

Instructions for the fund agreement

Information for fund managers



PENSIONS
MYNDIGHETEN

Contents

1.	Introduction	1
1.1.	Instructions for the fund agreement.....	1
2.	The premium pension system and the Swedish Pensions Agency	1
2.1.	Part of the national pension system.....	1
2.2.	The Swedish Pensions Agency and its assignment	1
3.	The pension saver in the premium pension system.....	2
3.1.	Choice and change of funds.....	2
3.2.	Information for the pension saver.....	2
4.	Fund Managers in the premium pension system	3
4.1.	Requirements for fund managers	3
4.2.	Application to enter into a fund agreement.....	3
4.3.	Payment of certain special fees	4
4.3.1.	Application fee.....	4
4.3.2.	Annual audit fee	5
4.3.3.	Costs for information on funds.....	5
5.	Categorisation of funds.....	6
6.	The price reduction system	7
7.	Administration and trade.....	8
7.1.	Communication via Focus	8
7.1.1.	Focus Fund Trade	8
7.1.2.	Focus Fundinfo	8
7.1.3.	User manual.....	8
7.2.	Login to Focus.....	8
7.2.1.	Ordering security tokens.....	8
7.3.	Approved price reporting and complete registered fund information.....	9
8.	Administrative requirements (fund trading)	10
8.1.	Daily administrative routines.....	10
8.1.1.	Monthly reporting.....	10
9.	Trading in the funds.....	11
9.1.	The Swedish Pensions Agency's trading cycle.....	11
9.2.	Delayed trading	12
9.3.	Delayed reporting.....	12
9.4.	The Swedish Pensions Agency's trading stock and internal trading.....	12
9.5.	Daily reporting of NAV.....	12
9.6.	Orders via Fax.....	12
10.	Payments to the Swedish Pensions Agency.....	14
11.	Fund information etc.....	15
11.1.	Reporting fund information in Focus	15
11.2.	Reporting levies.....	15

11.3. Information on changes etc.	16
11.3.1. Administrative changes.....	16
11.3.2. Merging of funds	16
11.3.3. Changes to fund rules etc.	17
11.3.4. Transfer of the management of a fund	17
12. Fund information to be reported in Focus Fundinfo.....	18
13. Fee information to be reported in Focus Fundinfo	19
13.1. Initial fee information	19
13.2. Quarterly fee information for invoicing.....	19
13.2.1. Fee for underlying funds.....	19
13.2.2. Performance-based fee.....	20
13.2.3. Reporting deadline	20
13.3. Annual fee information for review.....	20
13.3.1. Transaction costs	20
13.4. Changed fee.....	20
14. Contact the Swedish Pensions Agency	21

1. Introduction

1.1. Instructions for the fund agreement

These instructions for the fund agreement (the “Instructions”) aims to provide information to fund managers regarding, *inter alia*, registration of funds in the premium pension system, as well as instructions for the practical management thereof. Detailed terms and conditions can be found in the fund agreement applicable at any time. In case of any discrepancies between these Instructions and the terms and conditions set out in the fund agreement, the fund agreement shall prevail.

The Instructions are available in Swedish and English. The Swedish version applies. The English translation is only provided as a reference.

2. The premium pension system and the Swedish Pensions Agency

2.1. Part of the national pension system

The premium pension system is part of the national pension system in Sweden. The annual premium pension contributions are equivalent to 2.5 percent of the pensionable income of the pension savers. The capital is to be invested in the national life cycle management option, *Statens Årskullsförvaltningsalternativ* (SÅFA), managed by the Seventh Swedish National Pension Fund, *Sjunde AP-fonden* (AP7 Såfa), or in eligible funds on the premium pension fund platform. Pension savers may choose the fund or funds in which their capital will be invested and can change funds free of charge throughout the entire savings period.

2.2. The Swedish Pensions Agency and its assignment

The Swedish Pensions Agency is a government agency established to administer and provide information about the national public pension, which includes the premium pension. The Swedish Pensions Agency is the insurer for the premium pension, which means, *inter alia*, that the Swedish Pensions Agency owns the fund units in the funds selected by the pension savers. Thus, the Swedish Pensions Agency is responsible for the administration of the accounts and fund trading on behalf of the pension savers.

