

**Swedbank Pension Fund Index**

# Prospectus

Effective as of 17.02.2022

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 the Prospectus) of Swedbank Pension Fund Index (hereinafter as the 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 Fund, providing information related to the Fund.

An integral part of the Prospectus, the Rules of the Fund (hereinafter the Rules) are document approved in accordance with the procedure laid down by law, setting out the bases for the operations of the Fund and the relationships of the Fund's unit holders (investors) with the Management Company. The Rules are disclosed in the manner and places set out in the "Information about Fund" 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 Fund. 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 Fund shall always comply with the Prospectus, the Rules 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 Fund is offered exclusively to Estonian residents. The Fund is 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 Fund is confidential and it shall be disclosed only in the events prescribed by the legislation. By the declaration of intention made for the acquisition of the Units, the investor confirms that they have read Swedbank's regulation "Principles of Processing Client Data" and consents to the processing of the investor's data (including personal data) 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 Estonia and in the registered office of the Management Company.

More detailed information concerning the Fund, 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 the Website).

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## General data

<b>Data of the Fund</b>	<p><b>Swedbank Pension Fund Index</b>, mandatory pension fund registered in the Republic of Estonia established on 29 June 2021.</p> <p>The registered office of the Fund is the registered office of the Management Company.</p> <p>The financial year of the Fund begins on 1 January and ends on 31 December.</p>
<b>Units of the Fund</b>	<p>The Fund has units of one type without nominal value (hereinafter the 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 12:00 noon.<sup>1</sup></p>
<b>Financial statements</b>	<p>The annual reports of the Fund are prepared and disclosed at the registered office of the Management Company and on the Website no later than four months after the end of the financial year of the Fund.</p>
<b>Taxation</b>	<p>The income of the Fund is not subject to taxation in the Republic of Estonia. The income earned by the Fund is reinvested. The profit or loss of the Fund is reflected in changes of the net asset value of the Units of the Fund. The taxation of the income earned by the investor depends on the circumstances related to the particular investor.</p>
<b>Management Company</b>	<p>Swedbank Investeerimisfondid AS (hereinafter also the Management Company), registered office at 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 the Depository), registered office: Liivalaia 8, 15040 Tallinn, Republic of Estonia. The Depository keeps the assets of the Fund. See additional information in "Depository and register of Units" part of the Prospectus.</p>
<b>Registrar</b>	<p>AS Pensionikeskus (hereinafter the Registrar), registered office: 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 register of Units" part of the Prospectus.</p>
<b>Supervisory authority</b>	<p>Supervision over the activities of the Fund, the Management Company and the Depository is performed by the Financial Supervision Authority, registered office: Sakala 4, 15030 Tallinn, Republic of Estonia.</p>

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

**Auditor**

The auditor of the Fund is AS PricewaterhouseCoopers, registry code 10142876, registered office: Pärnu mnt 15, 10141 Tallinn, Republic of Estonia.

# Investment of Assets of the Fund

## Investment objectives

The Fund is a mandatory pension fund, whose main purpose in operating is to provide the Fund's unit holders with additional income after reaching the pension age, in addition to the state pension. The investment objective of the Fund is to achieve the maximum long-term growth of the value of the assets of the Fund.

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

## Investment policy

The main investment policy principles are provided in the Rules. Up to 100% of the Fund's assets may be invested in equity risk instruments. The Management Company strives to keep the ratio of investments carrying equity risk close to the maximum permitted level. The ratio of these instruments in the Fund's assets shall not be changed based on developments in the economy or the capital markets. The ratio of cash in the Fund's assets shall generally not exceed 5% of the market value of the Fund's assets, unless it is necessary for the settlement of Unit transactions.

