

**Swedbank Pension Fund V30**  
**Swedbank Pension Fund V60**  
**Swedbank Pension Fund V100**

# Prospectus

Effective as of 01.09.2021

TRANSLATION FROM ESTONIAN

In case of any discrepancies, between this translation and original Estonian version, the text of Estonian version shall prevail.

## Important Information

This document is the public offer prospectus (hereinafter "Prospectus") of Swedbank Pension Fund V30, Swedbank Pension Fund V60, and Swedbank Pension Fund V100 (hereinafter also jointly referred to as "Funds" or severally as "Fund") for the purposes of the effective Republic of Estonia Investment Funds Act. The Prospectus is a document prepared for the public offering of the Funds, providing information related to the Funds.

The provisions of the Prospectus apply to all the Funds, unless the Prospectus clearly states that the provided information concerns a particular Fund.

An integral part of the Prospectus, the Rules of the Funds (hereinafter "Terms and Conditions") are documents approved in accordance with the procedure laid down by law, setting out the bases for the operations of the Funds and the relationships of the Funds' unit holders (investors) with the Management Company. The Rules are disclosed in the manner and places set out in the "Information about Funds" section of the Prospectus. The information provided in the Prospectus shall not be considered investment advising or other investment service or ancillary service, or an invitation to acquire or transfer the units of the Funds. Please carefully study the Prospectus and the Rules before investing and pay special attention to investment risks and assess your risk tolerance. In this respect, we recommend asking for more detailed explanation of various aspects associated with investments from professional tax and investment advisers.

The offer of the units of the Funds shall always comply with the Prospectus, the Rules of the respective Fund and the legislation. Misleading advertisements or commercials or other promises that are in conflict with the Prospectus, the Rules and the legislation shall not be treated as approved by the Management Company. The Management Company does not guarantee that the information provided in the Prospectus is correct at any given time after acquisition of the units. The information is provided in the Prospectus as at the date specified on the title page.

The Funds are only offered in Estonia and are not registered for offer in foreign countries.

The Management Company does not offer or sell units of the Funds to United States (US) residents and does not provide any other investment services to such persons, unless specified otherwise. By submitting a purchase order to the Management Company, the investor certifies that they are not a US resident. If an investor is a US resident person or becomes a US resident while in a legal relationship with the Management Company, the Management Company shall be entitled to terminate the legal relationship according to law. The investor must immediately notify the Management Company of any circumstances which may cause the investor to become a US resident. The Management Company may use any public information to ascertain whether the investor is a US resident. A natural person is considered to be a US resident, among other things, when its country of residency is US, its contact address is in the US or its address in the country of residency is in the US. A person may be also be a US resident on other grounds pursuant to US legislation. The Management Company shall not be liable for any damages the investor may incur in association with being or becoming a US resident, including damages associated with the Management Company's refusal to offer units of the Fund or investment services, redemption of units, and/or termination of applicable legal relationships, or other reasons associated with the above.

The information related to the investors of the Funds is confidential and it shall be disclosed only in the events prescribed by legislation. By submitting a transaction order, the investor confirms that they have read Swedbank's regulation "Principles of Processing Client Data" and consents to the processing of their data (including personal

information) pursuant to the regulation. The regulation is available on the website [www.swedbank.ee](http://www.swedbank.ee) under section "Bank conditions", in the service halls of Swedbank and at the seat of the Management Company.

More detailed information concerning the Funds, any relevant documents and other significant information can be found on the website of the Management Company [www.swedbank.ee/fondid](http://www.swedbank.ee/fondid) (hereinafter "Website").

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## General data

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| <b>Data of the Funds</b>    | <p>Voluntary pension funds registered in the Republic of Estonia:</p> <p><b>Swedbank Pension Fund V30</b>, established on 20 November 1998;</p> <p><b>Swedbank Pension Fund V60</b>, established on 3 September 2003;</p> <p><b>Swedbank Pension Fund V100</b>, established on 3 September 2003.</p> <p>The seat of the Funds is the seat of the Management Company.</p> <p>The financial year of the Funds begins on 1 January and ends on 31 December.</p> |
| <b>Units of the Funds</b>   | <p>The Funds have units of one type without nominal value (hereinafter "Units").</p> <p>Unit is a registered security certifying the unit-holder's right to the pro rata share of the Fund's assets.</p> <p>Units are neither traded nor intended for trading on a regulated securities market.</p> <p>See additional information in "Fund units" part of the Prospectus.</p>  |
| <b>Price information</b>    | <p>The net asset value, issue and redemption price of the Units are published on the Website on every banking day not later than at 14:00.<sup>1</sup></p>   |
| <b>Financial statements</b> | <p>The annual reports of the Funds are prepared and disclosed at the seat of the Management Company and on the Website no later than four months after the end of the financial year of the Funds.</p>   |
| <b>Taxation</b>             | <p>The income of the Funds is not subject to taxation in the Republic of Estonia. The income of the Funds shall not be distributed to the investors; it shall be reinvested. The profit or loss of the Fund is reflected in changes of the net asset value of the Fund. Taxation of investors depends on investor residency and other circumstances.</p>   |
| <b>Management Company</b>   | <p>The Funds are managed by Swedbank Investeerimisfondid AS (hereinafter also "Management Company"), seat: Liivalaia 8, 15040 Tallinn, Republic of Estonia. See additional information in "Management Company" part of the Prospectus.</p>   |
| <b>Depository</b>           | <p>Swedbank AS (hereinafter "Depository"), seat: Liivalaia 8, 15040 Tallinn, Republic of Estonia. The Depository keeps the assets of the Funds. See additional information in "Depository and the register of Units" part of the Prospectus.</p>   |
| <b>Registrar</b>            | <p>AS Pensionikeskus (hereinafter "Registrar"), seat: Maakri 19, 10145 Tallinn, Republic of Estonia, registry code 14282597. The Registrar registers the Units and information related to the above in the register of Units. See additional information in "Depository and the register of Units" part of the Prospectus.</p>   |

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<sup>1</sup> The times are given here and hereafter based on Estonian time.

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| <b>Supervisory authority</b> | Supervision over the activities of the Funds, the Management Company and the Depository is performed by the Financial Supervision Authority, seat: Sakala 4, 15030 Tallinn, Republic of Estonia. |
| <b>Auditor</b>               | The auditor of the Funds is AS PricewaterhouseCoopers, registry code 10142876, seat: Pärnu mnt 15, 10141 Tallinn, Republic of Estonia.   |

# Investment of Assets of Funds

## Investment objectives

The Funds' objective is to provide stable long-term growth of the Funds' asset value pursuant to the investment criteria specified in the Prospectus and in the Rules, and thereby to provide the Fund investors with supplementary income once they retire.

Fund investments always involve risks. The risks related to investments in the Funds are described in more detail in "Investment risks" part of the Prospectus. To assess the suitability of the particular Fund, the investor should examine "Description of typical investor and risk levels of Funds" part of the Prospectus. The investor should keep in mind that neither the performance of the Funds nor the preservation of the investment made in the Funds is guaranteed.

## Investment policy

The main investment policy principles are provided in the Rules of the relevant Fund. In order to achieve asset growth, the Funds' assets are invested within investment restrictions in both Estonian and foreign bonds, equity, investment fund units and equity, money market instruments, credit institution deposits, derivative instruments, immovable property and infrastructure, precious metals and other assets. The Funds' investment policy is based on the fact that these Funds constitute long-term investments.

The three strategies of the Funds mainly differ on the ratios of equity and bond market risk instruments. Equities have historically offered a better rate of return compared to bonds, although their value may fluctuate significantly in a short period. Historically, bonds have a lower rate of return in long-term perspective, but these are more stable.

Swedbank Pension Fund V30: up to 30% of the Fund's assets may be invested in equity risk instruments, with the remaining portion of the Fund's assets invested in bonds, money market instruments, deposits, immovables and other assets permitted by legislation.

