

Instructions to the co-operation agreement

Information for Fund Managers prior to conclusion of
co-operation agreement and enrolment of funds

Datum 2016-10-01
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Date	Version	Type of change
2016-10-01	1.0	New co-operation agreement: Introduction best practices

GENERAL INFORMATION

1 The premium pension system and the Swedish Pensions Agency

1.1 Part of the national pension

The premium pension system is part of the national pension in Sweden. The current pension system was established in 1998. Premium pension capital corresponds to 2.5 per cent of the pensionable income of the pension savers. The capital is to be invested in securities funds administered by Fund Managers who fulfil certain requirements and who have concluded a cooperation agreement with the Swedish Pensions Agency. Pension savers may themselves choose the fund or funds in which their capital will be invested. Pension savers may also switch funds free of charge at any time during the period of saving.

1.2 The Swedish Pensions Agency's remit

The Swedish Pensions Agency is a government agency that was established to administer and provide information about the pension system, where the premium pension system is included. In its operations, the Authority operates mainly as an insurance business. As a result, it is the Swedish Pensions Agency that owns the fund units used in the conduct of its investment fund operations. It is thus the Swedish Pensions Agency that is responsible for account and fund trading administration vis-à-vis the pension savers.

1.3 Annual investment of premium pension capital

Every year, new premium pension entitlements are confirmed, which pension savers may invest in funds registered in the premium pension system.

In autumn 2000, premium pension capital was first placed in investment funds. At that time, approximately 50 billion SEK was invested, representing confirmed pension entitlements for the years 1995-1998. Since then, more than 30 billion SEK has been invested each year.

2 Pension savers in the premium pension system

2.1 Selection and switching of funds

The first time a pension saver is credited with premium pension capital, he or she is offered the option to select one or more funds in which to invest his or her premium pension. If the pension saver does not make an active choice among the funds registered in the premium pension system, the capital is invested in AP 7 Såfa, which is managed by Sjunde AP-fonden (the Seventh Swedish National Pension Fund). The saver may subsequently, at any time, make an active selection of funds.

The saver may opt to invest his or her premium pension capital in up to five funds. Funds may be switched at any time, free of charge 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 most recently stated allocation, i.e. the respective percentage allocation to funds that was applied at the saver's most recent choice or fund switch.

2.2 Information for pension savers

The Swedish Pensions Agency sends information about premium pension entitlements in what is known as the orange envelope, which provides annual information on each pension saver's capital within the national pension.

For pension savers needing further information about a particular fund, the Swedish Pensions Agency has compiled special fund fact sheets. The fact sheets offer information about the funds and are as well as other fund information available on the Swedish Pensions Agency Website. Information can be provided from the Swedish Pensions Agency's customer service by telephone or e-mail.

The Swedish Pensions Agency annually prints a Fund directory which contains basic facts of each fund, e.g historical value development, risk (standard deviation), fund fee and the total cost of the fund. The funds are divided into categories based on investment policy.

2.3 Events affecting pension savers' holdings

In addition to the credits of entitlements in December each year and the selection and switching of funds, pension savers' holdings are affected by a number of regular activities which are initiated by the Swedish Pensions Agency.

2.3.1 Price reduction, inheritance gain and premium pensions fee

Every spring the pension savers' accounts are credited a refund of the price reduction of the funds' fees that the Swedish Pensions Agency has collected for all funds from the previous year. To this refund the savers also receive the inheritance gain that has occurred. From these payments the premium pension fee is withdrawn, which is financing the administration of the premium pension system. The new capital is invested in accordance with the savers fund profile.

2.3.2 Withdrawal of premium pension

Premium pensions may be drawn from the month in which the pension saver reaches the age of 61 years. The premium pension is a pension that is paid out monthly until death. Pension savers may also elect to defer withdrawal of their premium pension, or to draw their pension it at various percentages of the full pension. Furthermore, pension savers may decide whether to change to a with-profits annuity during the period the pension is drawn or whether to retain his or her savings in unit-linked funds.

The level of pension is annually determined and the pension savers' shares are each month sold off to finance the payment.

FUND MANAGERS IN THE PREMIUM PENSION SYSTEM (CO-OPERATION AGREEMENT)

3 Fund Managers in the premium pension system

3.1 Requirements to which Fund Managers are subject

To be permitted to offer funds via the premium pension system, a Fund Manager must be authorized to operate a fund management business in Sweden or be authorized to market the fund(s) in Sweden. In addition, the Fund Manager must enter into a cooperation agreement with the Swedish Pensions Agency and follow the undertakings that the co-operation agreement stipulates vis-à-vis the Swedish Pensions Agency. The Swedish Pensions Agency's investigation of a Fund Manager relates to both formal requirements and requirements for suitability. The demanding requirements of suitability are made to ensure consumer

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protection. The Swedish Pensions Agency conducts a continuous investigation into the Fund Manager's suitability, including as regards best practices in the field of premium pensions.

The Fund Manager's undertakings are governed by the co-operation agreement. The undertakings required by the Fund Manager are for example as follows:

The Fund Manager's funds must be considered suitable for registration in the premium pensions system. The term 'suitability' includes a responsibility on the issue of maintaining pension savers' confidence in the premium pension system. A Fund Manager must administer pension savers' money in a professional manner, and in all contexts must act in such a way that the seriousness of the Fund Manager cannot be questioned. Circumstances that result in a Fund Manager not being considered suitable could, for example, be that the Fund Manager's funds have holdings that make the Swedish Pension Agency's control of the holdings more difficult. Another example is the Fund Manager making investments where there are conflicts of interest, which result in the Fund Manager's independence coming into question. Co-operation with unreliable entities that do not observe applicable law and regulations, and criminal actions by the Fund Manager and its co-operation partners, are additional circumstances that result in a Fund Manager not being considered suitable. If such circumstances exist, the Fund Manager's fund(s) may be de-registered.

