

**Simplicity.**

SIMPLICITY

# LIKVIDITET

**PROSPECTUS**

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# Simplicity Likviditet

## Objective and investment policy

Simplicity Likviditet is a short-term fixed income fund with an interest rate duration of maximum one year. The fund invests in fixed-income securities denominated in SEK. The objective of the fund is to achieve a positive return that either follows or exceeds the short term Swedish market rate, at a very low risk.

The fund invests in fixed-income securities issued by the Swedish government, Swedish municipalities, Swedish counties, credit institutes or companies that according to the fund company's assessment have a high creditworthiness. Maximum credit duration of the fund is two years.

The fund promotes environmental and social characteristics and has committed a minimum proportion of sustainable investments representing 20% of the fund.

The fund's assets may be invested in transferable securities, fund units, money market instruments, deposits with credit institutions and derivatives. The fund also includes the liquid funds needed for the management of the fund. The fund's assets can be invested in unlisted transferable securities and money market instruments according to 5th chapt. 5§ first paragraph Swedish Investment Fund Act ("unlisted") to a value not exceeding 10 percent of the total assets under management in the fund. The fund can invest a maximum of 10 percent of the total assets under management in other fund shares.

Simplicity Likviditet is authorized by the Swedish financial supervisory authority (Finansinspektionen) to invest according to 5th chapt. 5§ Swedish Investment Fund Act, which means that the fund can invest more than 35% of its assets in corporate bonds and other debt issued by or guaranteed by the Swedish state, Swedish municipalities or other Swedish municipal authorities.

The fund normally does not pay dividends, but all income is reinvested in the fund.

Subscriptions and redemptions of fund units may normally be made every Swedish banking day.

## Share classes

The fund has two share classes: A and B

- Share class A is open for all investors. The maximum fee is 0,30 per annum.
- Share class B is associated with special conditions for distribution and can only be purchased through certain distributors in accordance with section 9 of the fund rules. The maximum fee is 0,15 per annum.

## Historical return

The fund performance (return) is calculated after deduction of ongoing charges. Any entry and exit charges have not been taken into account. The performance for all years has been calculated in Swedish kronor and with dividends reinvested in the fund. No consideration has been given to

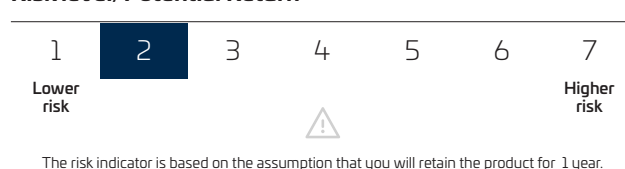
inflation. Previous results are no guarantee of future results. Share class A was launched on October 31, 2006.

This chart shows the fund's performance as a loss or gain in percentage per year for the past ten years. Past results are not a reliable indication of future results. The markets may develop quite differently in the future. They can help you assess how the fund has been managed in the past.

## Who is the fund suitable for

Simplicity Likviditet is suitable for investors who want an alternative to the banks' interest rate account. The fund can be advantageous utilized if you want to exit the stock market for a safer investment alternative or as a base in personal savings to get the right risk diversification in a portfolio of funds. The placement horizon should usually be between zero and two years.

## Risk level/Potential Return

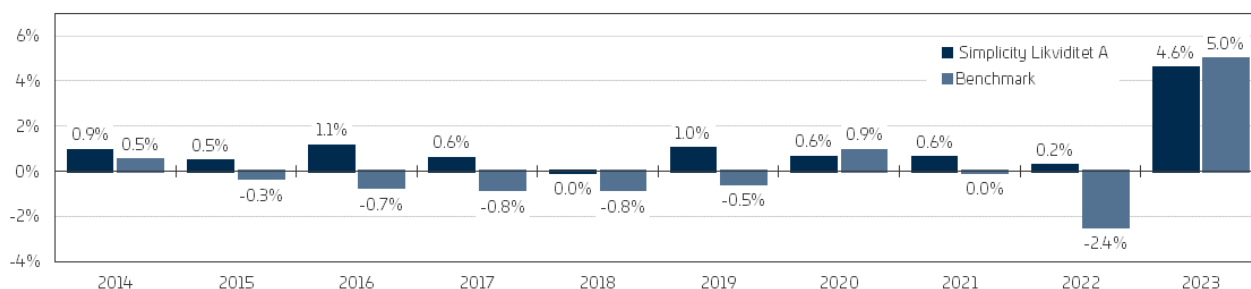


The summary risk indicator provides an indication of this product's level of risk in comparison to other products. It shows the probability that this product will lose value as a result of market developments. The Fund is classified as 2 out of 7, i.e. a low level of risk. This means that there is a low risk of rises and falls in the unit value of the Fund.

Below is a description of the fund's specific risks that are due to its investment strategy.

**MARKET RISK** – The risk of securities decreasing in value as a result of changes in the market situation. A downturn in the market as a result of a downturn in the overall economic cycle, unexpected world events, natural disasters, etc. are examples of market risk. Simplicity Likviditet invests in assets that are considered to be lowly impacted by market risk and, therefore, the fund's market risk is also considered to be low.

**LIQUIDITY RISK** – The liquidity risk is the risk that the fund's assets will be difficult to value, cannot be divested at a certain time or divested at a reasonable price. The risk varies between different asset classes and the transparency and liquidity is, for example, usually not as good in the corporate bond market as in the stock market. Under more stressful market conditions where demand for the fund's assets is declining, larger redemptions from the fund may mean that assets may be divested at unfavourable prices and that in extreme cases redemption of fund units may be delayed. The risk entails higher requirements for the portfolio's composition. The liquidity risk is regularly evaluated in the



The fund's benchmark is, from January 1, 2020, NASDAQ OMX Credit SEK Rated FRN 1-18M Total Return Index. Prior to this date, the fund's benchmark was OMRX T-Bill Index.

fund's assets.

**SUSTAINABILITY RISK** – The risk involves the potential occurrence of an environmental, social or governance event or condition that could cause an actual or a potential material negative impact on the value of the investment. Weak corporate governance and control structure can, for example, lead to misconduct that adversely affect the company's share price. Integrating sustainability risks into investment decisions is therefore crucial to achieve good long-term returns. The fund manages sustainability risks by both integrating sustainability in the investment process and by Simplicity's exclusion policy.

**CREDIT RISK** – The risk that an issuer of financial instruments fail to fulfill its obligations due to bankruptcy or cancellation of payments. The credit risk in Simplicity Likviditet is limited by the fund's investment policies to only invest in financial instruments where the issuers are assessed to have high creditworthiness and that the average maturity of the fund's investments cannot exceed two years.

**INTEREST RATE RISK** – The risk that describes a fixed income fund's sensitivity to changed market rates. The risk means that the value of holdings may fall due to changes in market interest rates. The interest rate risk in the fund is limited by the fund's average duration of maximum one year.

**DERIVATIVES** – The fund may use derivatives as part of its investment strategy. Trading in derivative instruments can incur an increased market risk together with counterparty risk in the form any left-over securities that the fund pledges the counterparty. The fund will generally not trade in derivatives and they are 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

### Description of grade of activity

The fund is actively managed. The fund manager conducts continuous analysis and makes active decisions about the fund's holdings and composition. The manager regularly monitors and changes the portfolio in order to achieve the fund's objectives.