Swedbank Pension Fund V60: up to 60% of the Fund's assets may be invested in equity risk instruments, with the remaining portion of the Fund's assets invested in bonds, money market instruments, deposits, immovables and other assets permitted by legislation.

Swedbank Pension Fund V100: up to 100% of the Fund's assets may be invested in equity risk instruments.

The Funds are not specialised by the sectors of economy or the regions or countries where the Managing Company invests the assets. The reciprocal proportions of the specific type of assets, the type of the issuer, the region or the sector of economy shall be determined by the Management Company in the course of everyday management. Depending on the market situation, the distribution of the Fund's assets among various asset classes and instruments may change significantly. The Management Company makes investment decisions according to the objectives under the Fund's strategy. As a result, investment decisions may differ across Funds from time to time. The investments of the Fund may be denominated in various currencies and the Fund may invest in various currencies.

The Funds' assets are invested through other investment funds, among other things. Investments made in equity funds are considered to include investments in investment funds whose assets to a significant extent are allocated either directly or through other funds to equities or other such instruments, and it is part of the normal investment policy of such a fund. Investments made in instruments similar to equities are considered to include investments in securities, deposits or other instruments whose price or return provided partly or fully depends on the price of an equity or other similar instrument or on changes therein, except for investment deposits or securities whose principal amount is guaranteed and which meet the conditions laid down in the legislation. The equities of an investment fund which is not an equity fund are not treated as equities. Equities, equity funds and equity-like instruments are not considered to include equities or equity-like securities of a company engaged mainly in developing, administering or operating infrastructure essential for the public (e.g. electricity and road networks, water supply, waste management); the units or equities of an equity fund investing mainly in infrastructure companies; the equities of a company or the units or equities of a fund whose assets are mainly allocated to immovables.

## **Investment restrictions and rules for hedging risks**

In investing the assets of the Funds, the Management Company is guided by the rules on spreading risk set out in the legislation (primarily in the Estonian Investment Funds Act and in the legislation issued thereunder, such as regulations of the Minister responsible for the sector). The above restrictions and rules are not reiterated in full in the Prospectus and may change when the relevant legislation changes.

The assets of the Funds may be invested based on the restrictions and conditions laid down in legislation, the Rules and the Prospectus: securities (for example, equities or other similar rights, bonds or other similar debt obligations and subscription rights and other rights which provide an entitlement to acquire the above securities, covered bonds, convertible securities; hereinafter in this section "Securities"), money market instruments, deposits at credit institutions, units or equities of other funds, derivative instruments, precious metals and securities, whose underlying asset is a precious metal or whose price depends on a precious metal, immovables and other assets permitted by the legislation, as well as issue loans on account of the Funds.

The Fund may invest up to 100% of the Fund's assets in securities or money market instruments traded on a stock exchange or other regulated market in a country party to the European Economic Area (EEA), a Member State of the Organization for Economic Cooperation and Development (OECD), Russia, Albania, Bosnia and Herzegovina, Croatia, Serbia, Montenegro, Ukraine, Belarus, Moldova, Macedonia, Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, Tajikistan, Georgia, Azerbaijan, Armenia, Argentina, Brazil, Colombia, China, India, Hong Kong, Singapore, Egypt, South Africa, the Bahamas, Bermuda, Cayman Islands, the Channel Islands, Isle of Man or another regulated market or admitted to trading on a market above within 12 months from the issue of Securities according to the terms of issue. The Fund may invest up to 100% of the value of the Fund's assets also in money market instruments not traded on a regulated market in accordance with the conditions laid down in legislation. The Fund may issue loans up to 10% of the asset value of the Fund to persons, if the Fund is allowed to invest in bonds issued by such persons. The assets of the Fund may be invested in the Securities not traded on the markets listed above, invested in money market instruments not listed above or used to issue abovementioned loans on account of the Fund in the total amount of up to 50% of the value of the assets of the Fund.



The Fund may invest up to 15% of the value of the Fund's assets in Securities or money market instruments issued by a single person, except in covered bonds issued by a single person, in which up to 25% of the value of the Fund's assets may be invested. The Fund may invest up to 35% of the value of the Fund's assets in the issued or guaranteed securities or money market instruments of a country, a local government entity of a country party to the EEA, or an international organisation including at least one country party to the EEA.

The Fund may invest up to 100% of the value of the assets of the Fund in demand or 12-month term deposits at a credit institution if the credit institution is registered in a country party to the EEA or in a third country. The prudential requirements applicable to a credit institution registered in a third country should, in the assessment of the Financial Supervision Authority, meet the same stringent requirements as those laid down in EU legislation. A total of up to 20% of the value of the Fund's assets may be allocated to deposits at a single credit institution or at credit institutions in the same consolidation group.

The assets of the Funds may be invested in units or equities of other investment funds based on the restrictions and conditions laid down in legislation, the Rules and the Prospectus. The Fund may invest up to 100% of the value of the Fund's assets in UCITS units or equities or in the units or equities of some other fund permitted by legislation (so-called fund equated to UCITS). The Fund may invest up to 50% of the value of the Fund's assets in fund units or equities not referred to above that have not been admitted for trading at a regulated market listed in legislation. The value of the units or equities of a single fund may constitute up to 20% of the value of the Fund's assets or 30% of the value of the Fund's assets if it is an index-tracking euro fund in accordance with the conditions set out in the legislation. The Fund's assets may be invested by the Management Company or by a company with which the Management Company is linked by common management or control or through a substantial holding, in other units or equities managed by another fund, according to the terms set out in the legislation.

The Management Company may conclude transactions with derivative instruments on account of the Funds for the purpose of achieving the investment objectives of the Fund and hedging the risk arising from fluctuation of prices of securities in the assets of the Fund. The assets of the Fund may be invested in derivative instruments traded on a regulated market or derivative instruments acquired outside a regulated market if their underlying assets include the following assets or if their price depends directly or indirectly on the following drivers: securities, fund units and equities, money market instruments and other assets in which the Fund may invest, including financial assets, which share similar features with the above assets, interest rates, currency or exchange rates, any securities or financial indices.

The Fund may invest a total of up to 5% of the value of the Fund's assets in precious metals or in securities whose underlying assets are precious metals or whose price depends on a precious metal. The acquisition value of a single immovable may not exceed 10% of the value of the Fund's assets at the time of its acquisition. The value of immovables, of units or equities or other securities of another fund or another company investing in immovables should not account for more than 70% of the value of the Fund's assets.

A loan may be taken out on account of the Fund in the amount of up to 10% of the Fund's assets. The Management Company has the right to underwrite securities issues, enter into repurchase and reverse repurchase agreements and other securities borrowing transactions, to the extent of up to 10% of the value of the Fund's assets or in the short term.

## **Brief overview of investment and risk management techniques**

In case of the Fund investing in several asset classes, the Management Company generally uses in investing the assets of the Fund a strategic division among various asset classes taking into account the investment policy and restrictions of the corresponding Fund, the nature of the asset classes and investment perspective. Thereafter, tactical overweight or underweight of various asset classes is used pursuant to the changing conditions on the financial markets. In choosing the securities included in one asset class, the global and regional macroeconomic analysis, growth potential and general trends of the financial markets and, if necessary, trends in the corresponding region are generally followed. In addition, when selecting investments, the Management Company follows the principles of sustainable and responsible investments that are published on the website of the Management Company. The manner in which sustainability risks are integrated into the Management Company's investment decisions is described in respective internal rules that are published on the website of the Management Company.

The Management Company has established the internal risk management rules of procedure and rules of reporting for the establishment, management, measuring and hedging of risks. The Management Company performs regular conformity check for monitoring the investment restrictions and risk hedging requirements. In case of any developments, as a consequence of which the Fund's portfolio contradicts to the investment restrictions, the Management Company immediately takes measures for the elimination of such contradiction.

