Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: CARNEGIE Fonder Portfolio – CARNEGY Strategy Fund (feeder fund)

Legal entity identifier: 529900S1O4GRNC0QMA70

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental 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 25% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund is a feeder fund, which means that the Sub-Fund's only investment is in units in another fund - a target fund - which in this case is the Master fund. The Sub-Fund's promotion of environmental and social characteristics is thus equivalent to that of the Master. The Sub-Fund promotes environmental and social characteristics in that at least 25% of the Master's assets under management are invested in economic activities or credits issued by economic activities whose products or services contribute to one or more of the UN Sustainable Development Goals, SDG. The Master invests with no restrictions as to the individual goals included in this framework. Through these investments, the Sub-Fund also contributes to the environmental and social objectives as they are worded in the EU Taxonomy.

The Sub-Fund promotes environmental and social characteristics in that the Master excludes economic activities in sectors that the Investment Manager has determined cause significant harm to the environment and/or society.

Moreover, through the Master, the Sub-Fund considers the principal adverse impacts on sustainable development with regard to both environmental and social factors. All investments in the Master are evaluated in the Investment Manager's internally developed tool for ESG analysis.

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

1. Share of the Master's assets invested in economic activities or credits issued by economic activities for which 25% of turnover contributes to at least one or more SDG.
2. Share of the Master's assets invested in green, social, sustainable and sustainability-linked bonds.
3. Share of the Master's assets invested in credits issued by companies whose turnover is aligned with the environmental objectives "climate change mitigation" and "climate change adaptation" in the EU Taxonomy.
4. Share of the Master's assets invested in credits issued by companies with Adequate, Strong or Very Strong ratings in the Investment Manager's internally developed tool for ESG analysis.
5. Excluding companies from the Master's universe in accordance with the Investment Manager's exclusion policy, calculated as the number of companies, which is made possible when a benchmark index is used.
6. Number of general meetings at which votes are cast in accordance with the Investment Manager's voting policy.
7. Number of advocacy dialogues held with investee companies in the Master.
8. Share of the Master's assets invested in credits issued by companies that have committed to having or have already had their climate targets approved by Science Based Target initiative.

- ***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 objective of the Master's sustainable investments is to contribute to sustainable development through these investments. The Master does this by investing in economic activities or credits, which, in turn, create financing for economic activities that offer a solution to the SDG in the UN Agenda 2030. Examples of this might include companies that design, build, operate and/or own renewable energy production, climate proof infrastructure, or the like. Further examples include economic activities related to novel sustainable materials or materials produced in a more sustainable manner. Examples of contributions to social objectives include investments in R&D-intensive companies focused on global endemic diseases. Through these investments, the Master also contributes to the environmental and social objectives as they are worded in the EU Taxonomy. Investments in economic activities whose products or services enable solutions (enabling activities) and in economic activities that are transitioning existing products to become more sustainable (transitional activities). No index is used as a reference benchmark. Instead, the following indicators are used to ensure that the sustainability goal is attained.

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.

- ***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?***

Investments in the Master are managed according to the Investment Manager's processes. In these, it is ascertained that the investments do not cause significant harm to any of the environmental or social objectives from three angles.

1. Positive screening – All investments are analysed in the Investment Manager's internally developed analysis tool. The tool analyses more than 100 key indicators and data points in the areas of environmental, social and corporate governance factors in order to ascertain that the investments do not cause significant harm to any environmental or social sustainable investment objective. This takes place through consideration of 16 indicators for Principal Adverse Impacts (14 mandatory and 2 voluntary).

2. Negative screening – The Investment Manager ensures that the investment complies with minimum social safeguards by excluding investments in economic activities that are deemed according to the Carnegie Fonder Policy for Responsible Investment to cause significant harm to environmental and/or social factors. It ensures compliance with the exclusion policy by performing a screening twice a year with an external third party.

3. Engagement – The Investment Manager influences investee companies to continuously improve their work to promote good development within environmental and social factors and to rectify any incidents that could or have caused harm to these factors.

  - ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Each individual investment in the Master is assessed with consideration of its possible adverse impact of the investment from the ESG perspective. If the assessment shows that a company's activities and thus the Master's investment in the same would cause significant harm in relation to the Sub-Fund's environmental or social objectives, the investment in question is excluded. The processes and procedures for the assessment are described on the Investment Manager's website (LINK).

