

Simplicity.

SIMPLICITY

NORDEN

PROSPECTUS

PUBLICATION: 22.06.2023

Simplicity Norden

Simplicity Norden is Simplicity's flagship. It is our first fund and it was launched when the fund company was founded in September 2002. Since then, the fund has been top ranked, measured in total return for its category.

Objective and Investment Policy

The Fund is an actively managed equity fund that invests in shares linked to the stock exchanges in Denmark, Finland, Norway and Sweden according to a structured and disciplined investment process. Investment decisions are based on an analysis of several stock trends, as well as qualitative and quantitative factors. The objective of the investment strategy is to identify quality companies with high performing stocks at favorable valuations.

The Fund is actively managed and does not take into consideration an individual stock's weight in the underlying index. During certain market conditions, the fund may invest a considerably larger part of its portfolio in industries or regions compared to both its past, other comparable equity funds and its benchmark index. The goal is to achieve a positive return and exceed its benchmark index STOXX Nordic Total Market Net Return Index. The fund has no requirements nor ambitions to follow its benchmark index.

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

The Fund may place its funds in transferable securities, fund units and money market instruments and may place up to 10 percent in unlisted shares. The Fund may place no more than 10 percent of its funds in fund units. To increase the Fund's return, the Fund may conduct share lending. In the case of share lending, the counterparty provides collateral amounting to 105% of the market value of the loans granted. The Fund normally leaves no dividend; instead all revenues are reinvested in the Fund. Deposits and withdrawals from the Fund can usually be made every weekday.

Share Classes

The fund has two share classes: A and B

- Share class A is open for all investors. The maximum fee is 1.70 % 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 1.00 % per annum.

Historical Return

The fund performance (return) is calculated net of the annual fee. The value in all years is 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 September 23, 2002. Share class B was launched on September 30, 2019.

Who should invest in the fund?

Simplicity Norden targets investors who believe in shares related to the Nordic market. Simplicity's investment model is structured to utilize long trends and it is therefore important that our unit holders also have a long-term investment horizon, at least five years. Investors must be able to accept that large fluctuations may occur.

Risk Level / Potential Return



The risk indicator is based on the assumption that you will retain the product for 5 years.

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 4 out of 7, i.e. a moderate level of risk. This means that there is a moderate risk of rises and falls in the unit value of the Fund. The indicator primarily reflects rises and falls in the shares in which the fund has invested.

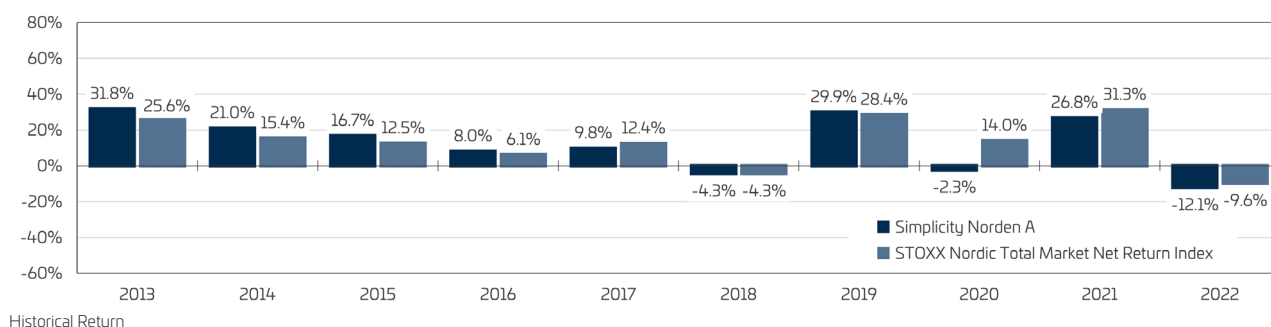
Below is a description of the fund's specific risks that are due to its investment strategy.

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. Investing in equities and equity funds always means exposure to market risk. Simplicity Norden must invest at least 75% of the assets in shares or equity-related instruments. This means that the fund always has a large exposure to underlying markets, which means that it will be very difficult to withstand a sharp decline in the overall equity market.