### Benchmark

The fund's benchmark is 50 % OMRX T-bill Index and 50 % S&P Sweden Investment Grade Corporate Bond Index Total Return.

The OMRX T-bill Index is an index consisting of Swedish treasury bills and is usually said to describe the risk-free interest rate in Sweden.

S&P Sweden Investment Grade Corporate Bond Index Total Return tracks the total return for corporate bonds with a fixed interest rate issued in SEK with investment grade credit rating.

The combination of benchmarks is relevant to the fund since it reflects the fund's long-term investment policy, inter alia regarding asset class, credit risk, duration and currency.

### Grade of activity

The Fund's grade of activity is described using the activity measure tracking error. Tracking error shows how much the Fund's return varies in relation to its benchmark. Tracking error is reported as a percentage and is calculated as the standard deviation of the difference between Fund and the benchmark index returns. The higher the tracking error, the greater is the average deviation. The calculation does not take into account whether the deviation is positive or negative.

Below is the historical activity level achieved in the Fund for the past ten calendar years. The calculation of active risk is based on monthly data from the last two calendar years.

Year	Tracking error
2023	1.4%
2022	0.9%
2021	0.6%
2020	0.6%
2019	0.2%
2018	0.2%
2017	0.2%
2016	0.3%
2015	0.2%
2014	0.1%

Volatility in tracking error during the period is largely due to varying market risks.

Before January 1, 2020, the Fund's benchmark index was the OMRX T-Bill Index. The tracking error before 1 January 2020 are therefore calculated on this index.

The fund's investment strategy has resulted in a normal grade of activity for the market.

## Current fees

Below is information about the current fees on the sale and redemption of fund shares, year 2023's management fee, including depositary costs, cost of supervision and auditors.

Share class A

- Sales fee 0%
- Redemption fee 0%
- Management fee, including custody, supervision and audit 0.17%

Share class B

- Sales fee 0%
- Redemption fee 0%
- Management fee, including custody, supervision and audit 0.09%

## Maximum fees

The maximum fees that the management company may charge under the fund rules for the sale and redemption of units and for the management of the fund (including custody, supervision and audit costs) are as follows. Brokerage and other costs as well as tax on the fund's purchase and sale of financial instruments are charged to the fund, as well as any compensation to suppliers of analysis services and corresponding services. The fund may be charged with costs for analysis.

Share class A

- Sales fee 0%
- Redemption fee 0%
- Management fee, including custody, supervision and audit 0.30%

Share class B

- Sales fee 0%
- Redemption fee 0%
- Management fee, including custody, supervision and audit 0.15%

## Custodian

Skandinaviska Enskilda Banken AB (publ) ("SEB")

Company headquarters: Stockholm, Sweden

Corporate identity no.: 502032-9081

Legal form of the custodian: Limited company

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

The custodian shall, inter alia, monitor the fund's cash flows, store the

fund's assets and execute the company's instructions. Furthermore, the custodian shall ensure that the sale and redemption of fund units, valuation of fund units and use of the fund's assets are in accordance with the law and the fund's terms and conditions.

SEB has procedures for identifying, managing, monitoring and reporting potential conflicts of interests. Since the custodian is part of SEB, conflicts of interest can arise between the custodian's operations and other activities within SEB and its subsidiaries. The custodian has a legal obligation to identify and manage such conflicts of interest as well as to report the conflicts of interest to the fund's investors.

Examples of activities that may involve conflicts of interest are:

(I) Provision of trustee registration, execution of fund management, establishment of unit ownership registers, analysis of securities loans, asset management, investment advice and/or other advisory services to the Fund;

(II) Banking services, securities trading including currency trading, derivative trading, lending, brokerage, market making or other financial transactions with the Fund, either on its own account or on behalf of other clients.

In order for potential conflicts of interest to not affect the fund and its investors negatively, the custodian and other activities within SEB are functionally and organizationally separated. The custodian's activities are always conducted based on the interests of the unit owners and according to current market conditions.

SEB may delegate parts of the business to one or more external companies, including other depository banks designated by the custodian from time to time. The data that may be delegated, according to the UCITS Directive and applicable Swedish regulation, is the storage and inventory. The depository shall act with due diligence, diligence and care in its choice, continued engagement and supervision of the party to which the depository functions have been delegated.

Current information about the custodian can be obtained free of charge from the fund company.

### **Responsible investments**

Read more about how the fund integrates sustainability in the investment process in the sustainability annex below.



The fund promotes the following environmental characteristics:

- **Climate action (SDG 13)** by including companies with science-based climate targets and by excluding fossil fuels. The fund company engage with companies to encourage setting science-based targets verified by the Science Based Targets initiative (SBTi).
- **Affordable and clean energy (SDG 7)** by excluding companies with more than 25 % of their energy production based on fossil fuels. The fund does only invest in companies producing or distributing power with large exposure to nuclear that are considered as ESG-leaders in their sector.

The fund promotes the following social characteristics:

- **Responsible business conduct** by including companies that are members of the UN Global Compact. The fund company engage with companies to encourage them joining the UN Global Compact.
- **Good health and well-being (SDG 3)** by excluding companies involved in alcohol, tobacco, and cannabis.
- **Reduce violence everywhere (in SDG 16)** by excluding companies that produce or distribute weapons.
- **Social responsibility** by excluding companies that are involved in pornography or commercial gambling.
- **Good governance praxis** by excluding companies that systematically violate international norms and conventions, without showing any progress or will to improve.

The fund invests in green, social, sustainable and sustainability linked bonds, where the capital raised is earmarked for environmental and social projects. At least 5% of the fund should consist of green, social, sustainable and/or sustainability linked bonds.

No index is designated as a reference benchmark to meet the environmental and social characteristics that are promoted by this fund. Instead, the sustainability indicators described in the section below are used to measure the attainment of the fund's sustainable characteristics. Find more information on *how* the fund promotes environmental and social characteristics under "What investment strategy does this financial product follow?".

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

The table below includes the sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by the fund. The indicators are considered in investment decisions and are controlled regularly.