3. The pension saver in the premium pension system

3.1. Choice and change of funds

The first time a pension saver is credited with a premium pension contribution, they are given the opportunity to invest their premium pension in up to five different funds. If the pension saver does not make an active choice between the eligible funds in the premium pension system, the capital is invested in AP7 Såfa. The pension saver can subsequently, at any time, change funds without any fees being charged and without any tax implications.

New capital credited to a pension saver's premium pension account will be invested in accordance with the saver's latest allocation.

3.2. Information for the pension saver

The Swedish Pensions Agency annually distributes information about premium pension entitlements in the so-called orange envelope, which provides information on each pension saver's capital invested in the national pension.

For pension savers who want information about a particular fund, the Swedish Pensions Agency has compiled special fund fact sheets. The fact sheets include information about the funds and are, like other fund information, available on the Swedish Pensions Agency's website. Information about a fund or fund manager may also be provided by the Swedish Pensions Agency's customer service via telephone or e-mail.

Every month, the Swedish Pensions Agency publishes a fund catalogue with basic information about each fund, including historical performance, risk (standard deviation), and fund fee.

4. Fund Managers in the premium pension system

4.1. Requirements for fund managers

The requirements posed on fund managers are set out in, *inter alia*, the fund agreement, Chapter 64 of the Social Insurance Code, and the Regulation (SFS 2018:1302) on premium pension.

The fund manager shall pay an application fee and an annual audit fee. The fee amounts applicable at any time are set out in the Regulation (SFS 2018:1302) on premium pension.

4.2. Application to enter into a fund agreement

A fund agreement may be entered into following a fund manager's application to the Swedish Pensions Agency. If the application is granted, an agreement is concluded between the fund manager and the Swedish Pensions Agency. One fund agreement is required per fund. This means that if the fund manager wishes to offer a new fund on the fund platform, an application to enter into a fund agreement must be submitted even if the fund manager already has a fund agreement with the Swedish Pensions Agency.

For the application, the fund manager shall use the established application form available on the Agency's website.

The fund agreement is available in both Swedish and English. However, the Swedish version is the legally binding version. The English translation is only provided as a reference.

The application and the documents attached thereto shall be in Swedish unless stated otherwise. However, the following documents may be submitted in English:

- Document verifying the representative's authority to represent the fund manager.
- Specimen signatures of the representative.
- Schematic illustration of the group and the fund manager's management structure.
- List of board members, deputy board members, and directors requested in the application, including information on their education and previous and current experience of financial activities.
- Annual reports for the past three years.
- Prospectus.
- The fund's annual reports for the past three years.

- List of trading days.
- Sustainability information and report.
- Appendix “Administrative Information Fund Manager”
- Appendix “Administrative Information Fund”.
- Appendices on ordering SecurID tokens.

In cases where a fund manager wishes to attach an appendix regarding conflicts of interest, it may be in English provided that all questions in the application form regarding conflicts of interest are answered in Swedish.

Further instructions on language requirements may occur in other information provided by the Agency.

Once a fund agreement has been entered into, the fund manager must meet the requirements on approved price reporting (*Sw. godkänd kursrapportering*) and complete, registered fund information in order for the fund to be eligible on the fund platform.

4.3. Payment of certain special fees

Fund managers shall, *inter alia*, pay such fees that the Swedish Pensions Agency, in accordance with Chapter 64 of the Social Insurance Code, shall charge fund managers with respect to application fee, annual audit, as well as costs associated with fund information to pension savers.

4.3.1. Application fee

In order for an application to be processed, the application fee must be paid to the Swedish Pensions Agency. The payment shall be made in accordance with the instructions below.

- The application fee for a fund manager's first application to enter into a fund agreement is currently SEK 75 000 and SEK 10 000 for each additional application.
- The fund manager's name and the fund's ISIN number shall be stated on the payment.
- A separate payment shall be made for each application.
Example:
 - Application 1: SEK 75 000, ISIN number, name of fund manager
 - Application 2: SEK 10 000, ISIN number, name of fund manager
- Payment of an application fee from Sweden shall be made to bank giro 5298-3772 or directly to account number 12810123152 with Danske Bank.
- Foreign payments are made to IBAN: SE181200000012810123152, BIC/SWIFT: DABASESX.

4.3.2. Annual audit fee

Fund managers shall pay an annual audit fee. The annual audit fee is currently SEK 32 000 per fund agreement. The annual fee is invoiced by the Swedish Pensions Agency once a fund agreement has been concluded (Year 1) proportionate to the time remaining in the year. Starting Year 2, the annual fee is invoiced in advance for the coming calendar year.