CURRENCY RISK – The risk of securities denominated in foreign currencies decrease in value as a result of changes in the exchange rate. The quantitative models used by Simplicity in its investment strategy does not take currency risks into account. Reallocations are thus normally not performed due to currency risk.

LIQUIDITY RISK – The risk arises when the fund needs liquid assets but is unable to sell current holdings that, according to Simplicity's portfolio models, should be sold. This risk is considered to be low in Simplicity Norden as the fund invests in shares with high liquidity and the fund's size is very small in comparison to the markets where it invests.

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.

SECURITIES LENDING – Simplicity Norden can lend some of its holdings and, in return, receives an interest accruing to the fund and contributes to the fund's return. Lending securities entail counterparty risk, credit risk and a so-called settlement risk, which means that the counterparty could fail to return the shares to Simplicity on the agreed date. The risk is limited by the fact that securities are only lent to counterparties with high credit ratings and that the counterparty deposits collateral that at least corresponds to the value of the lent securities. This risk is expected to not affect the fund's overall risk profile.

DERIVATIVES – The fund may trade derivatives as part of the investment strategy. However, the fund will normally not trade derivative instruments and the possibility of using such instruments is therefore expected to not affect the Fund's risk profile. When calculating the total exposure in the fund, the so-called commitment method is applied which means that positions are converted to a corresponding 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 STOXX Nordic Total Market Index, an index that tracks the total return on the stock markets in Sweden, Denmark, Finland and Norway.

The benchmark is relevant to the fund since it is a benchmark that reflects the fund's long-term investment policy, inter alia regarding geographical markets, companies' size and return and risk profile.

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
2022	6.6%
2021	6.3%
2020	8.0%
2019	5.9%
2018	3.3%
2017	4.8%
2016	5.7%
2015	4.8%
2014	3.9%
2013	4.9%

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

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 2022's management fee, including depositary costs, cost of supervision and auditors.

Share class A

- Entry fee 0%
- Exit fee 0%
- Management fee, incl. depositary, supervision and auditing 1.61%

Share class B

- Entry fee 0%
- Exit fee 0%
- Management fee, incl. depositary, supervision and auditing 0.81%

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

- Entry fee 0%
- Exit fee 0%
- Management fee, incl. depositary, supervision and auditing 1.7%

Share class B

- Entry fee 0%
- Exit fee 0%
- Management fee, incl. depositary, supervision and auditing 1.0%

Depositary

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

Legal Residence (HQ): Stockholm, Sweden

Corporate identity no. 502032-9081

Legal form of the depositary: Limited company

Main business of the depositary: Banking

The depositary 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 shares, valuation of fund shares and use of the Fund's assets are in accordance with the law and the fund's terms and conditions. SEB AB has procedures

for identifying, managing, monitoring and reporting potential conflicts of interests. Since the depository is part of SEB AB, conflicts of interest can arise between the depository's operations and other activities within SEB and its subsidiaries. The depository 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.

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

SEB AB may delegate parts of the business to one or more external companies, including other depository banks designated by the depository 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.

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

Country	Depository
Denmark	SEB AB, branch in Denmark
Finland	SEB AB, branch in Finland
Island	Íslandsbanki HF
Norway	SEB AB, branch in Norway

In addition to what is stated in the table above, custodian functions may be delegated to Euroclear Bank NV, as custodian functions in many countries can be accessed through either a local bank or Euroclear NV.

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.

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 Norden
Legal entity identifier: 549300YRUJPOV584VD37

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <div style="margin-left: 40px;"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy </div> <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%	<input checked="" type="checkbox"/> 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 <u>20</u> % of sustainable investments <div style="margin-left: 40px;"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective </div> <input type="checkbox"/> 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 excluding companies that are considered not to contribute to a sustainable development and by including companies that are considered to contribute positively to a sustainable development. Moreover, the fund should consist of at least 20% sustainable investments. More information about the objectives of the sustainable investments that the fund makes can be found below under “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”

The fund promotes the following environmental characteristics:

- **Climate action (SDG 13)** by including companies with carbon emission reduction efforts and commitments to achieve the Paris Agreement and companies with products and services that contribute to the green transition (for example energy efficiency technologies and carbon emission reduction solutions). The fund also contributes to SDG 13 by excluding fossil fuels. The fund company conducts proactive dialogues with

companies to encourage setting science based targets verified by the Science Based Targets initiative (SBTi).

