



**Simplicity.**

SIMPLICITY

# **MATURITY 2028**

**Prospectus**

Publication: 10.18.2024



# Simplicity Maturity 2028

Simplicity Maturity 2028 allows you to manage the risks in your savings with a fund that has a given maturity date and that can be used as a complement to traditional fixed income savings.

## Objective and investment orientation

Simplicity Maturity 2028 is a long-term fixed income fund with a focus on investments in mainly Nordic corporate bonds. The fund's investment strategy intends to have a fixed maturity until 2028-12-31 (maturity date) at the latest. In 2028, the fund aims to pay out the fund assets to the fund unit holders. After the fixed-term investment strategy, the fund will cease to change its strategy if it has not been wound up or merged with another fund.

The fund is actively managed and does not track any index. The objective is to achieve the highest possible value growth of the Fund's assets with regard to the Fund's investment orientation.

The Fund may invest in corporate loans with a low credit rating (high yield), a high credit rating (investment grade) or in companies that do not have a credit rating. The fund invests at least 25% of its assets in corporate bonds issued by companies with high credit ratings. Simplicity Maturity 2028 invests in bonds issued by companies that the fund manager is well acquainted with.

The Fund promotes social and environmental characteristics. Deposits and withdrawals from the fund can normally be made on a daily basis, but it is not advantageous to either buy or dispose of the fund during the life of the fund or early when the selling fee and redemption fee are high (5%). The purpose of the fund is for the investor to invest at the time of inception (no sales fee is payable) and to receive the invested capital and received return at the maturity date of the fund (no redemption fee is payable in connection with the fund's maturity). The company will provide timely notice to unitholders regarding the exact date in 2028 when redemption fees will no longer apply.

The Fund's assets are invested in transferable securities, fund units, money market instruments, investments in accounts with credit institutions and derivative instruments. The fund assets also include the cash and cash equivalents needed to manage the fund. As part of its management, the Fund may trade in derivative instruments, including OTC derivatives. The Fund's assets may be invested in transferable securities and money market instruments referred to in Chapter 5. Section 5, first paragraph, LVF ("unlisted") corresponding to a holding of a maximum of 10 per cent of the fund's value. The fund uses currency forwards to hedge securities issued in foreign currency. The intention is for the fund to be fully currency-hedged at all times. The fund also uses interest rate derivatives to create duration based on the fund's maturity date. The fund may invest a maximum of 10% of its assets in fund units.

The Fund is authorized by the Swedish Financial Supervisory Authority to invest its funds in accordance with Chapter 5, Section 8 of the LVF. The Fund may invest more than 35 per cent of the Fund's assets in bonds and other debt securities issued or guaranteed by the Swedish State, municipalities or other municipal authorities.

Deposits and withdrawals from the fund can normally be made on all Swedish banking days.

## Share classes

The fund has six share classes: A, B, C, D, E and F.

- Share class A is accumulative, which normally means that no dividends are paid but all income is reinvested. The maximum fee is 1.0% per year.
- Share class B is a distributing share class. Dividends are paid quarterly and are paid during the first month after the end of the quarter. The fund management company decides on the amount of dividend to be paid to fund unit holders in share class B on a quarterly basis. However, the dividend may be set at a higher or lower amount. The maximum fee is 1.0% per year.
- Unit class C is a distributing share class. Dividends are paid annually and are paid during the month of April. The fund management company decides annually on the amount of dividend to be paid to unitholders in unit class C. The starting point for the size of the dividend is the interest payments received from the fund's holdings in the previous financial year, attributable to the unit class. However, the dividend may be set at a higher or lower amount. The maximum fee is 1.0% per year.
- Share class D is accumulative, which normally means that no dividends are paid but all income is reinvested. The share class is subject to special conditions for distribution and can only be purchased through certain external distributors in accordance with § 9 of the fund rules. The maximum fee is 0.55% per year.
- Unit class E is a distributing share class. Dividends are paid quarterly and are paid during the first month after the end of the quarter. The fund management company decides on the amount of dividends to be paid to fund unit holders in unit class E on a quarterly basis. However, the dividend may be set at a higher or lower amount. The share class is subject to special conditions for distribution and can only be purchased through certain external distributors in accordance with § 9 of the fund rules. The maximum fee is 0.55% per year.
- Unit class F is a distributing share class. Dividends are paid annually and are paid during the month of April. The fund management company decides annually on the amount of dividend to be paid to unitholders in unit class F. The starting point for the size of the dividend is the interest payments received from the fund's holdings in the previous financial year,

attributable to the unit class. However, the dividend may be set at a higher or lower amount. The share class is subject to special conditions for distribution and can only be purchased through certain external distributors in accordance with § 9 of the fund rules. The maximum fee is 0.55% per year.

The quarterly and annual dividends of share classes B and C do not affect the net asset value of share class A.

The quarterly and annual dividends of share classes E and F do not affect the net asset value of share class D.

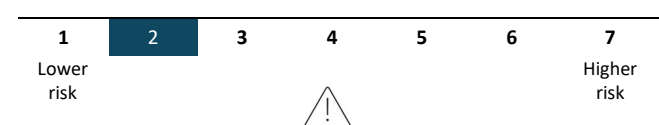
### Historical return

The fund started on October 18, 2024 and therefore has no previous results to show.

### Who should invest in the fund?

Simplicity Maturity 2028 is aimed at those who want to supplement their fixed income savings with higher expected returns and risk. You should have an investment horizon that extends until 2028-12-31.