The other commitments are primarily as follows:

- on the Swedish Pensions Agency's instructions and in accordance with the provisions of the General Terms & Conditions, to sell or redeem units of the funds that are registered with the Swedish Pensions Agency on the account of the Fund Manager;
- to report NAV rates and orders on a daily basis via the Swedish Pensions Agency's Focus Fund Trade web interface;
- to keep information on the Fund Manager's funds updated on the Swedish Pensions Agency's fund market via Focus Fundinfo;
- to account to the Swedish Pensions Agency for expenses charged to a fund in the manner instructed by the Swedish Pensions Agency at any given time;
- to provide a price reduction according to the co-operation agreement to the Swedish Pensions Agency;
- vis-à-vis the Swedish Pensions Agency to refrain from applying any deposit or withdrawal fees and from stipulating any requirements as to any minimum amount for trading in a fund;
- to observe best practices in the field of premium pensions, and to ensure that all co-operation partners – and any sub-contractors – also following these practices;
- upon request from the Swedish Pensions Agency, to send detailed information and up-to-date information on a fund's holdings to the Agency; and
- to ensure all entities that the Fund Manager in any way co-operates with or engages for counselling, marketing, administration or sales of fund/s document their actions properly. This documentation shall be saved and

- to keep the Swedish Pensions Agency continuously informed as to circumstances that may be relevant to the co-operation between the parties. This may involve, for example, changes in administrative routines, cut-off times for trading and planned mergers.

If the Swedish Pensions Agency is given information that constitutes reason to assume that the Fund Manager or its fund(s) do not meet the requirements for suitability or the other requirements in the co-operation agreement, the Agency is authorized to stop trading for subscriptions during investigation of this issue. If the Swedish Pensions Agency, after an investigation is completed, determines that the Fund Manager or the fund(s) are not suitable, the fund(s) may be de-registered. If the conclusion of the investigation is that the deficiencies are not that serious, the halt to further subscriptions is revoked when the deficiencies have been rectified. As a rule, the Swedish Pensions Agency will notify the Fund Manager that a halt to further trading will be initiated. If there is particular reason – for example, if there is a hazard in delay – the Swedish Pensions Agency may refrain from providing notification that a halt to further trading will be initiated. Information about the halt will instead be announced later. The Fund Manager shall be given the opportunity to submit its views during the time the halt to further trading is in place.

The Fund Manager is responsible for all measures taken towards pension savers within the field of premium pensions. If any other entity, on behalf of the Fund Manager or a sub-contractor, takes such actions as are intended to benefit the Fund Manager through in some manner persuading pension savers to invest premium pension funds in the fund(s), the Fund Manager is also responsible for these measures in the application of the General Terms & Conditions. There is a presumption that actions that another entity takes for this purpose take place as a consequence of an agreement between the entity and the Fund Manager. This will, however, be judged not to be the case if the Fund Manager make it likely that no such dealings exist. 'Actions' refer, for example, to both legal and illegal sales methods that claim to represent the Swedish Pensions Agency, or that make use of a pension saver's mobile Bank ID in order to carry out a change of funds or use other electronic ID in a fraudulent manner.

There must be clear proof against the assumption that co-operation exists in the case where an entity actively markets a given Fund Manager's funds for the presumption to be broken off. It appears unlikely that the entity would carry out marketing actions without receiving compensation from the Fund Manager or from an entity with links to the Fund Manager.

3.2 The co-operation agreement

Best practices is a new concept being introduced into the General Terms & Conditions.

The concept of best practices in the field of premium pensions means that the person who contacts a pension saver in order to provide advice on or market a certain fund, or to persuade the pension saver to choose a certain fund, has to observe certain requirements in order to maintain customer protection.

Best practices in the field of premium pensions means that the Fund Manager or the entity that the Fund Manager engages or co-operates with shall with due care safeguard the interests of the pension saver. The Fund Manager shall adapt its advice according to the pension saver's wishes, needs, willingness to take risks, finances, and family situation. The Fund Manager shall not recommend solutions other than those that are considered suitable for the pension saver. The Fund Manager shall also dissuade the pension saver from taking actions that cannot be considered suitable with regard to the latter's needs, financial situation, or other circumstances. What takes place during a telephone call or meeting shall be documented, including what concerns the pension saver's financial situation, wishes, desires, and willingness to take risks. The advice, recommendations, and other information given shall also be

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documented. The documentation shall be handed over to the pension saver. On request the documentation shall be handed over to the Swedish Pensions Agency and relevant supervision authority. Should a dispute arise over what took place and documentation is lacking, the pension saver's information shall form the basis for the judgment.

Marketing of the various products and services may not be aggressive, misleading, or otherwise inappropriate. Marketing is to be considered aggressive if it includes harassment, compulsion, threats or other aggressive means of bringing pressure to bear. The latter expression relates to situations where a Fund Manager makes use of an advantage in knowledge in relation to the pension saver in order to exercise pressure in a way that considerably restricts the latter's ability to make a well-founded decision. Repeated or unwanted contact by telephone or other medium could also be an example of aggressive marketing. Nor may marketing contain incorrect or unclear information or false statements, such as that the Fund Manager or someone else is calling from the Swedish Pensions Agency, or is calling owing to some co-operation with or other commission from the Agency. The Fund Manager has the burden of proof in showing that best practices in the field of premium pensions have been observed.

Marketing refers to all actions that are in some way intended to persuade a pension saver to choose the Fund Manager's funds, or such actions as the Fund Manager takes on behalf of the pension saver, or that in some way affect the pension saver's premium pensions holdings.

It is also misleading if the general design of the marketing is dedicated to misleading the consumer even though the information presented is essentially correct. Nor is omitting information, or submitting information, that leads to misconceptions to such an extent that the marketing appears misleading permitted. It is also misleading for the information to be provided in so unclear, incomprehensible, or ambiguous a manner – or in another unsuitable manner – that the marketing appears misleading. Words such as *free*, *gift*, or *present* (and others) are judged to be misleading if some service in return is expected from the pension saver's side in order for them to be able to claim an offer. The pension saver's distribution of fund holdings and other personal information for further processing by the company is normally a service in return, which means that the use of words such as *free* and so on are misleading. Requiring payment for a product or service that the pension saver has not ordered is also always an inappropriate business method.

The judgment considers whether the incorrect or misleading marketing resulted in an impact on the pension saver's ability to make a well-founded business decision. All marketing of funds shall present relevant, clear, and impartial information, and account for the risks linked with the product or service being offered.

It is the responsibility of the Fund Manager to ensure that staff involved in saving and investment advice and marketing have sufficient competence, even the parties acting on behalf of the Fund Manager. This means that they must know and observe applicable legislation, legal usage, recommendations and guidelines, and have knowledge of saving and investments in financial instruments.