Sustainability indicators	Description of indicator	Purpose
<b>Sustainable Investments</b>	The share of investments that fulfill the fund's thresholds of a sustainable investment according to Article 2 (17) in SFDR. Find the definition under "What investment strategy does this financial product follow?".	At least 20 % of the fund should be sustainable investments.
<b>Green, social, sustainable and sustainability linked bonds</b>	The share of investments that is invested in green, social, sustainable and/or sustainability linked bonds.	At least 5 % of the fund should be in this type of bonds.
<b>Exclusion</b>	Find the fund's exclusion policy under "What investment strategy does this financial product follow?".	The fund should have no exposure in companies that do not meet the fund's exclusion policy.
<b>Norm-based screening</b>	Exposure to companies violating international conventions and norms, for	The fund excludes companies that systematically violate international norms and conventions, without

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

	example UN Global Compact and OECD Guidelines for Multinational Enterprises.	showing any progress or will to improve.
<b>Science Based Targets</b>	Share of fund holdings with climate targets approved by the Science Based Targets Initiative (SBTi).  SBTi is an organization that drives ambitious climate action in the private sector by enabling companies to set science-based emission reduction targets.	Simplicity has, as a fund company, the target that all investments in Simplicity's funds should have climate targets approved by the SBTi year 2040. For 2025 the target is 50 % and for 2030 the target is 75%. The goals are company-wide, which means that the percentage may be lower than the sub-targets for an individual fund.  Simplicity engages with companies to encourage them to set an SBT.
<b>UN Global Compact</b>	Share of companies that are members of the UN Global Compact and thus has committed to ten principles related to human rights, labor, environment, and anti-corruption.  The UN Global Compact requires participating companies to produce an annual report that details their work on the ten principles as well as the UN Sustainable Development Goals.	Simplicity has, as a fund company, the target that all investments in Simplicity's funds should be members of UN Global Compact year 2040. For 2025 the target is 50 % and for 2030 the target is 75%. The goals are company-wide, which means that the percentage may be lower than the sub-targets for an individual fund.  Simplicity engages with companies to encourage them join the UN Global Compact.

● ***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?***

A sustainable investment is an investment in an economic activity that contributes to an environmental objective or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. All sustainable investments of the fund are aligned with an environmental or a social objective. The objectives of the fund's sustainable investments are the following:

- ***The UN Sustainable Development Goals (SDGs)*** by investing in companies whose products and services contribute positively to meeting one or more of the SDGs.
- ***The Paris Agreement*** by investing in that have climate targets verified by the Science Based Targets initiative (SBTi) and that are also affiliated to the UN Global Compact.
- The EU taxonomy's environmental objectives ***Climate change mitigation*** and ***Climate change adaptation*** by investing in taxonomy-aligned companies.
- The sustainable investments in green, social, sustainable or sustainability linked bonds are directly contributing to ***one or more sustainability objective***. For green and social bonds, the capital that is raised is earmarked for environmental and social projects, respectively. Sustainable and sustainability linked bonds are contributing to both social and environmental objectives.

No index is designated as a reference benchmark to meet the environmental and social characteristics and the sustainable investment objectives that are promoted by this fund.

***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?***

The fund considers principle adverse impacts of sustainability factors in investment decisions for sustainable investments to not cause significant harm to any environmental or social sustainable investment objective. More information can be found below.

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

By considering the indicators for adverse impacts on sustainability factors (PAI indicators) stated in the section below "Does this financial product consider principal adverse impacts on sustainability factors?", the criterion of not causing significant harm to any environmental or social investment objective for the fund's sustainable investments is met.

In addition to considering PAI indicators, the fund excludes a further number of different sectors and activities that are deemed to contribute to negative consequences for environmental and social sustainability, are ethically controversial or for other reasons, in our view, are not considered to contribute positively to a sustainable society. The fund's exclusion criteria can be found under the heading "What investment strategy does this financial product follow? ".

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

Simplicity does not invest in companies that systematically violate international norms and conventions without a demonstrated willingness to change, such as the UN Global Compact, UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. The guidelines and principles specify how companies should behave in terms of employment, working conditions, human rights, union organizing, taxation and corporate culture, which are intended to combat, among other things, violations of human rights, corruption, and bribery. Companies can end up on a "watchlist" if any of the principles are violated.

All holdings are screened on a regular basis to check that no violations have occurred. The norm-based screening is carried out by a third party. The fund managers are responsible for fulfilling the company's policy for responsible investments when making investment decisions as well as during the holding period. Simplicity has a sustainability committee whose function is to monitor and assist the fund managers' commitment to the sustainability policy. The sustainability committee meets regularly. The task of the sustainability committee is to discuss eventual issues and incidents, carry out company dialogues and to decide on eventual exclusions of individual companies from the funds.

*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 fund considers principal adverse impacts on sustainability factors in investment decisions. The fund strives to limit the adverse impacts on sustainability factors caused by the fund holdings' activities through two main methods: exclusion and norm-based screening.

As a first step, the company's exclusion criteria are applied, meaning that companies of a particularly negative nature are excluded from the company's funds (see more below under the heading "What investment strategy does this financial product follow?"). The funds exclude fossil fuels (PAI factor 1.4), companies with more than 25% of their energy production based on fossil fuels (PAI factor 1.5), and controversial weapons (PAI factor 1.14). The funds also exclude additional types of activities, but these do not have a direct connection to any PAI factor.

Norm-based screening is used to identify potential violations of international norms, such as the UN Global Compact, OECD guidelines for multinational enterprises, and the UN Guiding Principles on Business and Human Rights (UNGPs). Simplicity's funds should not invest in companies that systematically violate international norms and conventions without demonstrated willingness to change (PAI factor 1.10).

Other PAI factors are considered based on the probability of occurrence and the severity if the adverse impact occurs. Investments are analyzed based on data availability. The analysis and assessment also vary depending on the companies' industry, geography, and business model. Investment may not be made in companies that show very negative impact on the indicators. Very negative consequences for the other PAI factors may mean that the company assesses that an investment is not made, even if the company does not have set limits for these PAI factors.

Below is a list of all PAI indicators and two optional ones (PAI 15 and 16):

PAI 1.1 GHG emissions

PAI 1.2 Carbon footprint

PAI 1.3 GHG intensity of investee companies

PAI 1.4 Exposure to companies active in the fossil fuel sector

PAI 1.5 Share of non-renewable energy consumption and production

PAI 1.6 Energy consumption intensity per sector with significant climate impact

PAI 1.7 Activities negatively affecting biodiversity-sensitive areas

PAI 1.8 Emissions to water

PAI 1.9 Hazardous waste and radioactive waste

PAI 1.10 Violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

PAI 1.11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

PAI 1.12 Unadjusted gender pay gap

PAI 1.13 Board gender diversity

PAI 1.14 Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)

PAI 2.4 Investments in companies without carbon emission reduction initiatives

PAI 3.4 Lack of a supplier code of conduct

**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.

### PAI 3.6 Insufficient whistleblower protection

More information about the main negative consequences for sustainability factors can be found in the annual report. The annual report (in Swedish) is available at <https://www.simplicity.se/rapport/>.

No



### What investment strategy does this financial product follow?

The fund is an actively managed fixed income fund. Sustainability is a central part of the investment process. The fund follows Simplicity's policy for responsible investments as well as certain sustainability criteria. The objective of the fund is to achieve the highest possible value growth for the fund's assets, and meanwhile promote environmental and social characteristics. Sustainability factors are considered to have a neutral effect on the fund's return.

The company has established threshold values to assess whether an investment significantly contributes to an environmental or a social objective in accordance with Article 2 (17) of the EU's Disclosure Regulation (SFDR). At least one of the criteria below must be met.

