*

The fund has a risk factor of 5 out of 7, which corresponds to a medium risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 5 out of 7.

### *Distribution strategy*

The fund is distributed directly by the fund management company.

## **Risk profile**

Investments in equities are always associated with *market risk* in the form of fluctuations in unit prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. In a special fund, this diversification effect may be less pronounced than in a traditional equity fund because the former are allowed to have a more concentrated portfolio. The fund can, by concentrating the assets of small and medium-sized companies, have a higher risk than funds investing in larger companies. However, the management company does not aim to expose these funds to extreme market risks substantially exceeding the market risk for a subjective selection of comparable competing funds. This is achieved through the diversification required by the fund rules and legislation as well as the company specific risk analysis. The fund's value may, however, due to composition of the fund and the management methods used by the management company. The risk measure used is the standard deviation and it is sought that the average standard deviation should amount to between 10 and 30 per cent, rolling 24 months.

The company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis.

Lannebo NanoCap has the option to invest in nordic financial instruments. This means that the fund may be exposed to *currency risk*. Hedging of currencies is possible according to the fund rules, but does not occur normally.

As shares in small companies generally have lower liquidity, *liquidity risk* i.e. the risk of not being possible to trade a security at a given time without a major price reduction or substantial costs, places great demands on the management of

the cash flow in order that the fund is always in a position of readiness to encounter redemptions and make the most of business opportunities which should be exploited in the interests of unitholders. In addition, the fund should have an appropriate mix of more or less liquid holdings so as to also be able to manage liquidity flows in an effective manner. This risk is handled in the fund by the management company's option to limit the size of the fund, and through limiting withdrawals of fund units since the fund only is open for redemption twice a year and the unit holder must inform the fund management company six months prior to redemption. Furthermore, the fund management company may charge a redemption fee for units sold before two years of ownership.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities may only be lent to counterparties with an assessed high creditworthiness and in consideration of collateral with low market, liquidity and credit risk, which means that the fund's risk profile is expected to not be affected. All collateral received should correspond to at least the market value of the shares lent. The fund may, according to the fund rules, also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund.

The fund may trade with derivative instruments as part of its investment strategy. Trading in derivative instruments can incur increased market risk together with counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral that the fund pledges the counterparty. Trading in derivatives is usually limited and is not expected to have a significant effect on the fund's risk profile. Counterparty risk is limited because the fund does not normally use OTC derivatives. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

## **Leverage**

Leverage is a method by which a fund manager increases risk exposure of an alternative investment fund through, among other, the borrowing of cash or securities, or through the use of derivative instruments. The fund's exposure, as a per cent of the fund's net assets, is calculated in accordance with two independent methods, commitment method and gross method. Leverage has not been created if a fund's exposure does not exceed 100 per cent. An alternative investment fund that, for example, only has holdings in equities does not create any leverage unless the equity holdings have been borrowed.

As mentioned above, normally the fund will not use derivative instruments, nor will leverage be generated through the use of other techniques or instruments.

However, under current legislation the fund has the theoretical possibility, in this respect, to comply with the rules that apply to traditional equity funds. In this regard, it follows that

the leverage cannot exceed 300 per cent calculated by way of the gross method and 200 per cent calculated by way of the commitment method.

### Periodic information disclosure about risk and liquidity management and leverage

Lannebo Fonder regularly provides information on risk and liquidity management and leverage as follows:

Information about the current risk profile and the applicable risk management system, as well as detail of any eventual share of non-cash assets, is provided in the annual- and semi annual report for the fund. The annual and semi annual report for the fund will also provide information about the total amount of leverage calculated using both the gross and commitment method.

Information regarding changes to the maximum level of leverage that may be used by the fund and the authority to dispose of collateral or any guarantee that has been provided under the scheme of leverage is provided on the company's website. The same applies to changes in the fund's liquidity risk management, which is of material importance.

Information regarding changes to the terms of the redemption of units as well as information regarding a postponement of the redemption of units in accordance with Chapter 4 § 13a Securities Funds Act, or of the fund closes for redemption of units due to extraordinary circumstances in accordance with the fund rules, shall be communicated to the unitholders by letter and / or via the management company's website.

### The fund's grade of activity

#### The management of the fund

The fund is an actively managed equity fund that invests in the shares of small publicly listed companies in the Nordic region. The fund invests only in companies that meet the fund's criteria regarding, for example, investment orientation and sustainability criteria. Focus is placed on the fund's individual investments and its future opportunities. The fund invests in companies where the fund managers can have a qualified view of the company's potential and where valuation is sufficiently attractive; the most attractive shares are the fund's largest holdings. In many cases the fund becomes one of the largest owners of the companies in which fund assets are invested. The concentration in the fund is at a higher level than a traditional equity fund. The overall objective of the fund is to achieve, with due care, the highest possible value growth.

#### Benchmark

Management of the fund can be compared with the fund's benchmark index which is the OMX Stockholm Small Cap GI. The index is relevant to the fund in that it reflects the fund's investment orientation, for example, company size, asset class and market. The OMX Stockholm Small Cap GI consists of all small publicly listed companies on Nasdaq Stockholm. The benchmark index includes companies with a market cap of up to 150 million euro. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### Active risk over the past 10 years

The fund was started in 2016. Given that history from two years are needed in order to be able to calculate a measure of activity, there are no figures for the first two years of the fund.

	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Tracking error, %	7.5	7.6	7.2	7.0	-
	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
	-				

#### Explanation to the achieved measure of activity

The activity measure attained was due to the fund is actively managed and therefore deviated from the benchmark index. The fund's investments, and how the fund covaries with the market, affects the activity measure, where fluctuations depend on how investments deviate from the benchmark index in relation to, for example, the holdings of a single security or general changes in the market. The return on a concentrated portfolio of smaller companies usually varies more in relation to their benchmark index than, for instance, that of a broader portfolio consisting of larger companies. This also partly explains the fund's activity measures.

Active risk is relatively unchanged compared with the previous year. The fund has significant holdings in equities that have a significantly lower weight in the benchmark index. In addition, the fund has holdings that do not exist in the benchmark index.

Tracking error, also known as active risk, indicates the degree to which the fund's return varies in relation to its benchmark index. This is calculated by measuring the difference between the return on the fund and the benchmark index based on monthly data from the previous two years, calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the index, plus or minus, as a percentage by as much as the activity measure indicates. For example, if a fund has an active risk of 5, theoretically the expected return for the fund will be plus or minus 5 per cent compared to its benchmark index two years out of three.

### Maximum fees

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing.

Brokerage for the fund's purchases and sales of financial instruments are charged to the fund as well as tax.

Sales fee:	0%
Redemption fee:	10%
Fixed management fee, including supervision and audit:	1.1%
Remuneration to the depositary:	0.1%

#### Performance fees

A performance fee is also payable by unitholders. The fee is calculated individually for each unitholder and taken from the fund annually or on redemption. The fee is payable only if the fund's relative capital growth has exceeded that of the fund's performance benchmark, defined as the 30-day STI-BOR, monthly on the first banking day of each month plus 5 per cent points. If a unitholder's capital growth during a financial year is below the fund's benchmark, and subsequent financial years bring positive relative capital growth, no variable fee will be payable until the earlier financial year's relative underperformance has been compensated.

The variable fee amounts to 20 per cent of the excess return i.e. that part of the fund's capital growth which exceeds the benchmark. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

## Current fees

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund, including depositary, supervision and audit costs).

Fund units can be redeemed without charge after two years of ownership.

Sales fee:	0%
Redemption fee:	10%
Management fee, including custody, supervision and audit:	1%
Remuneration to the depositary:	up to 0.02%

## Performance fees

A performance fee is also payable by unitholders. The fee is calculated individually for each unitholder and taken from the fund annually or on redemption. The fee is payable only if the fund's relative capital growth has exceeded that of the fund's performance benchmark, defined as the 30-day STIBOR, monthly on the first banking day of each month plus 5 percentage points. The reason why the fund's value development is compared against the yield threshold is because the model is considered to be one relevant measure of evaluation for an investor. The model is based on well-established financial theory which states that the required return on the stock market corresponds to risk-free interest plus a risk premium.

The risk premium in the fee model, set at one level of 5 percent is both accepted and reasonable for stock investments. This means that if the fund has done better than its own benchmark, fund unit holders have received a return that exceeded the required rate of return for equity investments. If the fund does not provide a positive absolute return, no performance-based fee is paid.

If a unitholder's capital growth during a financial year (or other measurement period in connection with redemption, in the event of an additional redemption event or in the event of transfer) is below the fund's benchmark, and subsequent financial years bring positive relative capital growth, no variable fee will be payable until the earlier financial year's relative underperformance has been compensated. Thus, the so-called "High water mark" system is applied when a fee is charged. High water mark must not be restored.

The variable fee amounts to 20 per cent of the excess return i.e. that part of the fund's capital growth which exceeds the benchmark. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

## Closure of Lannebo NanoCap

In order to avoid that the fund's assets under management may amount to a sum that implies that the fund can not be managed in an optimal way for either the fund or for the existing unitholders, the fund management company has the right to decide to close the fund and whereby the purchase of new units can not be made. Such a decision to close the fund assumes that the fund's total assets amounts to a size that exceeds the fund management company's set capital limit for the fund's optimal management.

The fund management company's set capital limit for an optimal management of the fund currently amounts to SEK 750 million. The decision to close the fund shall be published in connection with the resolution, but not later than 20 days prior to the date that the decision on the close of the fund shall take effect and the fund closes.

Request for subscription of fund units that is received by the fund company before the date when the decision on the closure of the fund entered into force, should be treated and entitle to the sale of new fund units according to given re-

quest and current fund rules.

The fund management company shall, in connection with the decision on the closure of the fund, decide on a maximum amount for subscription of fund units until the decision on the closure of the fund entered into force, which, however, can be set to a minimum of SEK 50 million. In case of oversubscription, allotment of new fund units shall be made pro rata based on the size of the requested purchase amount.

Any requests received by the fund management company after the decision on the closing date of entry into force until the fund management company once again decide on the opening of the fund will be returned together with information on the decision and other practical information. Any amount paid will be refunded to the designated bank account.

Likewise, the fund management company's decision to open the fund shall be published together with the decision, but not later than 30 days prior to the date when the subscription of new fund units can again take place. The fund remains open until its capital limit again is passed.

## Information according to the EU Regulation on indices used as benchmark

The EU regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (benchmark regulation) came into effect on 1 January 2018. The benchmark regulation applies if a management company measures the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees.

For Lannebo Nanocap, a benchmark is used in such a way that the fund's performance-based fee is related to 30 days STIBOR, monthly the first banking day each starting month (plus 5 percentage points).

According to the benchmark regulation, a benchmark administrator must be approved and registered with the European Securities and Markets Authority (ESMA) by May 2020. 30 days STIBOR is provided by an administrator not yet registered with ESMA. According to the transitional provisions in the new rules, however, an administrator were allowed to continue to provide an existing critical reference value which, even before the issue of authorization has been decided, may be used by companies and businesses under the supervision of the Swedish Financial Supervisory Authority's (Finansinspektionen) until the end of 2021. SFBF has, on 27 December 2021, given an application to the Swedish Financial Supervisory Authority by which it applies to become authorised as an administrator according to the Benchmark regulation. The Swedish Financial Supervisory Authority has announced that STIBOR may be used while the application is being handled.