4.3.3. Costs for information on funds

Fund managers shall cover the costs that arise in connection with any mailings of fund information to pension savers from the Swedish Pensions Agency. The cost is invoiced to the fund manager afterwards.

5. Categorisation of funds

The Swedish Pensions Agency's fund platform has a vast number of eligible funds for pension savers. A clear categorisation is intended to facilitate the pension savers' decision-making process when changing funds. The Swedish Pensions Agency's category structure has three levels:

- fund type,
- broad category, and
- fund category.

Which fund type a fund belongs to is also linked to the size of the discount (price reduction) the fund manager offers on the fund fees to the Swedish Pensions Agency and thereby to the pension savers.

An equity fund is a fund that, over time, almost exclusively invests in shares or equity financial instruments. A fixed income fund is a fund that, over time, almost exclusively invests in interest-bearing securities or liquid funds. A balanced mutual fund is a fund that invests both in shares and interest-bearing securities. A generation fund is a fund that invests in shares and/or interest-bearing securities with a division based on the prospective savers' age or time remaining until retirement.

The fund types equity fund, fixed income fund, and other funds (balanced mutual funds and generation funds) are used to calculate the price reduction.

The Swedish Pensions Agency categorises funds in connection with reviewing a fund manager's application to enter into a fund agreement. The fund category may be re-evaluated during the contract period as a result of the continuous review.

6. The price reduction system

The price reduction system is described in detail in Appendix A of the fund agreement (Price Reduction). The price reduction model is schematically described in the illustration below. The Swedish Pensions Agency determines which management group a fund shall belong to.

Share of gross fee (TK) to be paid to SPA.	0 %	70–90 %	100 %
	No price reduction below level for free cost withdrawal	Progressive price reduction between level for free cost withdrawal and ceiling level	Price reduction above ceiling level
Share of gross fee (TK) kept by the fund manager.	100 %	10–30 %	0 %
<u>Free cost withdrawal:</u> 0,11 % - Equity funds 0,09 % - Other funds 0,07 % - Fixed income funds		<u>Price reduction calculated on SPA's total investment with the fund manager group (Fund manager value)</u> 0 < Fund manager value ≤ 1000 msek: 70% 1000 < Fund manager value ≤ 5000 msek: 75% 5000 < Fund manager value ≤ 10000 msek : 85% 10000 msek < Fund manager value :90%	<u>Ceiling level:</u> 2,00 % - Equity funds 1,25 % - Other funds 1,00 % - Fixed income funds

+ Price reduction on weighted fees in underlying funds (included in TK)

7. Administration and trade

7.1. Communication via Focus

A web-based communication system – Focus– is used for the day-to-day cooperation between the Swedish Pensions Agency and the fund manager. Communication via Focus is a requirement from the Swedish Pensions Agency.

Focus does not require any specific software. The only requirement is a functioning Internet connection, user ID and security tokens (SecurID).

Focus consists of two parts, with separate logins:

- Focus Fund Trade
- Focus Fundinfo

7.1.1. Focus Fund Trade

Focus Fund Trade is used for the transfer of trading orders, reporting of contract notes, daily NAV prices, monthly reporting of holdings, and general information on fund trading.

7.1.2. Focus Fundinfo

Focus Fundinfo is used for the fund manager's reporting of fund information, sustainability information, historical NAV prices, and fund fees. In Focus Fundinfo, the fund manager can also monitor how the fund is presented in the Swedish Pensions Agency's system and is able to correct the fund information if necessary.

7.1.3. User manual

The Focus User Manual is available in Focus and can also be sent on request.

7.2. Login to Focus

Logging in to the two parts of Focus requires separate security tokens (SecurID) with separate user IDs.

Each SecurID token has secret encryption keys to certify that the codes created are unique to each individual login. The codes are shown in a display and automatically updated every 60 seconds.

7.2.1. Ordering security tokens

In order to get access to security tokens, the fund manager must order tokens using special forms.

For Focus Fund Trade, the Swedish Pensions Agency provides each fund manager with two security tokens free of charge. Fund managers can obtain

more tokens by placing an order. For additional tokens, fund managers are charged SEK 1 000 per token to be paid within 30 days.

