

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Carnegie Investment Fund - Global Stock Picking Fund  
**Legal entity identifier:** 529900BEFRRJ3LJD5434

Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☒ ☐ ☒ **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ____%</b> <div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div> <div><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 <b>sustainable investments with a social objective: ____%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments <div><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div> <div><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div> <div><input checked="" type="checkbox"/> with a social objective</div> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this Sub-Fund include:

ESG Strategy

The Sub-Fund’s overarching ESG strategy is to invest in listed equities of enablers of the transition towards sustainable transports, industrial processes, buildings, food value

chains as well as energy production and systems. Over time this is expected to lead to lower emissions of greenhouse gases.

#### ESG Methodology

The Sub-Fund integrates environmental, social and corporate governance factors (ESG) into the investment process with the help of the Investment Manager's sustainability screening and selection model, which assesses underlying companies' ability to manage sustainability risks and opportunities. The Sub-Fund primarily promotes environmental characteristics and the ESG analysis is an entirely integrated part of the investment process. Advantages in ESG, especially related to environmental aspects, are vital parts of what makes an investment attractive, together with the traditional financial metrics. Sustainability with regard to social and governance aspects is primarily accomplished through screening and exclusions.

#### Minimum proportion of sustainable investments

The Sub-Fund partly invests in sustainable investments, which means companies involved in activities that contribute to an environmental or social objective together with Do no Significant Harm criteria as defined in SFDR article 2 (17).

#### Sector- and norm-based exclusions

Exclusion filters are applied in the portfolio construction to restrict investments in companies with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including weapons, tobacco companies and fossil fuel companies amongst others. Furthermore, the portfolio excludes companies that have confirmed violation against UN Global Compact. Details on the exclusions are available on <https://www.carnegie.se/private-banking/dokument-och-underlag/fonder-och-portfoljer/sustainability-related-disclosures-global-stock-picking/>

#### Principal Adverse Impact (PAI)

The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

The Sub-Fund does not use a benchmark that is aligned with the Sub-Fund's E/S characteristics.

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

To measure the attainment of the environmental characteristics, the Investment Manager will use mainly climate and other environmental indicators to the extent that relevant data is available. The analysis will use many independent sources of information.

- To find the most relevant investments for the Sub-Fund's strategy, the Investment Manager will consider activity/sector specific indicators before and during the lifespan of the investments. This consideration demands

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

information from different sources, including from MSCI ESG RESEARCH (“MSCI ESG”).

- Furthermore, the Investment Manager will work with exclusion criterias based on revenue for alcohol, tobacco, gambling, conventional weapons, fossil fuels including coal, oil and gas based on independent data from the renowned screening provider MSCI ESG as a first step to determine the investment universe.
- The Investment Manager will screen against norm-based violations of UN Global Compact Principles using tools provided by MSCI ESG which are presented as Pass/Fail for the investments. This screening includes all three pillars (environment, social and governance) included in sustainability.
- The Investment Manager will prioritize investments that classifies as sustainable investments according to MSCI ESG.
- The Investment Manager will strive to hold stable or increase the Taxonomy revenue alignment on portfolio level according to MSCI ESG.
- The Investment manager will strive to hold stable or decrease the PAI indicators on portffolio level with focus on the PAI indicators 1-6 according to MSCI ESG.

MSCI ESG has developed a screening factor “EU Sustainable Investment” that combines a series of screening criteria (good governance practices, do no significant harm (DNSH) principle, and positive contribution to a social or environmental objective) to identify eligible investments. This factor signals if the targeted company meets all the criteria to be considered a sustainable investment under SFDR Article 2(17), based on MSCI ESG’s interpretation of the three building blocks: good governance practices, do no significant harm, and positive contribution to an environmental or social objective.

Exclusion of companies with business models and products that negatively affect the climate, society or stakeholders is one important part to promote the sustainability characteristics of the Sub-Fund, alongside the integrated sustainability analysis, which affects investment decisions.

● ***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 sustainable investments are aligned to its environmental and social characteristics, where the inclusion of investments is focusing primarily on the environment and secondary on social consideration. The objective is to over long-time maintain or increase the sustainable investments in line with the SFDR article 2 (17) definition of sustainable investments. Over time this is expected to lead to

lower emissions of greenhouse gases for society through promoting businesses that are acting within this field. It is also expected that the Sub-Fund will contribute to better social standards as the Sub-Fund will partly make sustainable investments that includes all of the three pillars (E, S and G).