The Management Company shall invest the assets of the Fund taking into account global equity indices that are based on market capitalization of large and medium-sized undertakings of developed countries. These indices have to take into consideration the ESG (environmental, social, governance) factors, be marked as socially responsible, sustainable or environmentally thematic indices or be indices that take into consideration other fields of responsible and sustainable investment (environment, climate, working conditions, company management, etc.) (hereinafter referred to as indices with ESG principles). The Management Company may invest the assets of the Fund taking into consideration global equity indices that are based on the market capitalisation of large and medium-sized undertakings of developed countries, which are not indices with ESG principles if the underlying funds to be selected specified below or their management companies thereof take into consideration the ESG factors, are marked as socially responsible, sustainable or environmentally thematic indices or are funds that take into consideration other fields of responsible and sustainable investment (environment, climate, working conditions, company management, etc.).

The Management Company does not make different investment decisions due to the changes in the composition of the above indices, i.e. the Management Company shall, in the course of investing the Fund's assets, only ascertain that the assets of the Fund consist of financial instruments or pools of financial instruments that predominantly (risk and reward profile as similar as possible) track the described indices.

The Management Company invests the assets of the Fund in equities or units of funds that track such indices (underlying funds) and that may or may not be traded on a regulated market. The Management Company may additionally invest in other instruments or pools of instruments tracking such indices (i.e. in pools of equity, derivatives). The Management Company may make adjustments to the selection of underlying funds and other instruments and the

above indices. A material criterion of the selection and switching of the underlying funds and other such instruments is the total cost associated with the investment – i.e. the Management Company invests the assets of the Fund in those instruments tracking the above described indices, which carry the lowest total cost for the final investor.

The assets of the Fund shall not be invested in real estate or other so called alternative asset classes (e.g. precious metals, objects of infrastructure).

Upon investment of the assets, the Fund has not specialised by sectors of economy or regions. The specific ratio of investments in the assets of the Fund shall be determined by the Management Company in the course of its everyday activities. The equity investments of the Fund may be quoted in different currencies and the Fund may invest in different currencies, but the bond investments of the Fund may only be quoted in euro.

The Fund's 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). The equities of an investment fund which is not an equity fund are not treated as equities.

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

In investing the assets of the Fund, the Management Company is guided by the rules on spreading risk set out in the legislation (primarily the Estonian Investment Funds Act and 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 Fund may be invested based on the restrictions and conditions laid down in legislation, the Rules and the Prospectus: securities (e.g. 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. the Securities), money market instruments, deposits at credit institutions, units or equities of other funds, derivative instruments and other assets permitted by the legislation.

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 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 be 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 assets of the Fund 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 Fund 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 mainly reflecting equities and bonds of developed countries.

A loan may be taken out on account of the Fund in the amount for 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 on account of the Fund, 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**

The Management Company shall invest the assets of the Funds taking into consideration the abovementioned global equity indices that are based on the market capitalisation of large and medium-sized undertakings of developed countries. The Management Company aims to carry out the investments in a cost-effective manner. Therefore, the total cost of making an investment is a vital criteria when choosing the instruments and entering into transactions. In order to ensure a higher level of cost-effectiveness, the Management Company strives to keep the ratio of investments carrying equity risk close to the maximum permitted level described in the Rules; however, the level of equity risk may fluctuate daily to the extent specified in the Rules due to movements in the market prices and the Fund's cash flow. 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 Fund, the investor must consider the risks arising from investment, which may affect the rate of return of the Fund. The Fund 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 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 in the registered office and on the Website site of the Management Company. The investment risk of mandatory funded pension is borne by the investor. The government does not provide any guarantees regarding the preservation of the value of the units of a pension fund.

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 investor should assess whether the risk profile of the Fund and typical investors at whom the Fund is targeted are suitable to his or her investment objectives (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. Below follow the descriptions of some of the main risks associated with the investments. 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 (e.g. 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 change of 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 (e.g. 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 (e.g. 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 Fund with any persons connected to it or with 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 fund manager is the fund manager 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 Fund (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 Fund has 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.