For Focus Fundinfo, the Swedish Pensions Agency provides each fund manager with one security token free of charge. Fund managers can obtain additional tokens by placing an order. For the additional token, fund managers are charged SEK 1 000 to be paid within 30 days.

It is also possible for fund managers to have several tokens for reporting fund information if fund managers hire different rapporteurs/companies for this purpose.

The fund manager shall appoint a person responsible for the tokens and name them on the order forms. The person responsible will receive the tokens and also be the Swedish Pensions Agency's contact person in all matters relating to the tokens (e.g. unlocking and changing the PIN) and the reporting of fund information.

Together with the security token, the Swedish Pensions Agency provides user instructions. The fund manager is responsible for storing tokens and codes in accordance with the user instructions for the security token.

For assistance or any questions regarding the security tokens, please contact the fund administrators via fundadmin@pensionsmyndigheten.se.

7.3. Approved price reporting and complete registered fund information

Once a login to Focus Fund Trade has been obtained, NAV prices can be reported for the fund in question. The Swedish Pensions Agency wants to ensure that price reporting works before the fund is made available for trading in the system.

In addition, the fund information requested for the fund shall be registered in Focus Fundinfo. The information is used to, *inter alia*, inform pension savers about the fund via the Swedish Pensions Agency's website, in separate fund fact sheets, and in the Swedish Pensions Agency's fund catalogue. Instructions on how to register the information in Focus can be found in the Focus Manual, which can be downloaded via Focus or obtained from the Swedish Pensions Agency. Until the information is complete, the fund will not be available for trading in the system. Thereafter, it is important that the information is updated regularly.

8. Administrative requirements (fund trading)

Appendix B of the fund agreement (Trading in Funds) details a number of administrative requirements on the fund manager.

8.1. Daily administrative routines

Each day, the fund manager's administration shall perform the following in the trading system of the Swedish Pensions Agency, Focus Fund Trade:

Time (CET)	Activity
9:30 – 12:00 Day 1	Confirm orders - Log in to Focus Fund Trade, retrieve and confirm fund orders.
14:30 – 21:00 Day 1 or 08:00 – 11:00 Day 2	Daily price reporting - Log in to Focus Fund Trade and report NAV prices for Day 1.
14:30 – 21:00 Day 1 or 08:00 – 13:00 Day 2	Submit contract note on executed orders ¹⁾

¹⁾The time can be postponed to the next day if the fund has delayed trading and/or delayed reporting (read more about this in the trading section below).

8.1.1. Monthly reporting

The fund manager shall report the holdings of the Swedish Pensions Agency in Focus Fund Trade no later than by the third trading day after the end of each month.

9. Trading in the funds

The Swedish Pensions Agency's trading is based on the fund choices made by pension savers, placement of entitlements, rebates paid, inheritance gains, fees, and pension payments. This means that the size of the transactions can fluctuate considerably from day to day. To avoid too small orders, the Swedish Pensions Agency keeps a trading stock in each fund.

9.1. The Swedish Pensions Agency's trading cycle

The following is a brief description of the Swedish Pensions Agency's normal trading cycle. All times stated below refer to Swedish time (CET).

Day 0

The pension saver requests a fund change, which can be made until midnight (Monday-Thursday and Sunday).

Day 1

The Swedish Pensions Agency compiles buy and sell orders in the various funds.

At 09:30, the Swedish Pensions Agency sends a net order per fund to fund managers via the fund administration system Focus Fund Trade. Between 09:30 and 12:00-noon, fund managers can log in to Focus Fund Trade and retrieve/confirm the orders of the day.

The fund manager sets the fund unit prices for Day 1 and executes the Swedish Pensions Agency's order at these prices. However, if the fund is registered with "delayed trading", the Swedish Pensions Agency's trading is executed at the fund unit price for Day 2. The Swedish Pensions Agency refers to the day for which the price is used for trading as Trading Day.

The fund manager reports the fund unit prices of the day to the Swedish Pensions Agency via Focus Fund Trade. This reporting takes place between 14:30 and 21:00.

Day 2

Fund managers that did not report the fund unit price during the afternoon of Day 1 report the price on the morning of Day 2 between 08:00 and 11:00. Fund managers unable to calculate their fund unit price by 11:00 may register the fund with "delayed reporting". The price reporting/contract note will then be pushed to the next day in Focus Fund Trade.

The fund manager reports the contract note via Focus Fund Trade between 08:00 and 13:00 for the previous day's transactions.