## Investment Risks

When investing in the Funds, the investor must consider the risks arising from investment, which may affect the rate of return of the Fund. The Funds may earn a profit or suffer a loss, i.e. the preservation and growth of the investment is not guaranteed, and the risks associated with the investments are borne by the investor (unit holder). The net asset value of the Fund may significantly fluctuate over time, and the previous rate of return of the Fund does not provide any indication of the future rate of return of the Fund. Therefore, the investors shall always make sure whether the risk profile of the particular Fund is acceptable for them. Before investing in the Fund, the investor is recommended to examine the Prospectus and the Rules, likewise the annual reports of the Fund and other documents and information regarding the Fund published at the seat and on the Website of the Management Company.

The investor is recommended to assess the timeliness and relevance of investing in the Fund, and take into account the legal, tax, financial and other aspects associated with investments. The risk profiles of the Funds and typical investors at whom the Funds are targeted are different (see below). Prior to making the investment the investor must consult a professional tax and/or investment adviser, if necessary.

### Description of primary investment risks

Any investments always involve risks. A risk can be characterized as a possibility that the intended investment result may not be achieved. The risks associated with the investments in an investment fund may arise from the investment activity, changes in the legal environment, keeping or valuation of the assets of an investment fund, operational risks, conflicts of interests and illiquidity of the fund. The descriptions of some of the main risks associated with the investments have been described below. This list is not exhaustive, and risks may be accumulated and concentrated.

**Market risk (including equity risk and interest risk)** is the danger that the value of an investment may change due to unfavourable changes (for example, macroeconomic events, instability in political or social system, investors' behaviour, etc.) taking place on the securities market. In case of an equity investment, it may be reflected in the change in equity prices, change in volatility of equity rates, change in price ratios of different equities or equity indices or change in dividend payments. In case of a debt instrument investment, it may be reflected in the change in interest rates, change in income curve, change in volatility of interest rates, change in the difference of interest rates of the instruments having different risk levels.

**Currency risk** arises from undesirable changes in the foreign currency exchange rate with regard to the base currency of the Fund, which result in an unfavourable change of the value of the assets quoted in the currency.

**Liquidity risk** may arise from any adverse situation associated with the realisation of the investment – the number of the buyers of the investment is insufficient on the market at the desired time or at the desired price, or there is no market (buyer) at all. Liquidity risk may be greater in case of investments in securities traded outside the regulated market. Fund's liquidity risk arises from unfavourable changes in the behaviour of the unit-holders of the fund, which may lead to inability to perform the obligations assumed on the account of the Fund (including the redemption of the units). Fund's liquidity risk may for instance arise in such a situation where the volume of the unit redemption and switch orders received by the funds within a short term is very extensive, as a result of which the payment of redemption amounts has to be suspended for a certain period.

**Inflation risk** arises from the fact that due to inflation the real value of investments may turn out to be lower as a result of increasing prices.

**Market concentration risk** arises from the fact that the majority of the fund's investments may be allocated to a certain country or region, which may result in an additional price fluctuation risk.

**Issuer risk** arises from the failure of the issuer of a bond to perform its debt obligations in due time (including early redemption risk) or completely. In case of occurrence of such risk, the value of the issuer's debt security may significantly decline or become worthless, affect the value of the assets of the Fund. Issuer risk in case of investing in equities arises from the fact that the value of the company in which equity the fund has invested may change over time due to the company's activity (for example, economic results, financial activity). The risks of investing in various equities may include the currency risk, political, economic and regulatory risks. The taxation and reporting standards imposed on issuers also vary. The political, economic and regulatory risks of issuers in the emerging markets may significantly differ from the risks presented by investments in the developed markets. These may include greater price volatility, less liquidity and controls on the issuer and limitations on repatriation of invested capital. Investment-related costs may also be higher in the developing markets.

**Counterparty risk** arises from the failure of the counterparty of a transaction concluded with the assets of the Fund to perform the obligations assumed by the transaction.

**Settlement risk** arises from the failure of the counterparty of a transaction to transfer the required amount of money or securities, although the contractual obligation to the counterparty has already been performed. Settlement system risk is the risk that settlement in the settlement system for securities or other assets does not take place at the required time or in the required amount because the transaction counterparty fails to fulfil its obligations on time or in full.

**Risk arising from holding the assets (depository risk)** is the loss or destruction of the assets held by the depository or any other administrator of the assets in the event of bankruptcy, insolvency, negligence or intentional unlawful act of the depository.

**Legal system risk** arises from the fact that the legislation regulating the activities and operations of the Fund and investment in the Fund may be amended (for example, the government may change the rules under which the investors' income from the fund is subject to taxation).

**Political or country risk** is related to the fact that significant political changes or other events take place in the country or region where the assets of the Fund have been invested, and as a result thereof the value of the investments declines (see also issuer risk above).

**Risk associated with valuation of the assets** arises from the fact that it may be complicated to determine a fair price in case of an investment traded outside a regulated market, or the assets of a fund may lack a (recognized) quotation.

**Risks associated with derivative instruments.** Depending on the type of a derivative instrument, the derivative transaction may be accompanied by large gearing, due to which also small price change of underlying assets may cause a significant change in the value of the derivative instrument or greater loss than the value of the security provided in concluding a derivative transaction.

**Risk related to conflict of interests** arises from the fact that the investor may suffer potential direct or indirect damage, primarily due to the following circumstances: The Management Company may conduct transactions on behalf of the Funds with any persons connected to it or with the other Funds managed by the Management Company; conflicts of interest occur between the Management Company and any persons connected with it; the Management Company may

invest the assets of the Fund in other investment funds managed by it or companies in the same group; the employees of the Management Company are the fund managers of several different Funds at the same time; the depository or the person to whom the Management Company has transferred its duties belongs to the same consolidation group with the Management Company. In order to determine and hedge any potential conflicts of interest, the Management Company has established internal rules and restrictions (including rules for refunding the management fee when investing in other investment funds managed by the Management Company, a company in the same group with it or a company not associated with the Management Company), and the conformity check of the Management Company regularly monitors the transactions and investments of the Funds (including whether these have been made with connected persons or into connected persons and what are the conditions of the transaction in such case). In addition to the above, the conformity check of the Management Company regularly monitors the providers of services to the Management Company and the conditions of providing the services.

**Risk of investing in funds** arises from the fact that in case the assets of the Fund are reinvested in investment funds, which in their turn reinvest it either directly or indirectly in other funds, the corresponding management fees and other charges may exceed the expenses connected with the so-called direct investment. In addition, the Management Company is not always able to completely monitor the activity of investment funds where the Funds have invested, since such investment fund may use the investment strategies, which are not completely disclosed to the Management Company, or contain risks in certain market situations, which are not envisioned by the Management Company. Furthermore, administrators of some investment funds may have a limited operating history or there is no assurance that regulative supervision is exercised over these or these may not have an independent depository.

**Risk related to auditing, accounting and financial reporting** arises from the fact that emerging market issuers are subject to reporting standards, practices and disclosure requirements that may not provide the same level of information and protection for investors as those of more developed markets.

**Sustainability risk** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment within a fund's assets. Sustainability risks could affect the return of the Funds if they materialise. Weak governance and control structures in a company being the Funds' investment object may lead to irregularities that could have an adverse impact on the price of securities issued by the company. Material exposures to both transition and physical risks of climate change may pose a vulnerability should the risks materialise and lower the market value of the Funds' investments. The integration of sustainability risks into investment-decision processes is critical to achieving high and sustainable long-term returns.

## **Risks more relevant to the operation of the Funds**

An essential part of the assets of the Funds may be invested in a currency other than the base currency of the fund. Rapid changes in exchange rates may also lead to significant changes in the net asset value of the Fund, therefore the **currency risk** has to be regarded as significant.

Swedbank Pension Fund V30 invests a large portion of its assets in bond risk instruments. Therefore this Fund is characterised by a greater **interest and credit risk**.

The Funds invest respectively up to 30%, 60% or 100% of their assets in equities, equity funds and other equity-like instruments, and therefore the Management Company estimates that the **equity risk**, as well as **market concentration risk** and **market liquidity risk** is higher than usual.