The Fund Manager or the entity the Fund Manager engages or co-operates with is responsible for presenting clear information about:

- the primary characteristics of the financial service or fund;
- the price of the service or administrative fee of the fund, including all remuneration, taxes, and fees;
- taxes, fees, or costs following from the agreement that are neither paid through the Fund Manager nor charged by them;

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- the particular risks that accompany the fund to which the agreement relates, including that consideration that prior performance in value and earnings provides no sure guidance on the question of future performance and earnings;
- what applies concerning the right of cancellation, including information about what the consumer may have to pay upon exercising the right of cancellation; and
- the fact that the consumer don't have to pay for the product or service as long as no written agreement is signed; and
- what applies concerning early or unilateral termination of the agreement, and also how complaints regarding the agreement are handled and what opportunities exist to have a dispute with the Fund Manager reviewed outside the courts.

The information shall be provided clearly, in an understandable way that is adapted to the method by which communication takes place. Information shall also be provided to the pension saver explaining that additional information is available upon request and what this information relates to. The pension saver shall be informed at reasonable intervals of all actions – such as changes of funds – that the company takes on the pension saver's behalf.

In more serious cases, violation of best practices in the field of premium pensions may result in de-registration. More serious cases refers to systematic and coherent violations of best practices that are directed towards pension savers. Another example of a more serious violation is when the Fund Manager, or any entity engaged by the Fund Manager, claims to represent the Swedish Pensions Agency or to be co-operating with the Swedish Pensions Agency.

If a Fund Manager or other party uses a pension savers electronic ID in some way to change a fund for example, that is always a violation of best practices. The same goes for using a PIN-code to access a pension savers information. Through such actions the IT-system perceive that the person entered with the electronic ID is the same person that is being granted the access to the information. However the Swedish Pensions Agency has not granted the Fund Manager/other party to gain access regarding information concerning the pension saver. The Swedish Pensions Agency has not been able to check if the actual information can be delivered to the pension saver in question, which according to law and regulation the Swedish Pensions Agency is required to do. In the same way a pension saver can't through his/her consent grant access to the physical premises of the Swedish Pensions Agency, the pension saver can't through consent make electronic access to the Agency's information allowed for another individual. The Swedish Pensions Agency does not offer any digital solutions for proxy/agent within the premium pension.

Violations may also result in fines being levied on the Fund Manager. Occasion in Section 10.3 refers to a coherent period during which some kind of violation takes place. If two different types of violation take place, these are counted as two different occasions.

The obligation of the Fund Manager to observe best practices in the field of premium pensions does not take away the obligation of the Fund Manager to observe other regulations and law that regulate the Fund Manager's business. Fund Manager and engaged party or co-operation partner's neglect of regulations and law relating to protecting pensioners and pension savers in their capacity as consumers also involves neglect of best practices in accordance with the General Terms & Conditions.

3.3 The Co-operation Agreement – contract form and General Terms and Conditions

The Fund Manager signs a Co-Operation Agreement with the Swedish Pensions Agency. In order for all Fund Managers to be treated equally, the Swedish Pensions Agency has chosen to apply the same agreement terms and conditions in relation to all Fund Managers. The Co-operation Agreement is therefore a standard agreement.

The Co-operation Agreement consists of both a brief contract form that contains the agreement itself to enter into co-operation and the *General Terms & Conditions for co-operation between the Swedish Pensions Agency and Fund Managers* applicable at any given time. The General Terms & Conditions and the instructions are available on the Agency's Web site, <http://www.pensionsmyndigheten.se/ForFondbolag.html>. The Fund Manager retains the contract form itself after contact with the Swedish Pensions Agency.

The contents of the Co-operation Agreement are determined by factors such as what is prescribed in Chapter 64, Sections 18–22 of the Swedish Social Insurance Code (SFS 2010:110).

Swedish Pensions Agency entry into a co-operation agreement does not rest on a basis in public law, and is not an expression of the Swedish Pensions Agency's exercise of public authority. Instead, the Co-operation Agreement rests on a basis in civil law. This means that the Agency's decisions by virtue of the agreement cannot be appealed to the General Administrative Court; disputes pertaining to the agreement are reviewed in the Stockholm District Court as the exclusive first instance.

3.4 Litigation clause for Luxembourg-based Fund Managers

In addition to the Co-operation Agreement, Fund Managers with a head office in Luxembourg shall sign a special litigation clause. By signing this clause, the Fund Manager explicitly agrees to the jurisdiction of Swedish courts in connection with any dispute between the Fund Manager and the Swedish Pensions Agency concerning the conditions of the agreement.

3.5 FATCA and AML status

When the Fund Manager enters into an agreement with the Swedish Pensions Agency, they will receive this document explaining the status of the Agency concerning FATCA and AML.

CO-OPERATION AGREEMENT AND ENROLMENT OF FUNDS

4 Concluding a co-operation agreement

4.1 Co-operation agreement – contract form and general terms and conditions

The co-operation agreement consists of a brief contract form and our "General Terms & Conditions for Cooperation between the Swedish Pensions Agency and Fund Managers" that we apply at any one time, with two appendices. The co-operation agreement is available on the Swedish Pensions Agency website. Before the agreement is signed, the Swedish Pensions Agency sends the original contract documents to the Fund Manager.

The co-operation agreement is available in both Swedish and English. In the event of any conflict between the two versions, the Swedish language version takes precedence.

Two copies of the contract form are to be signed by an authorized signatory of the Fund Manager. Both copies are then to be returned to the Swedish Pensions Agency, accompanied by an authorization document

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confirming the person's right to sign on behalf of the company. This document should not be more than three months old. The General Terms & Conditions need not be returned to the Swedish Pensions Agency.

When the Swedish Pensions Agency has in turn signed the contract form, one copy is returned to the Fund Manager.

4.2 Jurisdiction clause for Luxembourg based Fund Manager

Fund Managers based in Luxembourg are required to sign, in addition to the cooperation agreement, a special jurisdiction clause. By doing so, the Fund Manager expressly agrees that Swedish courts will have jurisdiction over any dispute between the Fund Manager and the Swedish Pensions Agency arising from the contractual relationship.

5 Funds in the premium pension system

The fundamental requirements for a fund to be registered in the premium pension system are that the Fund Manager who provides the fund must have entered into a co-operation agreement with the Swedish Pensions Agency and must be licensed to operate as a Fund Manager in Sweden.