9.2. Delayed trading

According to the fund agreement's Appendix B (Trading in Funds), an order issued by the Swedish Pensions Agency before 09:30 on the order day shall be executed at that day's NAV price. This day is called the Trading Day. For a fund whose cut-off times make this impossible, the Swedish Pensions Agency may allow the fund's Trading Day to be the trading day following the order day. This means that the fund has so-called delayed trading.

9.3. Delayed reporting

According to Appendix B to the fund agreement (Trading in Funds), an order shall be confirmed no later than at 13:00 on the day after the Trading Day. However, the Swedish Pensions Agency may allow confirmation by 13:00 two days after the Trading Day. This means that the fund has so-called delayed reporting.

9.4. The Swedish Pensions Agency's trading stock and internal trading

The Swedish Pensions Agency maintains a trading stock to facilitate the administration of trading in funds and to minimise transaction costs related to payments.

Occasionally, pension savers' fund choices are only adjusted through internal trading, meaning against the Swedish Pensions Agency's trading stock.

9.5. Daily reporting of NAV

It is of the utmost importance that the Swedish Pensions Agency receives accurate unit prices from the fund manager each day, even on days when the Swedish Pensions Agency does not send any orders. Internal trading at the Swedish Pensions Agency may occur without any external trading with the fund manager. The unit prices are also used to calculate future orders and for fund information to the pension savers. If the fund manager adjusts its NAV price retroactively, the Swedish Pensions Agency must be contacted immediately.

9.6. Orders via Fax

On special occasions, orders may be sent by fax to the fund manager. This is always done in communication with the fund manager. A fax order from the

Swedish Pensions Agency is signed by authorised signatories according to the signature list for fund trading.

10. Payments to the Swedish Pensions Agency

All information necessary for making payments to the Swedish Pensions Agency can be found in the separate payment instruction, *Payment Instruction for the Swedish Pensions Agency*.

Payments to the Swedish Pensions Agency must include the order numbers of the Swedish Pensions Agency and shall be made by deposit. For payments in a foreign currency, the SWIFT/BIC address for the Swedish Pensions Agency's bank, Danske Bank (SWIFT/BIC DABASESX), must be stated, along with the account number for each respective foreign currency account and the Agency's order number.

Please note that the parties shall cover their own fees and costs associated with payments. When payments are made in a foreign currency, the code SHARE shall be stated. The Swedish Pensions Agency can only guarantee that the Agency's bank pays the entire remittance. If the receiving bank or transfer banks deduct fees from the payment, the fund manager must cover these fees or send a different payment instruction.

If there are any questions regarding payments, please contact our finance administrators at finansadmin@pensionsmyndigheten.se

11. Fund information etc.

11.1. Reporting fund information in Focus

Fund information refers to, for example, sustainability information, fund assets, turnover rate, portfolio allocation, the ten largest holdings, and various texts describing the fund. The information that the Swedish Pensions Agency needs to compile the fund catalogue and the fund fact sheets is detailed in Sections 12 and 13 and in the Focus User Manual. The information is updated both continuously and on a quarterly and annual basis by the 20th of the month after the end of the previous quarter and previous year, respectively. Details on the information that shall be provided at each point in time can be found in the Focus User Manual.

Upon registration of the fund with the Swedish Pensions Agency, the fund manager shall provide historical dividend-adjusted NAV prices. If these are in SEK, Focus Fundinfo shall be used. If the NAV prices are in a different currency, they shall instead be e-mailed to the Swedish Pensions Agency. The NAV reporting shall cover the last 10 years or the shorter time in which the fund has existed. The historical values are used to calculate return and the measure of risk.

11.2. Reporting levies

According to Chapter 64 of the Swedish Social Insurance Code (2010:110), a fund manager participating in the premium pension system shall annually declare costs to the Swedish Pensions Agency, broken down into different types of costs.

In Focus Fundinfo, the fund manager shall report all costs withdrawn from a fund, broken down into different types of costs. Reporting with respect to the previous calendar year shall be done by 28 February. For funds with performance-based management fees and funds of funds, the fund manager shall report the costs on a quarterly basis no later than on the 20th in the month following the end of the previous quarter. However, some changes are being made in 2021, see Section 13.