**The 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 Fund if they materialise. Weak governance and control structures in a company being the Fund's (indirect) 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 Fund's 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 Fund**

**Risk of investing in funds.** The Fund applies a passive investment policy, i.e. the assets of the Fund are invested into other investment funds taking into consideration the above global equity indices that are based on the market capitalisation of large and medium-sized undertakings of developed countries. Though the Fund as an institutional investor is in certain cases entitled to more favourable investment conditions (for example it is possible to invest

through special units designed for institutional investors that have more favourable fee schemes (lower management fees, lower or non-existent entry and exit charges) and the Fund may receive rebates from some of its underlying investments), in the end a higher level of fees may apply to the investments of the Fund. In addition the **market concentration risk** may be significant in case of a passive investment strategy as the investment funds that the Fund invests in may be established in the same countries or invest in the same underlying instruments.

An essential part of the assets of the Fund 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 Units of the Fund, therefore the **currency risk** has to be regarded as significant.

Up to 100% of the Fund's assets may be invested 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 **legal system risk** may be regarded as significant in case of the Fund and this arises from the fact that the legislation governing the activities of the funds and investments in the funds may be amended in a manner that is unfavourable for the investor.

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

## Description of typical investor and risk levels of Fund

The Fund is targeted at investors, who are natural persons residing in Estonia. The Fund does not require any prior investment experience. When choosing a suitable pension fund, the investors have to proceed from their own **expectations** and **personal risk tolerance**. Therefore, the Management Company recommends before making an investment decision to consult a professional investment adviser in order to assess and understand the risks associated with investments and connection between the risks and potential loss or reward.

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 into for a longer-term investment period (at least 10 years). Therefore, the Fund befits people joining or having recently joined the funded pension system but also more experienced investors. **Fund risk level is high.**

## Taxation of the Fund's Income

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.

### 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.

### Income tax

#### 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 investors

Contributions to the mandatory funded pension (2%) are deducted from taxable income and payments from the second pillar are taxed with the current tax rate.

Payments made from the Fund to investors, their successors or other persons specified in the law are taxed pursuant to the Income Tax Act. Pursuant to the Income Tax Act, the taxation of payments made from the Fund may depend on both the method of payment and the identity of the investor (e.g. whether the payment is made to an investor who is entitled to the mandatory funded pension or to an investor not yet entitled to the mandatory funded pension). Payments made to the successor upon the redemption of the Units are subject to taxation at the current tax rate. Transfer of the Units to the successor's pension account is not subject to taxation. The switch of the Units of the Fund to units of another mandatory pension fund or redemption of the Units to transfer the money to the pension investment account are not subject to taxation.

## **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.



## Units of the Fund

The Units are registered immaterial securities expressing the share of the common ownership of the Investor in the assets of the Fund. The Fund has units of one type without nominal value. The Units are divisible. 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 Fund. The Units provide no voting right, and the Fund has no general meeting.

## Establishment of net asset value of Fund and Units

The management company determines the value of the assets of the Fund 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 Fund's assets is calculated in euros. The net asset value of the Fund's 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 and redemption 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 12:00 noon. The net asset value of the Unit is determined with the accuracy of five digits after the decimal point.

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 12:00 noon. The issue and redemption price of a unit are calculated with the accuracy of five digits after the decimal point.

## Transactions with the Units

### Joining the second pillar

In order to acquire the units of the second pillar, eg the mandatory pension fund, or to make payments to the pension investment account, a person (investor) who meets the conditions provided by legislation shall submit to the Registrar or the account manager<sup>2</sup> either in person or through a representative authorised for this purpose in writing *a choice application*. Upon the submission of a choice application, *a pension account* is opened for the investor, which is a special type of securities account used for registration of mandatory pension fund units and details related to the units. In order to open a pension investment account, the investor enters into a corresponding agreement with a credit institution that meets the conditions provided by legislation. This Prospectus only describes transactions with the units of the Funds and does not describe transactions related to the pension investment account, including II pillar contributions to it.