A management company must have a plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided. If such an event would occur, Lannebo Fonder will attempt to identify an appropriate alternative benchmark and apply for the Swedish Financial Supervisory Authority's approval to change the fund rules for the fund, thereby replacing the previously used benchmark.

## Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

## Fund rules

### § 1 The fund's legal status

Lannebo NanoCap, hereinafter the fund, is a special fund regulated under the laws (2013:561) regarding the management of alternative investment funds, hereinafter called AIFM (Alternative Investment Fund Managers Act). The management of the fund is conducted in accordance with these fund rules, the statutes of the fund management company, AIFM and other applicable regulations.

The unitholders jointly own the fund's assets, and each fund unit carries equal rights to the assets included in the fund. The fund management company, as indicated in § 2, manages the fund and represents unitholders in all matters relating to the fund, decides on the assets included in the fund and exercises the rights stemming from the fund. The fund may not acquire rights or assume obligations. The fund is intended for investors able to invest a minimum of SEK 5 million, with limitation imposed by § 17 below.

### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledges.

### § 3 Depository and its role

Skandinaviska Enskilda Banken AB, registered in Sweden no. 502032-9081, has been appointed depository.

The depository is to implement decisions of the management company with respect to the fund and is to take receipt of and hold in custody the assets of the fund. The depository is to ensure that decisions regarding the fund that the management company has made, such as valuations and the redemption and sale of units take place in accordance with legislation, regulations and these fund rules.

### § 4 Nature of the fund

The fund is an actively managed equity fund that invests in listed small cap companies in the Nordic region. The fund is diversified and does not focus on a particular sector. The fund has greater freedom in its investment rules than UCITS funds.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

### § 5 The fund's investment policy

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund is actively managed with concentrated focus on small listed companies in the Nordic region.

The fund's assets may as a part of the investment strategy be invested in, amongst other, equities and other financial instruments that at the time of investments are held for trading at a regulated market in the Nordic region or meets the requirement to be listed in such a market within one year from the issue or that is issued by an issuer that at the time of investment is resident in the Nordic region or that fulfill the requirements to be admitted to trading on such a market within one year of issue, or that are issued by an issuer which at the time of the investment has its registered office in the Nordic region. The fund's assets may also be invested in equities or other financial instruments that at the time of investment is traded in Swedish kronor or another local Nordic currency. Further examples of investments covered by the fund's geographical focus may be specified in the prospectus of the

fund.

The management company determines, taking into account market conditions, the geographical allocation of the fund's Nordic investment mandate. The fund may therefore be completely or largely exposed, i.e. up to 100 per cent in the individual Nordic markets.

The criterion for a company's size is its market capitalisation at the end-of month before the time of investment, which may be a maximum of 0.05 per cent of the Swedish stock market's total market capitalisation. The definition of the Swedish stock market's total stock value is described in the fund prospectus.

The intent is to over time invest up to 75 per cent of the fund's value in equities and / or other equity related financial instruments.

Regardless of what is stated above, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as a result of take-overs, spin-offs or other corporate actions.

The fund is diversified and does not focus on a particular sector.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

Rules in accordance with Chap. 5 LVF apply for the management of assets in a special fund, unless the FSA has authorized exceptions. The fund has been granted the following exemptions from the provisions in the Swedish Securities Fund Act with regard to its investment policy:

- As a departure from chapter 5, section 5, paragraph 1 of the Swedish Investment Act, investments may be made in the negotiable securities referred to in chapter 5, section 5, paragraph 1 of the Swedish Securities Fund Act on the aforementioned market to a collective total of a maximum of 20 per cent of the value of the fund.
- As a departure from chapter 5, section 6, first paragraph, and second paragraph 3 of the Swedish Securities Fund Act, the fund's total exposure to any one company, i.e. the net value of the fund's holdings of negotiable securities issued by or relating to that company may amount to a maximum of 20 per cent of the fund's net asset value, if the aggregate value of such assets does not exceed 60% of the fund's net asset value.
- As a departure from Chapter 5. § 20 first paragraph Swedish Securities Fund Act, the fund may acquire any equities carrying voting rights that it is possible for the fund to exercise a significant influence over the management of a company, however, limited to 25 per cent of the voting rights in a company.

The fund aims for a risk level that over time is on a par with the risk level for the stock market as a whole. The measure of risk used is the standard deviation in the fund's total return.

### § 6 Marketplaces

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public

### § 7 Special investment policy

The fund may make use of the negotiable securities referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Super-

visory Authority's regulations (FFFS 2013:9) on investment funds in order to create leverage.

## § 8 Valuation

The value of a unit is the value of the fund divided by the number of outstanding units. The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Negotiable securities, money-market instruments, derivative instruments and units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are misleading in the view of the management company, negotiable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.
- In the case of the negotiable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on an identical derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in accounts at credit institutions.
- Accrued interest.
- Accrued dividends.
- Sales not yet settled.
- Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depository's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The value of the units is to be calculated by the management company daily (each banking day).

## § 9 Sale and redemption of units

### § 9.1 Sale of units

Sales (unitholder's purchase) may be conducted on the fund's launch date and the last banking day each month (sales date) with the highest amount given by the management company. If a maximum amount for sale is decided, the management company will inform about this and in case of oversubscription assign units pro rata as described in § 9.4 below.

Any requests for sale received by the management company two banking days before the last banking day of the month will be processed on the last banking day in the month. Any

requests received later than these times will be processed in the following month.

Request for sale must have been conducted no later than two banking days before the sale date and is done by payment to a designated bank account and submission of documents to the management company at any time request.

The minimum initial payment when selling units is SEK 5 million. The minimum payment per sale will subsequently be SEK 1 million.

Sale price is specified in § 9.3 below.

### § 9.2 Redemption of units

Redemption (unitholder's sale) may be conducted in June and December every year. This is consistent with Chapter 12. 6 § AIFM and represents a departure from those applicable of mutual funds under Chapter 4. § 13 first paragraph of the LWF. In addition, the management company has the option to decide on further occasions when the redemption can take place according to the last paragraph below.

Redemption requests must be in writing and, except in the use of computer media, personally signed by the unitholder.

In order to be conducted on the last banking day of June, a request for redemption shall be received to the management company no later than the last banking day of December previous year. Requests received by the management company no later than the last banking day of December, but before the last banking day of June, is executed at the next regular redemption date.

In order to be conducted on the last banking day of December, a request for redemption shall be received to the management company no later than the last banking day of June current year. Requests received by the management company no later than the last banking day of June, but before the last banking day of December, is executed at the next regular redemption date.

Upon redemption a special fee can occur, see §11.5 below. Fund units can be redeemed without charge after two years of ownership, but no earlier than December 2018.

Upon redemption, a unitholder can, if he consents thereto, as payment, in whole or in part, receive financial instruments held by the fund at the time of redemption, but only if the management company's believe it is in the unitholders joint interests. The portion of the settlement that shall consist of financial instruments shall either correspond to the composition of the fund's total holdings of financial instruments at the time of redemption or have such other composition that ensures equal treatment of the unitholders.

If liquidity for redemption has to be obtained through the sale of securities, should such a sale be conducted and redemption shall take place as soon as possible.

A request for redemption may only be withdrawn if permitted by the management company.

The management company has the right to decide on further occasions for redemption, beyond the last banking day of June and December every year. Decisions on such additional opportunities for redemption are to be communicated with the decision, no later than 20 days before the first date of redemption. Information about decisions on additional opportunities for redemption shall be sent to unitholders at the registered address the management company holds. Requests for redemption under this paragraph shall be received to the management company no later than 10 banking days before the redemption date.

Redemption price is specified in § 9.3 below.

### § 9.3 Sale and redemption price

The sale price for a fund unit is the fund unit value on the working day that the sale is conducted.

The redemption price for a fund unit is the fund unit value on the working day that the redemption is conducted, with

deduction of any redemption fee according to § 11.5 below.

Sale and redemption is conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption price are notified to the unitholder with five banking days.

#### § 9.4 Closure of the fund

In order to avoid the capital managed by the fund reaching an amount that means that the fund cannot be managed in an optimal manner for the fund and existing unitholders, the management company is entitled to decide to close the fund so that there can be no subscription to new units. Any such decision on closure would require the fund's managed capital to reach an amount that exceeds the capital limit laid down by the management company for optimal management. The capital limit laid down by the management company for optimal management is shown in the company's prospectus.

Any decision to close the fund should be communicated at the time of the decision, but no later than 20 days before the date on which the decision on closure will enter into force with the fund being closed.

Similarly, the management company's decision to open the fund should be communicated at the time of the decision, but no later than 30 days before the date on which new units may again be subscribed to.

Information regarding any decision to close or open the fund should be sent to unitholders at the registered address the management company holds.

### **§ 10 Extraordinary circumstances**

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders,

### **§ 11 Fees and payments**

#### 11.1 General

Payments are to be made from the fund's assets to the fund manager in the form of both fixed and performance-based fees, according to below (§§ 11.2 and 11.3).

Fees to the custodian according to below (§ 11.2)

The management company may charge sales and redemption fee according to below (§§ 11.4 och 11.5)

Brokerage for the fund's purchases and sales of financial instruments are to be paid by the fund, as is tax.

#### § 11.2 Fixed fee

Fixed fee to the management company and the depository as follows.

- i. Fee to the management company. Maximum fee is 1.1% of the assets of the fund per year. This fee includes payment for the management of the fund and the costs of supervision and auditing.
- ii. Fee to the depository for custody of the assets of the fund. Maximum fee level is 0.10 per cent per year of the fund's value.

#### § 11.3 Performance-based fee

The fee, which is calculated individually for each unitholder and taken from the fund annually or on redemption, is payable only if the fund's relative capital growth has exceeded that of the fund's performance benchmark, defined as the 30-day STIBOR, monthly on the first banking day of each month, plus five per centage points but no less than zero per cent. If a unitholder's capital growth during a financial year (or month in the case of redemption) is below the fund's benchmark,

and subsequent financial years bring positive relative capital growth, no variable fee will be payable until the earlier financial year's relative underperformance has been made up. The variable fee amounts to 20 per cent of the excess return i.e. that part of the fund's capital growth which exceeds the benchmark.

The variable fee is to be paid by the fund but will be charged to each unitholder in relation to that particular unitholder's return by means of a change in the number of units held by each unitholder. The number of units held by the individual unitholder is calculated on the basis of the unitholder who is to pay the highest variable fee per unit. This unitholder's net value per unit forms the basis for calculating the new number of units in the fund.

#### § 11.4 Sales fee

The management company is not entitled to charge any sales fee.

#### § 11.5 Redemption fee

Upon redemption of fund units, the management company may charge a fee of no more than 10 per cent of the net asset value. Any redemption fee is calculated on the redeemed fund units value after fixed and performance-based fee on the banking day the redemption is conducted.

After two years of ownership, but not earlier than December 2018, fund units can be redeemed without charge (§ 9.2 above).

Redemption fee accrues to the fund.

Information about current fees are to be found in the fund's prospectus.

### **§ 12 Dividends**

As a rule, the fund does not issue dividends. However, the management company can decide on issuing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then issued on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a fund unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depository within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively. When sending out annual statements, the management company is to ask unitholders whether they wish to receive the annual report and semi-annual report.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depository and be published by such other means as the Swedish Financial Supervisory Authority instructs.

## § 15 Pledging of units

### § 15.1 Pledging of units

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge, and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

### § 15.2 Transfer of units

Transfer of fund unit may be conducted on the last banking day of each month, but only if the management company consents to the transfer. Such consent shall not unreasonably be refused.