- **Contribution to the environmental objectives of the EU Taxonomy.** Refers to investments in companies where at least 10 % of the company's revenue is reported or estimated as environmentally sustainable according to the EU taxonomy regulation.
- **Contribution to the SDGs.** Refers to investments in companies where at least 10 % of the company's turnover must be linked to activities that are deemed to contribute to fulfilling one or more of the SDGs.
- **Contribution to the Paris Agreement and the UN Global Compact.** Refers to investments in companies that have climate targets verified by the Science Based Targets initiative (SBTi) and that are also connected to the UN Global Compact. These investments contribute to UN Goal 13 (combating climate change) and meeting the climate goals of the Paris Agreement, while promoting responsible business.
- **Specific securities with sustainability-related objectives.** Investments in these types of bonds are sustainable investments as the bonds are directly linked to one or more sustainability objectives. For green and social bonds, the capital that is raised is earmarked for environmental and social projects, respectively. Sustainable and sustainability linked bonds are contributing to both social and environmental objectives.

The fund applies both inclusions and exclusions strategies in the investment process to promote social and environmental characteristics.

**Including.** The fund includes:

- Companies that are members of UN Global Compact to promote responsible business conduct. Simplicity has, as a fund company, set a target that all investments in Simplicity's funds should be members of UN Global Compact by 2040. For 2025 the target is 50 % and for 2030 the target is 75%. The goals are company-wide, which means that the percentage may be lower than the sub-targets for an individual fund.
- Companies with carbon emission reduction efforts and commitments to promote SDG 13 (Climate action) and the Paris Agreement. Simplicity has, as a fund company, set a target that all investments in Simplicity's funds should have climate targets approved by the Science Based Target Initiative (SBTi) year 2040. For 2025 the target is 50 % and for 2030 the target is 75%. The goals are company-wide, which means that the percentage may be lower than the sub-targets for an individual fund.

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

- Green, social, sustainable and/or sustainability linked bonds, where the capital raised is earmarked for environmental and social projects respectively. At least 5% of the fund should consist of these types of bonds.

**Exclusions criteria.** Simplicity has chosen not to invest in the following sectors: weapons, alcohol, cannabis, tobacco, gambling, pornography, fossil fuels and other companies within the GICS sector 10 classification. We apply certain limits where an accepted percentage of overall revenue is used according to below table:

Sector	Production	Distribution
Tobacco	0%	5%
Cannabis	0%	5%
Alcohol	5%	5%
Pornography	0%	1%
Gambling	5%	5%
Weapons	0%	1%
Munitions	1%	1%
Controversial & nuclear weapons	0%	0%
Fossil fuels	0%	5%

The fund is also excluding companies:

- With more than 25 % of their energy production based on fossil fuels.
- With more than 5% of revenue from electricity generation through the combustion of thermal coal.
- With large fossil reserves.
- Companies from other sectors that are majority owners of fossil fuel companies or other companies within GICS sector 10.
- Companies from other sectors with more than 30 % revenue derived serving fossil fuel companies or other companies within GICS sector 10.
- Energy companies with large exposure to nuclear power that are not an ESG-leaders within their sector.
- Norm-based exclusions of companies that are subject to current EU or UN sanctions.

The investment strategies are continuously checked. Holdings that no longer meet the fund's sustainability requirements will be discussed in the Sustainability Committee, which may lead to initiating a dialogue or that the holding will be excluded.

● ***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 elements of the investment strategy are:

- The share of sustainable investments should be at least 20 % of the fund.
- The share green, social, sustainable and sustainability linked bonds should be at least 5 % of the fund.
- Simplicity's policy for responsible investments, including exclusion, inclusion, norm-based screening, and engagement.

The sustainability indicators mentioned under "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" are also binding elements of the investment strategy.

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

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

To manage sustainability risks, it is crucial that the companies in which Simplicity invests through its funds conduct their operations in a responsible manner. The company employs norm-based screening to ensure compliance with good governance practices. At a minimum, Simplicity expects these companies to adhere to laws and international norms and conventions, such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD guidelines for multinational enterprises. Simplicity also expects a certain level of compliance regarding other types of environmental, social, and governance-related incidents. All holdings in Simplicity's funds undergo regular screening to verify that no violations have occurred. The norm-based screening is conducted by a third party.



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

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

The asset allocation has the following split as described below. The shares may vary depending on market movements throughout the year.

**#1 Aligned with E/S characteristics: > 90 %**

All investments in bonds.

**#1A Sustainable: > 20%**

Investments that fulfil binding parts of the fund's investment strategy described in more detail above under the question "What investment strategy does this financial product follow?". These investments are divided between taxonomy compatible investments and other investments with environmental or social objectives.

**#1B Other E/S characteristics: < 80%**

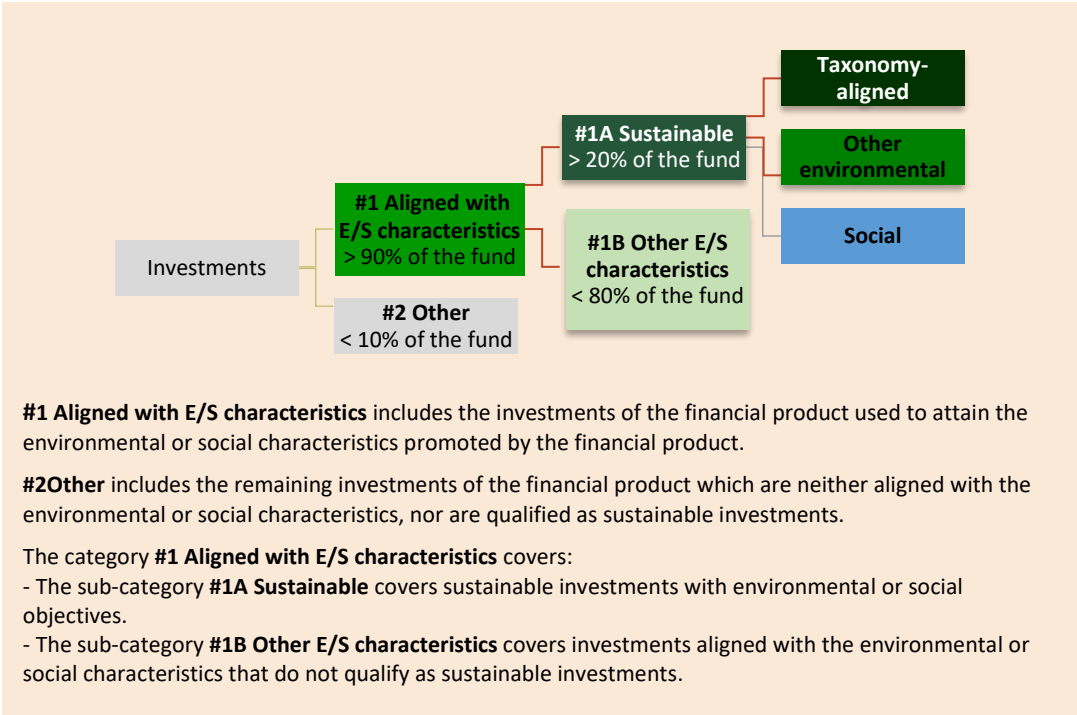
Investments that promote environmental or social characteristics but do not qualify as sustainable investments.

**#2 Other: < 10%**

According to the fund terms, the fund may have cash held as liquidity up to 10% of the fund. The fund may also use derivatives, which also belong to this category.

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.