The Funds are meant for accumulating supplementary funded pension, and investments into the Funds and income from the Funds are subject to certain tax incentives. Legal system risk arises from the fact that the legislation regulating the activities and operations of the Funds and investment in the Funds may be amended (for example, the government may change the rules under which the investors' income from the Funds is subject to taxation). Therefore, the **legal system risk** may be considered to be elevated for all of the Funds.

The Management Company estimates that the potential effect of using derivative instruments on the risk level of the Funds is not large.

## Description of typical investor and risk levels of Funds

Third pillar or voluntary funded pension funds are meant for those investors who are interested in actively participating in the growth of their pension assets before retirement. Above all, the Funds are suitable for an Estonian resident natural person investor for long-term investment, because such an investor will receive tax incentives for investing in supplementary funded pension funds.

Due to their nature (supplementary funded pension), previous investment experience is not a necessary pre-requisite for investing in the Funds. It is recommended, however, that investors take into account the investment objectives arising from their **age**, **expectations** and **risk tolerance**, and consult a professional investment advisor in order to evaluate and understand the investment risks and their association with potential loss or gain.

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|----------------------------|--|
| Swedbank Pension Fund V30  | <p>The Fund is suitable for investors who desire capital appreciation primarily in the longer-term perspective and expect a stable rate of return. The investors have moderate risk tolerance being ready for short-term fluctuations in the Unit value. Therefore, the Fund may be suitable for an older investor, for whom the preservation of assets before retirement is important, and other more conservative pension investors. It should be opted for a medium-term (at least 5 years) investment period.</p> <p><b>Fund risk level is below medium.</b></p> |
| Swedbank Pension Fund V60  | <p>The Fund is suitable for investors who wish long-term capital appreciation, are aware of the main features and risks of securities and are ready for extensive short-term fluctuations in the Unit value. The investor's risk tolerance is relatively high. It should be opted for a medium-term or longer (at least 7 years) investment period.</p> <p><b>Fund risk level is medium.</b></p>   |
| Swedbank Pension Fund V100 | <p>The Fund is suitable for investors who wish long-term capital appreciation, are aware of the main features of securities, realise that the Fund may make a profit or suffer a loss, and are ready for extensive fluctuations in the Unit value. The investor's risk tolerance is high. It should be opted for a longer-term investment period (at least 10 years). Therefore, the Fund is more</p>  |

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| suitable for younger investors who do not need any disbursements from the Fund in the near future, or for an experienced investor for portfolio diversification. |
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| <b>Fund risk level is above medium.</b> |
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## The Fund's Income and Taxation

The following provides a general overview of the taxation principles. Before making an investment decision, it is recommended to consult a professional tax adviser to better understand and assess the aspects related to the taxation of the potential earned income.

The legislation concerning the taxation and, accordingly, the taxation of a particular investor may change over time and the taxation system applicable to a particular investor depends on the residency of the investor and other similar circumstances.

### Fund's income

The Fund's investment income may arise from interest income, dividend income and changes in securities prices.

The income of the Fund shall not be distributed to the investors; it shall be reinvested. The net asset value of the Fund's assets depends on the profit or loss, which the Fund earns through investments and it is reflected in the growth or decline of the net asset value of the Fund's assets and thereby in the change of the net asset value of the Unit.

### Taxation of Fund's income

The Fund is not a taxable person and the income earned by the Fund is not subject to taxation in the Republic of Estonia. The income earned or transactions effected by the Fund in a foreign country may be subject to taxation pursuant to the regulation applicable in the respective country.

### Taxation of resident investors

Voluntary pension funds are meant for natural persons, and above all resident natural persons. A non-resident natural person may also invest in voluntary pension funds, but due to taxation rules these may not be suitable investments for them.

Disbursements made from the Fund to investors, their successors or other persons specified in the law are taxed pursuant to the Income Tax Act.

In order to incentivise people to invest and forego consumption, the state has introduced tax incentives for investing in III pillar funds.

Pursuant to the Income Tax Act, a resident natural person may deduct from their taxable income supplementary funded pension contributions (including contributions used for purchasing voluntary pension fund units) in an amount not exceeding 15% of their total income taxable in Estonia for the same taxable period, and not exceeding 6,000 euros per taxable period. The Tax and Customs Board refunds to the investor the income tax paid on the supplementary funded pension contributions which do not exceed 15% of the investor's total taxable income for the same taxable period and do not exceed 6,000 euros.

Voluntary funded pension disbursements are taxed with an income tax rate of 10% on the conditions that at least five years have passed from the initial purchase of the Unit and the Unit holder has reached the age stipulated in the Funded



Pensions Act<sup>2</sup>. Furthermore, voluntary funded pension disbursements are taxed with an income tax rate of 10% if disbursement is due to liquidation of the fund. Payments from a voluntary pension fund are not income-taxed when the unit holder has been established to have no work ability. Also, payments that are made from a voluntary pension fund are not income-taxed when they are made to an unit holder that has attained the age provided for in the Funded Pensions Act<sup>3</sup> and the payments are made periodically at least once every three months and at least until the time limit that was stipulated in the Income Tax Act upon agreeing to the payments to be made from the voluntary pension fund.

Redemption of units is not income-taxed if such redemption takes place in association with concluding a supplementary funded pension insurance contract and results in either lifetime annuity payments or payments until the time limit stipulated in the Income Tax Act to the investor. Payments made under an insurance contract are not taxed after the policyholder has attained the age stipulated in the Funded Pensions Act<sup>4</sup>, on the condition that the insurance contract guarantees disbursements at least once every three months until the death of the policyholder or at least until the time limit stipulated in the Income Tax Act upon entering into the insurance contract .

Redemption of units is not considered a disbursement and is not taxed if it is associated with switching units of one voluntary pension fund for units of another, transferring funds from the voluntary pension fund to a supplementary funded pension insurance contract, or transferring funds from the supplementary funded pension insurance contract to a voluntary pension fund.

In all other cases, disbursements from the pension fund are taxed at the income tax rate set forth in legislation. The entire disbursement is taxed, not just the Fund's profit.

*A non-resident investor* is recommended to establish their tax status by consulting with tax advisors of their country of residency.

## Value Added Tax

Value added tax is levied, inter alia, on the service of safekeeping and administration of securities and the service of keeping the assets. This means that for example the depository service provided by the Depository and the expenses related to keeping the assets of the Fund are added value added tax.

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<sup>2</sup> A unit holder, who has acquired units of a voluntary pension fund for the first time before 1 January 2021 shall have a pensionable age of 55 years in the case of a supplementary funded pension.

<sup>3</sup> A unit holder, who has acquired units of a voluntary pension fund for the first time before 1 January 2021 shall have a pensionable age of 55 years in the case of a supplementary funded pension.

<sup>4</sup> A policyholder, who has entered into an insurance contract for a supplementary funded pension before 1 January 2021 shall have a pensionable age of 55 years in the case of supplementary funded pension.

## Units of Fund

A Unit is a registered immaterial security, which represents an investor's holding in the assets of the Fund. The Funds have units of one type without nominal value. The Units are divisible. The issuer of the Units is the Management Company and the offer of the Units is public. No material document certifying ownership is issued for the Unit. The Units grant the investors equal rights on equal grounds. The Units do not give the investor any decision-making power in concluding transactions with the assets of the respective Fund. The Units provide no voting right, and the Funds have no general meeting.

## Establishment of net asset value of Funds and Units

The management company determines the net value of the assets of the Fund and of the Units proceeding from its internal rules and legislation. The above internal rules have been disclosed on the Website.

The net asset value of the Fund's assets is the value of the securities in the Fund's assets and of other things and rights, less any claims against the Fund. The net asset value of the Fund's assets is determined primarily on the basis of the market value of the assets of the Fund. The market value of the Fund's assets is determined on every banking day, which is every calendar day except Saturday, Sunday, and the national and public holidays of the Republic of Estonia (hereinafter "Banking Day"). To determine the net asset value of the Fund's assets, the accrued but unpaid management fee owed to the Management Company, payables of the Fund (including unsettled transactions) and other costs related to management of the Fund are deducted from the market value of the assets of the Fund. The net asset value of the Funds is calculated in euros. The net asset value of the Funds' assets is disclosed on the Website at least once a month.