### The fund's risk profile



The risk indicator assumes that you hold the product until 2028-12-31

The summary risk indicator provides guidance on the level of risk of this product compared to other products. It shows how likely it is that the product will depreciate in value due to market developments. The fund is classified as 2 out of 7, i.e. a low risk class. This means that the fund has a low risk of ups and downs in the unit value. Below is a description of the fund's specific risks that exist due to its investment strategy.

**MARKET RISK** – the risk consists of a security depreciating in value as a result of changes in the market condition. A downturn in the market as a result of an economic downturn, unexpected world events, natural disasters, etc., are examples of market risk. The fund has a strong connection to the corporate bond market and movements in this market will affect the fund's price.

**CURRENCY RISK** – the risk consists of securities depreciating in value when invested in another currency as a result of changes in the exchange rate. In Simplicity Maturity 2028, investments in foreign currency are hedged against the Swedish krona. The intention is that the fund will be currency hedged in its entirety at all times.

**LIQUIDITY RISK** – the risk consists of the holdings becoming difficult to value, cannot be sold at a certain time or sold at a reasonable price. Transparency and liquidity in the corporate bond market are poorer than in the stock market, for example. The liquidity risk in corporate bond funds is therefore usually higher than in short-term fixed income funds and equity funds. The risk varies between different corporate bonds and can also

vary over time and depending on the market situation. The risk is generally higher in assets with higher credit risk. In more stressed market conditions where demand for corporate bonds decreases, larger withdrawals from the fund may result in assets being sold at unfavourable prices and that redemption of fund units in extreme cases cannot take place immediately after request. The risk places increased demands on the composition of the portfolio. The liquidity risk of the Fund's assets is regularly evaluated.

**SUSTAINABILITY RISK** – the risk means that the occurrence of an environmental, social or governance circumstance may have an actual or potential significant adverse impact on the value of an investment. For example, weak corporate governance and control structures in a company can lead to misconduct that can negatively affect the company's share price. Integrating sustainability risks into investment decisions is crucial to achieving long-term good returns. The fund manages sustainability risks partly by integrating sustainability into the investment process and investment decisions, and partly through the exclusion criteria that Simplicity applies.

**CREDIT RISK** – credit risk refers to the ability of the issuer of a financial instrument and, ultimately, the fact that the issuer is unable to meet its obligations due to bankruptcy or default. The credit risk may be higher in this type of fixed income fund compared to a fixed income fund that only invests in securities with a high credit rating or with a shorter time to maturity. The fund invests at least 25 percent of its assets in corporate bonds, issued by companies, with a high credit rating, so-called investment grade. Other investments can be made in corporate bonds with low or no credit rating. Higher credit risk usually entails increased price fluctuations but also the possibility of higher returns. The creditworthiness of each individual holding is evaluated on an ongoing basis by the nominees. The fund's credit duration is the fund's maturity date. The Fund may only invest in asset classes that have a maturity date earlier than 31/12/2028 at the time of investment. Should any holding be extended in the event of a restructuring or corporate event, the holding must be divested before the maturity date of the fund. After the 1st of January 2029, the fund's duration (average fixed interest period) and average maturity may amount to a maximum of one year.

**INTEREST RATE RISK** – the risk that describes a fixed income fund's sensitivity to changes in market interest rates. The risk means that the value of the holdings may fall as a result of changes in the market interest rate. The interest rate risk is elevated in the fund as it uses instruments to create a fixed interest rate. After the first of January 2029, the fund's duration (average fixed interest period) may amount to a maximum of one year.

**DERIVATIVES** – the fund may trade in derivatives as part of its investment strategy. The purpose is to hedge the fund's holdings, and to create duration based on the fund's maturity date. Trading in derivative instruments may entail increased counterparty risk in connection with any excess collateral provided to the

counterparty. The calculation of the total exposure in the fund is based on the commitment method, which means that positions are converted to a corresponding position in the underlying assets.

## Activity level

### Description of activity level

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

### The fund's benchmark index

The fund's benchmark index consists of 50% Bloomberg Barclays Global High Yield Total Return Index Hedged SEK and 50% S&P Sweden Investment Grade Corporate Bond Index Total Return. Bloomberg Barclays Global High Yield Total Return Index Hedged SEK is a reinvestment index that tracks the total return on corporate bonds with a lower credit rating, so-called High Yield, globally. The S&P Sweden Investment Grade Corporate Bond Index Total Return is a reinvestment index that tracks the total return on fixed-rate corporate bonds issued in SEK with a high credit rating, so-called Investment Grade. The company believes that the combination of the above-mentioned indices provides a good representation of the fund's long-term investment strategy with regard to, among other things, asset classes, credit risk, maturity and currency.

### Activity level

The fund's activity rate is described using the activity measure tracking error. Tracking error is a measure that shows how much the difference between the Fund's return and the benchmark index's return varies over time.

The activity rate is reported as a percentage and is calculated as the standard deviation for the difference in return for the difference between the Fund's and the benchmark index's returns. The higher the level of activity of the Fund, the greater the average deviation. The calculation does not take into account whether the deviation is positive or negative.

The calculation of active risk is based on monthly data from the last two calendar years. Since the fund has not been available for two years, tracking error has not been calculated for the fund.

### Applicable fee

The following is information on the applicable fees charged by the fund management company on the sale and redemption of fund units and the fees charged to the fund in 2024 for management, including costs for custody, supervision and auditors.

