



CARNEGIE FONDER

Approved by the Swedish Financial Supervisory Authority, June 3, 2019

§ 1 The legal position of the fund

The name of the fund is Carnegie Investment Grade. The fund is a UCITS fund pursuant to the Swedish Investment Funds Act (SFS 2004:46) ("IFA"). The assets of the fund are owned jointly by the fund unitholders and each unit in a unit class confers equal right to the assets that make up the fund. The fund management company (see § 2) represents the holders of units in the fund in all matters regarding the UCITS fund, takes decisions concerning the property included in the fund and exercises the rights derived from the property.

The fund is not a legal person and cannot acquire rights or assume obligations. Unitholders are not liable for the obligations of the fund.

The fund has the following unit classes:

A – SEK, Accumulating

B – NOK, Accumulating

C – EUR, Accumulating

D – SEK, Distributing

E – SEK, Accumulating, Institutional

F – SEK, Accumulating and is subject to distribution terms (see §9 below).

G – NOK, Accumulating and is subject to distribution terms (see §9 below).

The accumulation unit classes continuously reinvest the fund's returns while the income unit class pays dividends in accordance with §12.

Unit value is calculated in the currency in which the unit class is denominated. The unit classes differ with regard to management charge. Unit classes F and G are intended for a particular distribution channel.

Unless otherwise specifically stated, the content of the fund rules is common for all unit classes. All unit classes carry equal rights to the property included in the fund.

The fund is intended for the general public. If an investor no longer fulfills the terms and conditions to be invested in a certain unit class, the fund management company shall – following prior notice to the person registered in the fund's unitholder register – transfer the investor to another unit class, with terms and conditions the investor fulfills. If more than one unit class is

available to the investor, the fund management company shall transfer the investor to the unit class with the lowest management fee. The fund management company is not liable for any cost, charge or loss that an investor suffers due to such a transfer, including possible tax consequences.

§ 2 Fund manager

The fund is managed by Carnegie Fonder AB (corporate registration number 556266-6049), hereinafter referred to as the management company.

§ 3 Depositary and its duties

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

The depositary is required to act independently of the management company and exclusively in the joint interests of unitholders.

The depositary receives and retains the fund's assets and implements the management company's instructions with regard to the fund provided these are not in contravention of the provisions of the IFA, other statute or the fund rules. The depositary furthermore verifies that management of the fund, and the subscription, redemption and valuation of fund units complies with the IFA and the fund rules and that payments for transactions relating to the fund's assets are paid into the fund without delay. The depositary also monitors the fund's cash flows.

§ 4 Characteristics of the fund

The fund is a fixed-income fund that invests with a Nordic focus in interest-bearing securities and money market instruments. The fund has an average portfolio maturity not exceeding 5 years and an average interest duration not exceeding 3 years.

The objective of the fund is to create a stable and positive return over a period of 3 years with a risk level on parity with or lower than the Swedish credit market as defined in the fund's prospectus.

§ 5 Investment strategy

The fund may invest its assets in interest-bearing securities, money market instruments, derivatives, fund units and accounts with credit institutions.

The fund invests in interest-bearing securities and money market instruments issued by issuers that, in the assessment of the management company, have high creditworthiness. High creditworthiness means that the issuer has a rating

corresponding to a minimum of BBB- (Investment Grade) with S&P Global Rating or the equivalent thereof.

The fund may invest up to 10% of its assets in interest-bearing securities and money market instruments with a credit rating lower than BBB- (Investment Grade) with S&P Global Rating or the equivalent thereof, but not with a credit rating corresponding to lower than BB with S&P Global Rating, or the equivalent thereof.

Nordic focus means that at least 75% of the fund's assets will be directly or indirectly invested in financial instruments issued by companies based in the Nordic region or their wholly-owned subsidiaries or that are admitted to trading or subject to regular trading on a regulated market or trading platform (MTF) in the Nordic region.

The fund may invest a maximum of 10 % of its net asset value in fund units.

The fund may invest a maximum of 10 % of its net asset value in accounts with credit institutions.

§ 6 Market places etc.

The fund's assets may be invested on money markets and bond markets or on exchanges or authorised market places in the EU or EFTA.

§ 7 Special investment strategy

The fund's assets may also be invested in securities and money market instruments that are not listed in accordance with § 5, up to a maximum of 10 % of the value of the fund.