- **Affordable and clean energy (SDG 7)** by including companies with products or services that, for example, contribute to increase energy efficiency or the share of renewable energy. The fund does also promote 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:

- **Human rights, labour, environment, and anti-corruption** by including companies that are members of the UN Global Compact. The fund company conducts proactive dialogues with companies to encourage 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.

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
Sustainable Investments	The share of investments that fulfill the fund's thresholds of a sustainable investment. Find the definition under "What investment strategy does this financial product follow?".	At least 20 % of the fund should be sustainable investments.
Exclusion	Find the funds 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.
Good governance practices	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.
Science Based Targets	Share of fund holdings with net-zero climate targets approved by the Science Based Targets Initiative (SBTi). SBTi is an organization that drives ambitious climate action in the private sector by	Simplicity has, as a fund company, the target that all investments in Simplicity's funds should have climate targets approved by the SBTi year

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

	enabling companies to set science based emission reduction targets.	2040. For 2025 the target is 50 % and for 2030 the target is 75%. Proactive dialogues are conducted to encourage companies to set a SBT.
UN Global Compact	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%. Proactive dialogues are conducted to encourage companies to 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 objective. The objectives of the fund's sustainable investments are the following:

- ***Affordable and clean energy (SDG 7)*** by investing in companies with products and services related to, for example, renewable energy and energy efficient technologies.
- ***Climate action (SDG 13)*** by investing in companies with climate targets in line with the Paris Agreement or in companies with products and services related to the green transition (for example electrification and emission reduction solutions).
- The EU taxonomy's environmental objectives ***Climate change mitigation*** and ***Climate change adaptation*** by investing in taxonomy-aligned companies.

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?***

To not cause significant harm to any environmental or social sustainable investment objective, the fund considers adverse impacts on sustainability factors for the sustainable investments (find more information under "Does this financial product consider principal adverse impacts on sustainability factors?").

Simplicity has identified several sectors which are ethically controversial or due to other reasons, as we see it, are deemed to have a negative contribution towards a sustainable society. The fund limits adverse impact on environmental factors by excluding the following types of investments: companies active in the fossil fuel sector; companies with large fossil reserves; companies with more than 25% of the energy production based on fossil fuels; 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; and energy companies with large exposure to nuclear power that are not an ESG-leaders within their sector. The fund also excludes investments in tobacco, cannabis, alcohol, pornography, commercial gambling, and weapon, which could cause significant harm to social sustainability objectives. The fund also considers adverse impacts on sustainability factors by using dialogue to influence the portfolio holdings' sustainability work.

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

The holdings in Simplicity's funds must, as a minimum, comply with laws, international norms, and conventions 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. Simplicity does not invest in companies that systematically violate international norms and conventions without a demonstrated willingness to change.

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 every month and consists of at least one representative from the equity and the fixed income administration and the company's risk manager. 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 that the fund holdings activities cause. Listed below are the indicators that the fund considers. Indicators 1–14 are mandatory. Indicators 15 and 16 are additionally considered.

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 high impact climate sector

PAI 7. Activities negatively affecting biodiversity sensitive areas

PAI 8. Emissions to water

PAI 9. Hazardous waste ratio

PAI 10. Violations of 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

Simplicity assesses the indicators based on the probability of occurrence and the severity if the adverse impact occurs. The investments are analysed 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. The indicators are measured and reported quarterly for the fund's holdings. Negative changes may lead to exclusion of the holding or the initiation of an impact dialogue.

More information on main negative consequences for sustainability factors can be found in the annual report.

No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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



What investment strategy does this financial product follow?

The fund is an actively managed equity 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.

At least 20 % of the fund should be in investments with a sustainability objective. A holding of the fund is a sustainable investment if at least one of the criteria below is fulfilled:

- **The company has climate targets aligned with the Paris Agreement.** The Paris Agreement aims to avoid climate change by limiting global warming by limiting emissions.

To be a sustainable investment, the fund holding should also has set a quantitative target for achieving at least one of the 17 UN Sustainable Development Goals (SDG) and be a member of UN Global Compact.