Share classes A, B and C

|   |        |
|---|--------|
| Sales Fee   | 5 %    |
| Redemption fee  | 5 %    |
| Maintenance fee including storage, supervision and auditing | 1,00 % |

Share classes D, E and F

|   |        |
|---|--------|
| Sales Fee   | 5 %    |
| Redemption fee  | 5 %    |
| Maintenance fee including storage, supervision and auditing | 0,55 % |

At the fund's start date, there is no deposit fee.

### Maximum fee

The maximum fee the fund management company may charge in accordance with the fund rules for the sale and redemption of fund units and for management, including costs for safekeeping, supervision and auditors, is provided below. 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 remuneration to suppliers of analysis services and similar services. The Fund may be charged with costs for analysis.

### Share classes A, B and C

|   |        |
|---|--------|
| Sales Fee   | 5 %    |
| Redemption fee  | 5 %    |
| Maintenance fee including storage, supervision and auditing | 1,00 % |

### Share classes D, E and F

|   |        |
|---|--------|
| Sales Fee   | 5 %    |
| Redemption fee  | 5 %    |
| Maintenance fee including storage, supervision and auditing | 0,55 % |

At the fund's start date, there is no deposit fee.

### Depositary

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

Registered office: Stockholm

Organization number: 502032-9081

Legal form of depositary: Limited liability company

Main activity of the depositary: Banking

The depositary shall, among other things, monitor the fund's cash flows, store the fund's assets and execute the Company's instructions. Furthermore, the depositary shall ensure that the sale and redemption of fund units, the valuation of fund units and the use of the fund's funds are carried out in accordance with the law and the fund's fund rules. SEB has procedures in place to be able to identify, manage, monitor and report any conflicts of interest. As the depositary is part of SEB, conflicts of interest may arise between the depositary's operations and other activities within SEB and its subsidiaries. The depositary has a legal obligation to identify and manage such conflicts of interest and to disclose the conflicts of interest to the fund's investors. Examples of activities that may involve conflicts of interest are:



(i) Provision of nominee registration, performance of fund administration, establishment of unitholder registers, analysis, securities loan management, asset management, investment advice and/or other advisory services to the fund;

(ii) Participation in banking, securities trading, including foreign exchange trading, derivatives 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 to ensure that potential conflicts of interest do not adversely affect the fund and its investors, the depositary and other operations within SEB are functionally and organisationally separate. The depositary's operations are always managed on the basis of safeguarding the interests of the unitholders and in accordance with prevailing market conditions.

SEB may delegate parts of its operations to one or more external companies, including other custodian banks appointed by the depositary from time to time. The tasks that may be delegated, according to the UCITS Directive and applicable Swedish regulations, are storage and listing. The depositary shall act with due skill, diligence and care in its selection, continued engagement and supervision of the party to whom depositary functions have been delegated.

For the fund's current markets, the depositary has commissioned the following custodian banks to perform custody functions:

Denmark SEB AB, branch in Denmark

Norway SEB AB, branch in Norway

Finland SEB AB, branch in Finland

In addition to what is stated in the table above, custody may be delegated to Euroclear Bank NV, as custody in many countries can be done through either a local bank or Euroclear NV. Up-to-date information about the depositary can be obtained free of charge from the fund management company.

#### **Responsible investments**

More information on the Fund's sustainability work can be found in the appendix to this document.

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Simplicity Maturity 2028  
Legal entity identifier: 636700MDX3SEMATLMG25

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

☐

It will make a minimum of sustainable investments with an environmental objective: \_\_\_\_%

☐

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐

It will make a minimum of sustainable investments with a social objective: \_\_\_\_%

☐

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0 % of sustainable investments.

☐

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐

with a social objectiveett

☒

It promotes E/S characteristics, but will not make any sustainable investments

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

The fund promotes environmental and social characteristics by exclusion, inclusion, norm-based screening, and engagement.

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>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>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>Norm-based screening</b>                                       | Exposure to companies violating international conventions and norms, for example UN Global Compact and OECD Guidelines for Multinational Enterprises.   | The fund excludes companies that systematically violate international norms and conventions, without 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).<br><br>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.<br><br>Simplicity engages with companies to encourage them to set an SBT. |

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

|                          |   |  |
|--------------------------|---|--|
| <b>UN Global Compact</b> | <p>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.</p> <p>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.</p> | <p>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%.</p> <p>Simplicity engages with companies to encourage them join the UN Global Compact. The goals are company-wide, which means that the percentage may be lower than the sub-targets for an individual fund.</p> |
|--------------------------|---|--|

**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.

*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. GHG emissions

PAI 2. Carbon footprint

PAI 3. GHG intensity of investee companies

PAI 4. Exposure to companies active in the fossil fuel sector

PAI 5. Share of non-renewable energy consumption and production

PAI 6. Energy consumption intensity per sector with significant climate impact

PAI 7. Activities negatively affecting biodiversity-sensitive areas

PAI 8. Emissions to water

PAI 9. Hazardous waste and radioactive waste

PAI 10. Violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

PAI 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

PAI 12. Unadjusted gender pay gap

PAI 13. Board gender diversity

PAI 14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)

PAI 15. Investments in companies without carbon emission reduction initiatives

PAI 16. 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/>.

☐ Nej

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

The fund is an actively managed fixed income fund with investments in corporate bonds and commercial paper primarily tied to the Nordic region. The fund's investment strategy aims to have a maturity until December 31, 2028 (maturity date). After January 1, 2029, the fund transitions to being managed with maturities that, on average, do not exceed one year.

