

Finserve Global Security Fund I

SFDR product category: Article 8

Summary

The Sub-Fund's investment objective is to achieve appropriate income and the highest possible long-term value increase by investing within:

- Defense, aerospace and security sector (including homeland and cyber security);
- Technology, commodity, infrastructure sectors necessary for society resilience, self-sufficiency, resource independence and for energy transition, digitalization and electrification.

The Sub-Fund will invest mainly in securities of companies without geographical restrictions with the exception of defense companies in Russia and China and in accordance with the principle of risk diversification.

The Sub-Fund integrates sustainability risks into its investment process. This integration is defined in the process-description for Integration of Sustainability Risks and the Sub-Fund's screening policy. The policy consists of mandatory elements for company screening. The main element is negative screening and exclusion, which counteracts the possibility of the Sub-Fund investing in unaccountable activities. The Sub-Fund also maintains a list of controversial companies in which it is restricted by internal investment limits.

No sustainable investment objective

This Sub-Fund promotes E/S characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Sub-Fund promotes companies' social attributes to society and its inhabitants through various aspects of their economic activity and focus, through its investment focus and strategy. The Sub-Fund primarily promotes social inclusion, equality, and diversity in the workplace, social and societal stability, and fundamental labor rights (freedom of trade union involvement, equal pay for equal work, no child labor, and/or slave-driving practices). In addition to the characteristics set out above, the Sub-Fund will favor companies which, through their business activities, are engaged in activities that promotes environmental protection and possess attributes/knowledge that assist the transition into a carbon neutral society. Examples of these include technical innovation in energy and/or resource management, enabling social safety nets and infrastructure.

Investment strategy

Objective

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Benchmark MSCI World TR USD Index (100%) or an equivalent benchmark (the "Benchmark").

Investment Strategy The investment strategy for achieving the investment objective is to continuously evaluate trends over the short to medium term time horizon to determine which companies are best positioned to benefit of those trends and have ability to create sound risk adjusted performance for the Sub-Fund and its investors. The Sub-Fund sees clear trends and strong development in each of the sectors above, but trends might take time to develop and part of the portfolio management would be to manage the exposure and risk to these trends.

The Investment Manager will use a fundamental valuation approach but consider both growth and value investments. The investments will be made mainly in defensive, qualitative companies that has positive cash flows and have a strong market position and market share within the desired business sector.

The policy and strategy used to pursue the investment objective is to invest mainly (at least 51%) in listed equities in security/defense sectors. Investment in the other sectors listed in the investment objective above will vary over time based on risk reward assessment and strength of trends within the sectors.

Derivatives and techniques may use derivatives, certificates with eligible embedded components which may also include derivative (discount, bonus, leverage, knock-out certificates, etc.) and other techniques and instruments for hedging and efficient portfolio management, for maturity or risk management of the portfolio or to generate income, i.e. for speculative purposes. In case such transactions relate to the use of derivatives, then the terms and limits must comply with the investment limits.

The Sub-Fund's investment strategy includes a commitment to apply to the ESG and responsible investment framework established by Finserve Nordic AB. The Sub-Fund's objective is to analyze and select investments that epitomize the ESG characteristics of the Sub-Fund. A part of the responsible investment process for the Sub-Fund is to apply the approved screening policy and to perform the controls and analysis determined by such policy, including negative screening and exclusion. Moreover, through open source information and using technical and qualitative screening tools the investments and companies are assessed in reference to the technical standards specified in the SFDR.

The technical and qualitative screening assures that the companies in the investment universe; 1) adheres to international standards; 2) transparently reports their commitments and performance in regards to their social impacts (social inclusion, gender diversity and equality); 3) contributes to knowledge and technical transfer to assist transitional activities and enables societal resilience.

Proportion of investments % of assets

| | |
|---|----------|
| Investments aligned with the fund's E/S characteristics | Min. 90% |
| Qualifying as sustainable investments under the EU Taxonomy with a social objective | Min. 0% |
| Not qualifying as sustainable investments but having other E/S characteristics | Min. 90% |
| Other investments¹ | Max. 10% |

¹ include cash and or other instruments for the purpose to mitigate liquidity risks, were the data needed to assess environmental or social characteristics are not available or applicable.

Monitoring of environmental or social characteristics

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Methodologies

The Sub-Fund takes into account the main negative effects on sustainability factors (PAI indicators) that are part of its investment process as well as ongoing during the holding period. The Sub-Fund has a designated responsible investment function whose main responsibility is to measure and analyze the collected sustainability aspects from the investment due diligence phase. The investments phase and screening criteria outlined in the investment strategy is used to ensure a result in a detailed and robust basis for evaluation and decision making, taking sustainability indicators into account. In addition, each

possible investment universe and sector is mapped and presented for indicative damage to sustainability areas in internally designed frameworks, with assistance from admitted sustainability data providers. Furthermore, the Sub-Fund will ensure through the screening process to remain compatible with the list of excluded sectors of the Management Company as outlined in their responsible investment guidelines. Finally, the Management Company follows "Article 11.2 of Regulation (EU) 2019/2088" and reports in the annual report in accordance with "Article 22, 2011/61/EU".

Data sources and processing

The Sub-Fund uses external data providers and publicly available data to collect and evaluate key adverse impact metrics for each individual holding. The data collected is screened in the pre-investment phase and tracked quarterly to identify performance patterns.

Limitations of methodologies and data

Challenges in data collection and process methodology are primarily the challenge of asymmetric information in public disclosures and differences in non-financial reporting guidelines. In addition, there is still a general lack of data on sustainability-related issues and a lack of quality. The Sub-Fund will therefore report transparency rates in its annual reports.

Due diligence

The Sub-Funds have due diligence procedures in place to ensure that sustainability risks are integrated into portfolio management and investment activities. The mandatory steps in the screening policy are the key elements to ensure internal compliance to meet the investment criteria of the sub-fund. The Portfolio Manager, the Head of ESG and the Risk Function are responsible for monitoring that the processes are carried out in accordance with the Sub-Fund's policies.

Engagement policies

The Sub-Fund follows Finserve Nordics' Responsible Investment Policy, which commits the funds to comply with applicable laws and regulations in the jurisdictions in which they operate. The policy also requires the funds to communicate these expectations and their approach to ESG factors. The funds' engagement consists of proxy voting and direct dialogue.

Designated reference benchmark

The fund does not use a benchmark to evaluate its overall ESG profile.