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

All derivatives are used for risk management and to streamline the fund management by hedging currency as well as interest rate risk. The derivatives are assessed to have a neutral impact on the environmental and social characteristics that the fund promotes. The usage of derivatives means that the fund increases the opportunity to invest in sustainable bonds in currencies other than Swedish. By using derivatives, the fund's investment universe for sustainable bonds becomes larger.



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

The information and EU Taxonomy reporting will improve as the EU's regulatory framework develops and the access to company-specific information increases. The fund has therefore, initially, not determined a minimum share for sustainable investments with an environmental objective aligned with the EU Taxonomy. However, there can be fund holdings that are aligned with the taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup>**

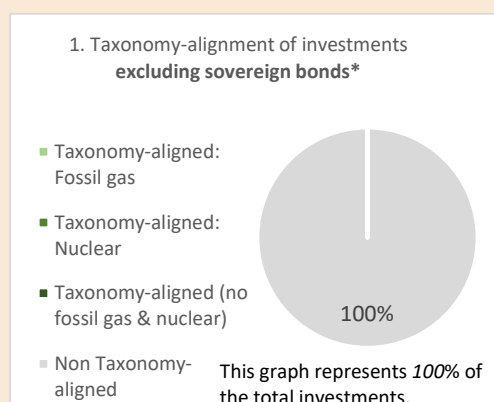
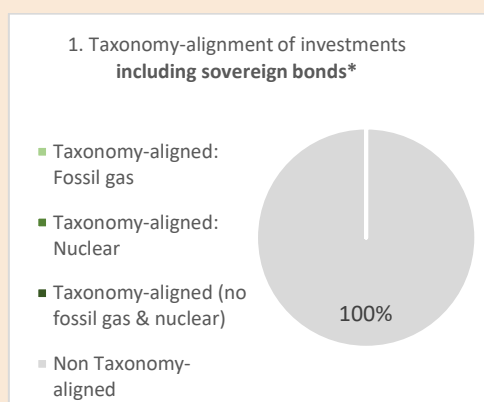
☒ Yes,

☐ In fossil gas

☒ In nuclear energy

☐ No

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




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

<sup>1</sup> 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 objectives – see explanatory noter 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 the Commission Delegated Regulation (EU) 2022/1214.



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

Currently, the fund has not determined on a minimum share of investments in transitional and enabling activities.

 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 fund can invest in economic activities that are not considered as environmentally sustainable economic activities according to the EU taxonomy. The fund's investments that may belong to this group are, for example, green bonds, bonds issued by companies with science-based climate targets or bonds issued by companies whose products and services contribute to meeting one or more of the environmental-related SDGs, for example by providing green energy technology and other energy-efficient solutions (SDGs 7 and 13), sustainable housing and infrastructure (SDG 11), etcetera. The fund has not set a minimum share for sustainable investments with an environmental objective that is not compatible with the EU taxonomy.



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

All sustainable investments in the fund are compatible with a social or environmental objective. The fund has not committed to make a minimum proportion of sustainable investments with a social objective. However, the fund can make sustainable investments in financial products that are deemed to contribute to a social objective. The fund makes socially sustainable investments by investing in social bonds or in companies that contribute to fulfilling one or more of the social SDGs, for example by providing nutritious food and sustainable agriculture (SDG 2), healthcare-related services and products (SDG 3), safe housing at an affordable cost (SDG 11), etcetera.



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

The following are included in “#2 Other”:

- **Cash.** According to the fund terms, the fund may have cash held as liquidity up to 10% of the fund.
- **Derivates.** The fund can use derivatives for risk management and to streamline the fund management by hedging currency as well as interest rate risk.

The fund company has made the assessment that the cash held for liquidity neither the derivatives represent environmental nor social risks.



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

**More product-specific information can be found on the website:**

<https://www.simplicity.se/en/fond/simplicity-likviditet/>

# Fund rules – Simplicity Likviditet

## § 1 The legal position of the Fund

The name of the investment fund is Simplicity Likviditet, hereinafter called the Fund.

The Fund is a securities fund as defined by the Swedish Investment Funds Act (2004:46).

Fund capital is owned jointly by the Fund's unit holders. Each unit in each share class carries an equal right to the property in the Fund.

The Fund has the following share classes:

- Share class A - Maximum management fee 0,30 % per annum
- Share class B - Maximum management fee 0,15 % per annum with special conditions for distribution

The Fund cannot acquire rights or incur obligations. The fund company named in § 2 represents the unit holders in matters related to the Fund, makes decisions regarding the property in the Fund and exercises the rights ensuing from the property.

Operations are conducted in accordance with these Fund Terms and Conditions, the Fund Company's articles of association, the Swedish Investment Funds Act (2004:46) and other applicable ordinances.

## § 2 Fund Manager

The Fund is managed by Simplicity AB, corporate identity no. 556611-4723, hereinafter called the Fund Company.

## § 3 Depository and its tasks

The depository for the Fund's assets is Skandinaviska Enskilda Banken AB (publ), corporate identity no. 502032-9081.

The Depository shall execute the Fund Company's decisions regarding the Fund and shall also receive and hold the assets of the Fund. The Depository shall also ensure that decisions regarding the Fund made by the Fund Company, such as valuation, redemption and sales of fund units, comply with the law, regulations and these Fund Terms and Conditions.

## § 4 The nature of the Fund

The Fund is an interest fund with a short interest rate duration which invests in transferable securities and money market instruments denominated in Swedish crowns. The Fund's aim is to give a yield that over time follows or exceeds the short Swedish market interest rate.

The Fund makes investments in Swedish money-market instruments or transferable securities issued and wholly owned by the government, municipalities, county councils, credit institutes or companies that have high creditworthiness in the judgement of the Fund Company. The Fund aims to provide a positive return to a very low risk.

## § 5 The Fund's investment orientation

The Fund may invest its assets in transferable securities, fund units, money market instruments, investment in accounts with credit institutions and derivatives.

The Fund invests in interest-bearing transferable securities and money market instruments denominated in Swedish crowns and issued by the Swedish government, municipalities, county councils, credit institutes and companies. The duration of the Fund (average fixed-interest period) may not exceed one year and the average maturity of the Fund may not exceed 2 years.

Fund may only invest 10 percent of the value in fund units.

## § 6 Market places

The Fund's assets may be invested in a regulated market within the EEA or in an equivalent market outside the EEA. Trading may also occur on other markets within or outside the EEA which are regulated and open to the public.

## § 7 Special investment focus

The Fund may invest in such transferable securities and money market instruments as referred to in Ch 5, § 5 IFA.

The Fund may make use of derivatives to improve management efficiency with the aim of decreasing costs and risks. Underlying assets to derivative instruments shall consist of or be related to assets according to Ch 5, § 12 IFA.

The fund may not invest in derivatives referred to in Ch 5, § 5 IFA (OTC derivatives).

The Fund has the permission of the Swedish Financial Supervisory Authority to invest its capital in pursuance of Ch. 5 § 8 IFA (2004:46). The Fund may invest more than 35% of the Fund's capital in bonds and other promissory notes that are issued and/or guaranteed by the Swedish government, municipality or other municipal authority. The promissory note must however come from at least six different

issues and those coming from the same issue may not exceed 30 % of the Fund's value.