The fund will invest at least 25% in corporate bonds issued by companies with high credit ratings, known as investment-grade. In addition to these investments, the fund will invest in corporate bonds with low or no credit ratings, known as high yield. The fund aims, with respect to its investment focus, to achieve the highest possible value growth for the fund's assets and, in the base scenario, provide a return equivalent to the fund's interest income. The fund also aims to deliver a positive return annually.

Additionally, the fund aims to distribute the fund's assets to shareholders by the end of 2028. In exceptionally extraordinary market conditions, the fund aims to achieve a positive return within a two-year period. Extraordinarily events refer to situations where the risk, measured as market volatility, is higher than normal.

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

Sustainability is a central part of the investment process, and the fund follows the fund company's policy for responsible investments. The fund promotes environmental and social characteristics. Sustainability factors are considered to have a neutral effect on the fund's return.

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.
- 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 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?***

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.

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

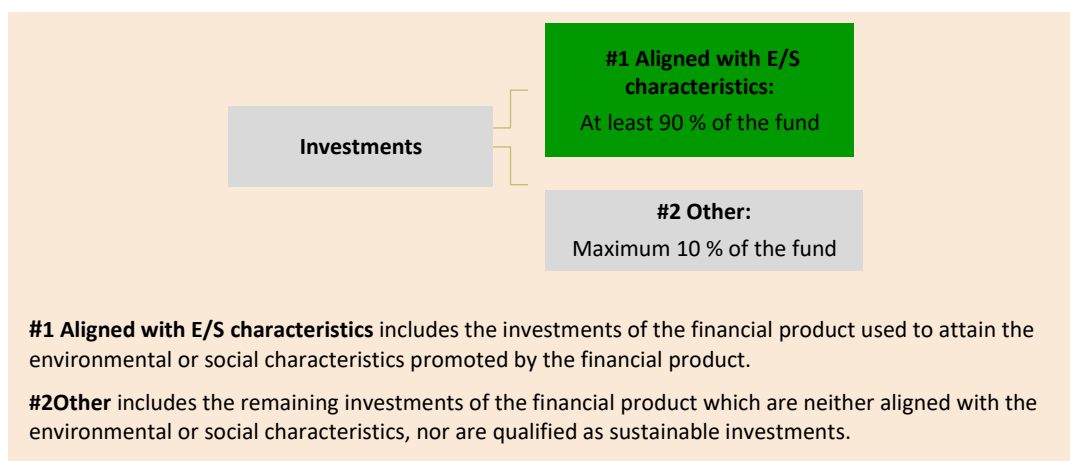
The fund will typically have the following distribution:

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

All investments in bonds.

**#2 Other: maximum 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?**

The fund uses currency forwards to hedge bonds issued in foreign currencies. The intention is for the fund to be fully currency hedged. The fund also uses interest rate derivatives to create duration based on the fund's maturity date. 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 bonds in currencies other than Swedish. By using derivatives, the fund's investment universe for bonds that promotes environmental or social characteristics 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.

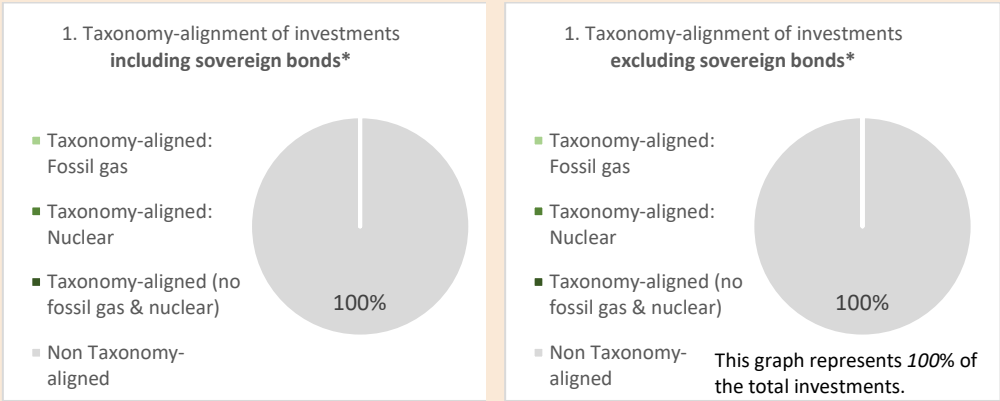
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup>**

☒ 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.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.

● **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.



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

The fund has not set a minimum percentage for sustainable investments with an environmental objective that is not aligned with the EU Taxonomy.



**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/maturity-2028-eng>



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

## Fund Rules Simplicity Maturity 2028

### § 1 The legal position of the Fund

The name of the fund is Simplicity Maturity 2028, hereinafter referred to as "the Fund." The Fund is an investment fund according to the Securities Funds Act (2004:46) (Lagen om Värdepappersfonder, LVF).

The Fund's assets are collectively owned by the unit holders. The units within each respective share class are of equal size and entail equal rights to the assets included in the Fund.

The Fund consists of the following share classes:

- Share Class A – Accumulating (non-distributing), management fee up to 1.0% per year
- Share Class B – Distributing quarterly, management fee up to 1.0% per year
- Share Class C – Distributing, management fee up to 1.0% per year
- Share Class D – Accumulating (non-distributing), management fee up to 0.55% per year with distribution conditions
- Share Class E – Distributing quarterly, management fee up to 0.55% per year with distribution conditions
- Share Class F – Distributing, management fee up to 0.55% per year with distribution conditions

The Fund cannot acquire rights or assume obligations. The fund management company specified in § 2 represents the unit holders in matters concerning the investment fund, decides on the assets included in the Fund, and exercises the rights arising from the assets.