The information reported to the Swedish Pensions Agency is used for three distinct purposes:

1. The Swedish Pensions Agency's fund information, made available in the fund catalogue, fund fact sheets, and on the Agency's website.
2. The Swedish Pensions Agency's calculation of the price reduction that the fund manager shall pay to the Agency.
3. Reporting to each individual pension saver how much the administration has cost the pension saver in SEK for each fund they have had capital invested in during the previous year.

11.3. Information on changes etc.

A fund manager shall, according to the terms and conditions of the fund agreement, notify the Swedish Pensions Agency of important changes, for example with respect to the fund offered on the fund platform or the fund manager's organisation and activities. The reason for this is, *inter alia*, that the change may mean that the Swedish Pensions Agency needs to take measures, for example reviewing and approving the change in relation to the fund agreement's terms and conditions, inform pension savers, or change information in the Agency's systems. Therefore, it is important that the fund manager notifies the Agency of future changes as soon as possible and well before the change is implemented. Detailed timetable for when the Swedish Pensions Agency shall be notified of a change is set out in the fund agreement.

The following are examples of changes/events regarding funds and a description of the measures that the changes may trigger at the Swedish Pensions Agency.

11.3.1. Administrative changes

Administrative changes related to funds or fund managers may mean that the Swedish Pensions Agency must, for example, change or adjust the information in their systems. In order for the cooperation between the Swedish Pensions Agency and the fund manager to work, it is important that the fund manager notifies the Swedish Pensions Agency of planned administrative changes in good time.

Changes are notified using the form "Ändringsanmälan" (Notification of Change), available on the Swedish Pensions Agency's website. The form shall be signed by the fund manager's authorised signatory and sent to fundadmin@pensionsmyndigheten.se, along with an authorisation document for the signatory. The authorisation document should not date back more than three months.

The fund manager shall notify the Swedish Pensions Agency ahead of changes regarding, for example:

- Procedures or cut-off times for trading in fund units or calculating fund unit prices
- Price reporting procedures
- Trading cycle
- Payment procedures/account information
- Administration company and transfer agent
- Contact person information.

11.3.2. Merging of funds

The fund manager shall notify the Swedish Pensions Agency of an imminent merging of funds as soon as a merging date has been set. It is

important that the Swedish Pensions Agency receives information on the merger well in advance of its implementation.

One condition for the Swedish Pensions Agency to approve transfer of fund units is that the receiving fund is covered by a fund agreement. If the receiving fund is not covered by a fund agreement, an application to enter into a fund agreement on behalf of the receiving fund must be submitted to the Swedish Pensions Agency in sufficient time for the Agency to make a decision in the application matter and register the receiving fund on the fund platform before the merging.

If the Swedish Pensions Agency decides not to approve the application or otherwise deems that there are grounds for not approving transfer of the units to the receiving fund, the Agency can instead decide that the fund units in the transferring fund shall be sold.

The Swedish Pensions Agency sends individual information to all pension savers with holdings in a fund about to merge and cease to exist. Pension savers shall be given reasonable time to change funds if they do not want units in the fund that the holdings are to be transferred into through the merger.

11.3.3. Changes to fund rules etc.

The fund manager shall inform the Swedish Pensions Agency of all planned changes to their prospectus and fund rules as soon as the fund manager has decided that the changes shall be implemented or, where applicable, when the supervisory authority has approved the changes. For example, this could be an amendment to the investment policy, management fee, or the name of a fund.

For certain changes to fund rules, the Swedish Pensions Agency will send individual information to the pension savers affected. The affected pension savers shall be given reasonable time to change funds if they do not want to retain their holdings in the fund.

11.3.4. Transfer of the management of a fund

If a fund is transferred from one fund manager to another, the acquiring fund manager shall submit an application to enter into a fund agreement for the fund in question in due time before the transfer. The fund manager shall also provide a decision on authorised transfer from the relevant supervisory authority. If the Swedish Pensions Agency approves the application, the fund will remain registered on the fund platform with the acquiring fund manager as new contracting party. Please note that an acquiring fund manager also takes over certain obligations from the previous fund manager in accordance with the fund agreement.

12. Fund information to be reported in Focus Fundinfo

The fund manager shall initially register and continuously update Focus Fundinfo with such information about the fund as the Swedish Pensions Agency requests and as is set out in the Focus User Manual.

The frequency of updates varies depending on what the information refers to. Certain information shall be updated on a quarterly and annual basis, respectively, according to the Focus User Manual. In addition, the fund manager shall ensure that all information is up to date and shall update the information in Focus as soon as possible following any changes.