5.1 Formal requirements

The formal requirements for a fund to be registered in the premium pension system are as follows:

- Any fund that is domiciled in the EEA must meet the requirements of the EU UCITS Directive. Other funds, such as Sweden's "special funds" (formerly "national funds") are not permitted in the premium pension system,
- The fund must be approved by or registered with the Swedish Financial Supervisory Authority in accordance with the Swedish Investment Funds Act (2004:46). A foreign fund must be approved by the supervisory authority in the country of origin and registered with the Swedish Financial Supervisory Authority, as well as
- The fund must satisfy all requirements stated in the General Terms & Conditions.

A fund that is not domiciled in the EEA may, following approval by the Swedish Financial Authority, be eligible for enrolment if the fund meets requirements corresponding to those stated in the UCITS Directive.

The fund must continue to satisfy the requirements for registration. Otherwise, the fund will be deregistered from the Swedish Pensions Agency system.

It is not permitted for premium pension capital to be invested in a fund that can distribute capital to others than holders of units in the fund. This applies mainly to "philanthropic funds", which distribute sums for various philanthropic purposes. Consequently, these funds can not be registered at the Swedish Pensions Agency.

5.2 Limitation on number of funds

The premium pension system has attracted a large number of Fund Managers and funds. If the number of funds is excessive, it may make it difficult for pension savers to gain an overview of the range of funds on offer. In addition, a very large number of funds may also create technical and administrative disadvantages in the system. The Swedish Pensions Agency has therefore decided to limit the number of funds that a Fund Manager may register in the system.

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Since April 2008 no more than 25 funds may be registered in the premium pension system per Fund Manager, asset manager or management group. The decision does not apply to fund administration companies.

A *Fund Manager* is for the present purposes defined as a company that, in accordance with Chapter 64 of the Swedish Social Insurance Code (2010:110), enters into a co-operation agreement with the Swedish Pensions Agency.

An *asset manager* is a company that is commissioned to manage the assets of funds on behalf of a Fund Manager.

A *management group* refers to two or more Fund Manager or asset managers who operate within the same corporate group or equivalent, or who represent funds that are marketed or registered with the supervisory authority under the same or partly the same company designation or brand, or who otherwise have similar common purpose with each other.

A *fund administration company* is a Fund Manager who administers funds but does not themselves manage assets in the funds, and has commissioned one or more other companies to conduct management on behalf of the Fund Manager and where the funds are not marketed with the Fund Manager's designation.

By application of the limitation rule, any group of generation funds that has been adapted to various categories of saver ages and is offered by a Fund Manager or management group shall be regarded as a single fund.

5.3 Requirements in day-to-day trading

The Swedish Pensions Agency strives to maintain an efficient system in which the pension savers' accounts are open for trading to the maximum extent possible. This is achieved by the Swedish Pensions Agency executing trades with Fund Manager at the earliest possible time after pension savers have made their fund selections and fund switches. As a result, the Swedish Pensions Agency must always be able to carry out trading in a fund on the days on which the fund is quoted for trading, as stated in its official trading calendar. The fund must be such that only Saturdays, Sundays and official public holidays in the country of registration for the fund are considered as non-trading days. Those days that are non-trading days on the dominating markets of the fund can also be considered non-trading days.

5.4 No fees to be charged on transactions

Any fees on buying or selling that are accrued by the Fund Manager may not be charged to the Swedish Pensions Agency.

Fund Managers are entitled to apply a swinging single price, i.e. to adjust the price to compensate for the transaction costs that arise during major net flows in the fund.

Swinging single prices may only be charged with the Swedish Pensions Agency's approval. Approval is given if scope is allowed in the rules for the fund, or equivalent document, if the difference between buying and selling price accrues to the fund and if the Swedish Pensions Agency considers that the difference between the rates is justified. The difference between buying and selling price must be reasonable. Normally, the Swedish Pensions Agency will only approve differences of up to one per cent.

5.5 Contacts

If you have any questions or need further information E-mail: fund_information@pensionsmyndigheten.se

Telephone: +46 10 454 23 10

6 Price reduction system

Part of gross fee that are paid to the Swedish Pensions Agency	0 %	65-90 %	100 %
No rebate below lower limit (Free cost withdrawal)		Varying discount on the gross fee between the lower and upper limits	Full rebate on all gross fee above upper limit
Part of gross fee that accrue to the Fund Manager	100 %	10-35 %	0 %
Lower limit: 0,15 % - Equity fund 0,15 % - Other fund 0,10 % - Fixed income fund		The rebate level is based on the Swedish Pensions Agency's total investment at the Fund Manager 0 - 1000 MSEK = 65% 1000 - 5000 MSEK = 75% 5000 - 10000 MSEK = 85% 10000 - = 90%	Övre gräns: 2,25 % - Equity fund 1,50 % - Other fund 1,00 % - Fixed Income

6.1 Price reduction system – justification and structure

Every year the Swedish Pensions Agency invests considerable sums in investment funds on behalf of over 6 million pension savers. The Swedish Pensions Agency takes care of a large share of the administration and information operations that would normally be the responsibility of the Fund Managers. This reduces the costs to Fund Managers of - for example - account management, annual statements and fund information. Given that basis, the Swedish Pensions Agency requires a discount on the management fees that are charged by the Fund Managers. The discounts that the Fund Managers repay to the Swedish Pensions Agency are reinvested in their entirety in the individual funds, to behalf of the pension savers.

The price reduction is based on the ongoing charges (TK or SK) for the particular fund, which in turn is determined by the amount that the Swedish Pensions Agency has invested in the particular Fund Manager. The larger the amount that the Swedish Pensions Agency has invested, the larger the price reduction is. Calculation of the reduction is not based on the total expense ratio, but only on the portion that exceeds a certain "free" portion (free total expense ratio). To achieve the purpose of limiting unmotivated high fund fees in the Premium Pension System, the Premium Pension Agency also applies 100 % reduction exceeding the ceiling levels depending on fund type. The rules governing how the price reduction is to be calculated are found in Appendix B and C to the General Terms & Conditions.

6.2 Fund type and limits

The Swedish Pensions Agency requires a 100 % price reduction at given levels below on the part of the fund fee that exceed the limit.