The operations are conducted in accordance with these fund rules, the articles of association for the fund management company, LVF, and other applicable regulations.

### § 2 Fund Manager

The Fund is managed by Simplicity AB, registration number 556611-4723, hereinafter referred to as the 'Fund Company'.

### § 3 Custodian and its tasks

The custodian institution for the fund's assets is Skandinaviska Enskilda Banken AB (publ), registration number 502032-9081 (the "Custodian").

The Custodian shall receive and hold the assets included in the Fund and execute the instructions of the Fund Company regarding the investment fund, provided they do not conflict

with the provisions of the Securities Funds Act, other regulations, or these fund rules. The Custodian shall ensure that:

- the sale, redemption, and cancellation of fund units are conducted in accordance with the provisions of the law and the fund rules,
- the value of the fund units is calculated according to the provisions of the law and the fund rules,
- payments for transactions related to the Fund's assets are promptly deposited into the Fund, and
- the Fund's income is used in accordance with the provisions of the law and the fund rules.

The Custodian shall act independently of the Fund Company and solely in the interests of the unit holders.

### § 4 The nature of the Fund

The Fund is an actively managed bond fund with investments in corporate bonds and commercial papers, primarily geographically tied to the Nordic region. The Fund's investment strategy aims to have maturity until 2028-12-31 (maturity date). After January 1, 2029, the Fund transitions to being managed with average maturities not exceeding one year.

The Fund's investments will be primarily in corporate bonds or corporate credits with low credit ratings (so-called high yield) and in companies that do not have a credit rating. However, at least 25% of the Fund's investments must be in companies with good creditworthiness (Investment Grade).

The Fund aims to achieve the highest possible value growth for its assets, given the Fund's investment orientation, and, in the base scenario, provide a return equivalent to the Fund's interest income. The Fund further aims to deliver a positive return annually.

The Fund also aims to distribute its assets to the unitholders during 2028.

Under extraordinary market conditions, the Fund aims to deliver a positive return within a two-year period. Extraordinary conditions are defined as situations where market risk, measured as volatility, exceeds normal levels.

### § 5 The Fund's investment orientation

The Fund may invest in transferable securities, fund units, money market instruments, placements on accounts, and derivative instruments. Derivative instruments refer to instruments such as futures, swaps, and options, where the underlying asset consists of or relates to interest-bearing transferable securities, money market instruments, interest rates, exchange rates, foreign currencies, or financial indices.

The Fund will invest at least 25% in corporate bonds issued by companies with high creditworthiness, so-called Investment Grade. For corporate bonds issued by companies without a credit rating, the Fund Company will assess whether it should be classified as an Investment Grade investment. In addition to these investments, the Fund may invest in corporate bonds with low or no credit ratings, so-called High Yield. The net asset value of the Fund may fluctuate more as the proportion of assets invested in securities with low or no credit ratings increases. Corporate bonds and corporate credits with lower creditworthiness typically entail higher potential returns but also higher risks in terms of the company's ability to meet its interest and debt obligations.

The definition of High Yield is based on the S&P scale for corporate bonds or issuers of corporate bonds that have a credit rating lower than BB+ or an equivalent credit rating from another credit rating agency, or, if they lack an official rating, are deemed to have an equivalent credit risk.

### § 6 Market places

The Fund's assets may be placed on a regulated market within the EEA or on an equivalent market outside the EEA. Trading may also take place on another markets within or outside the EEA that is regulated and open to the public.

### § 7 Special investment orientation

The Fund may invest in such transferable securities and money market instruments as referred to in Chapter 5, Section 5 of the Securities Funds Act (LVF).

The Fund may use derivative instruments as part of its investment strategy.

The Fund may invest in such derivative instruments as referred to in Chapter 5, Section 12, second paragraph of the LVF (OTC derivatives). Such investments will primarily be used to fully hedge the Fund and to manage the duration in line with

the Fund's maturity date. The Fund will consistently use currency derivatives to fully hedge its holdings against currency fluctuations.

The Fund is authorized by the Swedish Financial Supervisory Authority (Finansinspektionen) to invest its assets in accordance with Chapter 5, Section 8 of the LVF. The Fund may invest more than 35% of its assets in bonds and other debt instruments issued and/or guaranteed by the Swedish state, a Swedish municipality, or a Swedish state or municipal authority. However, the debt instruments must originate from at least six different issuances, and those from the same issuance may not exceed 30% of the Fund's value.

## § 8 Valuation

The value of the Fund is calculated by deducting from the assets any liabilities related to the Fund, including, among other things, accrued taxes as determined by the Fund Company, and the fees specified in § 11 below.

Valuation of transferable securities, fund units, money market instruments, deposits with credit institutions, and derivative instruments is done at the prevailing market value. Market value refers to the latest sale price, or if unavailable, the latest purchase price, or if neither is available, the latest bid price. If such market value cannot be obtained or is deemed misleading by the Fund Company, they may record the assets at a value determined by the Fund Company on objective grounds. Objective grounds refer to obtaining a market value through a special valuation based on information about the last paid price or indicative purchase prices from a market maker, if such is appointed for the issuer. If such information is lacking or deemed unreliable by the Fund Company, the market value is determined based on information from an independent party or other external, independent sources. If the market for a particular security is not active, valuation may be performed using a generally accepted valuation method established in the market, such as discounted cash flow analysis or comparison with other similar transactions that occurred under market conditions in the recent past.