The net asset value of the Unit is calculated by division of the net asset value of the Fund's assets by the number of the Units, which have been issued and not redeemed by the moment of calculation, whereby the number of the Units has been first adjusted with the liabilities which arise from the subscription, redemption and switching orders received, but not yet settled by the Management Company. The net asset value of the Units is calculated in euros. The net asset value of the Units is calculated at least once on each Banking Day and published on the Website on each day of calculating the net asset value no later than at 14:00. The net asset value of the Unit is determined with an accuracy of at least four decimal places.

If an event or circumstance, which according to the best estimate of the Management Company affects the net asset value of the Fund or Unit, occurs after the determination of the net asset value of the Fund or Unit, the Management Company has the right to re-estimate the market value, the net asset value and the net asset value of the Unit, provided that the failure to perform such a re-evaluation would harm the interests of the investors.

## Determination of the issue and redemption prices of units

The issue and redemption prices of the unit are calculated pursuant to the procedure set out in the Rules once on every Banking Day and published on the Website not later than at 14:00. The issue and redemption price of a unit are calculated with the accuracy of four decimal places.

The Unit net asset value and Subscription and Redemption Prices, calculated as described in the previous sub-chapter and above, apply to the Unit purchase, sale and switch orders submitted by investors and received by the Registrar during the preceding Banking Day provided that the orders (and the corresponding payments, if necessary) have been submitted and received by the Registrar by 16:00 (Estonian time) of the preceding Banking Day. Orders and the corresponding payments, if necessary, submitted by the investors and that are received by the Registrar after 16:00 of the Banking Day preceding the Banking Day of calculation are considered received on the following Banking Day. When submitting orders through a person intermediating Unit transactions (e.g. the account managers of the Unit register<sup>5</sup>), the Investor must additionally take account of possible time restrictions of the person intermediating Unit transactions concerning which information can be obtained from the respective person.

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<sup>5</sup> See the list of account managers on the website of the Registrar.

## Transactions with Units

### General

In order to purchase Units, the investor must have a pension account. Pension account is a special type of securities account opened by the Registrar, which is used to register pension fund units and data related to the units.

The following unit transactions are possible: Purchase of Units, switching of Units, redemption of Units and redemption of Units for concluding a voluntary funded pension insurance contract. Unit transactions may be executed via the Registrar and account managers of the Unit registry. **By submitting a transaction order, the investor confirms that he/she has examined the Rules and the Prospectus of the respective Fund(s) sufficiently to make an investment decision, consents to these and undertakes to adhere to these.**

No transaction confirmations about unit transactions are issued. Investors receive information regarding transactions concluded with their Units and the balance of their pension account from their account manager or the Registrar.

Pursuant to the Money Laundering and Terrorist Financing Prevention Act, the Management Company must prevent any usage of investment funds for money laundering purposes. Therefore, the Investor must follow the identification requirements established by the recipient of the transaction order.

### Issue of units

In order to purchase a unit, the investor must have a pension account. The issue of Units is conducted by the Registrar.

The issue of Units is public and there are no time restrictions. Investor can purchase Units in two ways:

- By submitting a choice application;
- By making a contribution to the Fund via an account manager (provided that the investor has already submitted a choice application in a form accepted by the Registrar via an account manager to purchase the Units).

### Purchasing Units by submitting a choice application

To purchase Units by submitting a choice application, the investor shall submit a choice application in the specified form to the Registrar via an account manager, and submit a payment order thereto (either for single payment or fixed payments).

With the choice application, the investor subscribes to the Fund or Funds and indicates the distribution percentages of the subscription amount between the Funds, if necessary. Pursuant to the payment order, the account manager debits the subscription amount of the Fund(s) and transfers the sum to the Registrar's subscription account in the chosen bank.

## Purchasing Units by making a contribution to the Fund

Investor may subscribe Units by making a contribution to the Fund (i.e. without submitting a choice application), if the investor has already submitted a choice application in a form accepted by the Registrar to subscribe for such Units. In that case, the investor shall submit a payment order via an account manager for a single payment or for fixed payments to the Fund of their choice, under which the investor transfers the subscription amount to the Registrar's subscription account.

All payment orders must include the following details:

| Fund unit to be subscribed to   | Beneficiary's account  | Beneficiary          | Payment explanation  | Reference number                         | Amount             |
|---------------------------------|--|----------------------|--|--|--------------------|
| Swedbank Pension Fund V30 unit  | Swedbank AS<br>EE36220022106723524<br>4<br>SEB Pank AS<br>EE14101022026314622<br>5<br>Luminor Bank<br>EE96170001700437915<br>7 | AS<br>Pensionikeskus | 3010111982<br>8,<br>EE36000075<br>30<br>("EE3600007<br>530" must be<br>left out, if<br>Units are<br>being<br>purchased<br>under a choice<br>application) | The investor's<br>pension account<br>No. | Amount<br>in euros |
| Swedbank Pension Fund V60 unit  | Swedbank AS<br>EE36220022106723524<br>4<br>SEB Pank AS<br>EE14101022026314622<br>5<br>Luminor Bank<br>EE96170001700437915<br>7 | AS<br>Pensionikeskus | 3010111982<br>8,<br>EE36000710<br>31<br>("EE3600071<br>031" must be<br>left out, if<br>Units are<br>being<br>purchased<br>under a choice<br>application) | The investor's<br>pension account<br>No. | Amount<br>in euros |
| Swedbank Pension Fund V100 unit | Swedbank AS<br>EE36220022106723524<br>4<br>SEB Pank AS<br>EE14101022026314622<br>5<br>Luminor Bank<br>EE96170001700437915<br>7 | AS<br>Pensionikeskus | 3010111982<br>8,<br>EE36000710<br>49<br>("EE3600071<br>049" must be<br>left out, if<br>Units are<br>being<br>purchased<br>under a choice<br>application) | The investor's<br>pension account<br>No. | Amount<br>in euros |

Units can be acquired at the subscription price. The subscription price is the net asset value of the Unit as calculated on the next Banking day after the Unit subscription amount is transferred to the Registrar, plus the Unit subscription fee. Amounts received on a Banking Day after 16:00 are considered received on the following Banking Day. Therefore additional time should be left for transferring the subscription amount, depending on the account manager. On the Banking Day following the reception of the subscription amount by the Registrar, the number of Units to be purchased is calculated by dividing the sum with the Unit subscription price. The issued Units are transferred to the investor's pension account no later than on the third Banking Day following the receipt of the subscription amount by the Registrar ( T+3).

## Unit switch

The investor may switch their Units for units of another voluntary pension fund, unless such switch would be illegal.

In order to switch Units, the investor must submit to an account manager or the Registrar a Unit switch application in the specified form. For executing the Unit switch, Units of the Fund are redeemed and units of the new voluntary pension fund are issued. Upon the switch of the Units no disbursements shall be made to the investor.

Units redeemed by switching are deleted from the Unit registry, and units subscribed to by switching are transferred to the investor's pension account on the unit switch day. If the investor switches Units for Units of another Fund managed by the Management Company, the unit switch day is no later than the third Banking Day after the switch application is received (T+3). If an investor switches Units for the units of another fund manager or switches the units of a fund managed by another fund manager for the Units of a Fund, the unit switch day will depend on the subscription and redemption dates of both the Units of the Fund and the units of the fund managed by the other fund manager.

## Redemption of Units

The Investor has the right to demand redemption of Units, i.e. the right to sell their units back to the Management Company.

The Management Company shall redeem the investor's Units at the redemption price. The redemption price is the net asset value of the Unit as calculated on the next Banking day after the Unit sale order is submitted to the Registrar, minus the Unit redemption fee.

In order to have a Unit redeemed, the investor must submit a sale order in the specified form to an account manager or to the Registrar. Sale orders may be submitted on every Banking Day until 16:00. Orders received after 16:00 are considered received on the following Banking Day.