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

Holdings in all funds managed by Carnegie Fonder are assessed against these guidelines and guiding principles to ensure that an investee company's activities are not in breach of the same. In addition, third-party data is used to continuously monitor the Sub-Fund's holdings. Any suspected breaches are addressed in accordance with the Carnegie Fonder Policy for Responsible Investment.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

☒Yes,

The principal adverse impacts of economic activities are assessed in the Investment Manager's internal analysis tool. This also applies to the Master. The following indicators are considered:

1. Emissions Scope 1, 2, 3
2. Carbon footprint (CO2/Enterprise Value)
3. GHG intensity
4. Exposure to fossil fuels
5. Share non-renewable energy
6. Energy intensity for companies in high impact climate sectors
7. Activities with adverse impact on biodiversity-sensitive areas
8. Discharges to water
9. Hazardous waste ratio
10. Share of investments that violate international norms and standards (e.g. UNGC)
11. Share of investments that lack policies to monitor compliance with international norms and standards.
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to companies involved in controversial weapons
15. Investments in companies that do not have carbon emission reduction initiatives
16. Insufficient protection of whistleblowers

The analysis of the mandatory indicators is dependent upon access to data for the underlying investments. A detailed description of processes and procedures for identifying, prioritising and addressing these is provided on the Investment Manager's website (LINK) . Depending on the outcome of the analysis, strategies are applied for company selection, advocacy dialogues, exclusion and voting at general meetings in accordance with the Carnegie Fonder Sustainability Policy.

☐No

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

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

What investment strategy does this financial product follow?

The Master's strategy to promote sustainable characteristics is based on ensuring that the underlying funds work with three components: positive screening, negative screening and engagement. For funds managed by Carnegie Fonder, this entails the following elements.

1. Positive screening: Implemented in the investment process via an internally developed tool to identify economic activities whose turnover contributes to one or more UN Global Goals (SDG) and thus contribute to the environmental and social objectives as they are worded in the EU Taxonomy. All existing investments and new investments are analysed in the tool and the analyses are updated at least once a year

An investment is classified as sustainable if one or more of the following criteria are met.

- Of the company's turnover, 25% or more is currently classified as contributing to UN Agenda 2030 and thus to EU Taxonomy objectives. These companies are categorised as enabling activities. The size of the contribution measured as turnover divides the investee companies' contributions as medium (over 25%) or high (over 50%).
- The investee company has set a concrete target to have 25% or more of its turnover classified as contributing to the UN Agenda 2030 and thus to the objectives found in the EU Taxonomy. These companies are categorised as transitional activities. The size of the contribution measured as turnover divides the investee companies' contributions as medium (over 25%) or high (over 50%).
- The investment is made in a bond where the proceeds are used for sustainable investments as they are classified in the EU Green Bond Standard or Green, Social and Sustainable Bonds in accordance with ICMA Bond Principles. The Company may also invest in bonds linked to clear sustainability objectives, e.g., sustainability-linked bonds, but these must meet the criteria according to one of the two points above.

2. Negative screening: Implemented by excluding economic activities deemed to cause significant harm to environmental or social objectives from the Sub-Fund's investment universe in accordance with that presented in the "binding elements" section. This is continuously monitored using third-party data.
3. Engagement: Implemented through the Carnegie Fonder Shareholder Engagement Policy, (LINK), which is described in greater detail in the section below. As active fund manager, the Investment Manager continuously monitors all holdings to make investee companies aware of potential improvements that it has identified, with a view to increasing or safeguarding the value of investee companies and thus the value of the Sub-Fund's investments.

- **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?**

  1. The Master invests a minimum of 25% in shares and credits issued by companies whose turnover related to the UN Global Goals (SDG) exceeds 25%.