Fund type	Limit
Fixed income funds	1,00 %
Equity funds	2,25 %
Other funds	1,50 %

The funds that invest all their capital in fixed income securities or in liquid assets are called fixed income funds in the table above.

Funds that invest and continuously intend to invest at least 90 % of its capital in equities or equity related financial instruments are called equity funds above. Even funds with other investment techniques which at least reach a continuous equity exposure according to previous definition are classified as equity funds.

The Swedish Pensions Agency can allow deviations from these limits without affecting the fund type if the deviation depends on factors which don't depend on choices in investment strategies, major net flows in the fund or liquidity problems in underlying markets, start-up of a fund or passive breach that's caused by changes in the assets' value.

The deviation shall be of temporary nature. The fund type shall also continuously be in line with the fund's character according to the fund rules.

Funds that can't be categorized into the two fund types mentioned above are called other funds. Generation funds and mixed funds belong to this group which both aim to invest in fixed income securities as an important part of the investment strategy.

6.3 Free total expense ratio

The part of the funds fee that don't get a price reduction is called free fee withdrawal and depends on which fund type it belongs to as below:

Fund type	Free total expense ratio
Fixed income funds	0,10 %
Equity funds	0,15 %
Other funds	0,15 %

6.4 Reduction levels

The price reduction is applied on a progressive scale, depending on the size of the Swedish Pensions Agency's holding with the Fund Manager concerned. The following table illustrates the various ranges of the price reduction model.

Interval (i)	Fund Manager value (SEK million)		Reduction level (R _j)
	Lower limit	Upper limit	
1	0	1 000	65 %
2	1 000	5 000	75 %
3	5 000	10 000	85 %
4	10 000	∞	90 %

The Fund Manager value shall not include the value of a fund the assets of which are managed by a company which is not a Fund Manager and where the fund is marketed under the company's designation or trade mark. Upon calculation of the Fund Manager value for such a fund, the fund shall,

instead, be attributed to the company, or the corporate group or group of undertakings to which the company belongs.

6.5 Funds with performance based fee

In the case of funds for which a management fee linked to profits is applied, the price reduction is based on the figures that include the preceding quarter's performance based portion of the fee. The fixed element of the management fee is also included in the basis of calculation.

6.6 Fund of funds

A fund that invests more than ten per cent of its assets in other funds¹ - known as a fund of funds - may be enrolled for registration with the Swedish Pensions Agency if it meets the requirements that apply to securities funds under the Swedish Investment Funds Act (2004:46). In the case of a fund of funds, the amount of the ongoing charges of the underlying funds is also included in the basis of calculation for the price reduction.

If a fund is already registered with the Swedish Pensions Agency when it is changed into a fund of funds, the Fund Manager is required to notify the Swedish Pensions Agency about the change.

6.7 Account for fees charged

The Swedish Pensions Agency requests (annually for all funds and quarterly for fund of funds and/or funds with performance based fee) data regarding the fees for calculation of the price reduction. The data concerning annual account of fees is also used in the fund catalogue as well as on the Swedish Pensions Agency's website.

6.8 Invoicing and payment

Invoicing for the price reduction is carried out quarterly in the month after the end of the quarter. The invoice from the Swedish Pensions Agency must be paid no later than 30 days after the date of invoice. The payment is to be made in Swedish kronor (SEK). In the event of late payment, penalty interest will be charged in accordance with 6 § of the Swedish Interest Act.

6.9 Contact regarding price reduction

For questions regarding price reduction:

E-mail: fund_information@pensionsmyndigheten.se

Telephone: +46 10 454 23 10

7 Enrolment of funds

If a Fund Manager wishes for a fund to be registered with the Swedish Pensions Agency, the Fund Manager must enrol it with the Swedish Pensions Agency. This is done via a special form, Enrolment of funds (see section 7.1.1) to the Swedish Pensions Agency. The Fund Manager shall send information regarding the Fund Manager's overall change in investment policy and web address to fund_information@pensionsmyndigheten.se when the Fund Manager's first fund is enrolled and when any other change regarding investment policy is made.

¹ UCITS AIF or ETF

- Approved enrolment of fund
- Access to Focus Fund Trade and Focus Fundinfo
- Approved NAV reporting
- Complete registered fundinformation

7.1 To enrol funds at the Swedish Pensions Agency

When the co-operation agreement is signed, the enrolled funds can be approved for trade. For more information visit our website: http://www.pensionsmyndigheten.se/EnrolmentOfFunds_en.html

The form is available on our website. The form must be signed by an authorized signatory of the Fund Manager and sent to the Swedish Pensions Agency along with the current Prospectus of the fund concerned and an authorization document for the authorized signatory of the company. This document should not be more than three months old. The Fund Manager shall mark the relevant parts of the prospectus to facilitate the control of a voluminous material.

The following documents shall be sent to us:

- The form “Enrolment of funds to the Swedish Pensions Agency”
- Authorization document
- Prospectus (relevant parts marked)
- Key Investor Information Document (KIID)
- Documentation regarding environmental/ethical policies (if applicable)

All documents are to be sent to registrator@pensionsmyndigheten.se and via post to the following address:

The Swedish Pensions Agency
Attn: Registrator
Box 38190
SE-100 64 Stockholm, SWEDEN

7.2 Decision on registration of fund

Once the enrolment form and other documents have been received by the Swedish Pensions Agency, we will examine whether the fund meets the requirements for registration. A formal decision is then taken as to whether the fund will be entered in the Swedish Pensions Agency's register. This decision will be communicated in writing to the Fund Manager.

7.3 Approved NAV reporting

When you are able to log on to Focus Fund Trade, then we will open up for the possibility to NAV report for your new fund. If the fund isn't hasn't been let into the system yet, NAV reporting can be carried out but with a fictitious NAV.

7.4 Complete fund information

After you are able to log on to Focus Fundinfo, you should register the required information for the fund. The information is used to inform the pension savers about your fund/funds on our website, in KIIDs and in our fund catalogue. The fund will not be let into the system before the information is complete. It is important that the Fund Manager continuously perform updates of the information.

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ADMINISTRATION AND TRADING

8 Focus

8.1 Communication via Focus

For the Swedish Pensions Agency to be able to conduct trading and obtain unit prices in an efficient way, a web-based communication system - Focus - is used for the day-to-day co-operation between the Swedish Pensions Agency and the Fund Managers.