Request for transfer of fund units must be in writing and, except in the use of computer media, personally signed by the person who wishes to transfer or acquire fund units. Along with the request for transfer of fund units must be attached to any additional documents requested by the management company at the time.

Request for transfer of fund units which is received by the management company no later than ten banking days before the last banking day of a month is conducted by the management company during the month. The management company shall, in such cases, within five banking days from the request for transfer of fund units give notice whether the management company gives its consent to the transfer. Request for transfer of fund units which is received by the management company no later than ten banking days before the last banking day of a month is conducted by the management company during the next month. The management company shall, in those cases, no later than the fifth banking day of the following month indicate whether the management company gives its consent to the transfer.

If the management company has given consent for a transfer, the fund's unit transfer shall be conducted at a price equal to the fund value after fixed and performance-based fee on the banking day by which the transfer takes place, i.e. the last banking day of the month when the management company gave consent to the transfer.

The fixed fee as well as the potential performance fee payable in connection with the fund unit transfer under § 11.3 above are charged to the transferring unitholder and the acquiring unitholder is subject to similar conditions to those applicable for the unitholders, who instead of having acquired the units under this paragraph, bought the fund units according to § 9.1 above on the banking day by which the transfer takes place.

For the acquiring unitholder, this means that the unit price, performance and benchmark, according to § 11.3 above, set at the transfer price per unit respectively calculated from the

banking day by which the transfer takes place, i.e. as if the units sold pursuant to § 9.1 above to the unitholder on the banking day by which the transfer takes place and at a sales price corresponding to the transfer price. The two-year period during which the redemption fee may be charged as specified above in § 11.5 counts, in relation to the acquirer from the date of transfer. The Management Company is not entitled to charge a transfer fee.

## § 16 Limitation of liability

In the event that the depositary has lost financial instruments held in custody with the depositary or its depositary bank, the depositary shall without undue delay return to the fund financial instruments of the same type or an amount equivalent to the value. The depositary is not responsible in the event the loss of the financial instruments or other damage is caused by an external event beyond the depositary's control, such as damage due to Swedish or foreign legislation, Swedish or foreign authority, acts of war, strikes, blockades, boycotts, lock-outs or other similar circumstances. The management company shall not be responsible for damage caused by such an external event beyond the fund's control. Provision with respect of strikes, blockades, boycotts and lockouts apply even if the depositary or the management company is the subject of, or is itself, taking such actions. Neither the depositary nor the management company is liable for any damages caused by - Swedish or foreign - stock exchange or other marketplace, central securities depository or clearing organization.

Neither the depositary nor the management company is liable for damage arising as a result of restriction of authority that can be brought against the management company or the depositary regarding financial instruments.

The depositary shall not be liable for any loss of financial instruments held by a depositary bank or other provider of corresponding services that the depositary, with due care, engaged for the custody of financial instruments and with which the depositary has agreed to the transfer of responsibility, including the right for the management company to make claims directly against the depositary bank. Such a transfer of responsibility from the depositary to the depositary bank is a result of the depositary instructing the custodian bank to keep foreign financial instruments in a local market in the manner specified in the depositary agreement in effect between the depositary and the management company.

The management company and the depositary shall not compensate for losses incurred in other events if the management company and the depositary have exercised normal prudence and provided that nothing otherwise follows by applicable mandatory law.

Neither the management company nor the depositary is responsible for indirect losses.

In the event the management company or the depositary is hindered from fully or partially enforcing measures due to circumstances mentioned in the second paragraph, measures may be postponed until the impediment has ceased. In case of deferred payment as a result of such circumstances, neither the management company nor the depositary will pay punitive interest fees. If interest has been offered, the management company or the depositary shall pay interest at the rate in force on the due date.

Should the depositary, due to circumstances stated in the second paragraph, be prevented from receiving payment for the fund, the depositary, for the period during which the interference occurred, has the right to interest solely under the terms prevailing on the due date.

The management company is not liable for damages incurred by the depositary or its depositary bank. Nor shall the management company be responsible for damages caused by a unit holder, or other, that breaches law or regulation or these fund rules. Unit holders are hereby notified that they

are responsible for that the documents submitted to the management company are correct and duly signed and that the management company is informed of any changes to information submitted.

The management company is liable pursuant to Chapter 8. 28-31 §§ AIFM (Alternative Investment Fund Managers Act). The depositary is liable under Chapter 9. 22 § AIFM.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

## Annex 1

### Example of calculation of variable fee

The example below is based on a calculation of fees for four different investors – A, B, C and D. They subscribe to shares in the fund at different times and for different amounts. The benchmark is set at 10 per cent per annum. The calculation of the variable fee has been performed for two years in the example. The variable fee is paid by the fund but will be char-

#### Year 1

Example of fee calculation

Year 1	Net worth	Amount invested				
		A	B	C	D	TOTAL
31 Dec	100	100				
31 Jan	105					
28 Feb	100		200			
31 Mar	90			180		
30 Apr	95					
31 May	100					
30 Jun	105					
31 Jul	110	220				
31 Aug	115					
30 Sep	115					
31 Oct	120				240	
30 Nov	125					
31 Dec	120					

A. Net worth before variable fee 31 Dec year 1	360	240	240	240	1080
B. Opening value year 1 plus invested year 1	320	200	180	240	940
C. Result before benchmark	40	40	60	0	140
D. Benchmark (10 % per annum)	19.17	16.67	13.50	4.00	49.33
E. Result after benchmark	20.83	23.33	46.50	-4.00	90.67
F. Variable fee 20 %	4.17	4.67	9.30	0.00	18.13
G. Net worth after variable fee	355.83	235.33	230.70	240.00	1061.87
H. Unit value	115.35	115.35	115.35	115.35	115.35
I. Total units	3.0848	2.0402	2.0000	2.0806	9.2056
of which new free-of-charge units	0.0848	0.0402	0.0000	0.0806	0.2056

Investor D invests in two units on 31 October. The net worth at this time is 120 per unit, which means that the investment amounts to 240. At the end of the year, the net worth is 120 per unit again. The benchmark that D will be allowed before a variable fee is payable amounts to  $10\% \times 2/12 = 1.67\%$ , since D has been a unitholder for two months.

The result calculated after the benchmark therefore amounts to  $-4 (240 - 240 - 1.67\% \times 240)$  and no variable fee is payable. In addition, the benchmark calculated in this case is added to the benchmark that forms the basis for the variable fee in year 2. Since no variable fee is payable, this means that the net value remains unchanged at 240.

Investors A, B and C have all achieved a positive return after the benchmark is applied, which means a variable fee is payable. In March, C purchased two units at a net worth of 90 – a total investment of 180. The net worth for C at the end of year 1 is  $2 \times 120 = 240$  and the result before the benchmark is 60. C will be allowed a benchmark of  $10\% \times 9/12 = 7.50\%$ , as C has been a unitholder for nine months, before the variable fee is payable.

The result after the benchmark will be  $240 - 180 - 7.50\% \times 180 = 46.50$ . The variable fee will be 20% of this result i.e. 9.30. The net worth after the variable fee then amounts to  $240 - 9.30 = 230.70$ .

For A and B, corresponding calculations give variable fees of 4.17 and 4.67 respectively. These variable fees are lower

ged to each individual unitholder in relation to that particular unitholder's return by means of a change in the number of units held by the unitholder.

The number of units held by an individual unitholder is calculated on the basis of the unitholder who is to pay the highest variable fee per unit. This unitholder's net value per unit forms the basis for calculating the new number of units in the fund.

per unit than for C, since A and B have not achieved as high a return on the amounts they have invested. The calculation of the benchmark for investor A takes account of the fact that purchases have been made on two different occasions. The first unit, an investment of 100, has been owned for the entire year. In July, two units were purchased at a total of 220, which means that these have been held for five months. The benchmark for A is calculated as follows:  $10\% \times 100 + 10\% \times 5/12 \times 220 = 19.17$ .

The value of the unit is calculated on the basis of the unitholder (investor C) who has paid the highest variable fee per unit and will, in this example, be 115.35. Each unitholder's value after fees is then divided by this unit value in order to calculate the number of units that will be held. In the event of the fund increasing in value, new units will be given out. In the case of investor D, this calculation gives  $240/115.35 = 2.0806$  units i.e. 0.0806 new units.

## Year 2

Example of fee calculation

Invested amount

Year 2	Net worth	A	B	C	D	TOTAL
31 Dec	115.35	115.35				
31 Jan	120					
28 Feb	110					
31 Mar	100		200			
30 Apr	95					
31 May	80			160		
30 Jun	90					
31 Jul	100					
31 Aug	110					
30 Sep	120				240	
31 Oct	125					
30 Nov	130					
31 Dec	140					

A. Net worth before variable fee 31 Dec year 2	571.87	565.63	560.00	571.28	2268.78
B. Opening value year 2 plus invested year 2	471.18	435.33	390.70	480.00	1777.21
C. Result before benchmark	100.69	130.30	169.30	91.28	491.57
D. Benchmark (10 % per annum)	47.12	38.53	32.40	34.40	152.45
E. Resultat after benchmark	53.57	91.76	136.90	56.88	339.12
F. Variable fee 20 %	10.71	18.35	27.38	11.38	67.82
G. Net worth after variable fee	561.16	547.28	532.62	559.91	2200.96
H. Unit value	133.16	133.16	133.16	133.16	133.16
I. Total units	4.2143	4.1101	4.0000	4.2049	16.5293
of which new free-of-charge units	0.1295	0.0699	0.0000	0.1243	0.3237

On 30 September, D invests a total of 240 in a further two units at 120 per unit. The net worth then rises to 140 per unit at the end of the year. The net worth of D's total investment in years 1 and 2 then amounts to  $4.0806 \times 140 = 571.28$ . The total opening value in year 2, plus the amount invested in year 2, amounts to 480 and the result before the benchmark is 91.28. The benchmark amounts to  $(240 \times 10\%) + (240 \times 10\% \times 3/12) + (4 \times 10\%) + 4^1 = 34.40$ .

The result after the benchmark is thus  $571.28 - 480 - 34.40 = 56.88$ . The variable fee of 20% will be 11.38. The net worth after the variable fee then amounts to  $571.28 - 11.38 = 559.90$ .

A, B and C also make further investments during the year. In May, C purchased two units at a net worth of 80 – a further investment of 160. The opening value in year 2, plus the amount invested in year 2, amounts therefore to 390.70. The net worth for C at the end of year 2 is  $4 \times 140 = 560.00$  and the result before the benchmark is 169.30. C will be allowed a benchmark of  $(230.70 \times 10\%) + (160 \times 10\% \times 7/12) = 32.40$  before the variable fee is payable.

The result after the benchmark will be  $560 - 390.70 - 32.40 = 136.90$ . The variable fee will be 20% of this result i.e. 27.38. The net value after the variable fee then amounts to  $560 - 27.38 = 532.62$ .

For A and B, corresponding calculations give variable fees of 10.71 and 18.35 respectively. These variable fees are lower per unit than for C, since A and B have not achieved as high a return on the amounts they have invested.

The value of the unit, calculated on the basis of the unitholder, investor C, who pays the highest variable fee per unit, will be 133.16. The new number of units for investor D is calculated at  $559.90/133.16 = 4.2049$ . In year 2, investor D therefore receives  $4.2049 - 4.0806 = 0.1243$  new units.