## § 8 Valuation

The value of each unit in the Fund comprises the value of the Fund divided by the total number of units in the Fund. The units in the Fund shall be equal in size.

The value of the Fund is calculated by deducting from the assets the liabilities linked to the Fund, including as yet unlevied taxes according to the Fund Company's stipulation as well as the charges stated in § 11 below. The valuation of traded securities, mutual funds, money-market instruments, derivatives and other financial instruments are carried at current market value. If this market value cannot be obtained or, in the opinion of the Fund Company, it is misleading, they may be reported at the value decided on objective grounds by the Fund Company. With objective grounds means that a market value is obtained according to special valuation based on data for last paid price or indicative purchase price from market-makers if such are stipulated for the issuer. Where such information is lacking, or is not considered reliable by the Fund Company, the market value is established based on information from independent parties or by other external, independent sources. If the market for certain securities is not active, valuation may be done by use of a generally accepted valuation method established in the market, such as cash flow analysis or comparison with other similar transactions that took place under market conditions during a similar period.

The market value for such transferable securities and money market instruments as referred to in Ch 5, § 5 IFA is established according to special valuation routines. The special valuation is based on market prices from a non-regulated market, a market maker, other financial instrument admitted to trading on regulated market or index with adjustment for differences in e.g. credit risk and liquidity (reference valuation), discounted cash flow (present value valuation) or equity ratio (balance sheet valuation).

## § 9 Sale and redemption of units

Units are sold and redeemed by the Fund Company. Sale (a unit holder's purchase) and redemption may take place on every banking day.

The Fund has the following share classes:

### Share class A

Subscription and redemption of units are made in SEK. Minimum subscription amount is SEK 100. Subscriptions and redemptions may take place on every banking day.

### Share class B

Subscription and redemption of units are made in SEK. Minimum subscription amount is SEK 100. Subscriptions and redemptions may take place on every banking day.

Share class B can only be traded by:

- Investors who, within the framework of investment service contract under Ch. 2, § 1 of the Swedish Securities Market Act (2007:528) or equivalent Swedish or foreign regulation, invests in the fund and no compensation is paid from the fund management company to the provider of the investment service, and
- insurance companies who invests in the fund within the framework of agreements with policyholders and no compensation is paid to the company or insurance distributor by the fund management company.

Units in share class A shall be transferred to units in share class B if the conditions for investing in share class B are fulfilled.

Units in share class B shall be transferred to units in share class A if the conditions for investing in share class B cease to exist.

A request for sale is made by paying a minimum amount of 100 SEK into the Fund Company's bank account or bank giro account.

A request for redemption of a unit in the Fund is made in writing or by fax to the Fund Company or, by separate agreement, electronically. The redemption request shall be in writing and shall be signed personally by the unit holder, except when electronic means are used.

A request that reaches the Fund Company by 14:00 at the latest on a full banking day, or 11:00 on a half banking day, is executed on the same day. Should a request be received by the Fund Company after 14:00 on a full banking day or after 11:00 on a half banking day, the Fund Company is entitled to execute the request on the same banking day or on the next banking day.

If funds for redemption must be procured through the sale of securities, such sale and redemption shall take place as soon as possible. If a sale could be essentially disadvantageous to other unit holders' interests, the Fund Company shall, following notification to the Swedish Financial Supervisory Authority, defer the sale.

In the case of redemption of units, payment is made no later than three (3) banking days after redemption has been executed.

The price of the unit in conjunction with sale and redemption is set at the end of the banking day on which the sale or redemption takes place. Sale and redemption thus take place at a rate unknown to the unit holder at the time the request for sale or redemption is made.

A request for redemption may only be revoked with the consent of the Fund Company.

The price in conjunction with the sale of a unit (a unit holder's purchase) shall be the unit value on the date the sale takes place. The redemption price of a unit shall be the value of the unit on the date redemption takes place. The unit value is published on the Fund Company's website ([www.simplicity.se](http://www.simplicity.se)) and in a number of newspapers through the Swedish Investment Fund Association.

#### **§ 10 Closure of the Fund in extraordinary circumstances**

The Fund may be closed for sale and redemption if extraordinary circumstances arise that prevent valuation of the Fund's assets from being made in a manner that assures equal rights for the unit holders.

#### **§ 11 Fees and payment**

Payment shall be made from the capital in the fund to the Fund Company for its management of the fund. Such compensation include costs for the Depository, supervision and auditors. The payment is calculated daily at 1/365th part of the whole.

The compensation per year must not exceed what is stated below for each share class.

The Fund consists of two share classes:

##### **Share class A**

The maximum compensation to the Fund Company is 0.30 % of the value of the fund each year.

##### **Share class B**

The maximum compensation to the Fund Company is 0.15 % of the value of the fund each year.

Brokerage and other costs, as well as tax in conjunction with the Fund's purchase and sale of financial instruments, are charged to the Fund.

Applicable VAT will be payable on fees.

#### **§ 12 Dividends**

The Fund will only pay dividends in cases where the current tax legislation means that the Fund has taxable income. The purpose of the dividend in this case is to transfer taxation of the Fund's return to the unit holders, whereby return is not taxed twice. If the amount available for a dividend is estimated to be less than 1% of the value of the outstanding units, the Fund Company may decide that no dividend will be paid.

The dividend is paid in April of the year after the financial year and is payable to unit holders who are registered for units on the dividend date set by the Fund Company.

The available amount of dividend may be increased by the accrued dividend that has been paid in on the sale of a unit and reduced by an accrued dividend that has been paid out on redemption of a unit.

For a dividend accruing to a unit the Fund Company shall, following a deduction for preliminary tax, acquire new units on behalf of the unit holder registered for the unit on the date set by the Fund Company.

Following a request to the Fund Company no later than March 15 in the year after the financial year, the dividend may instead be received in cash, paid into the unit holder's bank account following a deduction for preliminary tax.

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

The Fund's financial year is the calendar year.

#### **§ 14 Interim report and annual report, changes to Fund Terms and Conditions**

The Fund Company shall publish an interim report for the first six months of the financial year within two months of the end of the half-year and an annual report on the Fund within four months of the end of the financial year. The documents shall be sent free of charge to any unit holders who so request and shall be available at the Fund Company and the Depository.

Changes to the Fund regulations may only be made following a decision by the board of the Fund Company and shall be submitted to the Swedish Financial Supervisory

Authority for approval. Following approval of a change, the decision shall be available at the Fund Company and the Depository and shall be made public in the manner stated by the Swedish Financial Supervisory Authority.

#### **§ 15 Pledging and assignment**

Pledging of units shall be notified in writing to the Fund Company. Notification shall state the unit holder, the pledgee, which shares are covered by the pledge and any limitations on the scope of the pledge. Unit holders shall be informed in writing that the Fund Company has made a note regarding the pledge in the unit holders' register.

The pledge ceases when the pledgee has notified the Fund Company in writing thereof.

When the pledge has ceased, details regarding the pledge are removed.

The Fund Company is entitled to compensation of maximum 500 SEK from the unit holder for the registration.