- **The company has revenue that is aligned with the EU Taxonomy for environmentally sustainable economic activities.** At least 10% of the revenue should be taxonomy-aligned.
- **The company has products or services that contribute to UN SDG 7 (Affordable and clean energy) or SDG 13 (Climate action).** At least 10% of the company's revenue should be attributable to activities that contribute to the green transition, for example, renewable energy, electrification, and energy smart technologies.

In addition to making sustainable investments according to the definition above, 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 human rights, labour, environment, and anti-corruption. 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%.
- Companies with carbon emission reduction efforts and commitments to promote SDG 13 (Climate action). Simplicity has, as a fund company, the 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%.

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 as a yardstick 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 weapons	0%	0%
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 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.

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.

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

Asset allocation describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **What 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.
- Simplicity’s policy for exclusions and responsible investments.
- Excluding companies that systematically violates international norms and conventions, without showing any progress or will to improve.

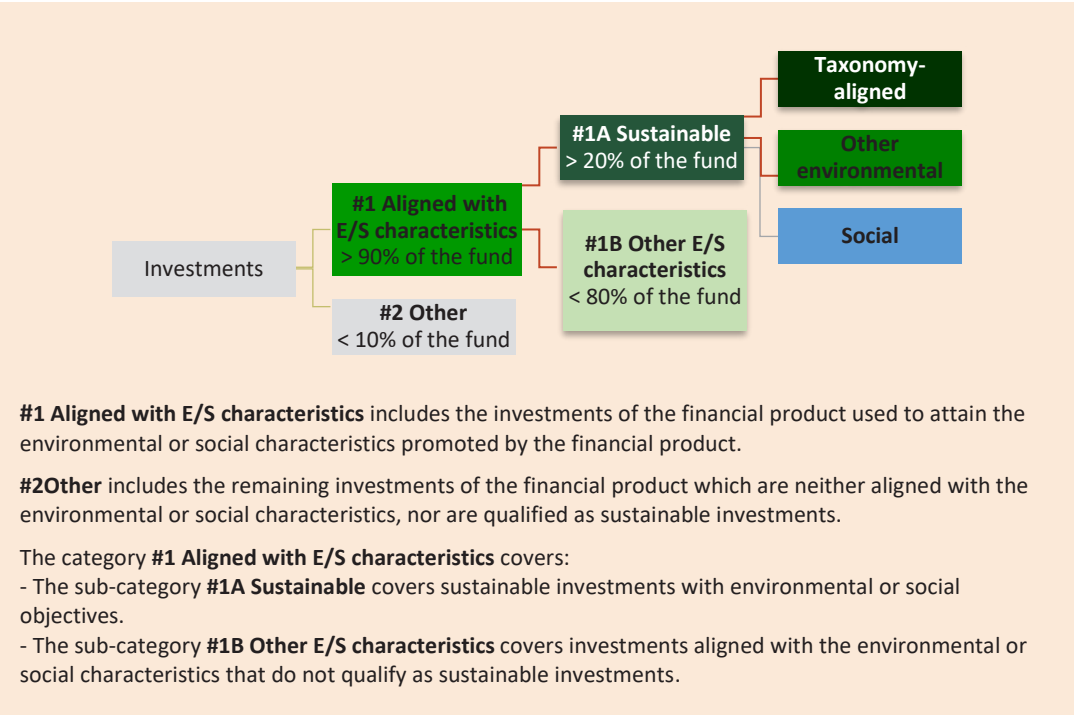
The sustainability indicators mentioned under “What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?” are also binding elements of the investment strategy.

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

The holdings in Simplicity’s funds must, as a minimum, comply with laws, international norms, and conventions such as the UN Global Compact, UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. 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 screening serves as a base to assess good governance practices for the fund’s holdings.

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 equities.

#1A Sustainable: > 20%

Investments that are sustainable according to the fund definition. All sustainable investments are related to an environmental objective.

#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.



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

Sufficient EU Taxonomy data availability and coverage are still limited and too low to set a meaningful fund commitment regarding a minimum share of taxonomy-aligned investments. However, there can be fund holdings that are aligned with the 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. This is because, companies have not fully started to report on their alignment with the EU Taxonomy. As the EU Taxonomy is further developed, a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy may be determined.