By submitting a choice application, the investor undertakes to make mandatory funded pension contributions to a mandatory funded pension of their choice or to a pension investment account, under the conditions and pursuant to the procedure provided by law. In the absence of a choice application the contributions shall be made to the pension fund determined by lot by the Registrar or under the conditions provided by legislation to the pension investment account. The obligation to make the contribution ends at the time and on the bases provided by legislation.

An investor may start making contributions to a new mandatory pension fund or pension investment account by submitting a new application to the account manager or the Registrar. The Registrar shall replace the mandatory pension fund or pension investment account to which the investor makes contributions with the mandatory pension fund or pension investment account specified in the new choice application no later than on the third working day as of the acceptance of the choice application by the Registrar.

**By submitting a choice application or a transaction order, the investor confirms that he/she has sufficiently examined the Rules and the Prospectus, consents to these and undertakes to adhere to these.**

If a person obligated to join the II pillar does not want to make contributions to the II pillar then provided by legislation he or she shall not be obliged to make the payment if he or she submits an application for exemption from making a payment to the account manager or Registrar by the due date for submission.

Contributions to the second pillar conditionally consist of two parts: contribution to a mandatory funded pension, which constitutes 2% of the employee's gross salary and which is withheld by the employer, and tax (4% of the gross salary), which is added by the Tax and Customs Board on account of social tax. For persons meeting certain conditions (e.g. a parent raising young child), additional contributions may be allowed under legislation. The contribution of a sole proprietor to the mandatory funded pension is 2% of the person's business income; and the Tax and Customs Board calculates and pays additionally 4% of the social tax paid by the sole proprietor as a contribution to the sole proprietor's funded pension.

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<sup>2</sup> See the list of account managers on the website of the Pension Centre.

The Fund does not issue any transaction confirmations about unit transactions. Investors receive information regarding transactions concluded with their Units and the balance of their pension account from the registrar and/or their account manager.

## Issue of units

To make a contribution, the employer or another person provided by legislation shall withhold from the remuneration payable to the investor and prescribed by the legislation the *contribution to mandatory funded pension* and transfer it to the current account of the Tax and Customs Board. The Tax and Customs Board checks the accuracy of withheld contributions and based on the information on subscribers to the second pillar received from the Registrar sends correct payments and the amounts of any additional contribution prescribed by the legislation and the data thereof to the Registrar.

Based on the amounts received from the Tax and Customs Board and the net asset value of the Unit of the Fund, the Registrar transfers the corresponding number of the Units to the investor's pension account (calculates the number of the acquired Units by dividing the received amount by the net asset value of the Unit and transfers the acquired Units to the investor's pension account). At the same time, a contribution amount corresponding to that number of Units is transferred into the bank account of the Fund. If a whole number of Units cannot be acquired for the contribution, a relevant fractional unit is transferred into the investor's pension account. Fractional units registered in the investor's pension account are added up.

The Unit is deemed issued and all the rights arising therefrom are deemed created upon the registration of the Unit in the investor's pension account.

An investor has the right not to make a mandatory funded pension payment if he or she submits an application for exemption from making a payment provided in the legislation to the account manager or the Registrar. The investor shall be released from making the payment from 1 January, 1 May or 1 September if the application is submitted to the Registrar no later than 31 July, 30 November or 31 March, respectively. Until the due dates for the submission of such an application, the investor may amend his application by submitting a new application.

An investor who has submitted an application for exemption from payment of a mandatory pension fund contribution or exercised the statutory right to withdraw money before becoming entitled to mandatory funded pension shall become entitled to make a payment again ten years after the making of the payment ceases if he or she submits to the account manager or Registrar an application for making the payment stipulated in the legislation.

## Acquisition of Units by sole proprietors

In the case of sole proprietors, the contribution period is one calendar year. The Tax and Customs Board calculates the sole proprietor's funded pension contribution and sends the sole proprietor a tax notice by 1 September of the year following the taxable period for social tax. The sole proprietor pays the funded pension contribution to the bank account of the Tax and Customs Board once annually, i.e. by 1 October of the year following the taxable period for social tax.