### Definitions

- Net worth before variable fee 31 Dec year x*: Number of units multiplied by net worth per unit.
- Opening value year x plus invested year x*: Net worth after variable fee at beginning of year x plus the total amount unitholder has invested in year x.
- Result before benchmark*: Net worth before variable fee minus opening value year x plus invested year x. (A-B)
- Benchmark*: The return that must be achieved before a variable fee is payable. This is calculated taking into account how long each investment has been in the fund. For example, a holding purchased at the end of May had been held for seven months by the end of the year and the benchmark is calculated for these seven months. The level of the benchmark is defined as the 30-day STI-BOR, monthly on the first banking day of each month plus two percentage points.
- Result after benchmark*: Result before benchmark minus the benchmark. (C-D)
- Variable fee*: 20% of the result after the benchmark. (0.2 x E)
- Net worth after variable fee*: Net worth before variable fee minus variable fee. (A-F)
- Unit value*: Net worth after variable fee divided by the number of units is calculated for the unitholder who will pay the highest variable fee per unit. This will be the unit value that applies to all unitholders.
- Total units*: Net worth after variable fee divided by unit value. In the event of the fund increasing in value, new units will be given out. (G/H)

<sup>1</sup>Benchmark from year 1 that D will be allowed, adjusted upwards by 10 per cent for year 2.

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

**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:**  
Lannebo NanoCap

**Legal entity identifier:**  
549300WTH4U3ZC69QB57

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



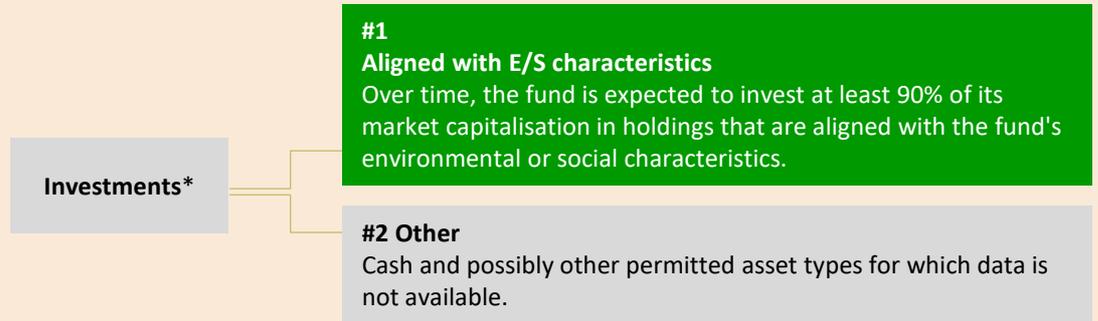
## What is the asset allocation planned for this financial product?

### 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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

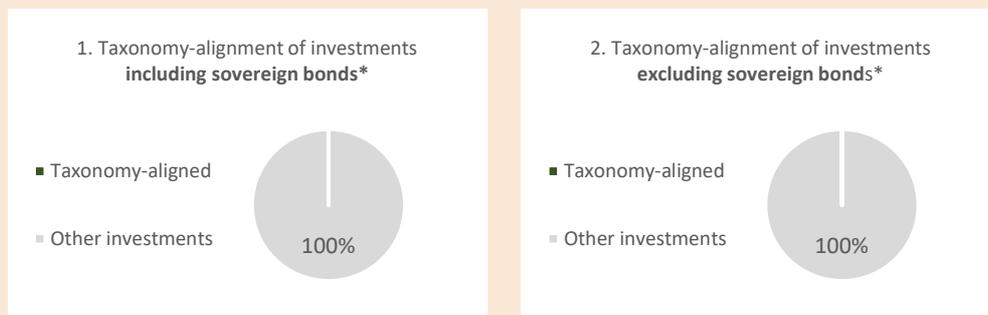
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## Lannebo Småbolag Select

Swedish-registered special fund

### Objective and investment policy

The fund is an actively managed equity fund that invests in equities in small and medium-sized listed companies in the Nordic region, with the emphasis on Sweden.

The fund follows specific sustainability related criteria in the investments. The fund does not invest in companies that violate international conventions or in companies that produce and/or distribute controversial weapons. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. The fund also refrains from investing in companies in which more than 5 per cent of the company's turnover comes from extracting of fossil fuels (coal, oil and gas).

The companies in which the fund invests may at most have a market capitalization equal to 1 per cent of the Swedish stock market's total market capitalization. By year-end 2021, this meant a market capitalization of approximately SEK124bn. With the Swedish stock market's total capitalization means market capitalization of Nasdaq OMX - regulated market for trading in equities and similar instruments.

Focus is placed on each of the fund's individual investments and its outlooks. The fund invests in companies in which the fund manager may have a qualified opinion about their prospects and where valuations are considered attractive enough.

The fund is a special fund, which means, among other things, that the fund may concentrate its holding to a smaller number of companies than is the case for an ordinary equity fund. No one holding may account for more than 25 per cent of the fund's value. The fund may have a minimum of 11 different holdings, compared to the minimum 16 holdings for a traditional equity fund. The fund also differs from equivalent traditional equity funds as it is monthly and not daily traded.

The fund is actively managed and follows no index. Equities are selected based on the fund manager's own assessments; therefore deviations from the benchmark index can be both larger and smaller over time. Stock-picking is based on long-term fundamental analysis, combined with mobility in the portfolio. The objective, according to the fund rules, is to generate good returns over the long term taking into account the fund's risk level.

The fund's assets are to be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in fund units. Derivatives may be used as part of its investment policy. The use of derivatives is done exceptionally and will not normally increase the fund's risk level.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. The fund may also use other techniques and instruments to reduce risks in management and to increase income and create leverage in the fund. In securities lending there are no direct or indirect costs/fees charged to the fund.

The fund's benchmark index is Carnegie Small Cap Return Index.

The fund normally pays no dividend and all income is reinvested in the fund.

Deposits and withdrawals from the fund can normally be made on the last banking day of each month.

### Historical return



The above graph shows the historical performance in Swedish Krona (SEK). The return is calculated with the dividend reinvested. No consideration is given to inflation. The return is reported after deductions for taxes and fees. Any sales and redemption fees are not included. The fund's benchmark for the calculation of fees is based on the 30-day STIBOR, monthly on the first banking day of each month, plus 5 percentage points. The return threshold was changed from 3 to 5 percentage points on April 1, 2016.

Average annual return, %	
- Last 3 years	23.8
- Last 5 years	16.1
- Last 10 years	18.9

Key figures	2021	2020	2019	2018	2017
Active Share, %	83	81	77	81	78
Information ratio	-2.2	-2.3	-0.8	0.3	0.7
Sharpe ratio	0.8	1.0	1.5	0.7	1.4
Turnover ratio	0.5	0.4	0.4	0.3	0.3

### Target group

#### Customer segments

This fund is intended for investors classified as non-professional, professional or eligible counterparties.

#### Knowledge and experience

You should have basic or higher knowledge of investing in funds in order to invest in this fund.

An investor with basic knowledge may make an informed investment decision when provided documentation about the fund or when receiving basic information from a sales person or distributor.

#### Investment Objective

The target group for the fund are investors who primarily want their invested capital to appreciate.

- The fund may also suit investors with other investment objectives.
- On the other hand, the fund is not suitable for investors who primarily want the invested capital to provide protection against other investments, including elements of options or leverage, provide a return in the form of dividends or the like or to be conserved.
- The fund is intended for investors with a long-term investment horizon (at least 5 years).
- The fund is not suitable for investors who want an investment with a particular focus.

#### Ability to bear losses

It is not certain that an investor will get back all or a certain proportion of the invested capital. However, an investor cannot lose more than the invested capital.

#### Risk

The fund has a risk factor of 6 out of 7, which corresponds to a high risk level.

The fund is therefore suitable for investors with a risk tolerance corresponding to 6 out of 7.

#### *Distribution strategy*

The fund can be purchased through an investment advisor, portfolio management or on self-initiated orders (with or without a suitability assessment).

#### **Risk profile**

Investments in equities are always associated with *market risk* in the form of fluctuations in share prices. In a fund, this risk is reduced as a result of the fund holding a variety of different stocks (diversification) whose prices do not fluctuate in exactly the same way. In a special fund, this diversification effect may be less pronounced than in a traditional equity fund because the former are allowed to have a more concentrated portfolio. The fund can, by concentrating the assets of small and medium-sized companies, have a higher risk than funds investing in larger companies.

However, the management company does not aim to expose these funds to extreme market risks substantially exceeding the market risk for a subjective selection of comparable competing funds. This is achieved through the diversification required by the fund rules and legislation as well as the company specific risk analysis. The fund's value may, however, due to composition of the fund and the management methods used by the management company. The risk measure used is the standard deviation.

The company's investment philosophy is based on index independent fund management where the fund makes investment in stocks which, on the basis of fundamental analysis, are believed to offer good growth potential with a reasonable degree of risk. This means that relative risks, such as the fund's tracking error relative to a particular index, are not a type of market risk that the company has any intention of managing. The management company believes that the greatest risk of capital losses lies in potential shortcomings in company specific investment analysis.

Lannebo Småbolag Select is able to invest in nordic financial instruments. This means that the fund may be exposed to *currency risk*. Hedging of currencies is possible according to the fund rules, but does not occur normally.

As shares in small companies generally have lower liquidity, *liquidity risk* i.e. the risk of not being possible to trade a security at a given time without a major price reduction or substantial costs, places great demands on the management of the cash flow in order that the fund is always in a position of readiness to encounter redemptions and make the most of business opportunities which should be exploited in the interests of unitholders. In addition, the fund should have an appropriate mix of more or less liquid holdings so as to also be able to manage liquidity flows in an effective manner.

The fund may lend a portion of the fund's holdings in securities against a predetermined interest accruing to the fund, thus contributing to the fund's return. Securities lending may only take place with counterparties with assessed high creditworthiness and against collateral with low market, liquidity and credit risk, therefore the fund's risk profile is not expected to be affected. All securities received must correspond to at least the market value of the shares loaned. When appropriate and to a limited extent, the fund may also use other techniques and instruments to reduce risks, increase returns and create leverage in the fund.

The fund may trade with derivative instruments as part of the investment strategy. Trading in derivative instruments can incur an increased market risk together with counterparty risk in the form of the positive market value of the de-

ivative instrument or any left-over securities that the fund pledges the counterparty. The scope of the trade is usually limited and is not expected to have a significant effect on the fund's risk profile. When calculating the total exposure in the fund, the "commitment approach" for derivative instruments is applied, which means that the derivative positions are converted into an equivalent position in the underlying assets.

*Sustainability risk* means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability factors may directly or indirectly affect a company's turnover and costs and thus have a significant positive or negative effect on a company's financial performance and the performance of the funds. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Significant exposure to both transitional and physical climate risks may create a vulnerability if the risks materialise, leading to the fund's underlying assets falling in value. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns.

#### **Leverage**

Leverage is a method by which a fund manager increases risk exposure of an alternative investment fund through, among other, the borrowing of cash or securities, or through the use of derivative instruments. The fund's exposure, as a per cent of the funds net assets, is calculated in accordance with two independent methods, commitment method and gross method. Leverage has not been created if a fund's exposure does not exceed 100 per cent. An alternative investment fund that, for example, only has holdings in equities does not create any leverage unless the equity holdings have been borrowed.

As mentioned above, normally the fund will not use derivative instruments, nor will leverage be generated through the use of other techniques or instruments.