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

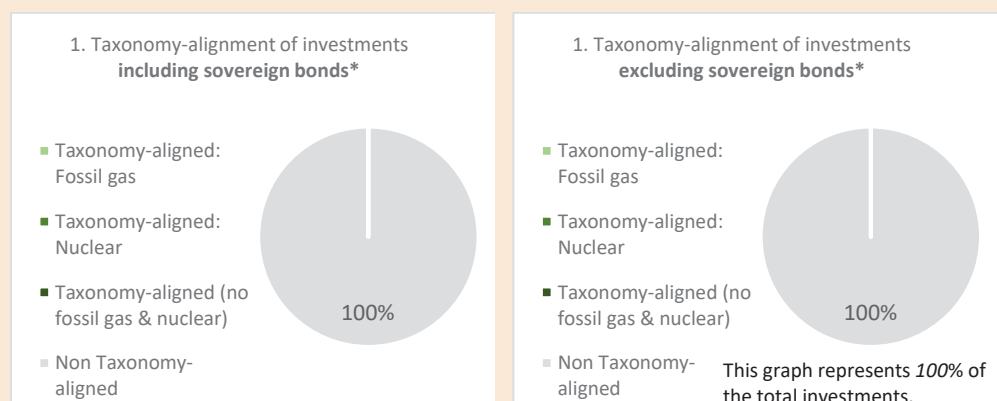
☒ Yes,

☐ In fossil gas

☒ In nuclear energy

☐ No

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



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

¹ Fossil gas and /or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives – see explanatory notes 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?

All sustainable investments are aligned with an environmental objective. The fund can make sustainable investments with an environmental objective that is not aligned with the EU Taxonomy. For example, investments companies with science-based climate targets or in companies with products or services that contribute to achieving SDG 7 (Affordable and clean energy) and SDG 13 (Climate Action) may be sustainable investments with an environmental objective that is 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.

The fund company has made the assessment that the cash held for liquidity does not 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/norden/>

Fund rules – Simplicity Norden

§ 1 The legal position of the Fund

The name of the investment fund is Simplicity Norden, hereinafter called the Fund. The Fund is a securities fund as defined by the Swedish Investment Funds Act (2004:46) (IFA).

The 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 following share classes:

- Share class A – Maximum annual management fee 1.7 %
- Share class B – Maximum annual management fee 1.0 % 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 referred to as the Fund Company.

§ 3 Depository and its tasks

The depository for the Fund's assets is Skandinaviska Enskilda Banken AB (publ), registration number 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 the 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 equity fund that primarily invests in shares that are geographically related to the Nordic countries (Sweden, Finland, Norway, Denmark and Iceland).

The aim is a dynamic portfolio comprising shares that are listed for trade in a regulated market in the Nordic countries. The Fund will therefore under certain market conditions have considerably larger or smaller weighting in certain industries and countries than the Fund's benchmark index. The Fund does not invest with the obligation or ambition to achieve a correlation with its benchmark index.

The Fund's financial aim is to generate a positive, long-term yield and a higher long-term growth in value than its benchmark index. The fund's benchmark index is disclosed in the fund's information brochure.

§ 5 The Fund's investment orientation

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

Management includes the use of quantitative models whose task is to statistically justify each transaction.

At least 75 % of the Fund's assets shall be invested in equity and equity-related instruments.

The Fund shall invest a maximum of 10 % of its value in fund units.

The Fund complies with the Fund Company's policy for responsible investments. More information about the Fund Company's policy for responsible investments can be found in the Fund's information brochure.

§ 6 Marketplaces

The Fund's capital may be invested on regulated markets or equivalent markets outside the EEA. Trading may also take place on another market within or outside the EEA which is regulated and open to the public.

§ 7 Special investment focus

The Fund may invest in such transferable securities as referred to in Ch. 5 § 5 IFA.

The Fund may not invest in such 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.

The Fund may not invest in such derivative instruments as referred to in Ch. 5 § 12 second paragraph IFA (OTC derivatives).

§ 8 Valuation

The value of the Fund is calculated by deducting from the assets any liabilities linked to the Fund, including yet unlevied taxes according to the Fund Company's stipulation as well as the charges stated in § 11 below.