For OTC derivatives, market value is primarily determined by the market price on an active market. If such a market value is unavailable, the market value should be determined using a valuation method established in the market, such as Black & Scholes and Black 76.

For transferable securities and money market instruments as referred to in Chapter 5, Section 5 of the Securities Funds Act (LVF), the market value is determined according to the procedures described above.

Since the Fund consists of different share classes, the value of a fund unit will be determined taking into account the conditions associated with each share class. The value of a fund unit in a share class in the Fund is equal to the value of the share class divided by the number of outstanding units in the respective share class. The units in each share class shall be of equal size.

The value per fund unit shall be determined by the Fund Company on every banking day.

In the preparation of annual and semi-annual reports, a closing price will be used if the last trading day does not coincide with the closing date.

The Fund's trading days will be available on the company's website ([www.simplicity.se](http://www.simplicity.se)).

## § 9 Sale and redemption of fund units

Fund units are sold and redeemed by the Fund Company. Sales (unit holders' purchases) and redemptions can typically occur daily.

The Fund consists of the following share classes:

### Share Class A

Sales and redemptions of units are conducted in SEK. The minimum sales

amount is SEK 50,000. Sales and redemptions can typically occur daily.

### Share Class B

Sales and redemptions of units are conducted in SEK. The minimum sales amount is SEK 50,000. Sales and redemptions can typically occur daily.

### Share Class C

Sales and redemptions of units are conducted in SEK. The minimum sales amount is SEK 50,000. Sales and redemptions can typically occur daily.

### Share Class D

Sales and redemptions of units are conducted in SEK. The minimum sales amount is SEK 50,000. Sales and redemptions can typically occur daily. Share Class D is only open to:

- Investors who, within the framework of an agreement on investment services under Chapter 2, Section 1 of the Securities Market Act (2007:528) or equivalent Swedish or foreign regulations, invest in the Fund, and where no compensation is paid by the Fund Company to the provider of the investment service.
- Insurance companies that, within the framework of agreements with policyholders, invest in the Fund, and where no compensation is paid to the company or insurance distributor by the Fund Company.

### Share Class E

Sales and redemptions of units are conducted in SEK. The minimum sales amount is SEK 50,000. Sales and redemptions can typically occur daily. Share Class E is only open to:

- Investors who, within the framework of an agreement on investment services under Chapter 2, Section 1 of the Securities Market Act (2007:528) or equivalent Swedish or foreign regulations, invest in the Fund, and where no compensation is paid by the Fund Company to the provider of the investment service.
- Insurance companies that, within the framework of agreements with policyholders, invest in the Fund, and where no compensation is paid to the company or insurance distributor by the Fund Company.

### Share Class F

Sales and redemptions of units are conducted in SEK. The minimum sales amount is SEK 50,000. Sales and redemptions can typically occur daily. Share Class F is only open to:

- Investors who, within the framework of an agreement on investment services under Chapter 2, Section 1 of the Securities Market Act (2007:528) or equivalent Swedish or foreign regulations, invest in the Fund, and where no compensation is paid by the Fund Company to the provider of the investment service.
- Insurance companies that, within the framework of agreements with policyholders, invest in the Fund, and where no compensation is paid to the company or insurance distributor by the Fund Company.

Units in Share Class A will be transferred to Share Class D when the conditions for holding Share Class D are fulfilled.

Units in Share Class D will be transferred to Share Class A when the conditions for holding Share Class D are no longer fulfilled.

Units in Share Class B will be transferred to Share Class E when the conditions for holding Share Class E are fulfilled.

Units in Share Class E will be transferred to Share Class B when the conditions for holding Share Class E are no longer fulfilled.

Units in Share Class C will be transferred to Share Class F when the conditions for holding Share Class F are fulfilled.

Units in Share Class F will be transferred to Share Class C when the conditions for holding Share Class F are no longer fulfilled.

A request for the sale of fund units is made by depositing at least SEK 50,000 into the Fund Company's bank account or giro account. A request for redemption of fund units must be made in writing or via fax to the Fund Company, or, by special agreement, via electronic media. The request must be in writing and, unless using electronic media, personally signed by the unit holder. Requests received by the Fund Company by 8:00 AM on a banking day before the next redemption date will be processed on that date. If the request is received after 8:00 AM, the Fund Company has the right to process the request on the following redemption date after the next one.

If the funds for redemption need to be obtained by selling securities, such sales shall be executed as soon as possible. If such a sale would significantly disadvantage the interests of other unit holders, the Fund Company may, after notifying the Swedish Financial Supervisory Authority, delay the sale.

Upon redemption of fund units, payment will be made no later than three (3) banking days after the redemption has been executed. The price of the fund units at the time of sale and redemption is determined at the end of the banking day on which the sale or redemption is executed. Therefore, the sale and redemption occur at a price that is not known to the unit holder at the time of the request for sale or redemption. A request for redemption may only be revoked with the Fund Company's consent. The sale price of fund units (unit holder's purchase) shall be the fund unit value on the day of the sale. The redemption price for fund units shall be the fund unit value on the day of redemption. The fund unit value is published on the Fund Company's website ([www.simplicity.se](http://www.simplicity.se)) and in several 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 occur that prevent the valuation of the Fund's assets in a way that ensures equal rights for all unit holders.