  2. An ESG analysis has been performed in the Investment Manager's internal analysis tool for all investee companies in funds managed by Carnegie Fonder. No matter if the investment replies to point 1, Carnegie Fonder always makes an ESG analysis of each and every investment. All companies have an ESG analysis, but all companies do not have more than 25% turnover related to the SDG's. In the ESG analysis, each module complies to an overall score of "Inadequate", "Adequate", "Strong", or "Very Strong". All funds managed by Carnegie Fonder can only invest in companies with the score "Adequate" or higher. More information can be found here: https://www.carnegiefonder.se/wp-content/uploads/file-manager/pdfer/Ansvarsfulla%20investeringar/CF%20THOR_en.pdf?_t=1668516891

  3. Excluded companies in accordance with the Investment Manager's exclusion policy.

  4. All investee companies in the Master shall have a climate target approved by Science Based Target initiative by 2040.

Below is the current exclusions list. It can also be found in Swedish (where any updates will always be made) through this link:

https://www.carnegiefonder.se/wp-content/uploads/2022/09/Branschdefinitioner.pdf

Fund	**Excluded sectors***								
							Fossil fuels		
	Weapons - controversial and conventional	Pornography	Tobacco	Cannabis	Alcohol	Gambling	Coal	Oil and gas extraction	Oil and gas refining, power generation, distribution, service**
Corporate Bond	X	X	X	X	X	X	X	X	
High Yield	X	X	X	X	X	X	X	X	X
High Yield Select	X	X	X	X	X	X	X		
Strategy	X	X	X	X	X	X	X	X	
Total	X	X	X	X	X	X	X		
Listed Private Equity	X	X	X	X	X	X	X	X	X

Listed Infrastructure	X	X	X	X	X	X	X	X	X

*) In general, the limit applies to 5 percent of turnover. With regard to fossil fuels, Carnegie Fonder also invests selectively in so-called conversion cases.

**) 5% from purpose-built transport (e.g. oil tankers and pipelines), 5% from refining and/or 5% power production from oil. Carnegie Fonder also does not invest in companies that receive more than 50 percent of their revenue from service services to the oil or gas industry, such as repair work, shipping, transport on infrastructure that is not purpose-built (for example trains, or power grids). Carnegie Fonder does not exclude manufacturing companies whose products are based on fossil fuels, such as plastic, synthetic rubber or steel.

Negative Screening

The Sub-Fund avoids investing in companies involved in the following sectors and business activities, with applicable thresholds described below.

International norms and conventions		
UN Global Compact		
OECD guidelines for multinational companies		
Controversial products and services	Production*	Distribution*
Tobacco	0%	5%
Pornography	0%	5%
Alcohol	5%	5%
Weapons and/or munitions	5%	5%
Nuclear weapons	0%	0%
Chemical and biological weapons	0%	0%
Cluster bombs, landmines	0%	0%
Fossil fuels	5%	5%
Coal	5%	5%
Commercial gambling	5%	5%

*Of the companies turnover.

None of the investments significantly harm any environmental or social objective.

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

  The Product does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy.

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

For funds managed by Carnegie Fonder, this entails compliance with the Investment Manager's Responsible Investment and Shareholder Engagement Policy, (LINK), which establishes its expectations and principles of good corporate governance. The policy is implemented in the Investment Manager's analysis tool in which all investments are analysed and assessed. The policy mainly addresses the Investment Manager's methods for integrating ESG in fund management when it screens in, screens out and influences investee companies. The policy also covers the bases of its views on good corporate governance practices and how it votes and influences the companies in which it invests.

"Corporate governance" (LINK) is the main section in the Investment Manager's internal tool for ESG analysis and is extensively analysed both quantitatively and qualitatively through indicators such as director share ownership, board diversity and incentive systems for senior management. Companies that have identifiable shortcomings or that are deemed to be in breach of international norms are dealt with according to that stated under binding elements.

The Investment Manager avoids investments in accordance with its exclusion policy. This is achieved by detecting violations in its internal ESG analysis or through information obtained through a third party. In parallel, compliance with its policy is ensured through screenings of the holdings by an external party twice a year.

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.

What is the asset allocation planned for this financial product?

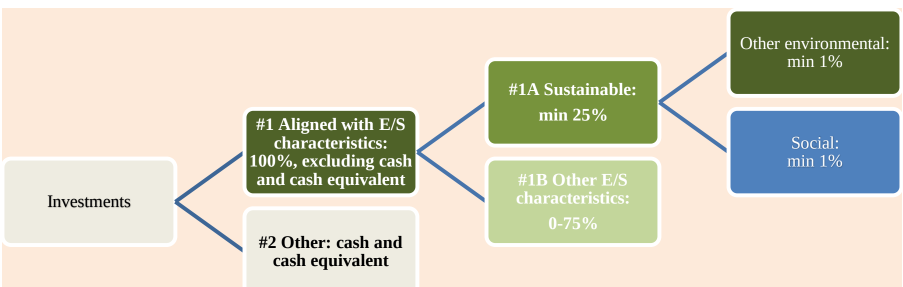
#1. All investments (excluding cash and cash equivalent) in the Sub-Fund promotes Environmental or Social Characteristics (100%).