The Fund Units calculated according to the business income are transferred to the sole proprietor's pension account once annually.

## Change of units

The investor can change the Units or any part thereof to units of another mandatory pension fund upon request, if change is not prohibited under legislation. The investor pursuant to the legislation has also a right to redeem all Units or some of them and to transfer the amount received upon redemption of Units to his or her pension investment account.

The investor has the right to make change transactions stipulated in the legislation three times a year. To make the change transaction, the investor shall submit an *application for the change* to the account manager or the Registrar. The change transactions are performed on the first working day following 1 January and 1 May and on 1 September or a working day following it if 1 September is not a working day. For effecting the change transactions, the application for the change on the designated days shall be received by the Registrar on 30 November, 31 March and 31 July respectively, at the latest. Until the above due dates, the investor may change the application by submitting for this purpose a new application for the change.

In case of changing the Units, the Units of the Fund are redeemed and units of another pension fund are issued for the redemption price calculated on the day of changing the Units paying for the latter in the amount of the net asset value of the same day. Upon the change of the Units no payments are made to the investor. When units are changed, the investor pays the Management Company a unit redemption fee according to the procedure and rate set out in the Rules and the Prospectus.

## Redemption of units

### Payments to an investor, who is entitled to mandatory funded pension

An investor is entitled to receive payments from the Fund (mandatory funded pension disbursements) when he or she has reached the age stipulated in legislation or fulfils other conditions stipulated in legislation.

Payments are made on the basis of a pension contract, but also directly from the Fund – as a funded pension or as a lump-sum payment.

### Redemption of units upon entry into pension contract

The pension contract is a mandatory funded pension insurance contract entered into by and between the investor, who pursuant to the legislation is entitled to mandatory funded pension, and the insurer based on which the insurer undertakes to make pension payments to the investor until his or her death or until the term agreed upon in the contract and the investor undertakes to pay an insurance premium to the insurer.

For entry into a pension contract, the investor shall submit an application to the insurer offering the corresponding product. The pension contract is entered into pursuant to the conditions and procedures stipulated in the Funded Pensions Act. When a pension contract is entered into, all the Units held by the investor are redeemed and a lump-sum insurance premium is paid to them in the relevant amount, unless otherwise determined by the investor. The amount corresponding to the units shall be calculated by multiplying the number of units redeemed with their net value. The

Registrar shall organize the redemption of Units and the transfer of the amount corresponding to the Units from the Fund to the insurer.

If the investor has Units in the pension account after entering into the pension contract, the investor has the right to enter into another pension contract, make an agreement for a fund pension, apply for a lump-sum payment from the Fund or submit an application to the insurer for making an additional insurance contribution to the extent of the remaining Units.

### **Fund pension**

Under the fund pension periodic payments are made to the investor until the expiry of the funded pension. The funded pension covers all the mandatory pension funds whose units the investor holds and whose redemption is not prohibited under legislation.

To agree on a fund pension, the investor presents her or his account manager or Registrar with a funded pension application in the required format. When the funded pension is agreed then the term of the funded pension is calculated on the basis laid down in the legislation, but the investor may set a shorter or longer term than calculated. Upon agreeing on a funded pension, the investor shall determine the frequency of payments, according to which payments shall be made either once a month, once a quarter or once in a pension year. After a pension fund has been agreed on, the investor has the right, by submitting an application in the required format to her or his account manager or Registrar to terminate the funded pension in accordance with the procedure laid down in legislation.

When a fund pension disbursement is provided for the investor, the prescribed number of mandatory pension fund units are redeemed, and a disbursement is provided in the amount corresponding to them. The said amount is obtained by multiplying the number of mandatory pension fund units redeemed with their net value. Unit redemption and disbursement to the investor are organised by the Registrar. The number of units underlying funded pension disbursements is identified each time before a disbursement is made in accordance with the conditions laid down in legislation.

If the investor acquires units in a mandatory pension fund after agreeing on a funded pension, the additionally acquired units shall be taken into account when the number of units underlying disbursements is identified for the next disbursement.