The Fund's assets comprise:

- Transferable securities and other financial instruments which are valued in line with 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,
- liquid funds,
- accrued interest,
- accrued dividends,
- unliquidated sales,
- other receivables pertaining to the Fund.

The Fund's liabilities comprise:

- payment to the Fund Company,
- unliquidated purchases,
- tax liabilities,
- other liabilities pertaining to the Fund.

The market value of such transferable securities as referred to in Ch. 5 § 5 IFA are established on objective grounds in accordance with special valuations based on information on the latest price paid or indicative purchase rates from market-makers if such are stipulated for the issuer. If such information is not available or is deemed to be less than reliable by the Fund Company, the market value will be established based on information from an independent party or other external, independent sources. If the market for a certain security is not active, valuation may take place through the use of a generally accepted valuation method that is established on the market such as, for example, cash flow analysis or comparison with other similar transactions that took place under market conditions during a similar time period.

As the Fund has several share classes, which are subject to different conditions in certain respects, the Fund Company must take this into account when calculating the value of a fund share in each share class. The value of a unit in a specific share class of the fund is the value of the share class divided by the number of outstanding shares in the relevant share class.

The value of each unit shall be determined by the Fund Company on each banking day.

§ 9 Subscription and redemption of units

Fund units are sold and redeemed by the fund company. Subscriptions and redemption may take place on each banking day.

The fund consists of the following share classes:

Share class A

Subscriptions and redemption of units takes place in SEK. The minimum subscription amount is 100 SEK. Subscription and redemption can normally be executed daily.

Share class B

Subscriptions and redemption of units takes place in SEK. The minimum subscription amount is 100 SEK. Subscription and redemption can normally be executed daily. Share class B is only open for:

- 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, invest in the fund and no compensation is paid from the fund management company to the provider of the investment service, and
- insurance companies that invest 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.

A request for subscription is made by transferring a minimum amount of 100 SEK to the Fund Company's bank account or Bankgiro account.

A request for redemption of fund units is made in writing or by fax to the Fund Company or, after special 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 13:00 at the latest on a full banking day, or 11:00 on a half banking day, is executed at the latest on the next banking day. Should a request be received by the Fund Company after 13:00 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 closest following banking day after 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 take place at a rate that is 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 following a deduction for any redemption fee. The unit value is published on the Fund Company's website (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 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 remuneration

Payment shall be made from the fund to the Fund Company for its management of the fund. Such payment shall include costs for the depository, supervision and auditors. The fee is calculated daily with 1/365 part.

Share class A

The maximum fee to the Fund Company is 1.7 % per annum.

Share class B

The maximum fee to the Fund Company is 1.0 % per annum.

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

Any additional VAT is added to the fee.

§ 12 Dividends

As a general rule, the fund does not distribute dividends. However, the Fund Company may decide to distribute a dividend to unitholders if, in the Fund Company's opinion, it is necessary to take advantage of the unitholders' joint interest. Dividends are then distributed to such an extent and on a day that is considered appropriate. The basis for the dividend in these cases may be a return on the Fund's assets, a residual balance of the distributable amount from previous years or realized and unrealized increases in value.

Payment is made during April-May of the year following the financial year and is paid to unit holders who are registered as unit holders on the dividend date determined by the Fund Company.

For a dividend accruing to a unit the Fund Company shall, following a deduction for preliminary tax when applicable, 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 the dividend may instead be received in cash, paid to the unit holder's bank account following a deduction for preliminary tax when applicable. Such request shall be submitted by the date the Fund Company has decided.

§ 13 The Fund's financial year

The Fund's financial year is 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 transfer

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 payment from the unit holder for registration.

§ 16 Limitation of liability

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

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.

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 IFA shall always apply.

In case the custodian bank or depository has lost financial instruments which is deposited with the custodian or the depository, the custodian shall without unnecessary delay return financial instruments of the same kind or issue a cash amount equivalent to the value of the financial instruments to the fund company on behalf of the fund. The custodian is not responsible for the loss of financial instruments caused by an external event outside the custodian's reasonable control and whose consequences were impossible to avoid even though all reasonable efforts were made, such as damage caused by Swedish or foreign lawmakers, Swedish or foreign government action, war event, strike, blockade, boycott, lockout or other similar circumstances. The reservation regarding strike, blockade, boycott and lockout applies even if the custodian is subject to or itself takes such a conflict.