#### **§ 16 Limitation of liability**

Each unit holder shall study in detail the risks that are associated with the financial instruments in which the Fund invests as stated in the fact sheet and the information brochure.

The following liability limitations for the Fund Company also apply to the Depository.

The Fund Company is not liable for any loss arising from a legal enactment, official measure, act of war, strike, blockade, boycott, lockout or other similar circumstance, such as computer or telephone faults. The reservation regarding a strike, blockade, boycott and lockout also applies if the Fund Company is the object of or takes such a conflict measure.

Any losses that arise in other cases will not be compensated by the Fund Company if normal caution has been observed.

The Fund Company is not liable in any event for any indirect loss, nor is it liable for any loss caused by a custodial bank or other agent which the Fund Company has engaged with appropriate care. Nor is the Fund Company liable for any loss that could arise by reason of a restriction on disposition that could be applied against the Fund Company.

If the Fund Company is prevented from taking action as a result of circumstances stated in the second paragraph, such action shall be postponed until the impediment has ceased.

If, as a result of such a circumstance, the Fund Company is prevented from executing or receiving payment, the Fund Company shall not be under any obligation to pay penalty interest.

Notwithstanding the above, Ch. 2 § 21 of the Swedish Investment Funds Act (2004:46) shall always apply.

# General Information about Simplicity

## The Management Company

Simplicity AB	556611-4723
Company founded on	2001.05.10
Equity	sek 3.000.000
Company Headquarters	Varberg
Owner	Simplicity Holding AB
Address	Södra Hamnvägen 12, 432 44 Varberg, Sweden
Phone	+46 340-219500
Webpage	www.simplicity.se
E-mail	contact@simplicity.se
Supervisory authority	Finansinspektionen (The Swedish FSA)

Authorization to conduct fund activity was given by The Swedish Financial Supervisory Authority 2002.09.02 and the license was renewed in accordance with new legislation 2004.12.22.

## Simplicity manages the following UCITS funds

- Simplicity Sverige
- Simplicity Småbolag Sverige
- Simplicity Norden
- Simplicity Småbolag Global
- Simplicity Fastigheter
- Simplicity Green Impact
- Simplicity Likviditet
- Simplicity Företagsobligationer
- Simplicity Global Corporate Bond
- Simplicity High Yield
- Simplicity Palma
- Simplicity Maturity 2027

## Board

Chairman: Jonas Wollin – CEO, Rudholm Group Holding AB  
Board member: Michael Lindengren – Chairman, Acrap AB  
Board member: Ulf Ingemarson – CEO, Simplicity AB  
Board member: Hans Bergqvist – Simplicity AB  
Board member: Henrik Tingstorp – Simplicity AB  
Board member: Johanna Ingemarson – Simplicity AB

## Senior Executives

Ulf Ingemarson – CEO, Fund Manager  
Hans Bergqvist – Vice President, IT and Marketing Manager  
Henrik Tingstorp – Vice President, Fund Manager  
Simon Hansen – Risk Manager

## Auditor

Carl Fogelberg – PwC AB

## Third-party agreements

Simplicity AB has chosen to outsource its compliance function. Currently, this function is held by Harvest Advokatbyrå AB with lawyer Björn Wendleby as responsible. Simplicity AB has also chosen to outsource the independent internal audit function at the company to Lüscher & Co Revision AB with Leif Lüscher as responsible.

## 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.

## Register of unitholders

The fund company keeps records of all its shareholders and their current holdings. The unitholders' current holdings are specified on their annual statement, which also include information for their tax returns.

## Subscriptions of fund units

Subscriptions of fund units can be made daily in both the equity funds and fixed income funds, directly through the fund company or via any investment platform

where the company's funds are available. Fund units will not be issued until payment has been made to the fund. For distributors' purchase of fund units can be made before payment, if stated in the distribution agreement. The checks that Simplicity must conduct under the Anti Money Laundering Act may also affect the timing of, and possibility to execute unit purchases. The price of the fund units is calculated in accordance with section 8 of the fund rules. Therefore, the price of the fund units is not known for the investor when the subscription request is made. It is not possible to limit purchase or redemption orders. New customers must disclose and submit documentation to the fund company.

Additional information about subscription and redemption of fund units, as well as necessary forms, can be found on the website, [www.simplicity.se](http://www.simplicity.se) or obtained from customer service at +46 (0) 340-219500.

## Redemption of fund units

Redemption of fund units can be made daily in both the equity funds and the fixed income funds, directly through the fund company or via any investment platform where the company's funds are available. Cash is paid after the redemption has been effected, usually within three (3) banking days for our equity funds, Simplicity Företagsobligationer, Simplicity Global Corporate Bond and two (2) banking days for Simplicity Likviditet. The cash will be paid to the bank account instructed by the unitholder. If correct documentation has not been provided before, it must be made in connection with the redemption order.

Additional information about subscription and redemption of fund units, as well as necessary forms, can be found on the website, [www.simplicity.se](http://www.simplicity.se) or obtained from customer service at +46 (0) 340-219500.

## Cut-off times for subscription and redemption

Below stated cut-off times apply for latest subscription and redemption in Simplicity's funds during full banking days:

Fund	Subscription	Redemption
Simplicity Sverige	14.00	14.00
Simplicity Småbolag Sverige	14.00	14.00
Simplicity Norden	14.00	14.00
Simplicity Småbolag Global	08.00	08.00
Simplicity Fastigheter	14.00	14.00
Simplicity Green Impact	08.00	08.00
Simplicity Likviditet	14.00	14.00
Simplicity Företagsobligationer	14.00	14.00
Simplicity Global Corporate Bond	14.00	14.00
Simplicity High Yield	14.00	14.00
Simplicity Palma	08.00	08.00
Simplicity Maturity 2027	08.00 T-1	08.00 T-1

Below stated cut-off times apply for latest subscription and redemption for half banking days:

Fund	Subscription	Redemption
Simplicity Sverige	11.00	11.00
Simplicity Småbolag Sverige	11.00	11.00
Simplicity Norden	11.00	11.00
Simplicity Småbolag Global	08.00	08.00
Simplicity Fastigheter	11.00	11.00
Simplicity Green Impact	08.00	08.00
Simplicity Likviditet	11.00	11.00
Simplicity Företagsobligationer	11.00	11.00
Simplicity Global Corporate Bond	11.00	11.00
Simplicity High Yield	11.00	11.00
Simplicity Palma	08.00	08.00
Simplicity Maturity 2027	08.00 T-1	08.00 T-1

## Tax rules

Mutual funds do not pay tax on income in Sweden. 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. 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 % of the value at the beginning of the calendar year. This is taxed as capital income at 30 % for private investors and Swedish estates of deceased individuals. This in turn entails a tax exemption of 0.12 % per year. For example, a fund holding at the beginning of the year of 100.000 SEK generates a tax of 120 SEK  $(100.000 \cdot 0,4 \% \cdot 30 \%)$ . For legal entities the income is taxable as income from business operations. The tax rate is approximately 0.11 % per year. The fund company reports imputed income and capital gains 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.