However, under current legislation Lannebo Småbolag Select has the theoretical possibility, in this respect, to comply with the rules that apply to traditional equity funds. In this regard, it follows that the leverage cannot exceed 300 per cent calculated by way of the gross method and 200 per cent calculated by way of the commitment method.

Lannebo Fonder may use the fund's assets as pledged collateral in the fulfillment of obligations incurred as part of the management of the fund, and can be exercised, for example, through a pledge agreement or collateral transfer or so-called transfer of title by which title to the asset is transferred to the fund's counterparty.

#### **Liquidity risk management**

The fund's liquidity risk depends on the funds commitments and its holdings. These commitments consist of the fund's unitholders that have the opportunity to sell their units under the terms defined in the fund's rules, together with other obligations of the fund such as may occur when issuing derivatives or short positions in equities.

Lannebo Fonder continuously monitors that all funds have a suitable composition of liquid assets and that commitments are within the limits that apply to the fund.

To meet this objective, there are risk metrics that are monitored and that are potentially limited, in addition to procedures that should be applied ahead of the fund's investments.

Stress tests are regularly carried out in order to follow-up that risk measures and limits are appropriate and sufficient. If the stress tests indicate that there is a need for new or changed risk measurements or limits, a review of the measurement is initiated.

The management company will develop an action plan for managing liquidity risk should the risk measure or limits indi-

cate that the fund's liquidity risk is substantially higher than those stipulated by the fund's risk profile.

Special funds may have higher liquidity risk than a traditional mutual fund as a result of, among other things, that special funds have the option of a more concentrated portfolio.

### Periodic information disclosure about risk and liquidity management and leverage

Lannebo Fonder regularly provides information on risk and liquidity management and leverage as follows:

Information about the current risk profile and the applicable risk management system, as well as detail of any eventual share of non-cash assets, is provided in the annual- and semi annual report for the fund. The annual and semi annual report for the fund will also provide information about the total amount of leverage calculated using both the gross and commitment method.

Information regarding changes to the maximum level of leverage that may be used by the fund and the authority to dispose of collateral or any guarantee that has been provided under the scheme of leverage is provided on the company's website. The same applies to changes in the fund's liquidity risk management, which is of material importance.

Information regarding changes to the terms of the redemption of units as well as information regarding a postponement of the redemption of units in accordance with Chapter 4 § 13a Securities Funds Act, or of the fund closes for redemption of units due to extraordinary circumstances in accordance with the fund rules, shall be communicated to the unitholders by letter and / or via the management company's website.

### Prime broker

A prime broker is, for example, a bank that first and foremost offers services to finance or, as a counterpart, execute transactions of financial instruments, and which may also provide other services such as clearing, settlement, custody, securities lending, customized technology solutions and support services.

Lannebo Funds may use Skandinaviska Enskilda Banken AB (publ) as the prime broker. If this occurs, it is typically due to a fund lending shares to the bank at a pre-determined interest rate. As collateral for the equity loan the fund receives collateral with low market and credit risk.

Skandinaviska Enskilda Banken AB (publ), in their role as prime broker, provides the services separately from the bank's depositary services. The Bank maintains procedures to identify, manage, monitor and report any conflicts of interest.

### The fund's grade of activity

#### The management of the fund

The fund is an actively managed equity fund that invests globally in equities in small and medium-sized companies in the Nordic region, mainly Sweden. The fund only invests in companies who fulfill the fund's criteria, inter alia regarding investment policy and sustainability criteria. Focus is placed on each of the fund's individual investments and its outlooks. The fund only invests in companies in which the fund managers may have a qualified opinion about their prospects and where valuations are considered attractive enough. The fund normally invests in approximately 30 companies. The objective of the fund is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### Benchmark

The management of the fund may be compared with the fund's benchmark which is Carnegie Small Cap Return Index Sweden. The benchmark is relevant to the fund since it's a

benchmark that reflects the fund's investment policy, inter alia regarding the companies' size, assets and market. Carnegie Small Cap Return Index Sweden is an established re-investing and dividend-paying index that includes small and medium-sized companies at NASDAQ OMX Nordic, which best reflect the fund's investment rules, the index further takes account of the return the shareholders receive in the form of a dividend. Given that the fund may only be compared with the fund's benchmark, deviations against the benchmark can both be larger and smaller.

### Active risk (tracking error) for the last 10 years

The fund started in 2000.

	31/12/21	31/12/20	31/12/19	31/12/18	31/12/17
Tracking error, %	4.8	4.7	4.6	3.6	4.3
	31/12/16	31/12/15	31/12/14	31/12/13	31/12/12
	8.0	7.4	4.5	5.7	5.6

#### Explanation to the achieved measure of activity

The measure of activity achieved is explained by the fact that the fund is actively managed and that the fund has deviated from its benchmark. The measure of activity depends on how the fund cooperates with the market and what investment the fund has made. Fluctuations in the measure of activity depends on how the fund's investments deviate from its benchmark, inter alia in relation to the holding of a single security or general changes in the market. Shares often vary more in value over time than interest bearing securities, therefore the measure of activity is generally higher for the fund than for a fixed income fund.

During 2021 the realised active risk in the fund has marginally increased in relation to 2020. It is thus still on similar levels as the previous years.

Tracking error, which in Swedish is referred to as active risk, shows how much the fund's return variates in relation to its benchmark. It is calculated by measuring the difference between the fund's and the benchmark's return based on monthly data from the last two years. The measure is calculated as the standard deviation for the difference in return. In theory, therefore, one can expect that the fund's return two years out of three will deviate from the benchmark, plus or minus, in percent as much as the measure of activity indicates. If a fund has an active risk of for example 5, it can theoretically be expected that the fund returns plus or minus 5 per cent against its benchmark two years out of three.

### Maximum fees

The information below is provided regarding the maximum fees the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund, including the costs of supervision and auditing. Further, the maximum fee to the depositary is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including supervision and audit:	1%*
Remuneration to the depositary:	0.1%

\*Any performance fee added as below

### Current fees

The following information is provided regarding current fees that the management company charges for the sale and redemption of units and for the management of the fund (including supervision and audit costs). Further, the fee to the

depository is provided.

Sales fee:	0%
Redemption fee:	0%
Management fee, including custody, supervision and audit:	0.7%*
Remuneration to the depository:	up to 0.02%

\*Any performance fee added as below

### Performance fees

A performance fee is also payable by unitholders. The fee is calculated individually for each unitholder and is taken from the fund annually or on redemption (last banking day each month). The fee is payable only if the fund's relative capital growth has exceeded that of the fund's performance benchmark, defined as the 30-day STIBOR, monthly on the first banking day of each month plus 5 percentage points. The reason why the fund's value development is compared against the yield threshold is because the model is considered to be one relevant measure of evaluation for an investor. The model is based on well-established financial theory which states that the required return on the stock market corresponds to risk-free interest plus a risk premium.

The risk premium in the fee model, set at one level of 5 percent is both accepted and reasonable for stock investments. This means that if the fund has done better than its own benchmark, fund unit holders have received a return that exceeded the required rate of return for equity investments. If the fund does not provide a positive absolute return, no performance-based fee is paid.

If a unitholder's capital growth during a financial year (or month at redemption) is below the fund's benchmark, and subsequent financial years bring positive relative capital growth, no variable fee will be payable until the earlier financial year's relative underperformance has been compensated.

Thus, the so-called "High water mark" system is applied when a fee is charged. High water mark must not be restored.

The variable fee amounts to 20 per cent of the excess return i.e. that part of the fund's capital growth which exceeds the benchmark. Thus, the fee has no upper limit but is entirely dependent on price performance of the fund units.

### Closure of Lannebo Småbolag Select

In order to avoid that the fund's assets under management may amount to a sum that implies that the fund can not be managed in an optimal way for either the fund or for the existing unitholders, the management company has the right to decide to close the fund and whereby the purchase of new units can not be made. Such a decision to close the fund assumes that the fund's total assets amounts to a size that exceeds the management company's set capital limit for the fund's optimal management. The management company's set capital limit for an optimal management of the fund currently amounts to SEK 3 500 million. The decision to close the fund shall be published in connection with the resolution, but not later than 20 days prior to the date that the decision on the close of the fund shall take effect and the fund closes. Likewise, the management company's decision to open the fund shall be published together with the decision, but not later than 30 days prior to the date when the subscription of new units can again take place. Information about decisions on closing or opening of the fund shall be published on the management company's website and also sent to unitholders at the registered address held by the management company.

### Information according to the EU Regulation on indices used as benchmark

The EU regulation on indices used as benchmarks in financial

instruments and financial contracts or to measure the performance of investment funds (benchmark regulation) came into effect on 1 January 2018. The benchmark regulation applies if a management company measures the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees.

For Lannebo Småbolag Select, a benchmark is used in such a way that the fund's performance-based fee is related to 30 days STIBOR, monthly the first banking day each starting month (plus 5 percentage points).

According to the benchmark regulation, a benchmark administrator must be approved and registered with the European Securities and Markets Authority (ESMA) by May 2020. 30 days STIBOR is provided by an administrator not yet registered with ESMA. According to the transitional provisions in the new rules, however, an administrator were allowed to continue to provide an existing critical reference value which, even before the issue of authorization has been decided, may be used by companies and businesses under the supervision of the Swedish Financial Supervisory Authority's (Finansinspektionen) until the end of 2021. SFBF has, on 27 December 2021, given an application to the Swedish Financial Supervisory Authority by which it applies to become authorised as an administrator according to the Benchmark regulation. The Swedish Financial Supervisory Authority has announced that STIBOR may be used while the application is being handled.

A management company must have a plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided. If such an event would occur, Lannebo Fonder will attempt to identify an appropriate alternative benchmark and apply for the Swedish Financial Supervisory Authority's approval to change the fund rules for the fund, thereby replacing the previously used benchmark.

### Environmental, Social and Governance, ESG

Information on the environmental and social characteristics of the fund can be found below, in the annex to this document.

### Fund rules

#### § 1 The fund's legal status

Lannebo Småbolag Select, hereinafter the fund, is a special fund regulated under the laws (2013: 561) regarding the management of alternative investment funds, hereinafter called AIFM (Alternative Investment Fund Managers Act). The management of the fund is conducted in accordance with these fund rules, the statutes of the management company, AIFM and other applicable regulations.

The unit holders jointly own the fund's assets, and each fund unit carries equal rights to the assets included in the fund. The management company, as indicated in § 2, manages the fund and represents unit holders in all matters relating to the fund, decides on the assets included in the fund and exercises the rights stemming from the fund. The fund may not acquire rights or assume obligations. The fund is intended for the general public.

#### § 2 Management company

The fund is managed by Lannebo Fonder AB, registered in Sweden no. 556584-7042, hereinafter referred to as the management company. The management company keeps a register of all unitholders and pledgees.

#### § 3 Depository and its role

The depositary of the fund is Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081.

The depositary shall maintain the fund's assets and manage deposits and payments in respect of the fund. The depositary shall execute the management company's instructions relating to the fund as long as it is not in conflict with the provisions of the Swedish Investment Funds Act or any other regulation or the fund rules and ensure that:

1. the subscription, redemption and cancellation of units in the fund are carried out according to the Swedish Investment Funds Act and the fund rules,
2. the value of the units in the fund are calculated according to the Swedish Investment Funds Act and the fund rules,
3. payments for transactions involving the fund assets are paid to the fund without delay, and
4. the fund's revenue is applied in accordance with the regulations and the fund rules.