### **Lump-sum payment**

If the investor has reached the age stipulated in the legislation or if he or she fulfils other conditions stipulated in the legislation then the investor has the right to require the redemption of all Units or some of them and the lump-sum payment of the amount corresponding to them.

To receive a lump-sum payment from the Fund, the investor presents the account manager or the Registrar with an application for a lump-sum payment, indicating the information stipulated by legislation. The Registrar shall make the lump-sum payment and organize the redemption of mandatory pension fund units pursuant to the procedure provided for in the legislation. When a lump-sum payment is made, it based on the net asset value of the Units on the day of their redemption.

Where money is received in the pension account of an investor after receipt of the lump-sum payment, the registrar organizes the payment to the Investor within one month.

## Payment to an investor, who is not yet entitled to mandatory funded pension

Investor, who pursuant to the legislation is not yet entitled to mandatory funded pension, has a right to demand redemption of all Units and payment of the corresponding amount and the money in all pension investment accounts pursuant to the conditions provided in the legislation. The investor may exercise this right up to twice.<sup>3</sup> By withdrawing the money, a person shall terminate the making of payments.

In order to redeem all units of the mandatory pension funds and to receive payment to the corresponding amount and money in all pension investment accounts, the investor shall submit an application to the account manager or Registrar with the information and by the term provided by legislation. Payment shall be made by the Registrar. Upon payment all units of the pension fund owned by the investor shall be redeemed and the corresponding amount and the money in the pension investment accounts shall be paid out. The amount corresponding to the Units is obtained by multiplying the number of units to be redeemed and their net asset value. The Units shall be redeemed, and the corresponding amount shall be paid out no later than January 20, May 20 or September 20, if the application is submitted to the Registrar no later than July 31, November 30 or March 31, respectively.

## Succession of units

The Units may be inherited. The successor who meets the conditions provided for in the Funded Pensions Act (eg he or she is obliged to pay II pillar contributions) has the right to transfer the inherited Units to his or her pension account or redeem them. A successor who does not meet the conditions provided for in the Funded Pensions Act has the right to demand the redemption of the Units. In order to transfer Units to his or her pension account or to redeem them, an application must be submitted to the account manager in the format prescribed by the legislation. The Registrar shall organize the redemption of the Units and the making of payment to the successor or the transfer of Units to the successor's pension account.

## Suspension of issue or redemption of Units

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 or the orderly governance. Upon the suspension of the issue of the Units, the Registrar preserves the funds received for the acquisition in accordance with the procedure laid down in legislation.

With the permission of the Financial Supervision Authority (except in cases provided for in legislation), the Management Company may suspend the redemption of the 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.

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<sup>3</sup> Pursuant to the Funded Pensions Act the investor has the second time the right to demand redemption of all of his or her pension fund units and payment of the corresponding amount and the money in pension investment accounts if after the previous withdrawal of money at least ten years have passed since the obligation to make a payment has arisen.

In case of the suspension of the redemption of the Units, the Units may be issued only in instances laid down in legislation.

The Management Company notifies the suspension of the issue or redemption of the Units on the Website.

## Fees and Expenses Related to the Fund

The Units may be acquired at the subscription price, which is the net asset value of the Unit. The Units are redeemed at the redemption price, which is the net asset value of the Units.

Fees and charges withheld from the amount invested by the investor	
Unit subscription fee	None
Unit redemption fee	None
Fees and charges deducted from the assets of the Fund prior to calculation of the net value of the Fund:	
Base management fee (calculated based on the market value of the assets of the Funds)*	0,29% p.a.
Success fee	None
Transfer costs and service fees directly related to effecting transactions on account of the Fund (e.g. 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	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 (e.g. 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 negative interest on deposits and other fixed-income investments, except for costs related to holding deposits and cash in the Fund's depository account within the framework of a depository service, covered by a depository fee paid to the depository), 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

\* The base management fee is deducted from the market value of the assets of the Fund on a daily basis and is paid no later than on the last date of the month following the accounting month. The base 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 the year (*actual/actual*). The rate of the base management fee shall be reduced in compliance with the provisions of the legislation.