#### **§ 11 Fees and payment**

Compensation to the Fund Company for managing the Fund is paid from the Fund's assets. This compensation includes costs for custody (Custodian), supervision, and auditors. The compensation is calculated daily at 1/365th per day. The maximum annual compensation for each share class is as follows:

Share Class A: up to 1.0% per year  
Share Class B: up to 1.0% per year  
Share Class C: up to 1.0% per year  
Share Class D: up to 0.55% per year  
Share Class E: up to 0.55% per year  
Share Class F: up to 0.55% per year

Courtage and other costs, as well as taxes and other costs related to the purchase and sale of financial instruments are borne by the Fund. The Fund Company also reserves the right to charge a subscription and redemption fee of up to 5% of the unit value, which will benefit the Fund. Value-added tax may be added to the fees.

#### **§ 12 Dividends**

##### **Share Classes A and D – Accumulating (non-distributing):**

As a general rule, the share class does not pay dividends. However, the fund management company may decide on dividends to the unitholders if, in the opinion of the fund management company, it is necessary to safeguard the unitholders' common interest. An example of such a situation may be that

current tax legislation means that the fund has a taxable profit. In these cases, the purpose of the dividend is to transfer the taxation of the fund's return to the unitholders, whereby the return is not taxed in two stages. Payment is made during the month of April of the year following the financial year and is paid to unit holders who are registered for a fund unit on the date determined by the company. For dividends payable on fund units, the fund management company shall, after deduction of preliminary tax where applicable, acquire new fund units on behalf of the unitholder who is registered for the fund unit on the date determined by the fund management company. On request to the fund management company, the dividend may instead be paid in cash to the fund unitholder's bank account, after deduction of preliminary tax where applicable. Such a request must be submitted no later than the date determined by the fund management company.

##### **Share Classes B and E – Distributing:**

Dividend is paid in the share class. The fund management company decides on the dividend to be paid to fund unit holders of the distributing unit class on a quarterly basis. Dividends are calculated on the basis of the share class of the distributing share of the Fund's value. As a starting point for determining the size of the dividend, the interest payments, so-called coupons, that the Fund received from bond holdings during the previous quarter are taken into account. The fund management company may determine the dividend at a higher or lower amount than the coupons received. For more information on the target for the size of the dividend, please refer to the information brochure. With regard to the Fund's first dividend, what is said above about the previous dividend shall instead refer to the date of introduction of the distributing share class. For the dividend payable on a fund unit, the fund management company shall, after any deduction of preliminary tax, pay the dividend in cash, unless a special request for reinvested dividend has been made. A request for reinvested dividend shall be made in writing and be received by the fund management company no later than ten banking days prior to the record date for dividend. Payment of dividends shall be made quarterly in the month following the end of each quarter, to unitholders who are registered unitholders in the distributing unit class on the record date determined by the fund management company. The dividend affects the relationship between the value of the units that are accumulating and the value of the units that are distributing by decreasing the value of the distributing fund units in relation to the size of the dividend.

##### **Share Classes C and F – Distributing:**

Dividend in the share class is paid. The fund management company decides annually on the dividend to be paid to fund unit holders of the distributing unit class. As a starting point for determining the size of the dividend, the interest payments, so-called coupons, that the Fund has received from bond holdings during the previous financial year are taken into account. The fund management company may determine the dividend at a higher or lower amount than the coupons received. For more information on the target for the size of the dividend, please refer to the information brochure. With regard to the Fund's first dividend, what is said above about the previous financial year shall instead refer to the date of introduction of the distributing share class. For the dividend payable on a fund unit, the fund management company shall, after any deduction of preliminary tax, pay the dividend in cash, unless a special request for reinvested dividend has been made. A request for reinvested dividend shall be made in writing and be received by the fund management company no later than ten banking days prior to the record date for dividend. Payment of dividends shall be made during the month of April of the year following the end of the financial year, to unitholders who are registered unitholders in the distributing unit class on the record date determined by the fund management company. The dividend affects the relationship between the value of the units that are accumulating and the value of the units that are distributing by decreasing the value of the distributing fund units in relation to the size of the dividend. Additional dividends In the share class, as a general rule, no further dividends are paid. However, the fund management company may decide on dividends to the unitholders if, in the opinion of the fund management company, it is necessary to safeguard the unitholders' common interest. An example of such a situation may be that current tax legislation means that the Fund has a taxable profit. In such cases, the purpose of the dividend will be to transfer the taxation of the



Fund's return to the unitholders, whereby the return will not be taxed in two stages. Payment is made during the month of April of the year following the financial year and accrues to unit holders who are registered for a fund unit on the dividend date determined by the company. For dividends payable on fund units, the fund management company shall, after deduction of preliminary tax where applicable, acquire new fund units on behalf of the unitholder who is registered for the fund unit on the date determined by the fund management company. At the request of the fund management company, the dividend may instead be paid in cash to the fund unitholder's bank account, after deduction of preliminary tax where applicable. Such a request must be submitted no later than the date determined by the fund management company.

### **§ 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 prepare a semi-annual report for the first six months of the financial year within two months after the end of the half-year, as well as an annual report for the Fund within four months after the end of the financial year. These documents shall be provided free of charge to unit holders upon request and shall be available at the Fund Company and the Custodian.