The depositary's duties are governed by the Swedish Investment Funds Act and the EU Commission's delegated regulation (EU) 2016/438 of December 17, 2015 supplementing the European Parliament and of the European Council Directive 2009/65/EC in regards of requirements for depositaries.

#### **§ 4 Nature of the fund**

The fund is an actively managed equity fund that invests in small- and medium-sized companies in the Nordic region, with the emphasis on Sweden. The fund is diversified and does not focus on a particular sector. The fund has greater freedom in its investment rules than UCITS funds.

The fund's overall financial objective is, while exercising due caution, to generate the greatest possible capital growth and achieve a good spread of risk.

#### **§ 5 The fund's investment policy**

The fund's assets may be invested in transferable securities, money-market instruments, derivative instruments, fund units and deposits with credit institutions. The fund may invest a maximum of 10 per cent of its value in other funds or fund management companies.

The fund focuses on small- and medium-sized listed companies in the Nordic region, with the emphasis on Sweden, i.e. the fund's investment with a focus on Sweden should be at least 50 per cent of its value. The fund's assets may as a part of the investment strategy be invested in, amongst other, equities and other financial instruments that at the time of investments are or are held for trading at regulated exchanges in Sweden or other Nordic countries or subject to regular trading in any other market in Sweden or other Nordic countries which is regulated and open to trading to public or issued by an issuer that at the time of investment is resident in Sweden or other Nordic countries. The fund's assets may also be invested in equities or other financial instruments that at the time of investment is traded in Swedish kronor or another local Nordic currency. Further examples of investments covered by the fund's geographical focus may be specified in the prospectus of the fund. The criterion for a company's size is its market capitalisation at the end-of month before the time of investment, which may be a maximum of 1% of the Swedish stock market's total market capitalisation. The definition of the Swedish stock market's total stock value is described in the fund prospectus. Regardless of what is stated above regarding the fund's geographical focus, as well as the criterion for a company's size, the fund may hold such financial instruments that have to be included in the fund due to previous holdings such as result of take-overs, spin-offs or other corporate actions.

The fund is diversified and does not focus on a particular sector.

The fund may invest in derivative instruments on the condition that underlying assets are made up of or relate to some of the classes of assets referred to in chapter 5, Section 12, subparagraph 1 of the Swedish Securities Fund Act.

Rules in accordance with Chap. 5 LVF apply for the management of assets in a special fund, unless the FSA has authorized exceptions. The fund has been granted the following exemptions from the provisions in the Swedish Securities Fund Act with regard to its investment policy:

- As a departure from chapter 5, section 5, paragraph 1 of the Swedish Investment Act, investments may be made in the negotiable securities referred to in chapter 5, section 5, paragraph 1 of the Swedish Securities Fund Act on the aforementioned market to a collective total of a maximum of 20 per cent of the value of the fund.
- As a departure from chapter 5, section 6, subsection 1, paragraph 2, point 3 and the final paragraph and also chapter 5, section 21 of the Swedish Securities Fund Act, the fund's total exposure to any one company, i.e. the net value of the fund's holdings of negotiable securities issued by or relating to that company may amount to a maximum of 5% of the fund's net asset value, if the aggregate value of such assets does not exceed 60% of the fund's net asset value.
- As a departure from Chapter 5. § 19 first paragraph 1 Swedish Securities Fund Act, the fund may hold non-voting shares in excess of 10 per cent of the shares of any single issuing issued to a maximum of 25 per cent.
- As a departure from Chapter 5. § 20 first paragraph Swedish Securities Fund Act, the fund may acquire any shares carrying voting rights that it is possible for the fund to exercise a significant influence over the management of a company, however, limited to 25 per cent of the voting rights in a company.

The fund aims for a risk level that over time is on a par with the risk level for the stock market as a whole. The measure of risk used is the standard deviation in the fund's total return.

#### **§ 6 Marketplaces**

The fund's assets may be invested in a regulated market or similar market within or outside the EEA or in some other market that is regulated and open to the public

#### **§ 7 Special investment policy**

The fund may make use of the negotiable securities referred to in chapter 5, section 5 of the Swedish Securities Fund Act.

The fund may use derivative instruments as a part of its investment policy. The fund may invest in OTC derivatives in accordance with chapter 5, section 12, subparagraph 2 of the Swedish Securities Fund Act.

The fund may use such techniques and instruments as referred to in chapter 25 § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on investment funds in order to create leverage.

#### **§ 8 Valuation**

The value of a unit is the value of the fund divided by the number of outstanding units. The value of the fund is calculated by subtracting from the fund's assets those liabilities that pertain to the fund, including unpaid taxes as determined by the management company and the fees set out in § 11 below.

The fund's assets are calculated as follows:

- Negotiable securities, money-market instruments, derivative instruments and units are valued at their current market value (latest price paid or, if unavailable, latest bid price). If such prices cannot be obtained or are mi-

sleading in the view of the management company, negotiable securities, money-market instruments and derivative instruments and units may be included at a value arrived at by the management company on an objective basis.

- In the case of the negotiable securities and money-market instruments referred to in chapter 5, section 5 of the Swedish Securities Fund Act, a separate valuation will be established for the market value. The basis for the separate valuation may be for e.g. market prices from unapproved regulated markets or so-called market makers, other financial instruments admitted to trading on regulated markets or an index with adjustments for differences in, for example, credit risks and liquidity (reference values), discounted cash flows (current valuation or proportion of equity (year-end value)).
- In the case of OTC derivatives the market value will be established in accordance with a separate valuation. The basis for the separate valuation will be market prices from unapproved, regulated markets or so-called market makers, a reference value based on an identical derivative admitted to trading on a regulated market or a market value based on generally established valuation models (e.g. Black & Scholes for European options).
- Liquid assets, including deposits in bank accounts, current investments in the money market and deposits in accounts at credit institutions.
  - Accrued interest.
  - Accrued dividends.
  - Sales not yet settled.
  - Other receivables in respect of the fund.

The fund's liabilities are calculated as follows:

- Accrued management fees.
- Depository's fees.
- Purchases not yet settled.
- Tax liabilities.
- Other liabilities in respect of the fund.

The value of the units is to be calculated by the management company daily (each banking day).

### **§ 9 Sale and redemption of units**

Sales (unitholder's purchase) and redemption (unitholder's sale) may be conducted on the last banking day each month. This is an exception in Chapt 4. § 13 first paragraph, first sentence LVF.

Any request for sale or redemption is made as detailed on the management company's website: [www.lannebo.se](http://www.lannebo.se) or as directed by the management company.

Any requests for sale and redemption received by the management company by 16:00 two banking days before the last banking day of the month (12:00 on half days) will be processed on the last banking day in the month. Any requests received later than these times will be processed in the following month.

The minimum initial payment when selling units is SEK 100 000. The minimum payment per sale will subsequently be SEK 20 000.

A request for redemption may only be withdrawn if permitted by the management company.

The sale price for a fund unit is the fund unit value on the working day that the sale is conducted. The redemption price for a fund unit is the fund unit value on the working day that the sale is conducted. Sale and redemption is conducted at a rate that is not publicised to the unitholder at the time of the request for sale or redemption respectively.

Details on the sale and redemption rate are published on the management company's website, at the latest by the working day following the working day on which the fund unit value is

established, as set out above.

In order to avoid the capital managed by the fund reaching an amount that means that the fund cannot be managed in an optimal manner for the fund and existing unitholders, the management company is entitled to decide to close the fund so that there can be no subscription to new units. Any such decision on closure would require the fund's managed capital to reach an amount that exceeds the capital limit laid down by the management company for optimal management. The capital limit laid down by the management company for optimal management is shown in the company's prospectus. Any decision to close the fund should be communicated at the time of the decision, but no later than 20 days before the date on which the decision on closure will enter into force with the fund being closed. Similarly, the Management Company's decision to open the fund should be communicated at the time of the decision, but no later than 30 days before the date on which new units may again be subscribed to. Information regarding any decision to close or open the fund should be published on the management company's website and also sent to unit holders at the registered address the management company holds.

### **§ 10 Extraordinary circumstances**

The fund may be closed for sales and redemptions in the event of extraordinary circumstances that mean that a valuation of the fund's assets cannot be performed in such a way as to uphold the equal rights of all unitholders, for example, if one or more of the markets the fund is traded in are partially or completely closed.

### **§ 11 Fees and payments**

Payments are to be made from the fund's assets to the fund manager in the form of both fixed and performance-based fees.

Transaction costs such as brokerage fees, as well taxes, are charged to the fund when the fund buys and sells financial instruments. In addition, the fund may be charged with costs for research.

#### *Fixed fee*

Fees shall be paid to the management company and the depository as follows:

- i. The management company is paid in the form of a fixed fee. The maximum fee is 1.0 per cent per annum of the share class's share of the fund's value. The fee includes remuneration to the fund management and the costs for regulatory oversight and auditors.
- ii. Fees to the depository for carrying out its tasks. The fee may amount to a maximum of 0.1 per cent per annum of the share class's share of the fund's value.

The maximum fee that may be taken from the fund under i and ii above is 1.1 per cent per annum of the share class's share of the fund's value.

#### *Performance-based fee*

The fee, which is calculated individually for each unitholder and taken from the fund annually or on redemption, is payable only if the fund's relative capital growth has exceeded that of the fund's performance benchmark, defined as the 30-day STIBOR, monthly on the first banking day of each month, plus five per centage points but no less than zero per cent. If a unitholder's capital growth during a financial year (or month in the case of redemption) is below the fund's benchmark, and subsequent financial years bring positive relative capital growth, no variable fee will be payable until the earlier financial year's relative underperformance has been made up. The variable fee amounts to 20% of the excess return i.e. that part

of the fund's capital growth which exceeds the benchmark.

The variable fee is to be paid by the fund but will be charged to each unitholder in relation to that particular unitholder's return by means of a change in the number of units held by each unitholder. The number of units held by the individual unitholder is calculated on the basis of the unitholder who is to pay the highest variable fee per unit. This unitholder's net value per unit forms the basis for calculating the new number of units in the fund.

### **§ 12 Dividends**

As a rule, the fund does not issue dividends. However, the management company can decide on issuing dividends to unitholders if, in the management company's opinion, it is necessary to take advantage of the unitholders' joint interests. Dividends are then issued on a suitable day and to the extent that is considered appropriate. For the dividends accruing in a fund unit, the management company will, following any deductions for withholding tax, purchase new shares on behalf of unitholders who are registered to receive fund units on the day set aside for this purpose. The dividend on behalf of a fund unitholder – following any tax deductions – will instead be paid to the unitholder. Such a request must be carried out on the day determined by the management company, if not before.

### **§ 13 The fund's financial year**

The fund's financial year is the calendar year.

### **§ 14 Semi-annual report and annual report, and amendment of fund rules**

The management company is to prepare an annual report and a semi-annual report. The reports are to be sent to unitholders free of charge upon request and be made available at the offices of the management company and the depository within four months of the end of the financial year (annual report) and two months of the end of the six months period (semi-annual report) respectively. When sending out annual statements, the management company is to ask unitholders whether they wish to receive the annual report and semi-annual report.

The fund rules may be amended only by decision of the management company's board, and the decision must be submitted to the Swedish Financial Supervisory Authority for approval. Once the decision has been approved, it must be made available at the offices of the management company and the depository and be published by such other means as the Swedish Financial Supervisory Authority instructs.