Focus doesn't require any specific software, only a functioning internet and a security token (SecurID) are required.

Focus contains of two parts with separate log in

- Focus Fund Trade
- Focus Fund Info

8.1.1 Focus Fund Trade

Focus Fund Trade is used for transfer of orders, reporting of contract notes, daily NAV, monthly reporting and general information regarding the fund trade.

8.1.2 Focus Fundinfo

Focus Fundinfo is used for the Fund Manager's reporting of fund information, historical NAV and fund fees. The Fund Manager can review how the fund is posted in in Focus Fundinfo and correct the information when needed.

8.1.3 User manual

The user manual for Focus can be sent out on request and is also accessible in Focus.

8.2 Security token to Focus

To access Focus, a user ID is necessary, as well as a security token with secret encryption keys. Log in to the two parts of Focus is done through separate user ID's.

Every SecurID has secret encryption keys to certify that the codes that are being produced are unique for every separate log in. The codes will be presented in a display and updated automatically once every minute.

8.2.1 Ordering security tokens

To gain access to SecurID the Fund manager must order security tokens through the forms found in the introduction material. The Swedish Pensions Agency can provide these forms upon request.

For Focus Fund Trade the Swedish Pensions Agency provides two security tokens free of charge to each Fund Manager. Additional tokens can be ordered by the Fund Manager. If additional tokens are ordered the Fund Manager is invoiced 1 000 SEK per token to be paid within 30 days.

For Focus Fund Info the Swedish Pensions Agency provides a security token free of charge to each Fund Manager. Additional tokens can be ordered by the Fund Manager. If additional tokens are ordered the Fund Manager is invoiced 1 000 SEK per token to be paid within 30 days.

In case Fund Managers hire reporting services there is a possibility to have separate tokens for reporting of fund information.

Each Fund Manager shall in order forms appoint one person in charge of the tokens. The person in charge will receive the tokens and also be our contact at with all errands associated with the tokens (e.g unlocking and change of the PIN-code).

The Fund Manager obtains a manual from the Swedish Pensions Agency together with the tokens. The Fund Manager is responsible to store the tokens and codes according to the user manual.

In case you need assistance or have questions regarding security tokens we ask that you contact our fund administrators.

9 Administrative requirements (fund trade)

In the co-operation agreement a couple of administrative requirements on the Fund Manager are specified. The most important requirements are listed below:

9.1 Daily administrative routines

The Fund Manager shall fulfil following in the Swedish Pensions Agency's system Focus each day:

Time (CET)	Activity
9:30-12:00 Day 1	Confirm orders – Log on to Focus, collect and confirm fund orders.
14:30-21:00 Day 1 or 8:00-11:00 Day 2	Daily reporting of fund unit prices- Log on to Focus and report NAV for Day 1.
14:30-21:00 Day 1 or 8:00-13:00 Day 2	Report transaction notes on performed orders*.

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

9.2 Monthly reporting

The Fund Manager shall report the Swedish Pensions Agency's holdings in Focus Fund trade after every end of a month. The latest day to report is the third trade day after the end of the month.

10 Trading in the funds

The Swedish Pensions Agency's trade is based on the pension savers' fund switches, credits of entitlements, refund, inheritance gain, fees and pension payments. The size of the trade can therefore fluctuate considerably between individual days. To avoid too small fund orders the Swedish Pensions Agency has it's own trading stock in each fund.

10.1 The Swedish Pensions Agency's trading cycle

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

Day 0

The pension saver requests a fund switch, which can be done until 12 o'clock midnight (Monday-Thursday and Sunday).

Day 1

The Swedish Pensions Agency compiles buying and selling orders in the various funds, after which compilation of the net is carried out to a single order in the respective fund.

The Swedish Pensions Agency sends authorization of payment for buying orders and informs the Swedish National Debt Office how much credit it will need to finance the day's purchases. Since the Swedish Pensions Agency buys fund units before receiving payments from sales, the Swedish Pensions Agency have to borrow to be able to pay for the new fund units.

At 9.30 a.m. the Swedish Pensions Agency sends a net order per fund to the Fund Managers via Focus Fund trade, the fund administration system. Between 9.30 a.m. and 12.00 noon the Fund Managers log in to Focus Fund trade and get/confirm the day's orders.

The Fund Managers set fund unit prices for Day 1 and execute the Swedish Pensions Agency's order at these prices. If the fund is registered under 'delayed trading', trading is done in accordance with the fund unit price for Day 2. The day whose price is used for trading is referred to by the Swedish Pensions Agency as the Trading day.

The Fund Managers report fund unit prices to the Swedish Pensions Agency via Focus Fund trade. This is done between 2.30 p.m. and 9 p.m.

Day 2

The Fund Managers which did not manage to report the fund unit price during the afternoon of Day 1 report the price on the morning of Day 2 between 8 a.m. and 11 a.m. Fund Managers which are unable to calculate their fund unit price until 11 a.m. may register the fund as 'slow reporting'. The price reporting/transaction note will then be pushed forward to the next day in Focus Fund trade.

The Fund Manager reports the transaction notes via Focus Fund trade for the previous day's transactions between 8 a.m. and 1 p.m.

The Swedish Pensions Agency checks the sent orders against the transaction note and then books the executed transactions in the pension savers' accounts. After that the pension savers' accounts are open for trading again.

10.2 Delayed trading

Under the provisions of the General Terms & Conditions, an order issued by the Swedish Pensions Agency at 9.30 p.m a business day shall be executed on the same day to that NAV. This day is called Trading day. However, in the case of funds that, under the fund rules, have a trading cycle with the effect that an order will be executed on the day after the Swedish Pensions Agency has placed an order at 9.30 a.m., the Swedish Pensions Agency may consent to the Trading day being the day after the order day.

10.3 Slow reporting

According to the General Terms & Conditions the reporting of a fund order is supposed to be done at latest 13:00 the day after the Trading day. The Swedish Pensions Agency may however allow the reporting to be done 13:00 two days after the Trading day. This means that the fund is slow reporting.

10.4 The Swedish Pensions Agency's Trading stock and internal trade

The Swedish Pensions Agency maintains a trading stock to facilitate the administration of trading in fund units and to keep the transaction costs that are associated with payments low. The stock consists of units in the funds that are registered in the premium pension system and is purely administrative in nature. The

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Swedish Pensions Agency owns the fund units that the trading stock contains and bears the risk of any changes in their value.