On the following day after the Registrar receives the sale order, the sum receivable for the sale of Units shall be calculated by multiplying the number of Units specified in the sale order with the Unit redemption price. Furthermore, the settlement date shall be fixed. Units redeemed shall be deleted from the investor's pension account, and the redemption amount shall be transferred to the current account associated with the Investor's pension account no later than on the third Banking Day following the receipt of the sale order by the Registrar (T+3).

## **Redemption of Units at the concluding of a supplementary funded pension insurance agreement**

To have a Unit redeemed at the concluding of a supplementary funded pension insurance agreement, the investor must submit an application in the specified form to an account manager. The Unit redemption price is the redemption price calculated on the Banking Day following the day the application was received by the Registrar. The redemption of Units and payment of the premium pursuant to the insurance contract to the bank account of the insurer shall be organised by the Registrar in coordination with the insurer within 15 Banking Days following the submission of the application. No disbursements shall be made to the investor upon redemption of the Units for entering into an insurance contract for supplementary funded pension.

## **Inheritance of units**

In case of the death of an investor, the successor of the investor has the right to request all or some of the Units of the investor to be transferred to the successor's pension account or to be redeemed. The successor shall submit to an account manager or the Registrar an application for the transfer or redemption of the Units, and a certificate of succession.

If the successor is a natural person, inheritance is performed pursuant to the terms and deadlines set forth in the Law of Succession Act. A natural person successor may request redemption of all or a portion of the inherited Units, or the transfer of these Units to their pension account, by submitting the respective sale or transfer order to an account manager or the Registrar.

If the successor is a legal person, they may request monetary disbursement for each of the inherited Units in the sum of the redemption price calculated on the day the request was submitted. The request must be submitted within one year after the issue of the certificate of succession, but no later than ten years after the opening of succession. If the legal person successor does not request disbursement within the above term, the money will remain a part of the pension fund and the Units will be cancelled.

## **Suspending unit transactions**

The Management Company shall suspend the issuance or redemption of Units if the issuance or disbursement of funds would seriously undermine the interests of the unit holders or the regular management of the Fund. The Management Company may suspend the redemption of Units if at least one of the following circumstances arises:

- the money in the accounts of the Fund is insufficient for payment of the redemption price of the Units;
- the securities or other assets of the Fund cannot be promptly sold;
- the calculation of the net asset value of the Fund's assets is hindered.

In the cases provided by legislation, the Financial Supervision Authority may issue a precept requiring the Management Company to suspend the issuing or redeeming of Units.

The issuing or redeeming of units may be suspended for three months at the most, unless otherwise provided by legislation. The Management Company notifies the suspension of the issue or redemption of the Units on the Website.

## Fees and Expenses Related to Funds

### Fees associated with Unit issue and redemption

Units can be acquired at the subscription price. The subscription price is the net asset value of the Unit plus the Unit subscription fee. The Unit subscription fee is up to 1% of the net asset value of the Unit. The Unit subscription fee is paid by the investor.

The Management Company shall redeem the investor's Units at the redemption price. The redemption price is the net asset value of the Unit minus the Unit redemption fee. The Unit redemption fee is up to 1% of the net asset value of the Unit. The Unit redemption fee is paid by the investor.

### Fees and costs payable out of the Fund

The following fees are payable out of the Funds:

| <b>Management fee</b> (calculated based on the market value of the assets of the Funds) |                 |
|---|-----------------|
| Swedbank Pension Fund V30   | 0.95% per annum |
| Swedbank Pension Fund V60   | 1.05% per annum |
| Swedbank Pension Fund V100  | 1.15% per annum |

The management fee is deducted from the market value of the assets of the Fund on a daily basis and paid no later than on the last day of the month following the accounting month. The management Fee is calculated on the basis of the following: the actual number of days in the period divided by the actual number of days in a year (actual/actual).

The Management Company may pay the following expenses out of the Funds:

|   |  |
|---|--|
| Transfer costs and service fees directly related to effecting transactions on account of the Fund (for example, service, transaction and brokerage fees, cash and securities transfer fees, subscription, stock exchange and registration fees, state fees, account maintenance fees) and analysis costs related to transaction counterparties; expenses related to keeping the assets of the Fund  | pursuant to the price list of the service provider   |
| Costs related to taking loans on account of the Fund (including costs related to repurchase agreements and reverse repurchase agreements and other securities-borrowing transactions)   | pursuant to the price list of the service provider   |
| Other fees and costs related to the management of the Fund (legal costs (for example, court costs) related to the Fund's investments, liquidation costs, taxes to the Fund's investments (such as costs related to seeking more favourable taxation), fees and interest costs (including costs related to negative interest on deposits and other fixed-income investments), costs of auditing the Fund's reporting, costs related to the realisation of rights related to the Fund's assets) | Pursuant to the price list of the service provider or based on the costs actually incurred |



Total annual fees, charges and costs paid out of each Fund may not exceed 3% of that year's average market value of the assets of the respective Fund.

The depositary fee related to the management of the Fund shall be borne by the Management Company. The depositary fee paid by the Management Company is 0,072% per annum (VAT included, calculated on the market value of the assets of the Fund).

## **Principles of reduction of fees and making discounts**

No subscription or redemption fee shall be charged upon switching Units if both of the voluntary pension funds related to the switch are managed by Swedbank Investeerimisfondid AS.

The Management Company may pay a person intermediating Unit transactions (e.g. Swedbank AS) on its own account for their activities associated with offering Units to the investors. The Management Company may, at its own discretion, provide discounts to fees during specific periods, for transactions via specific marketing channels, or for specific investors. The discount may, for example, be constituted by a partial or total waiver of subscription or redemption fee.

The Fund is reimbursed for the ongoing charge of the underlying funds (which may be estimated in certain cases). The reimbursement is generally made and credited to the Fund's assets once a month.

The Rules and the Prospectus do not include the transaction or service fees of the persons intermediating Unit transactions or of the account manager of the investor. All such fees shall be paid by the investor.

## **Management fee limit of acquired funds**

The effective limit of the management fee of investment funds acquired in the assets of the Fund may not exceed 3% of the market value of the assets of the acquired Fund per annum. If investments are made in a fund which calculates the management fee based on the value of the investment obligation assumed by investors, the limit of the management fee of such fund shall not exceed 3% of the amount of the investment obligation. In case an acquired fund charges in addition to the management fee the performance fee depending on the fund's results, these fees together shall not exceed 6% of the market value of the fund's assets per annum. If the Fund is refunded a part of the management fee or performance fee, the management fee of the acquired fund is accounted smaller to the respective extent.

## Information about Funds

The following information and documents may be examined at the seat of the Management Company and on the Website:

- 1) the Rules;
- 2) last annual report of the Fund;
- 3) the Prospectus and Key Investor Information;
- 4) contact details of the Management Company;
- 5) names of persons engaged in investing the Funds' assets;
- 6) the name and contact details of the Depository;
- 7) information on the size of holding of the Management Company in the Fund;
- 8) the internal rules of the Management Company for the establishment of the net asset value of the Fund's assets and the Units.

The above documents and information may be examined at the seat of the Management Company on each Banking Day at 10:00–16:00. The Management Company provides copies of the documents specified in clauses 1–4 to the unit-holders at the latter's request free of charge. The annual report of the Fund is prepared and disclosed within four months from the end of the financial year of the Fund.

The net asset value of the Units and the issue and redemption prices are published on the Website of the Management Company on each Banking Day after the calculation of the net asset value no later than at 14:00. The Management Company may publish the above information also on other websites or media publications.

The Management Company has the right to send notices and reports about the Funds at any postal or e-mail address of the investor known to the Company.

## Amendment of Rules and Prospectus of the Funds

The board of the Management Company decides the amendment of the Rules at its discretion; amendments may include also essential terms concerning, for example, rights resulting from a Unit. Following the approval of the amendments by or the submission of the amended Rules to the Financial Supervision Authority, the Management Company publishes the amended Rules on the Website required by legislation. Changes of the Rules generally take effect one month after the publication of the relevant notice.