The depository is not responsible for any damage other than such damage as referred to in the first paragraph, unless the depository intentionally or negligently caused such other damage. The depository also does not respond to such other damage if circumstances referred to in the first paragraph exist.

The depository is not liable for damage caused by a Swedish or foreign stock exchange or other marketplace, registrar, clearing organization or other providing corresponding services and, in respect of any damage other than those referred to in the first paragraph, neither for damage caused by a custodian bank or other contractor that the depository with due diligence, proficiency and care hired and regularly supervised or if such organization was designated by the fund company. The depository is not responsible for damage caused by the insolvency of said organizations or contractors. However, a contract of storage of assets and ownership control does not separate the custodian from its liability for losses and other damages under the Securities Funds Act.

The depository is not liable for damage incurred by the fund company, the unitholders of the fund, the fund, or other in the event of restriction of disposition such as may apply to the depository in respect of securities. The depository is in no case responsible for indirect damage. In the case of obstruction for the depository to fully or partially implement action according to this agreement due to circumstances referred to in the first paragraph, the action shall be postponed until the obstruction has ceased. In the event of delayed payment, the depository shall not charge any interest on overdue payments. If interest is pledged, the depository shall pay interest at the interest rate applicable on the due date.

Should the depository, as a result of circumstances described in the first paragraph, be hindered to receive payment for the funds, the depository may charge interest as stipulated on the due date during the time reception of payment is hindered. The depository's liability is, notwithstanding the above, regulated according to Ch. 3 §§ 14-16 IFA.

§ 17 Permitted investors

The Fund is intended for the general public, but not to such investors whose subscription of units in the Fund is in conflict with the provisions of Swedish or foreign law or regulations. The Fund is not intended for such investors whose subscription or holding of shares in the Fund means that the Fund or the Fund Company is obliged to take registration measures or other measures which the Fund or Fund Company would not be obliged to take otherwise. The Fund Company has the right to refuse subscription from such investor referred to in this paragraph.

The Fund Company may redeem the unit holder's holdings in the Fund to unitholder's contestation, if it should prove to unit holders subscribed for units in the Fund in conflict with the provisions of Swedish or foreign law or regulations or that the Fund Company due to the shareholder's subscription or holding in the Fund is obliged to take registration measures or other measures for the Fund or the Fund Company which the Fund or the Fund Company not would be obliged to take if the shareholder would not hold units 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 rules 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	+46 340-21 95 00
Fax number	+46 340-21 95 09
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 Nordic Corporate Bond EUR
- Simplicity Palma

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. Please note that the name, address and social security number or company registration number must be stated with the payment. New customers must disclose and submit the following documentation to the fund company:

Private Investors:

- Copy of current and valid ID; authenticated by signature, clarification of signature and date of signature.
- The form "Account Agreement – Private Individuals", filled and signed.

Legal Entities (Corporates, Institutions, etc.):

- Copy of Certificate of Registration
- Copy of current and valid ID of the contact person; authenticated by signature, clarification of signature and date of signature.
- Power of attorney if the contact person is not the authorized signatory of the legal entity.
- The form "Account Agreement – Legal Entity", filled out and signed by the authorized signatory of the legal entity.

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 below documentation has not been provided before, it must be made in connection with the redemption order.

Private Investors:

- Copy of current and valid ID; authenticated by signature, clarification of signature and date of signature.

Legal Entities:

- Copy of Certificate of Registration
- Copy of current and valid ID of the contact person; authenticated by signature, clarification of signature and date of signature.
- Power of attorney if the contact person is not the authorized signatory of the legal entity.

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 Nordic Corporate Bond EUR	13:00	13:00

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 Nordic Corporate Bond EUR	10.00	10.00

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 risk 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.

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

CEO Ulf Ingemarson 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 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 depository must then transfer management to another management company approved by the Swedish Financial Supervisory Authority. Otherwise, the fund must be dissolved through its assets being sold and the net proceeds being distributed to the unitholders.

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.

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 June 22, 2023.