The pension savers trade against the internal stock and when there is a fund order generated that exceed or is below the stock's fixed limit, an external order is sent to the Fund Manager.

10.5 Daily reporting of NAV

It is of the utmost importance that the Swedish Pensions Agency receives accurate unit prices from the Fund Manager every day, even those days that the Swedish Pensions Agency doesn't send any orders. The explanation is that internal trade at the Swedish Pensions Agency may occur without any external trade towards the Fund Manager is carried out. The share prices can also be used for calculations of upcoming orders and as fund information to the pension savers. If the Fund Manager adjusts their NAV retroactively the Swedish Pensions Agency must be contacted immediately.

10.6 Orders via fax

On special occasions orders can be faxed to the Fund Manager. When this situation occurs it is always communicated to the Fund Manager. A fax order from the Swedish Pensions Agency shall be signed according to the signature list for fund trade.

11 Payments to the Swedish Pensions Agency

All information needed to make payments to the Swedish Pensions Agency can be found in a separate appendix, Payment instruction for the Swedish Pensions Agency.

The quantity of payments the Swedish Pensions Agency implements requires standardized electronic solutions. Manual payments are not accepted by the Swedish Pensions Agency.

Payments to the Swedish Pensions Agency must contain the Swedish Pensions Agency's order numbers and are best done by a payment through an account. For payments in a foreign currency the swift address to our bank SEB (swift address ESSESESS) and our account number for respective currency account must be indicated as well as our order number.

We also want to point out that the parties are responsible for their own fees and costs connected to payments. When payments in foreign currency are done, the code SHARE must be indicated. We can only guarantee that our bank pays the entire remittance. If the receiving bank or transfer banks will deduct fees from the settlement then the Fund Manager is responsible for paying these fees alternatively send us another payment instruction.

If you have any questions regarding payments please contact our finance administrators at finansadmin@pensionsmyndigheten.se.

12 Administrative changes

Administrative changes that affect funds or Fund Managers may necessitate system updates or similar modifications at the Swedish Pensions Agency. Therefore, if the cooperation between the Swedish Pensions Agency and the Fund Managers is to work properly, it is important for the Fund Managers to inform the Swedish Pensions Agency in advance of any planned administrative changes. This is done via a special form, Modification notice fund.

The form is available on our website. The form must be signed by an authorized signatory of the Fund Manager and sent to the registrator@pensionsmyndigheten.se along with the current Prospectus of the fund

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concerned and also an authorization document for the authorized signatory of the company. This document should not be more than three months old. Fund Managers are required to notify to the Swedish Pensions Agency of these types of changes (the list below is not exhaustive):

- Changes in routines or cut-off times for trading in fund units or for calculation of prices of fund units.
- Changes in price reporting routines
- Changes in the trading cycle
- Changes in payment routines/account details
- Change of administration company and transfer agent
- Changes of contact person details

13 Trading contacts

Questions regarding trading, reporting of share price, reporting of holdings and payment of fund orders:

E-mail: Fundadmin@pensionsmyndigheten.se

Telephone: +46 10 454 23 10

FUND INFORMATION

14 Fund information

14.1 Reporting of fund information

Fund holdings, turnover, portfolio allocation, the ten largest holdings and information texts about the funds (see section 15) are intended. The Swedish Pensions Agency need the details to compile its fund directory and fund fact sheets that are listed in section 15. The various items are updated quarterly and annually no later than on the 20th of the month after the end of the preceding quarter/year. Some changes have to be updated continuously, when the change has come into effect, such as change in investment policy. More detailed information on the information to be provided at each occasion is shown below.

Historical dividend adjusted NAV shall the Fund Manager supply via Focus Fundinfo when the fund initially is registered at the Swedish Pensions Agency. The Swedish Pensions Agency would like to receive at least 10 years of historical dividend adjusted NAV from the Fund Manager if any exist. The historical values are used for calculating return and risk measure. The Fund Manager can report historical dividend adjusted NAV in SEK via Focus Fundinfo. If the currency of the NAV is not in SEK then the Fund Manager shall email the figures to the Swedish Pensions Agency.

Changes regarding fund management company information shall be sent via e-mail to the Swedish Pensions Agency (see section 7.1)

14.2 Reporting withdrawal

According to the Swedish Social Insurance Code (2010:110) the Fund Managers participating in the premium pension system are required to account annually to the Swedish Pensions Agency for costs incurred, by type of cost.

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

- 1) the Swedish Pensions Agency's fund information, which is offered via the fund catalogue, fund fact sheets and on our website.
- 2) the Swedish Pensions Agency's calculation of the price reduction which Fund Managers are required to pay to the Swedish Pensions Agency - for further information, see section 6.
- 3) Accounting to every individual pension saver for how much management has cost the pension saver, in SEK, for every fund that he or she has had capital invested in during the preceding year.

14.3 Changes in funds

The following are examples of important changes regarding funds, along with a description of the actions triggered by the changes at the Swedish Pensions Agency.

14.3.1 Merger of funds

The Fund Manager is required to inform the Swedish Pensions Agency of any imminent merger of funds as soon as a date for the merger has been decided. It is important that the Swedish Pensions Agency receives information about the merger.

If a new fund is established through the merger and the Fund Manager want the new fund to be registered at the Swedish Pensions Agency, the new fund must be enrolled with the Swedish Pensions Agency. This also

applies if the acquiring fund has not formerly been registered with the premium pension system. For more detailed information on enrolment of funds, see section 7.

In certain cases, a merger will result in that a fund registered at the Swedish Pensions Agency is merged with a fund that is not registered. Then, the Fund Manager must request the Swedish Pensions Agency to deregister the fund at the same time as the merger is carried out. The request is to be made in writing and must be signed by an authorized signatory of the Fund Manager.

The Swedish Pensions Agency will send information individually to all pension savers with a holding in the fund that will cease to exist in the premium pension system because of the merger. The pension saver must be provided with reasonable time to make a fund switch if he or she do not wish to retain their holding in the receiving fund after the merger.

14.3.2 Change of fund prospectus

Fund Managers are required to inform the Swedish Pensions Agency of all planned changes to their fund prospectus as soon as the Fund Manager has decided when the changes are to be implemented. These may, for example, consist of change in investment policy, management fee, quotation currency or the name of a fund.