The board of the Management Company decides the amendment of the Prospectus; amendments may include essential terms concerning, for example, the investment policy of the Fund. The Amended Prospectus is published by the Management Company on its website and will generally take effect immediately upon its publication or, in the case of significant changes, after the lapse of the period set forth in relevant legislation (as a rule, one month).

## Termination of the Fund

With the permission of the Financial Supervision Authority, the Management Company may transfer the management of the Fund to another management company by agreement. If the right of the Management Company to manage the Fund terminates (for example, when the Management Company's license is revoked) and the management of the Fund is not transferred to another management company, the management of the Fund shall pass to the depository. Liquidation of the Fund may be decided only if it has been impossible to transfer the management of the Fund to another management company in accordance with the procedure laid down in legislation.

The Fund is terminated in liquidation proceedings, and to this end the Management Company or any other party specified in the legislation has to apply to the Financial Supervision Authority for a liquidation permit. After learning about the decision to grant a permit, the Management Company will publish a liquidation notice. Liquidation proceedings begin on the day following the publication of the liquidation notice and end with the submission of a liquidation report in accordance with the provisions in legislation. The Fund is considered liquidated upon submission of a liquidation report.

Upon liquidation of the Fund, the liquidator shall transfer the assets of the Fund, collect the arrears of the Fund and satisfy the claims of the creditors of the Fund. During the liquidation of the Fund, the Management Company may effect only those transactions on account of the Fund that are necessary for the liquidation of the Fund. The Fund may only cover the actual costs of the liquidation of the Fund, which may not exceed 2% of the net asset value of the Fund's assets as at the date of the decision made to liquidate the Fund, except in cases where the decision to liquidate sets out the amount and the rationale for any additional liquidation costs. The liquidator of the Fund shall divide assets left over from liquidation between unit holders according to the number, and net asset value of the Units held by each unit holder. On the date of disbursement, the Unit is deleted and all associated rights and obligations are terminated.

## Management Company

### General data

The Funds are managed in the interest of investors by Swedbank Investeerimisfondid AS (share capital 3,004,800 euros, registry code 10194399), which was established on the basis of the legislation of the Republic of Estonia on 21.10.1994 as a company that manages investment funds. Swedbank Investeerimisfondid AS holds activity license of the Management Company No. F-4/0009 issued by the Financial Supervision Authority on 05.04.2002 for unspecified term, which grants the right for the management of investment funds (including mandatory and voluntary pension funds) and securities portfolios. 100% of the shares of Swedbank Investeerimisfondid AS are held by Swedbank Robur AS.

The activities of the Management Company must comply with the legislation, the articles of association of the Management Company and the Rules and be based on the best interests of the unit holders of the Funds.

The Management Company has the right to dispose of and possess the assets of the Fund and other rights arising therefrom. The Management Company concludes transactions in its name and on account of the Fund upon managing the Fund. The Management Company manages the assets of the Fund separately from its own assets and the assets and pools of assets of other investment funds managed by the Management Company. The Management Company is obliged to submit any claims of the Fund or the Fund's investors against the Depository or a third party if failure to submit the claims may result in loss or damage being incurred by the Fund or, as a result, by the Fund's investors. The Management Company is not obliged to submit such claims if the Fund or the Fund's investors have already submitted the claims or if the loss or damage is limited in its extent (up to 0.5% of the value of the Fund's assets) or if the submission of a claim results in disproportionate costs.

### Supervisory Board

**Natalie Falkman** – Senior Fund Manager at Swedbank Robur Fonder AB.

**Adam Wastå** – Financial Manager of Swedbank Robur AB.

**Andrus Alber** – CEO of Finora Capital OÜ and a member of the Estonian Fiscal Council.

**Andres Trink** – CEO of Merko Ehitus AS.

**Inger Lind** – Swedbank Robur AB, lawyer.

**Olavi Lepp** – CEO of Swedbank AS.

### Management Board

**Age Petter** – Chairman of the Management Board from 2021.

**Meelis Hint** – Member of the Management Board from 2010.

## Other funds managed by the Management Company

Swedbank Pension Fund K10

Swedbank Pension Fund K30

Swedbank Pension Fund K60

Swedbank Pension Fund K100

Swedbank Pension Fund K1990-1999 index

Swedbank Pension Fund V30 index (limited redemption)

Swedbank Pension Fund V60 index (limited redemption)

Swedbank Pension Fund V100 index (limited redemption)

Swedbank Fund of Funds 30 (Balanced strategy)

Swedbank Fund of Funds 60 (Growth strategy)

Swedbank Fund of Funds 100 (Equity strategy)

Swedbank Russian Equity Fund

Swedbank Eastern Europe Equity Fund

## Transfer of duties of the Management Company

To the extent and pursuant to the procedure established by the Legislation, the Management Company may transfer to third parties all the activities related to management of the Fund, including Investment of the assets of the Fund and management of risks related to the investment of the assets of the Fund, administration of the Fund and the offering of the Fund. The transfer of duties to third persons does not release the Management Company from liability relating to the management of the Fund.

The Management Company has transferred the following duties to third persons:

|   |   |
|---|---|
| Investment of the assets of the Fund (partially and as regards making investment decisions upon investment of the assets of the Fund) | Swedbank Robur Fonder AB, reg. No. 556198-0128, SE-105 34 Stockholm, Sweden (management company registered in the foreign country, subject to supervision of the Swedish Financial Supervision Authority) |
| Offer of the Fund   | Swedbank AS   |
| Keeping account of the assets of the Fund and organisation of accounting of the Fund  | Swedbank Robur Fonder AB and Swedbank Robur AB, reg. No. 556110-3895, SE-105 34 Stockholm, Sweden   |
| Provision of information needed by investors and other customer service, including resolution of investor complaints                  | Swedbank AS<br>AS Pensionikeskus  |

|  |  |
|--|--|
| Valuation of the Fund's assets and the determination of their net value, including provision of information and reports on the Fund's assets             | Swedbank Robur Fonder AB ja Swedbank Robur AB                                    |
| Monitoring the compliance of the activities of the Fund, including the implementation of a relevant internal audit system in relation to the Fund        | In part transferred to Swedbank AS and to Swedbank Robur Fonder AB               |
| Organisation of maintaining the register of units of the Units   | AS Pensionikeskus  |
| Accounting of proceeds of the Fund   | Swedbank Robur Fonder AB and Swedbank Robur AB                                   |
| Issue or redemption of Units   | AS Pensionikeskus (in cooperation with the Depository and insurer, if necessary) |
| Organisation of settlements related to the issue and redemption of units and to the management of assets, including the issue of necessary certificates. | Swedbank AS<br>AS Pensionikeskus   |
| Preservation of documents related to the Fund  | Swedbank Robur Fonder AB and Swedbank Robur AB                                   |

## Remuneration policy of the Management Company

The principles of the policy for remunerating the Management Company's employees are set out in Swedbank Group's remuneration policy and in the Management Company's remuneration rules and these set out the rules applicable to the provision of basic pay (fixed monthly pay) as well as variable pay. The principles of the remuneration policy are approved by the Supervisory Board. The Management Company has not set up a remuneration committee. The total remuneration of the Management Company's employees consists of basic remuneration and variable remuneration paid in the form of shares in the parent company of Swedbank Group, Swedbank AB. Total remuneration is based on the labour market conditions and is designed to achieve a reasonable balance between variable and fixed remuneration components. A full description of the principles for the remuneration of the Management Company is provided on the Website ([www.swedbank.ee/fondid](http://www.swedbank.ee/fondid)), in the document "Important information". On application by the investor, the remuneration policy of the Management Company is made available at the location of the Management Company free of charge.