## Risks associated with investing in mutual funds

Investing in mutual funds is always associated with a certain degree of risk taking. This risk stems primarily from the possibility of the investment decreasing in value. Generally, investing in equity funds carries a higher risk compared to investing in money market funds, corporate bond funds or mixed funds. For more information on the specific risks associated with the individual funds' investment strategies, please see each respective fund's KIID and risk profile.

## Annual report and semiannual report

The fund company prepares annual reports and semiannual reports for each fund. These are offered upon request free of charge to unitholders no later than four months after the end of the fiscal year and two months after the middle of the year. The annual and interim reports are also published on the company's website.

## Net asset value (NAV) of fund units

The most recent calculated net asset value (NAV) of a fund unit for each fund is published on the fund management company's website, [www.simplicity.se](http://www.simplicity.se).

## Incorrect net asset value (NAV)

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

## Marketing in countries outside of Sweden

Funds managed by Simplicity AB may be marketed in below countries:

### Norway

- Simplicity Norden
- Simplicity Sverige
- Simplicity Småbolag Sverige
- Simplicity Småbolag Global
- Simplicity Företagsobligationer
- Simplicity Global Corporate Bond
- Simplicity Likviditet

### Luxembourg

- Simplicity Norden
- Simplicity Företagsobligationer
- Simplicity Global Corporate Bond
- Simplicity Likviditet

### Spain

- Simplicity Norden
- Simplicity Företagsobligationer

### Portugal

- Simplicity Norden
- Simplicity Företagsobligationer

Simplicity AB has entered into agreements with distributors in countries where the funds are marketed. The distributors assist end-user with all the information about sales/redemptions and information about the funds.

## Complaints

Vice president Hans Bergqvist is responsible for complaints and claims at Simplicity and can be contacted at Simplicity AB's address and telephone. For more information regarding complaints, see the company's website.

## Liability

Simplicity will reimburse unit holders for damages the fund company have inflicted on a UCITS-fund resulting from a breach of the Swedish Investment Funds Act or the fund rules.

## Winding up of fund or transfer of fund business

If the fund company decides to transfer the fund's management to another fund company, with the consent of the Swedish Financial Supervisory Authority, all shareholders will be informed accordingly. The information will be published in Post- och Inrikes Tidningar and be available for inspection at the fund management company and the depositary. The management of the fund will immediately be taken over by the custodian if the Financial Supervisory Authority withdraws the fund company's license or if the fund company becomes liquidated or bankrupt. The depositary 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.

## Processing of personal data

All processing of personal data is within the scope of the Personal Information Act and the confidentiality rules applicable to fund operations. Personal data provided to Simplicity AB are processed in computer systems to the extent necessary to fulfill the fund company's obligation to hold shareholder registers, to provide services related to the fund company's activities and identity checks. Personal data is also collected in order for Simplicity AB to fulfill other legal obligations and for marketing purposes, statistics and analysis. The information may have been provided in connection to the conclusion of an agreement, or otherwise in connection to customer or contractual relations. The data may be supplemented or checked using public records such as SPAR. The processing of personal data takes place in the context of the Personal Data Act and the confidentiality rules applicable to fund operations. Personal data may also be used for administrative or marketing purposes by companies that Simplicity use for such activities. If you do not want to receive promotional material, you can notify Simplicity at the company's mailing address. You can also send a request for correction of personal data if current information is incomplete or incorrect, as well as request information about what personal data the company has stored about you.

## Information brochures, KIID and financial advice

According to the Swedish Investment Funds Act, current information brochures and KIID for each mutual fund shall be available. The content shall include the fund rules and the information needed to assess the fund's activities. Information brochures and KIID are prepared in accordance with the Swedish Financial Supervisory Authority's regulations and current law. The information provided in information brochures, KIID or in other material published by the company shall not be considered as the Fund company's recommendation to acquire fund units. Each investor, private or institutional, is to make its own assessment of the risks that may be associated with an investment in any of the funds. Simplicity give no advice on the suitability to invest at a certain time, but rather limits the marketing to historical information about the development of the funds and the opportunities and risks associated with its security investments. The information is general and not intended as individual advice. In some parts of the material, information referred to as "statistical studies" and "simulations" are presented. These include test results obtained by using algorithms that govern purchase and sale decisions in placement models on historical data. Simplicity AB cannot ensure the accuracy of these historical databases and, therefore, cannot ensure that the results mentioned are correct. There are no guarantees for an investment in Simplicity's funds not leading to capital loss. Historical returns are no guarantee of future returns. The money invested in the fund can both increase and decrease in value and it is not certain that you regain your invested capital.

## Ownership policy

Simplicity applies as ownership policy for the funds not to exercise active ownership control except in ESG related issues, exceptional cases and if the Board finds it justified. The fund company's contact person in ownership issues is CEO Ulf Ingemarson. For detailed information, see Simplicity's website, [www.simplicity.se](http://www.simplicity.se).



### Remuneration policy

The Board of Simplicity AB has established a compensation policy that covers all employees of the fund company. The compensation policy is designed in accordance with the Swedish Financial Supervisory Authority's regulations. The compensation system should promote sound business, efficient risk management and counteract excessive risk taking. The compensation system will encourage long-term stability in Simplicity's operations. At Simplicity, integration of sustainability risks is a central part of the business, which is also taken into account when calculating compensation for employees. When the fund company determines compensation for an employee, it is taken into account that the employee follows internal rules and instructions. By taking sustainability risks into account when determining compensation for employees, employees are encouraged to contribute to Simplicity's work with sustainability issues and management of sustainability risks in the business. The employees at Simplicity AB will be compensated with a fixed salary. In addition, variable compensation can be added. The company shall base a performance-based compensation on employee performance as well as the result account for by the affected business unit and overall company. All employees entitled to variable compensation have a fixed salary at a level that makes it possible to set the variable compensation to zero. Thus, the variable compensation can be zero for a single individual at low profitability or deficiencies in goal achievement. For an employee exercising a non-material influence on the company's risk level, a so-called specially regulated person, payment of a decided variable salary shall be postponed for at least three years for at least 40 percent of the payment. For specially regulated employees whose variable remuneration amounts to a particularly high amount, the Company shall postpone at least 60 % of the compensation.

The Company may pay or transfer the deferred compensation once a year, evenly distributed over the period of the compensation being postponed. In case the Company's Board of Directors intends to grant and pay variable compensation, the Company shall consider how these may affect long-term earnings. When the Company determines the basis for compensations, it should be noted that the subsequent results may be affected by current and future risks. In its performance measurement, the company shall consider the actual costs of holding the capital and liquidity arising from the activity that the profit measurement relates to. For more information on compensation, please refer to the Funds Annual Reports and Simplicity Annual Report. The fund company's compensation policy can be provided free of charge upon the shareholders' request.

### Swedish Investment Fund Association

Simplicity is a member of the Swedish Investment Fund Association. Simplicity follows the guidelines set up by the association.

### Translation

This is a translation of the Swedish information brochure and fund rules. In case of any discrepancy between the Swedish-language version and any translation thereof, the Swedish-language version shall prevail and the Fund terms and conditions shall be construed in accordance with the Swedish-language version.

### Publication

This information brochure is accurate as of April 2, 2024.