***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 sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). The test is done via an acknowledged external data providers' tool, currently that provider is MSCI ESG.

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

PAI indicators are assessed in the Investment Manager's screening process and the results over time are evaluated as an integrated part of the ESG strategy. Focus is on the PAI indicators related to greenhouse gas emissions which should not over time increase.

The Investment Manager consider PAI by screening both investments and external fund managers, where applicable, continuously for excluding sectors. More information, together with Policy for Sustainable Investments, is available on <https://www.carnegie.se/om-carnegie/hallbarhet/hallbarhet-i-kapitalforvaltning/>.

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

Alignment with the the UN Global Compact Principles are tested and assured as a part of the investment process through an internal screening using information from an external data provider for ESG data. If any investment fails to follow these principles, the Investment Manager questions further and without sufficient progress, preparation is made to exit the investment.

The portfolio is not screened for the OECD Guidelines for Multinational Enterprises.

**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 Investment Manager is within the investment process internally assessing primarily the PAI indicators for greenhouse gas emission using quantitative PAI data on company level from an external well-known data provider, MSCI ESG, to find sustainable investments. These include the following PAI indicators as defined in the Commission Delegated Regulation (EU) 2022/1288:

- PAI 1 GHG emissions (Scope 1-3 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

The Investment Manager will also, within the sustainable investment part of the portfolio, consider the remaining mandatory PAI indicators (list and definitions can be found in Commission Delegated Regulation (EU) 2022/1288, Annex 1).

Furthermore, on portfolio level, the Investment Manager will track the PAI indicators over time, in order to produce a trend of decreasing or stable risk.

The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).

☐ No



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

The Sub-Fund’s overarching strategy is to invest in listed equities of enablers of the transition towards sustainable transports, industrial processes, buildings, food value chains as well as energy production and systems. Over time this is expected to lead to lower emissions of greenhouse gases for society.

The Investment Manager will closely monitor the companies' management of sustainability risks, and strategies concerning climate are analyzed, as well as the sustainability of business models in the form of effects of the companies' products and services on society and the environment.

The analysis will be based on internal and as well as external research and advisers. Exclusion of companies with business models and products that negatively affect the climate, society or stakeholders is one important part to promote the sustainability characteristics of the Sub-Fund, alongside the integrated sustainability analysis, which affects investment decisions.

As a first step, an exclusion criteria will apply for the Sub-Fund to determine the investment universe. The Sub-Fund has restrictions for the following sectors: Alcohol, Tobacco, Gambling, Weapons, Adult entertainment and Fossil fuels (Coal, Oil and Gas have individual restrictions). Further details can be found on the website <https://www.carnegie.se/private-banking/dokument-och-underlag/fonder-och-portfoljer/sustainability-related-disclosures-global-stock-picking/>.

The investments are screened for violation against the UN Global Compact Principles for responsible investments.

The Investment Manager will screen the investments monthly.

● ***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 following binding elements are used:

- Proportion of sustainable investments as calculated by external well known data provider MSCI ESG that defines sustainable investments based on E, S and G components together with Do No Significant Harm criteria as of SFDR article 2 (17). The method for calculating the proportion integrates a Pass/Fail measurement as calculated by MSCI ESG. A minimum proportion of 20% of the turnover of the company should come from economic activities that actively contribute to a sustainable objective
- Sector-based exclusions (based on maximal percentage of revenue at the level of each underlying investments) prevent investments into activities that are inappropriate for the strategy. More information on the exclusion policy is available in the sustainability-related website information in accordance with SFDR article 10 (<https://www.carnegie.se/private-banking/dokument-och-underlag/fonder-och-portfoljer/sustainability-related-disclosures-global-stock-picking/>).
- The sector-based exclusions include thresholds for exposure to fossil fuel production, distribution, power generation and services. Investments can be made in transition companies if they meet certain criteria related to credible transition targets and transition capex. The investments should not be involved in non-traditional oil exploration or production (e.g. oil sands, shale arctic areas).