## Depository and Register of Units

### Depository

The Funds' depository is Swedbank AS, established on 07.01.1992, registry code 10060701, seat Liivalaia 8, 15040 Tallinn, Republic of Estonia. Swedbank AS holds credit institution activity license EP-13PO issued for an unspecified term on 26.01.1993 by the board of the Bank of Estonia and provides various banking and investment services thereunder. The Depository holds the assets of the Funds and monitors that the transactions entered into by the Management Company on account of the Funds are in compliance with the current legislation and the Rules of the Funds. In performing its duties the depository shall use reasonable diligence and shall make all reasonable efforts to ensure the protection of the interests of the investors.

Pursuant to the depository contract, the Depository has the right to enter into contracts with any third persons for depositing the assets of the Fund, making settlements with the assets of the Fund and for transferring other duties. Upon selection of such persons and in the future, the Depository shall use reasonable diligence in order to ensure the reliability of the respective third persons and verify that the level of organisational and technical arrangement and the financial condition of the respective third person are sufficient for performance of its duties.

List of parties to whom the Depository has outsourced the functions of holding assets (as at 20.01.2020):

|               |   |
|---------------|---|
| Global        | JPMorgan Chase Bank N.A., London Branch, State Street Bank International GmbH |
| Lithuania     | Swedbank AB   |
| Latvia        | Swedbank AS   |
| Norway        | Svenska Handelsbanken AB (publ)   |
| Sweden        | Swedbank AB (publ)  |
| Finland       | Svenska Handelsbanken AB (publ)   |
| Denmark       | Svenska Handelsbanken AB (publ)   |
| Foreign funds | Allfunds Bank International, S.A., Euroclear, Swedbank Robur Fonder AB        |

The Depository shall be liable for any loss or damage incurred by the Fund or the investor as a result of the loss of assets held by the Depository or a third party to whom the Depository has delegated its functions, or the fact that the Depository has not exercised due diligence in performing its obligations as laid down in the applicable legislation. The liability of the Depository is excluded to the extent set out in the Rules.

The activities of the depository in holding the Funds' assets or performing other obligations related to the Fund's assets may result in various conflicts of interest. The Management Company and the Depository belong in the same consolidation group and, consequently, conflicts of interest may arise between the Depository and the Funds. Swedbank may, due to its business profile, in some cases provide the Funds and/or the Management Company, with other services in addition to custody services, and as a result there may arise conflict of interest situations among the sub-units of Swedbank AS providing the various services. The Depository may provide depository and asset holding services also for other clients and, consequently, there may arise conflicts of interest between the Fund and the other

clients of the Depository. In addition, conflicts of interest may result from the outsourcing of certain functions of the Depository, for example, when the functions have been outsourced to a company in the same consolidation group as the Depository. To identify and hedge potential conflicts of interest, the Depository has established internal rules and restrictions under the applicable legislation; in addition, the management structure of the Management Company and the Depository are organised in such a way as to allow the Management Company and the Depository in the performance of their functions to operate independently and in the Unit Holder's best interests.

At the request of the Fund's unit holder, she or he shall be provided with updated information about conflicts of interest that may arise when the Depository's services are provided or about third parties to whom the Depository has passed on its functions of holding assets.

## **Register of Units**

Under the provisions in legislation, Units are registered electronically in the pensions register kept by the Registrar. Ownership of a unit is proven an entry in the register. Legislation regulating the maintaining of a register of the Units by the Fund Register data are processed by means of electronic data processing.

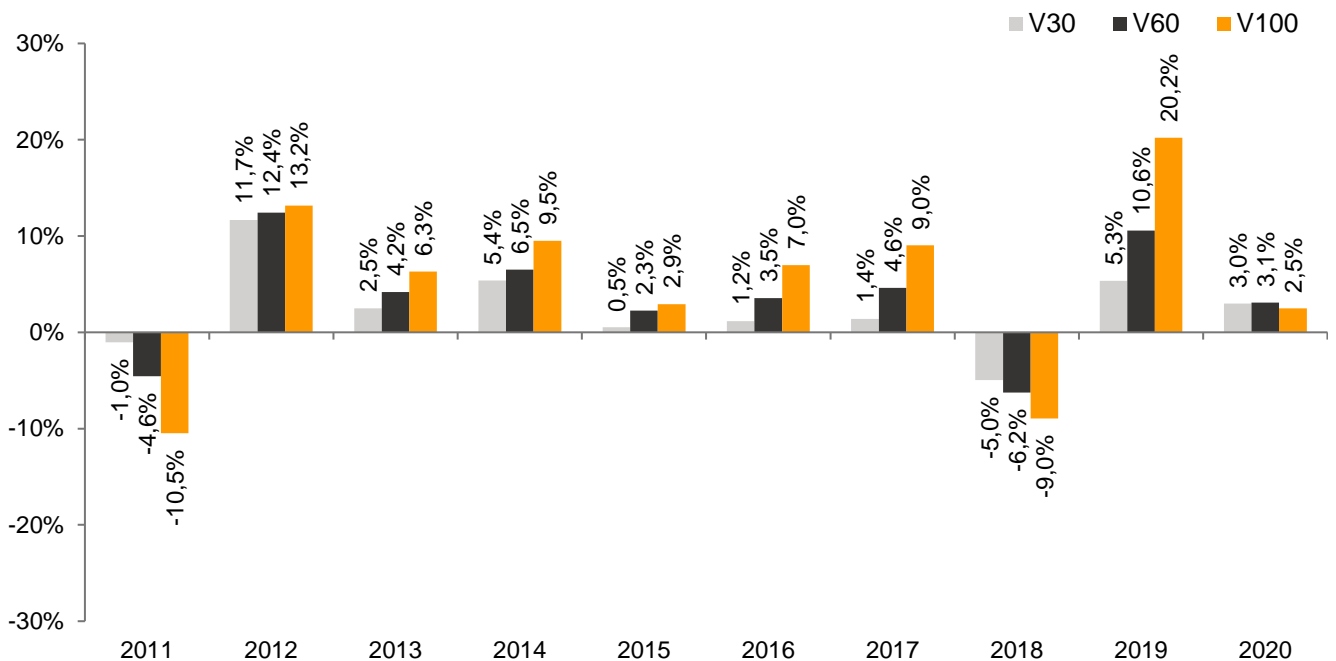


## Annex 1: Historical Rates of Return of the Funds

The table below displays average annual cumulative rate of return of the Funds (as at 31.12.2020).

|                            | 2 years | 3 years | 5 years | 10 years | Since inception |
|----------------------------|---------|---------|---------|----------|-----------------|
| Swedbank Pension Fund V30  | 4.1%    | 1.0%    | 1.1%    | 2.4%     | 3.5%            |
| Swedbank Pension Fund V60  | 6.8%    | 2.2%    | 3.0%    | 3.5%     | 3.7%            |
| Swedbank Pension Fund V100 | 11.0%   | 3.9%    | 5.5%    | 4.7%     | 5.6%            |

The rates of return of the Funds from previous calendar years indicated by the figure below have been calculated for the corresponding calendar year based on the net asset value of the Fund's assets. Issue and redemption fees have not been taken into account.



V30 – Swedbank Pension Fund V30, established in 1998

V60 – Swedbank Pension Fund V60, established in 2003

V100 – Swedbank Pension Fund V100, established in 2003

**NBI** The rate of return of the assets of the Funds does not denote any promise or reference concerning the rate of return of the Funds during the following periods.

## **ANNEX 2: Environmental and/or social characteristics**

The Funds promote among other factors environmental and social characteristics, for example, when making investments including companies based on the sustainability factors described below and by excluding investments in the activities described below.

Sustainability focused on the environment and climate change is integrated into the Funds' investments selection process mainly through a gradual reduction of CO2 emission intensity, thematic investments and an increase in the share of green bonds in the portfolio, and through the identification and management of sustainability risks. Also, in the underlying funds selection process, investments are directed more towards funds with a sustainable focus. The Funds exclude from the portfolios investments that involve high sustainability risks and companies whose activities, in the opinion of the Management Company, are harmful to society and the environment, according to the Management Company's principles of sustainable and responsible investments that are published on the website of the Management Company. In order to promote sustainability, the Management Company also applies the principles for shareholder engagement published on its website, especially when investing in Baltic companies.