### **§ 15 Pledging of units**

Unitholders may pledge their units in the fund provided that the unitholder is not an insurance company that has invested insurance premiums on behalf of policyholders pursuant to the Swedish Insurance Business Act (2010:2043) or a pension institution that has invested pension savings on behalf of pension savers pursuant to the Swedish Individual Pension Savings Act (1993:931).

In the event of pledging, the unitholder or his representative and/or the pledgee are to notify the management company of this in writing. The notification should state:

- who the unitholder is,
- who the pledgee is,
- which units are involved in the pledge, and
- any restrictions on the scope of the pledge.

The management company is to register the pledge in the register of unitholders and inform the unitholder in writing that the pledge has been registered. The pledge ceases to apply

once the pledgee has informed the management company of this in writing. The management company is entitled to charge the unitholder a registration fee. This fee must not exceed SEK 500.

### **§ 16 Limitation of liability**

In the event that the depository has lost financial instruments held in custody with the depository or its depository bank, the depository shall without undue delay return to the fund financial instruments of the same type or an amount equivalent to the value. The depository is not responsible in the event the loss of the financial instruments or other damage is caused by an external event beyond the depository's control, such as damage due to Swedish or foreign legislation, Swedish or foreign authority, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The management company shall not be responsible for damage caused by such an external event beyond the fund's control. Provision with respect of strikes, blockades, boycotts and lockouts apply even if the depository or the management company is the subject of, or is itself, taking such actions. Neither the depository nor the management company is liable for any damages caused by - Swedish or foreign - stock exchange or other marketplace, central securities depository or clearing organization.

Neither the depository nor the management company is liable for damage arising as a result of restriction of authority that can be brought against the management company or the depository regarding financial instruments.

The depository shall not be liable for any loss of financial instruments held by a depository bank or other provider of corresponding services that the depository, with due care, engaged for the custody of financial instruments and with which the depository has agreed to the transfer of responsibility, including the right for the management company to make claims directly against the depository bank. Such a transfer of responsibility from the depository to the depository bank is a result of the depository instructing the custodian bank to keep foreign financial instruments in a local market in the manner specified in the depository agreement in effect between the depository and the management company.

The management company and the depository shall not compensate for losses incurred in other events if the management company and the depository have exercised normal prudence and provided that nothing otherwise follows by applicable mandatory law.

Neither the management company nor the depository is responsible for indirect losses.

In the event the management company or the depository is hindered from fully or partially enforcing measures due to circumstances mentioned in the second paragraph, measures may be postponed until the impediment has ceased. In case of deferred payment as a result of such circumstances, neither the management company nor the depository will pay punitive interest fees. If interest has been offered, the management company or the depository shall pay interest at the rate in force on the due date.

Should the depository, due to circumstances stated in the second paragraph, be prevented from receiving payment for the fund, the depository, for the period during which the interference occurred, has the right to interest solely under the terms prevailing on the due date.

The management company is not liable for damages incurred by the depository or its depository bank. Nor shall the management company be responsible for damages caused by a unit holder, or other, that breaches law or regulation or these fund rules. Unit holders are hereby notified that they are responsible for that the documents submitted to the management company are correct and duly signed and that the management company is informed of any changes to infor-

mation submitted.

The management company is liability pursuant to Chapter 8. 28-31 §§ AIFM (Alternative Investment Fund Managers Act). The depositary is liable under Chapter 9. 22 § AIFM.

### **§ 17 Permitted investors**

The fact that the fund is aimed at the general public does not mean that it is aimed at the kind of investor whose selling of units in the fund or participation in general is contrary to the provisions in Swedish or foreign legislation or regulations. Nor is the fund aimed at the kind of investor whose selling or holding of units in the fund means that the fund or the management company will be obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take. The management company is entitled to refuse to sell to the kind of investor referred to above in this paragraph.

The company may redeem the unitholder's units in the fund – despite opposition from the unitholder – if it turns out to be the case that a unitholder has subscribed to units in the fund contrary to Swedish or foreign legislation or regulations or, as a result of the unitholder's selling or holding of units in the fund, the management company becomes obliged to take registration measures or other measures that the fund or management company would not otherwise be obliged to take if the unitholder did not hold units in the fund.

Redemptions in accordance with the previous paragraph are to be executed immediately. The stipulations in § 9 above regarding payment will also apply in the case of redemptions in accordance with this § 17.

## Annex 1

### Example of calculation of variable fee

The example below is based on a calculation of fees for four different investors – A, B, C and D. They subscribe to shares in the fund at different times and for different amounts. The benchmark is set at 10 per cent per annum. The calculation of the variable fee has been performed for two years in the example. The variable fee is paid by the fund but will be char-

#### Year 1

Example of fee calculation

Amount invested

Year 1	Net worth	A	B	C	D	TOTAL
31 Dec	100	100				
31 Jan	105					
28 Feb	100		200			
31 Mar	90			180		
30 Apr	95					
31 May	100					
30 Jun	105					
31 Jul	110	220				
31 Aug	115					
30 Sep	115					
31 Oct	120				240	
30 Nov	125					
31 Dec	120					

A. Net worth before variable fee 31 Dec year 1	360	240	240	240	1080
B. Opening value year 1 plus invested year 1	320	200	180	240	940
C. Result before benchmark	40	40	60	0	140
D. Benchmark (10 % per annum)	19.17	16.67	13.50	4.00	49.33
E. Result after benchmark	20.83	23.33	46.50	-4.00	90.67
F. Variable fee 20 %	4.17	4.67	9.30	0.00	18.13
G. Net worth after variable fee	355.83	235.33	230.70	240.00	1061.87
H. Unit value	115.35	115.35	115.35	115.35	115.35
I. Total units	3.0848	2.0402	2.0000	2.0806	9.2056
of which new free-of-charge units	0.0848	0.0402	0.0000	0.0806	0.2056

Investor D invests in two units on 31 October. The net worth at this time is 120 per unit, which means that the investment amounts to 240. At the end of the year, the net worth is 120 per unit again. The benchmark that D will be allowed before a variable fee is payable amounts to  $10\% \times 2/12 = 1.67\%$ , since D has been a unitholder for two months.

The result calculated after the benchmark therefore amounts to  $-4 (240 - 240 - 1.67\% \times 240)$  and no variable fee is payable. In addition, the benchmark calculated in this case is added to the benchmark that forms the basis for the variable fee in year 2. Since no variable fee is payable, this means that the net value remains unchanged at 240.

Investors A, B and C have all achieved a positive return after the benchmark is applied, which means a variable fee is payable. In March, C purchased two units at a net worth of 90 – a total investment of 180. The net worth for C at the end of year 1 is  $2 \times 120 = 240$  and the result before the benchmark is 60. C will be allowed a benchmark of  $10\% \times 9/12 = 7.50\%$ , as C has been a unitholder for nine months, before the variable fee is payable.

The result after the benchmark will be  $240 - 180 - 7.50\% \times 180 = 46.50$ . The variable fee will be 20% of this result i.e. 9.30. The net worth after the variable fee then amounts to  $240 - 9.30 = 230.70$ .

For A and B, corresponding calculations give variable fees of 4.17 and 4.67 respectively. These variable fees are lower

ged to each individual unitholder in relation to that particular unitholder's return by means of a change in the number of units held by the unitholder.

The number of units held by an individual unitholder is calculated on the basis of the unitholder who is to pay the highest variable fee per unit. This unitholder's net value per unit forms the basis for calculating the new number of units in the fund.

per unit than for C, since A and B have not achieved as high a return on the amounts they have invested. The calculation of the benchmark for investor A takes account of the fact that purchases have been made on two different occasions. The first unit, an investment of 100, has been owned for the entire year. In July, two units were purchased at a total of 220, which means that these have been held for five months. The benchmark for A is calculated as follows:  $10\% \times 100 + 10\% \times 5/12 \times 220 = 19.17$ .

The value of the unit is calculated on the basis of the unitholder (investor C) who has paid the highest variable fee per unit and will, in this example, be 115.35. Each unitholder's value after fees is then divided by this unit value in order to calculate the number of units that will be held. In the event of the fund increasing in value, new units will be given out. In the case of investor D, this calculation gives  $240/115.35 = 2.0806$  units i.e. 0.0806 new units.

## Year 2

Example of fee calculation

Invested amount

Year 2	Net worth	A	B	C	D	TOTAL
31 Dec	115.35	115.35				
31 Jan	120					
28 Feb	110					
31 Mar	100		200			
30 Apr	95					
31 May	80			160		
30 Jun	90					
31 Jul	100					
31 Aug	110					
30 Sep	120				240	
31 Oct	125					
30 Nov	130					
31 Dec	140					

A. Net worth before variable fee 31 Dec year 2	571.87	565.63	560.00	571.28	2268.78
B. Opening value year 2 plus invested year 2	471.18	435.33	390.70	480.00	1777.21
C. Result before benchmark	100.69	130.30	169.30	91.28	491.57
D. Benchmark (10 % per annum)	47.12	38.53	32.40	34.40	152.45
E. Resultat after benchmark	53.57	91.76	136.90	56.88	339.12
F. Variable fee 20 %	10.71	18.35	27.38	11.38	67.82
G. Net worth after variable fee	561.16	547.28	532.62	559.91	2200.96
H. Unit value	133.16	133.16	133.16	133.16	133.16
I. Total units	4.2143	4.1101	4.0000	4.2049	16.5293
of which new free-of-charge units	0.1295	0.0699	0.0000	0.1243	0.3237

On 30 September, D invests a total of 240 in a further two units at 120 per unit. The net worth then rises to 140 per unit at the end of the year. The net worth of D's total investment in years 1 and 2 then amounts to  $4.0806 \times 140 = 571.28$ . The total opening value in year 2, plus the amount invested in year 2, amounts to 480 and the result before the benchmark is 91.28. The benchmark amounts to  $(240 \times 10\%) + (240 \times 10\% \times 3/12) + (4 \times 10\%) + 41 = 34.40$ .

The result after the benchmark is thus  $571.28 - 480 - 34.40 = 56.88$ . The variable fee of 20% will be 11.38. The net worth after the variable fee then amounts to  $571.28 - 11.38 = 559.90$ .

A, B and C also make further investments during the year. In May, C purchased two units at a net worth of 80 – a further investment of 160. The opening value in year 2, plus the amount invested in year 2, amounts therefore to 390.70. The net worth for C at the end of year 2 is  $4 \times 140 = 560.00$  and the result before the benchmark is 169.30. C will be allowed a benchmark of  $(230.70 \times 10\%) + (160 \times 10\% \times 7/12) = 32.40$  before the variable fee is payable.

The result after the benchmark will be  $560 - 390.70 - 32.40 = 136.90$ . The variable fee will be 20% of this result i.e. 27.38. The net value after the variable fee then amounts to  $560 - 27.38 = 532.62$ .

For A and B, corresponding calculations give variable fees of 10.71 and 18.35 respectively. These variable fees are lower per unit than for C, since A and B have not achieved as high a return on the amounts they have invested.

The value of the unit, calculated on the basis of the unitholder, investor C, who pays the highest variable fee per unit, will be 133.16. The new number of units for investor D is calculated at  $559.90/133.16 = 4.2049$ . In year 2, investor D therefore receives  $4.2049 - 4.0806 = 0.1243$  new units.