Changes to the fund rules can only be made by decision of the Fund Company's board and must be submitted to the Swedish Financial Supervisory Authority (Finansinspektionen) for approval. Once approved, the changes will be made available at the Fund Company and the Custodian and announced in the manner prescribed by the Swedish Financial Supervisory Authority.

### **§ 15 Pledging and assignment**

Pledging of fund units must be reported in writing to the Fund Company. The notification should include the unit holder, the pledgee, the units covered by the pledge, and any limitations on the scope of the pledge. The unit holder must be notified in writing when the Fund Company has made a note of the pledge in the unit holder register.

The pledge ceases when the pledgee notifies the Fund Company in writing. Upon termination, the information about the pledge is removed. The Fund Company is entitled to charge the unit holder a fee of up to 500 SEK for the registration.

### **§ 16 Limitation of liability**

Each unit holder should carefully review the risks associated with the financial instruments in which the Fund invests, as described in the fact sheet and information brochure.

The liability limitations for the Fund Company also apply to the Custodian.

The Fund Company is not liable for damage caused by legislation, government actions, war events, strikes, blockades, boycotts, lockouts, or other similar circumstances, including data or telecommunication failures. The exemption regarding strikes, blockades, boycotts, and lockouts applies even if the Fund Company is involved in or takes such conflict measures. Damage caused under other circumstances will not be compensated by the Fund Company if normal care has been observed. The Fund Company is not liable for indirect damages under any circumstances and is not responsible for damages caused by a Custodian bank or another contractor duly engaged by the Fund Company. The Fund Company is also not responsible for damages that may arise due to restrictions on disposal that may be applied against the Fund Company. If there is an obstacle for the Fund Company to take action due to circumstances as stated above, the action may be postponed until the obstacle has ceased. If, due to such circumstances, the Fund Company is prevented from executing or receiving payment, the Fund Company shall not be obliged to pay default interest.

Regardless of the above, Section 21 of Chapter 2 of the Law on Investment Funds (LVF) always applies. In the event that the Custodian or a Custodian Bank has lost

financial instruments deposited with the Custodian, the Custodian shall promptly return financial instruments of the same kind or pay an amount corresponding to the value to the Fund Company on behalf of the Fund. However, the Custodian is not responsible if the loss of financial instruments is caused by an external event beyond the Custodian's reasonable control and whose consequences were unavoidable despite all reasonable efforts, such as damages caused by Swedish or foreign legislation, Swedish or foreign government actions, war events, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation regarding strikes, blockades, boycotts, and lockouts also applies if the Custodian is subject to or undertakes such conflict measures.

he Custodian is not liable for damages other than those mentioned above unless the Custodian has intentionally or negligently caused such damages. The Custodian is also not liable for such damages if the circumstances mentioned above exist.

The Custodian is not responsible for damages caused by Swedish or foreign stock exchanges or other marketplaces, registrars, clearing organizations, or others providing similar services, and, with respect to damages other than the loss of deposited financial instruments, neither for damages caused by a Custodian Bank or another contractor that the Custodian has engaged with due skill, care, and diligence and regularly supervises, or as directed by the Fund Company. The Custodian is not responsible for damages caused by the aforementioned organizations or contractors becoming insolvent. However, a mandate agreement regarding the storage of assets and control of ownership does not exempt the Custodian from its responsibility for losses and other damages according to the law on investment funds.

The Custodian is not responsible for damages that may arise for the Fund Company, unit holders in the Fund, or others due to restrictions on disposal that may be applied against the Custodian regarding financial instruments. In no case is the Custodian liable for indirect damages. If there is an obstacle for the Custodian to fully or partially implement an action due to the circumstances mentioned above, the action may be postponed until the obstacle has ceased. In the event of deferred payment, the Custodian shall not pay default interest. If interest is promised, the Custodian shall pay interest according to the interest rate applicable on the due date. If, due to the circumstances mentioned above, the Custodian is prevented from receiving payment for the funds, the Custodian has the right to interest only for the time during which the obstacle existed under the conditions applicable on the due date.

Notwithstanding the above, the liability of the Custodian is regulated according to Sections 14-16 of Chapter 3 of the Law on Investment Funds (LVF).

### **§ 17 Eligible investors**

The Fund is intended for the general public but excludes investors whose subscription of units would violate Swedish or foreign law or regulations. The Fund also excludes investors whose subscription or holding of units would require the Fund or the Fund Company to take registration or other measures that they would not otherwise be obliged to take.

The fund management company has the right to refuse subscription to an investor referred to in this paragraph. The fund management company may redeem unit holders' units in the fund against the unitholder's objection, if it should turn out that the unit holder has subscribed for a share in the fund in violation of provisions of Swedish or foreign law or regulations, or that the fund is obliged to take a registration measure or other measure for the fund or the fund management company that the fund or fund management company would not be obliged/obliged to take if the unit holder had not holding shares in the fund.

*In case of any discrepancy between the Swedish-language version of this Fund terms and conditions 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.*

# 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
- Simplicity Maturity 2028

## 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, the maturity funds, 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  |
| Simplicity Maturity 2028         | 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  |
| Simplicity Maturity 2028         | 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  $(100.000 * 0,4 \% * 30 \%)$ . 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, PRIIP and financial advice

According to the Swedish Investment Funds Act, current information brochures and PRIIP 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 PRIIP are prepared in accordance with the Swedish Financial Supervisory Authority's regulations and current law. The information provided in information brochures, PRIIP 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 is accurate as of October 14, 2024.