The fees, charges and costs paid on account of the Fund may not exceed annually 2% of the average annual market value of the Fund's assets.

All other fees and costs relating to the management of the Fund, e.g. the depository's charge, registrar's charge, Guarantee Fund pension protection sectoral fund payments made under legislation and the supervision fee of the



Financial Supervision Authority are borne by the Management Company. The rate of the depository fee payable by the Management Company is 0.06% per annum, but a minimum of 216 euros per month<sup>4</sup> (VAT included, calculated on the market value of the assets of the Fund).

## **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. In case investments are made in such fund, which accounts the management fee on the value of investment obligation assumed by the 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.

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<sup>4</sup> The minimum fee is not calculated on the first year of operation of the Fund.

## Information about the Fund

The following information and documents may be examined at the registered office 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 Fund's 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 registered office of the Management Company on each Banking Day at 10:00-16:00. The Management Company provides copies of the documents specified in clauses 1-3 to the acquirer or holder of the Units 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 12:00 noon. 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 Fund at any postal or e-mail address of the investor known to the Company.

## Amendment of Rules and Prospectus of the Fund

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. Amendments that have to be approved by the Financial Supervision Authority take effect on the business day following 1 January or 1 May or on 1 September or on the following business day (if 1 September is not a business day) but not before 100 calendar days have passed since the publication of the relevant notice. Other 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

major changes, after the lapse of the same period that applies to the amendments to the Rules subject to approval by the Financial Supervisory Authority.

## 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.

When funds left over upon liquidation are allocated, each investor shall acquire pursuant to the conditions laid down by the legislation the number of units in the new mandatory pension fund that corresponds to her or his share or the investor's share is transferred to his or her pension investment account under the conditions provided by law. 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.

## 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), registered office at Liivalaia 8, 15040 Tallinn, Republic of Estonia, 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 5 April 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 Fund.

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

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

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

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

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

**Marianne Nilsson** – Swedbank Robur Fonder AB, Senior Director Corporate Governance.

**Olavi Lepp** – CEO of Swedbank AS.

### Management Board

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

**Meelis Hint** – Member of the Management Board as of 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

Swedbank Pension Fund V60

Swedbank Pension Fund V100

Swedbank III Pillar Pension Fund Index

Swedbank Pension Fund V30 index (limited redemption)

Swedbank Pension Fund V60 index (limited redemption)

Swedbank Pension Fund V100 index (limited redemption)

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 AS Robur Fonder AB and Swedbank Robur AB, reg.nr. 556110-3895, SE-105 34 Stockholm, Sweden

Provision of information needed by investors and other customer service, including resolution of investor complaints	Swedbank AS 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 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 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 Fund's depository is Swedbank AS, established on 07.01.1992m registry code 10060701, registered office at 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 Fund and monitors that the transactions entered into by the Management Company on account of the Fund are in compliance with the current legislation and the Rules of the Fund. 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 29.06.2021):

Global	State Street Bank International GmbH
Foreign funds	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 Fund's 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 Fund. Swedbank may, due to its business profile, in some cases provide the Fund 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 Fund**

The Fund do not have sufficient history to disclose data regarding the rates of return.

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

The Fund promotes environmental and social characteristics in accordance with the ESG factors described in the "Investment policy" section of the Prospectus. Adherence to these ESG factors is a precondition for the Fund's investments, i.e. all investments of the Fund must comply with these conditions at all times. The Fund exclude investments from portfolios that involve high sustainability risks, in accordance with the Management Company's principles of responsible and sustainable investment, which are published on the Management Company's website.

The abovementioned does not mean that the Funds invest solely or in pre-determined extent in economic activities that contribute to an environmental objective within the meaning of point (17) of Article 2 of Regulation (EU) 2019/2088.