The Swedish Pensions Agency has certain requirements on the texts in the system. Among other things, all texts shall be in Swedish and technical language shall be avoided. The texts shall be objective, informative, and apply to the fund in question. Texts such as “Fund of the year”, “Managed by the best fund manager”, or “Best performance” are not permitted.

13. Fee information to be reported in Focus Fundinfo

Information about fund fees is provided by the fund manager in Focus Fundinfo. The quarterly invoicing of price reduction is based on the reporting. After each year-end, the Swedish Pensions Agency also requests an annual report for review and possible corrections.

During summer/autumn 2021, the reporting system will change in that fees for all funds shall be reported on a quarterly basis. At the same time, the term “fund in funds” is removed from fee reporting (remains in fund information) because all funds shall report fees for underlying funds. The following procedure applies to the new reporting system.

13.1. Initial fee information

When a fund is established on the fund platform, the Swedish Pensions Agency reports the fee stated on the administrative application form.

13.2. Quarterly fee information for invoicing

Fund manager shall, no later than on the 20th of the month after the end of the quarter, report for each fund:

The fund's TK for the last quarter
(% annual rate)

TK = the total of

- The fund's annual fee (ongoing charges) for the principal fund
- Capital-weighted fees for underlying funds
- Performance-based fee

13.2.1. Fee for underlying funds

Fund manager shall report all fees for underlying funds regardless of the size of the investment.

If the fund does not have any underlying fund holdings, this part of TK is 0%.

Example of how the fee is calculated for underlying funds:

If fund A invests 10% of its fund assets in fund B and 5% of its fund assets in fund C and fund B has a 1.5% fee and fund C has a 2% fee, the underlying funds' contribution to TK is

$$10\% * 1.5\% + 5\% * 2.0\% = 0.15\% + 0.1\% = 0.25\%$$

13.2.2. Performance-based fee

If the fund manager calculates and charges a performance-based fee on a monthly or quarterly basis, but then makes an adjustment on an annual basis, the invoicing must be redone after year-end. This is reported in the annual report.

If the fund does not have a performance-based fee, this part of TK is 0%.

13.2.3. Reporting deadline

Final dates for quarterly reporting of fees are 20 January, 20 April, 20 July, and 20 October.

13.3. Annual fee information for review

Fund manager shall, no later than on 20 February, for each fund report the average fund fee of the previous year. This fee reporting is used to check the invoicing of the previous year.

13.3.1. Transaction costs

In connection with reporting the annual fee, the fund manager shall also report the fund's direct transaction costs, meaning actual paid broker's commission.

13.4. Changed fee

Should the fees change during the year or at year-end so the basis of calculation and the information basis become misleading, the fund manager shall report this in Focus.

14. Contact the Swedish Pensions Agency

For questions or more information about the Swedish Pensions Agency and the premium pension system, please visit:

<https://www.pensionsmyndigheten.se/om-pensionsmyndigheten/for-fondbolag/for-fund-managers>

Contact information Fund Department

Pensionsmyndigheten
Att: Fondtorgsavdelningen
Box 38190
SE -100 64 STOCKHOLM
SWEDEN

Head of Department: Erik Fransson
E-mail: *erik.fransson@pensionsmyndigheten.se*

Fund selection and compliance unit

Questions on, for example, application to enter into fund agreement or application of the fund agreement, mergers, and change of fund rules:
fundselection@pensionsmyndigheten.se

Head of Unit: Christian Lundström Tjurhufvud
E-mail: *christian.lundstrom.tjurhufvud@pensionsmyndigheten.se*

Fund information and customer feedback

Questions on, for example, reporting fund information, presenting the fund on the fund platform, and Focus Fundinfo:
fundinfo@pensionsmyndigheten.se

Head of Unit: Estrella Zarate
E-mail: *estrella.zarate@pensionsmyndigheten.se*

Fund administration

Questions on, for example, purchasing, redemption, Focus, contract notes, NAV reporting, and price reduction:
fundadmin@pensionsmyndigheten.se

Telephone: +46 (0)10-454 23 10

Fax: +46 (0)8-658 13 30

Questions on cash management, payments, and invoices:
finansadmin@pensionsmyndigheten.se

Head of Unit: Rasmus Bjälkeson
E-mail: *rasmus.bjalkeson@pensionsmyndigheten.se*

www.pensionsmyndigheten.se