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

- Norm-based screening against violations of UN Global Compact Principles having a negative impact on the environment, human rights, labor rights and business ethics is done. If flaws are suspected in sustainable practices, the Investment Manager question further and without sufficient progress preparation is made to exit the investment.
- The Investment Manager will consider activity/sector specific indicators before, and during the lifespan of the investment, including the current situation as well as communicated targets and commitments. This approach is predominantly qualitative where the Investment Manager assesses relevant sustainable KPI's within each sector. This is further described in the sustainability-related information on the website <https://www.carnegie.se/private-banking/dokument-och-underlag/fonder-och-portfoljer/sustainability-related-disclosures-global-stock-picking/>.
- The Investment Manager monitors the EU Taxonomy revenue alignment on portfolio level and ensures that the alignment is stable or increasing over time.
- Also, the Investment Manager monitors the PAI indicators for greenhouse gas emission on portfolio level and ensures that the alignment is stable or decreasing over time.

Resources that are separated from the Investment Manager oversees the ESG analysis. The Sub-Fund will on a regular basis be screened via a leading screening service. The costs of that provider will be borne by the Investment Manager.

Investments that do not comply with the requirements will be divested, in an orderly manner, considering the interests of the shareholders.

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

Not applicable as the Sub-Fund does not make any commitment in this respect.

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

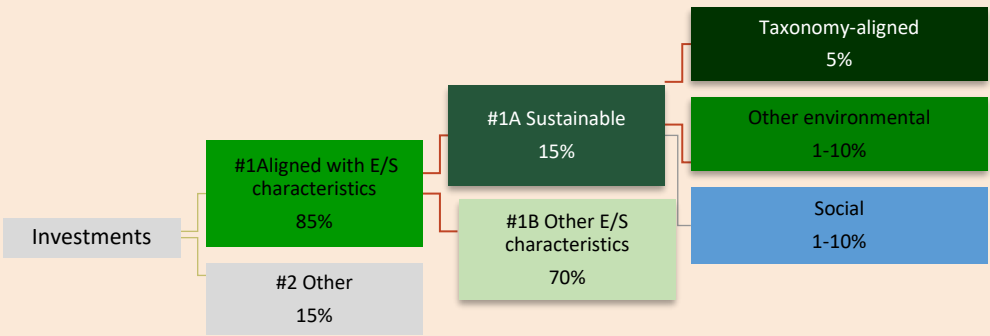
Good governance practices of investee companies are addressed in several layers of the security selection process. Governance safeguards are inherent in the norms-based screening both before and during the lifespan of the investment, i.e. the Investment Manager monitors that the investments are in line with the UN Global Compact Principles which includes sound management structures, employee relations, remuneration of staff and tax compliance. If an investment fails, the Investment Manager questions further and without sufficient progress, preparation is made to exit the investment.

Furthermore, the Investment Manager monitors the proportion of sustainable investments and ensures that the proportion is not significantly decreasing over time, when doing this the good governance is ensured indirectly through the criteria Do No Significant Harm which is included in that definition.



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

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



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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.

**#1 Aligned with E/S characteristics** The Sub-Fund is expected to dedicate at least 85% of its NAV to investments that are aligned with its E/S characteristics, i.e. meet the criterias for:

- invest in listed equities of enablers of the transition towards sustainable transports, industrial processes, buildings, food value chains as well as energy production and systems screened through the activity/sector specific indicators,
- sector based exclusions including fossil fuel,
- norm-based screening,

of the environmental characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the Sub-Fund.

**#1A Sustainable** The Sub-Fund is expected to dedicate at least 15% of its NAV to sustainable investments with environmental and social objectives, including Do No Significant Harm criteria. This implies that the investment meets all the binding elements in the investment strategy for sustainable investments and that the data provider is reporting the data.



**Taxonomy-aligned** The Sub-Fund is expected to dedicate at least 5% of its NAV to taxonomy-aligned investments. This implies that the data provider is reporting data. The taxonomy-aligned revenue trend should be stable or increasing over time. Taxonomy-alignment is measured by turnover.

**Other environmental and Social** Includes investments that are sustainable as of SFDR article 2 (17) with an environmental or social objective in economic activities that do not necessarily qualify as environmentally sustainable under the EU Taxonomy. There is no targeted allocation between “Other environmental” and “Social”, but all investments fits at least one of them, explaining the interval 0-10%.

**#1B Other E/S characteristics** Remaining investments are aligned with the E/S characteristics but do not qualify as sustainable investments.