The fund may invest in derivatives. Derivative instruments may be used to improve the efficiency of the management with the intention of reducing risk and costs as well to increase returns and generate leverage. The fund may make use of OTC derivatives as referred to in Chapter 5 § 12, Paragraph 2 of the IFA.

The fund may use currency derivatives and will hedge its holdings on an ongoing basis against the unit class currency.

The fund may enter into agreements regarding securities loans.

§ 8 Valuation

The value of one fund unit is the value of the fund divided by the total number of outstanding fund units. The value of the fund is calculated by deducting liabilities from the assets, including any future tax liabilities.

The fund's assets comprise:

- Financial instruments, which are valued based on current market value. If no such market value is



available, or is misleading in the assessment of the management company, financial instruments may be included at the value determined by the management company on an objective basis;

- Cash and cash equivalents;
- Accrued interest;
- Accrued dividends;
- Sales not settled;
- Other receivables related to the fund.

The fund's liabilities comprise:

- Payments to the management company;
- Purchases not settled;
- Tax liabilities;
- Other liabilities related to the fund.

Unlisted securities and money market instruments are included at a value determined by the management company on an objective basis. This valuation is based on:

- Market prices from an unapproved exchange or market maker;
- Other financial instruments or indices, adjusted for differences such as risk;
- Discounted dividends of cash flows;
- Share of equity.

The net asset value per fund unit is calculated by the management company on every banking day, if possible.

For derivative instruments referred to in Chapter 5, § 12, Paragraph 2 of the IFA, known as OTC derivatives, a market value is established as follows:

- Market prices from an active market.
- If such market prices cannot be obtained the market value shall be established using one of the methods below:
- On the basis of the market value of the component assets/constituents;
- On the basis of recently completed transactions between knowledgeable, willing parties in an arm's length transaction, if these are available; or
- The use of market prices from an active market for another financial instrument that is materially similar.
- If market prices cannot be established using one of the options above, or are obviously misleading, the applicable market value shall be established through the use of a valuation method generally accepted on the market, for example using option valuation models such as Black & Scholes.

The valuation is conducted individually for each unit class.

§ 9 Sales and redemptions of fund units

The fund is normally open for subscriptions (purchases by unitholders) and redemptions (sales by unitholders) of fund units on every banking day. However, the fund is not open for subscriptions and redemptions on banking days when a valuation of the fund's assets cannot be conducted in a manner that assures the equal rights of fund unitholders as a consequence of several of the market places on which the fund's trade takes place being partly or entirely closed.

Requests to subscribe for fund units must be made in writing to the management company. Subscriptions of fund units are made at the price established on the date cash funds become available to the fund.

The minimum subscription amount for initial purchases in unit class E is SEK 100.000.000. There are no minimum subscription amounts for the other unit classes.

Redemption requests shall be made in writing to the management company. Redemptions shall be made according to the net asset value per fund unit established at the end of the day of redemption. Immediate redemptions take place only to the extent that this is possible without the divestment of securities in the fund. If it is necessary to acquire cash through the divestment of securities in the fund, this will take place as soon as possible. Redemption takes place as soon as cash from sales has been received.

The subscription and redemption prices are the latest calculated net asset value per unit at the time the order is completed, plus issuing fees or less redemption fees.

The procedures described above mean that subscription/redemption takes place at a price unknown to the unitholder at the time the subscription/redemption is requested.

Information about subscription and redemption prices is available from the management company or intermediary institution latest the banking day following the banking day on which the net asset value per unit is established as above.

Unit classes F and G are reserved for investors who subscribe for units through distributors which, pursuant to agreement with the fund management company, wholly or partly, do not accept retrocession fees from the fund management company and which, when the distributor provides the investment service to its clients in connection with the subscription of units, is paid directly by the client. A prerequisite to be eligible to invest in unit classes F and G is that the holding is registered

on one or more accounts in the distributor's name of behalf of the client (nominee registration).

§ 10 Extraordinary circumstances

The fund may be closed for entry or exit if there exist extraordinary circumstances whereby a valuation of the fund's assets cannot be made in a manner that assures the equal rights of the fund unitholders.

§ 11 Fees and charges

Payment shall be made from the fund's assets to the management company for its management of the fund. The management fee is calculated daily and is paid to the management company monthly in arrears. The management fee includes payments to the depositary for storage of the securities included in the fund, including any statutory value-added tax, payment to the Swedish Financial Supervisory Authority for its supervisory activities in accordance with the Authority's current regulations, as well as payment to the management company's auditors.