#1A. A minimum share of 25% of these investments have environmental or social objectives:

1. Within these 25%, the minimum share of investments aligned with the EU Taxonomy is currently 0% (find explanation in the below section). There is no allocation planned between "Other environmental" and "Social", but all investments are aligned with at least one of them (hence minimum 1%).

1B. The remaining maximum share of 75% covers investments aligned with the environmental or social characteristics, but that do not qualify as sustainable investments.

The Sub-Fund may hold up to 15% of its assets in ancillary liquid assets, limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. Exceptionally and under certain unfavourable market conditions this limit can be temporarily breached. Exceptionally unfavourable market conditions are highly serious circumstances such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008.



#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.

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

  For funds managed by Carnegie Fonder, any use of derivatives is intended solely for the purposes of increasing liquidity and minimising risk. It imposes the same requirements for funds managed by other fund managers.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

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

The Product has no minimum share of investments aligned with the EU Taxonomy, i.e. 0 % minimum target. The companies in which the Sub-Fund invests have not yet begun to report the extent to which their activities are EU Taxonomy-aligned. Consequently, the Investment Manager has determined that it is not currently possible to provide reliable information about the Taxonomy-aligned share of the Sub-Fund's investments. However, the ESG objectives set down in the Taxonomy are an element of what the Investment Manager considers a sustainable investment.

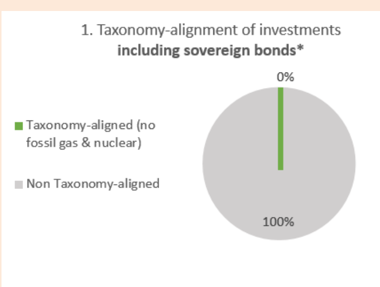
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

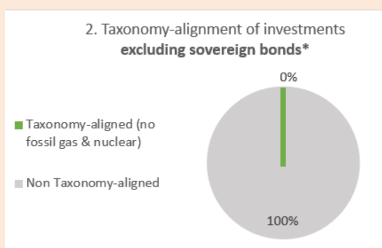
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*





This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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

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

The Product has no minimum share of investments in transitional or enabling activities, i.e. 0%. The companies in which the Sub-Fund invests have not yet begun to report the extent to which their activities are EU Taxonomy aligned. Consequently, the Investment Manager has determined that it is not currently possible to provide reliable information about the Taxonomy-aligned share of the Sub-Fund's investments. However, the ESG objectives set down in the Taxonomy are an element of what the Investment Manager considers a sustainable investment.

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

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

The Investment Manager internally assesses which investments are classified as sustainable based on the environmental and social objectives found in the UN Global Goals (SDG). Social and environmental aspects are considered for holdings assessed as contributing to the SDG through their activities. It therefore finds that all of the Sub-Fund's sustainable investments promote both social and environmental objectives. The minimum share in the Master expected to be invested in accordance with environmental criteria is 1%.

What is the minimum share of socially sustainable investments?

The Investment Manager internally assesses which investments are classified as sustainable based on the environmental and social objectives found in the UN Global Goals (SDG). Social and environmental aspects are considered for holdings assessed as contributing to the SDG through their activities. It therefore finds that all of the Sub-Fund's sustainable investments promote both social and environmental objectives. The minimum share in the Master expected to be invested in accordance with social criteria is 1%.

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

The Sub-Fund does not include any investments under "#2 Other". All investments (excluding cash and cash equivalent) in the Sub-Fund promotes Environmental or Social Characteristics, "#1 Aligned with E/S characteristics".

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

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

No. Instead, the previously mentioned indicators are used as binding elements to ensure that social and environmental characteristics are promoted.

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

  N/A

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

  N/A

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

  N/A

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

  N/A

Where can I find more product specific information online?
More product-specific information can be found on the website:
https://www.carnegiefonder.se/