### Definitions

- Net worth before variable fee 31 Dec year x*: Number of units multiplied by net worth per unit.
- Opening value year x plus invested year x*: Net worth after variable fee at beginning of year x plus the total amount unitholder has invested in year x.
- Result before benchmark*: Net worth before variable fee minus opening value year x plus invested year x. (A-B)
- Benchmark*: The return that must be achieved before a variable fee is payable. This is calculated taking into account how long each investment has been in the fund. For example, a holding purchased at the end of May had been held for seven months by the end of the year and the benchmark is calculated for these seven months. The level of the benchmark is defined as the 30-day STI-BOR, monthly on the first banking day of each month plus three percentage points<sup>2</sup>.
- Result after benchmark*: Result before benchmark minus the benchmark. (C-D)
- Variable fee*: 20% of the result after the benchmark. (0.2 x E)
- Net worth after variable fee*: Net worth before variable fee minus variable fee. (A-F)
- Unit value*: Net worth after variable fee divided by the number of units is calculated for the unitholder who will pay the highest variable fee per unit. This will be the unit value that applies to all unitholders.
- Total units*: Net worth after variable fee divided by unit value. In the event of the fund increasing in value, new units will be given out. (G/H)

<sup>1</sup>Benchmark from year 1 that D will be allowed, adjusted upwards by 10% for year 2.

<sup>2</sup>Changed to five percentage points as per 1 April 2016.

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

**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:**  
Lannebo Småbolag Select

**Legal entity identifier:**  
549300ZTBJP4DRZ5I462

## 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 fund promotes environmental and social characteristics by integrating sustainability risks in the investment process. The fund promotes:

- That companies integrates sustainability in their business model and strategies as well as aiming to meet the purpose and objectives of the Paris Agreement
- That companies follow practice for good governance
- Exclusion of companies involved in violations of international norms and conventions on the environment. Human rights, working conditions and business ethics
- Exclusion of companies involved in controversial activities or activities with a significant negative climate impact

How these characteristics are promoted is described under the topic investment strategy.

The fund is actively managed and does not use an index to attain the environmental and social characteristics that are promoted by the fund. 1

**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?**

The characteristics that are promoted in the fund are measured via the indicators below.

- That the investments reaches a minimum level of rating in the sustainability analysis.
- Proportion of investments with communicated carbon dioxide neutrality targets or emission targets verified under the Science Based Targets initiative (SBTI)
- Carbon footprint
- Number of General Meetings that the fund votes at
- Number of impact dialogues with invested companies
- Indicators for principal adverse impact, such as gender equality in the board
- Exposure to companies that violates the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN:s declaration of human rights and ILO conventions on labor rights
- Exposure to companies that are active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling
- Exposure to companies that are active in the production of fossil fuels



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

Yes

No

**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.

Lannebo identifies and prioritizes negative consequences for sustainability factors in the fund manager's sustainability analysis, which is part of the investment analysis carried out for each company. Identification of negative consequences are managed through an analysis of Principal Adverse Impact-indicators ("PAI-indicators"). These PAI-indicators are developed by EU and targets areas that are considered to cause negative consequences for sustainability factors. Lannebo considers the likelihood of these negative consequences materializing and their severity, including their potentially irreversible nature. The degree to which these PAI indicators cause negative consequences depends on the values a company obtains in the analysis. What is considered an acceptable value differs between companies, including industry, geography, and business model. Therefore, it is important to analyze the PAI-indicators based on each company's specific situation. Companies whose PAI-indicators stand out negatively are further analyzed and may result in further actions, such as a dialogue with management. It can also result in rejection of the investment.

Information about how the indicators were measured and analyzed during the year is presented in the annual report under the topic "How were the negative consequences for sustainability factors taken into account in this financial product?".



## What investment strategy does this financial product follow?

The fund is actively managed with the aim of in the long-term providing a good risk-adjusted return, while at the same time promote environmental and social characteristics by integrating sustainability in the investment process.

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

The following are the overall strategies that the fund uses in the investment process.

**Sustainability analysis:** The fund managers integrate environmental, social, and governance factors via Lannebo's own sustainability analysis, which is part of the overall company analysis that forms the basis of the investment decision. The sustainability analysis includes indicators that measure the fulfillment of the fund's promoting characteristics as well as the negative consequences (PAI) that the investment has on sustainability factors. The purpose with the sustainability analysis is to identify companies that conduct their business in a sustainable manner and to identify companies' exposure to sustainability related risks and to what extent the risks are managed. Sustainability related risks are categorized into environmental, social, and governance. This can for example include the company's greenhouse gas emissions in comparison with whether the company has a scientifically based emission target, that the company ensures good working conditions and does not violate human rights, remuneration to senior executives and the risk of corruption. The result of the sustainability analysis provide the fund managers with information about environmental, social, and governance related factors.

The sustainability analysis results in an assessment of the company and must reach a specific level for the company to be included in the fund. The fund holdings are then continuously evaluated and can be divested if a company fails to meet certain criterias.

**Exclusions:** The fund will not invest in companies that are operating in industries or in a certain business area with major sustainability challenges. This includes, among other things, companies that violate international norms and conventions related to the environment, human rights, labor law, or corruption, as well as companies with activities related to fossil fuels. Furthermore, the fund does not invest in companies that are involved in controversial weapons or where more than 5 percent of the company's turnover comes from the production and/or distribution of tobacco, cannabis, alcohol, weapons, gambling or pornography. All exclusion criterias can be found in Lannebo's sustainability policy. The exclusion criterias are ensured through screening, both before the time of the investment and during the ownership of the company, to continuously monitor compliance.

**Active ownership:** The fund follows Lannebo's sustainability policy and the fund managers are in continuous contact with the companies, aiming to influence them in a sustainable direction.

Lannebo works with active ownership via three different strategies:

- a) Voting at general meetings.
- b) Dialogue with the companies regarding topics identified in the sustainability analysis, for example PAI indicators that stand out negatively. Lannebo also collaborates with other organizations in advocacy work.
- c) Participation in election committees.

Prioritized company dialogues are based on what has been identified in the sustainability analysis as weak areas the company should improve, as well as Lannebo's focus areas with the aim of promoting a sustainable society.

Which activities are undertaken to maintain active ownership is based on risk and materiality assessment, where the aim is to continuously reduce the portfolio companies' negative consequence on sustainability factors.

● ***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 binding parts of the investment strategy are (i) sustainability ratings (ii) the norm-based and product-based screening that is completed according to Lannebo's exclusion criterias.

This means that the following are the binding elements in the fund's investment strategy:

- The companies must reach the specified minimum level in the sustainability analysis to be included in the fund.
- No fund holding can violate international norms and conventions related to human rights, environment, labor law or the fight against corruption and bribery.
- No fund holdings can be active in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography or gambling.
- No fund holdings can be active in the production of fossil fuels.

Note that above exclusion criterias in some cases have specified turnover limits (maximum 5 percent from distribution and/or production). Lannebo's exclusion criterias can be found here: <https://en.lannebo.se/exclusion-criteria/>

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

- **What is the policy to assess good governance practices of the investee companies?**  
 Lannebo acknowledge that good corporate governance promotes the possibility of long-term development in companies. Practices for good corporate governance are considered at different levels when deciding companies, both in the review of PAI and the standard-based screening and sustainability analysis. Lannebo’s policy for shareholder engagement describes expectations in line with good governance practices, which also include good management structures, personnel relations, remuneration, and tax compliance.

To ensure good corporate governance, each investment in the fund is evaluated amongst others on the following indicators:

Theme	SFDR	Indicator
Business ethics	Governance structure	UN Global Compacts principle 10 on combating corruption and bribery
Labor law	Personnel relations	UN Global Compacts principle 3 on freedom of association and the right to collective bargaining
Governance	Remuneration	Votes against the remuneration report
Governance	Governance structure	Independent board members
Diversity	Governance structure	Equality in board
Tax	Tax compliance	Significant tax incidents

Continuous controls of companies’ compliance are carried out at least annually and are flagged if needed.



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

### Asset allocation

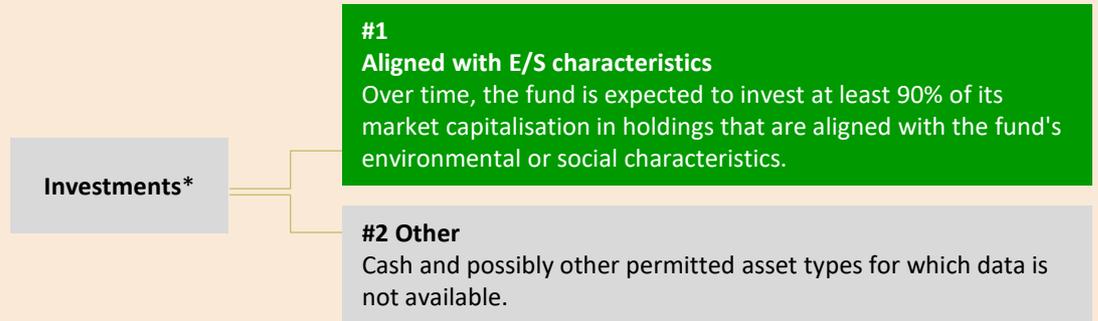
describes the share of investments in specific assets.

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** 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.

\* Investments refer to the fund's total market value.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

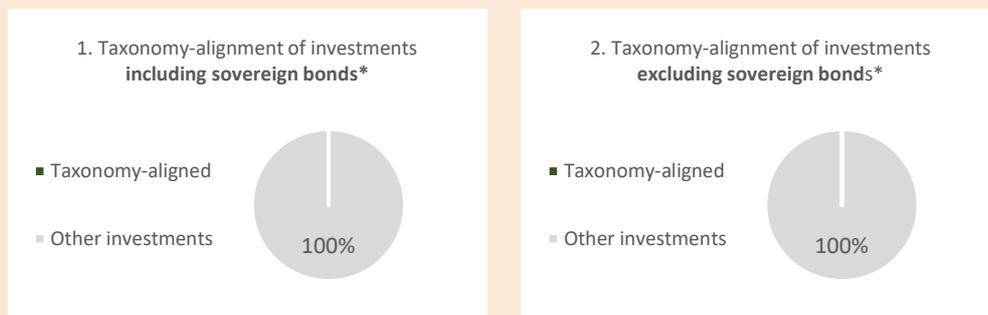
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The fund does not commit to make a minimum proportion of sustainable investments.

*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?

The fund does not commit to make a minimum proportion of investments in conversion activities and enabling activities.



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

These investments include cash for liquidity management and other permitted asset classes without available data. If the latter investments are included in this category, they are assessed to ensure that they meet minimum social protection measures.



### Where can I find more product specific information online?

More product specific information can be found on the website: <https://en.lannebo.se/funds/>

## **Appendix to the prospectus**

### **Information about local representative in Denmark**

Lannebo Sustainable Corporate Bond, Lannebo High Yield, Lannebo Europa Småbolag, Lannebo Sverige Plus and Lannebo Teknik are marketed in Denmark to both professional and non-professional investors, including investors who make investments in the context of an insurance policy.

An investor who wishes to have access to information about any of the above funds are welcome to contact our branch office at the following address or telephone number.

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Through the branch office, an investor can get help with the purchase and redemption of fund shares, payment of the redemption and dividend, fund switches, etc.

An investor can also at the branch office, free of charge, get access to the fund rules, key investor information document, prospectus, annual and semi-annual reports and other public information about the funds. In addition, an investor can get help to contact our head office in Stockholm.



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