A management charge is payable at a fixed amount not exceeding 055 % for unit classes A, B, C and D, and not exceeding 0.30% for unit class E, of the net asset value of the fund per year. The corresponding maximum management charge for unit classes F and G is 0.35%. Brokerage fees and other expenses as well as tax consequent upon the fund's purchases and sales of financial instruments and statutory tax are charged to the fund.

§ 12 Dividends

No dividends will be paid on classes A, B, C, E, F and G.

The dividend on the income class, unit class D, is decided by the management company. The dividend on class D is paid to unitholders on the last Wednesday in January, April, July and October.

Dividends on fund units are paid to all unitholders in the income class that are registered as unitholders on a dividend date determined by the management company.

Unless otherwise decided by the management company, returns on the fund's assets, residual distributable amounts remaining from previously and other distributable amounts may be used for dividends.

The basis for dividends may be increased by accrued dividends paid in upon the sale of units and reduced by accrued dividends paid out upon the redemption of units.

The management company shall make deductions for tax chargeable to the dividend.

§ 13 Financial year

The financial year of the fund is the calendar year.



§ 14 Annual and half-yearly reports, changes to the fund rules

For each calendar half-year, the management company shall issue a half-yearly report for the fund not later than two months after the expiration of the half-year period. For each financial year, the management company shall issue an annual report for the fund not later than four months after the expiration of the financial year. The half-yearly report and the annual report shall be made available at the management company and the intermediary institution and shall be sent to those unitholders that have requested this information.

Any decision by the board of directors of the management company to amend these fund rules must be submitted to the Financial Supervisory Authority for approval. The amendment shall be published by the management company in the manner determined by the Financial Supervisory Authority.

§ 15 Pledging and transfer of fund units

In conjunction with the pledge of fund units that are not nominee registered, the pledging party and/or pledge holder must notify the management company in writing in respect thereof. The notice shall set forth:

- The identity of the pledge holder;
- The number of fund units covered by the pledge;
- Any restrictions on the scope of the pledge.

The management company shall notify the fund unitholder in writing that the pledge has been registered in the fund's unitholder register. In conjunction with the pledge of nominee-registered fund units, a corresponding notice shall instead be provided to the nominee.

Pledges remain in force until the pledge holder has notified the management company in writing that the pledge has expired and the management company has removed the pledge from the fund unitholder register.

For the administration of the registration of pledges, the management company is entitled to charge the unitholder a fee not exceeding SEK 400.

Unitholders are permitted to transfer fund units.

§ 16 Limitation of liability

The management company shall not be liable for damage arising as a consequence

of Swedish or foreign legislation, acts of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation with respect to strikes, blockades, boycotts and lockouts shall apply notwithstanding that the management company is the subject of, or executes, such measure. Nor shall the management company be liable for damage under other circumstances where the management company has exercised due care. The management company shall not be liable for indirect damage under any circumstances.

Should the management company be prevented from making payments or from taking other measures on account of circumstances stated in the first paragraph above, the said measures may be postponed until the obstacle has been removed. In the event of the management company, as a result of such circumstance, being prevented from effecting or receiving payment, the management company shall not be liable to pay penalty interest.

Nor shall the management company be liable for any damage caused by the unitholder breaking the law, rules, regulations or these fund rules. The unitholder is hereby made aware that the unitholder is responsible for ensuring that documents provided to the management company are accurate and duly signed and that the management company is notified of any changes in the information provided.

The liability of the management company and depositary for damages is regulated under Chapter 2, §21 and Chapter 3, §§14-16 of the Swedish Investment Funds Act.

§17 Permitted investors

The fund is directed at the general public, excluding such investors whose subscription of units in the fund would contravene the provisions of Swedish or foreign law or regulation. Nor is the fund directed at such investors whose subscriptions or holdings of units in the fund would obligate the fund or the management company to take registration measures or other measures that the fund or the management company would not otherwise be obligated to perform. The fund management company has the right to refuse subscriptions by such investors referred to in this paragraph.

The fund management company has the right to redeem a unitholder's units in the fund - notwithstanding the objections of such a unitholder - if it should become apparent that the unitholder has subscribed for units in the fund in contravention of the provisions of Swedish or foreign law or ordinance or that

the management company has by reason of a unitholder's subscription for or holdings in the fund become obligated to take registration measures or other measures for the fund or the management company that the fund or the management company would not be obligated to perform if the unitholder did not hold units in the fund.

This is an English translation of the Swedish original. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.