**#2 Other** Includes cash, cash equivalents to facilitate the liquidity in the Sub-Fund, and financial derivative instruments may also be used for the purposes of efficient portfolio management and/or to generate gains. The Sub-Fund may enter into total return swaps in order to improve the Sub-Fund’s performance and generate capital or additional income as well as invest in other investments for which there are insufficient data.

The asset allocation may change over time and percentages should be seen as an minimum average over an extended period of time.

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

The Sub-Fund may use derivatives to gain exposures to companies meeting the E/S characteristics.



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

The measure of sustainable investments aligned with the EU Taxonomy is provided by third party data vendor MSCI ESG. No assurance by auditor or other third party is done. The Sub-Fund will not, under normal circumstances, have any sovereign exposure.

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains low, which implies a low commitment to a minimum proportion of Taxonomy-aligned investments of 5% in this Sub-Fund. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies. Taxonomy-alignment is hence measured by company reported turnover or latest available third party valuations

The valuation is based on data derived from various tools and sources by MSCI ESG, including company websites, company annual reports and regulatory filings, government financial agencies and disclosures, financial data providers, media and periodicals, non-governmental organization reports and websites. The initial company research and analysis is followed by a rigorous quality assurance process. Data accuracy and company

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

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

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

profiles are peer-reviewed by a second analyst, then sent to content leads for final approval.

The methodology identifies issuers that meet the minimum criteria (i.e., potential alignment) of the EU Taxonomy: Substantial Contribution to Environmental Objectives, Do No Significant Harm and Minimum Safeguards. The taxonomy-aligned turnover should derive from products or services that address one or more of the six environmental objectivees within the EU Taxonomy.

Where information from underlying investments is not available (eighter through companys’ own reporting, or by MSCI ESG estimation of numbers) those investments will be considered as not taxonomy aligned, ie included in other asset classes.

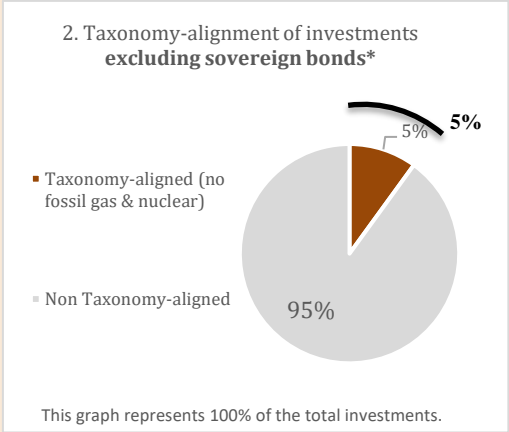
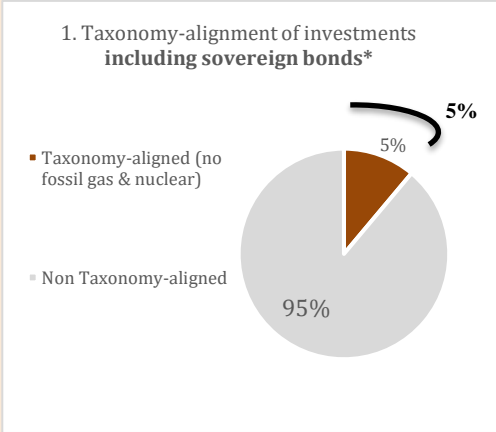
● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐ 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 objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

Not applicable. These activities are included in the ESG strategy but not possible to calculate in an sufficiently accurate way.



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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy is 1%.



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

The minimum share of sustainable investments with a social objective is 1%.



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

The Sub-Fund may hold cash, cash equivalents to facilitate the liquidity in the Sub-Fund, and financial derivative instruments may also be used for the purposes of efficient portfolio management and/or to generate gains. The Sub-Fund may enter into total return swaps in order to improve the Sub-Fund’s performance and generate capital or additional income as well as invest in other investments for which there are insufficient data.

There are no minimum environmental or social safeguards on these instrument types.



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

Not applicable

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

Not applicable

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


Not applicable

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

Not applicable

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

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

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

Not applicable



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

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

<https://www.carnegie.se/private-banking/dokument-och-underlag/fonder-och-portfoljer/sustainability-related-disclosures-global-stock-picking/>