In the case of certain changes to the fund prospectus, the Swedish Pensions Agency will send information individually to the pension savers concerned. The pension savers affected are to be provided with reasonable time to make a fund switch if they do not wish to retain their holding in the fund.

14.3.3 Termination of a fund

As soon as a date for termination of a fund has been determined, the Fund Manager must inform the Swedish Pensions Agency of the date in question. The Fund Manager is then required to request that the fund is deregistered at the Swedish Pensions Agency. Requests for deregistration are to be made in writing and must be signed by an authorized signatory of the Fund Manager.

At termination of a fund, the Swedish Pensions Agency will send information individually to the pension savers who are concerned. The pension savers are to be provided with reasonable time to make a fund switch from the fund that will be terminated to another fund.

14.3.4 Transfer of management of a fund

If a fund is transferred from one Fund Manager to another, the acquiring Fund Manager is required to request that the fund is to be reregistered at the Swedish Pensions Agency, to that effect that it is covered by the co-operation agreement that the acquiring Fund Manager has concluded with the Swedish Pensions Agency. Requests are to be made in writing and must be signed by an authorized signatory of the Fund Manager.

If a fund is transferred to a Fund Manager who has not concluded a co-operation agreement with the Swedish Pensions Agency, the acquiring Fund Manager must sign an agreement of this kind with the Swedish Pensions Agency if the fund is to continue to be registered in the premium pension system. In special cases, it may be possible to transfer the existing co-operation agreement to the acquiring Fund Manager. For more detailed information on co-operation agreements, see section 4.

14.4 Changes regarding the Fund Manager

In the event of a transfer of the management of funds or a merger of management companies, the contractual relationship between the Swedish Pensions Agency and the Fund Manager is often affected. Consequently, the Swedish Pensions Agency may need to revise its administrative routines. It is therefore important for the Swedish Pensions Agency to be informed of the transfer or merger in advance.

15 Fund information to be provided in Focus Fundinfo

The Fund Manager shall frequently update Focus Fundinfo regarding information concerning the fund. The frequency of updates shall vary upon the nature of the information. Generally the following requirements of the texts are:

- All texts shall be written in Swedish, avoid technical language.
- The texts shall be objective, informative and apply to the current fund. Texts like “fund of the year”, “managed by the best Fund Manager” or “best value development” will not be permitted

Frequency	Information no of characters)	Note
Initially	Historical dividend adjusted NAV for the last 10 years.	1
Initially and as soon as possible after changes	Target group (max 130)	
	Aim with investment (max 130)	
	A short text describing the fund’s investment strategy (for fund catalogue, max 114)	
	A longer text describing the fund’s investment strategy (for the fund web, max 300)	2
	Text describing which type of securities the fund invests in (max 300)	
	Text with other information (max 150)	3
	Responsible Fund Manager’s name	
	Responsible Fund Manager has experience in management since	
	Normal number of securities in the fund in MSEK, previous year	
	Turnover, previous year (state number of times/ year, not in percent)	4
	The ten biggest holdings in the fund, in %	
	Portfolio allocation (e.g. branches and/or countries and also asset allocation)	
Quarterly	The ten biggest holdings in the fund, in %	
	Portfolio allocation (e.g. branches and/or countries and also asset allocation)	
Annually	The fund’s turnover previous year (state number of times /year, not in %)	4
	Fund capital in MSEK, previous year	

Notes

1) Information regarding historical NAV (up to 10 years if available) is reported on the first occasion only. After that reporting is done daily through the Swedish pensions Agency’s system Focus.

2) The text shall describe how the fund allocates in different regions/industries or how the fund selects securities. If the fund is using derivatives as an investment strategy, indicate that here or alternatively in the field “type of securities”.

3) Text with other information, for instance an explanation of a particular fee structure or substantial information regarding the fund.

4) The formula to calculate turnover T.

$T = \text{Min}(A,B)/C$ NOTE! T shall be indicated in number of times/year, and not in %.	A =	Sum purchased securities during the year.
	B =	Sum sold securities during the year.
	C =	Average fund capital during the year.

16 Information regarding fees that shall be reported in Focus Fundinfo

Information regarding the funds' fees shall be reported in Focus Fundinfo at the beginning of the year. Funds that have performance based fee and/or are fund of funds shall also report fees quarterly in Focus Fundinfo.

16.1 Yearly information regarding fees in Focus Fundinfo

Frequency	Type of funds	Information
Annually. Deadline: 20 February	Funds that are <u>not</u> fund of funds and /or have performance based fee	Management fee (%) Total cost TK/Ongoing charges (%) Total including transaction costs (TCR/TKA) (%) Report if calculated State the reason for large deviation of total cost (TK) compared to previous report
	Fund of funds	Management fee (%) Total including transaction costs (TCR/TKA) (%) Report if calculated Main fund's total cost withdrawal quotient (HTK) (%) Underlying funds weighted cost withdrawal quotient (UVK) (%)
	Funds that have performance based fee	Management fee (%) Total including transaction costs (TCR/TKA) (%) Report if calculated Total cost TK/Ongoing charges (%) Performance based fee (%)
	Fund of funds and funds that have performance based fee.	Management fee (%) Total including transaction costs (TCR/TKA) (%) Report if calculated Main fund's total cost withdrawal quotient HTK (%) Underlying funds' weighted cost withdrawal quotient UVK (%) Performance based fee (%)

16.2 Quarterly information regarding fees in Focus Fundinfo

Frequency	Type of funds	Information
Quarterly. Deadline: 20 January, 20 April, 20 July, 20 October	Fund of funds	Management fee % Main fund's total cost withdrawal quotient (HTK) (%) Underlying funds' weighted cost withdrawal quotient UVK (%) For funds that use underlying funds' maximum fee instead of actual fees, please check the box. Specification concerning the underlying funds, each fund's total cost, weighted cost and weighted rebate.
	Funds that have performance based fee	Management fee (%) Total cost TK/Ongoing charges (%) Performance based fee (%)
	Fund of funds and funds that have performance based fee	Management fee (%) Performance based fee (%) Main fund's total cost withdrawal quotient (HTK) (%) Underlying funds' weighted cost withdrawal quotient UVK (%) For funds that use underlying funds' maximum fee instead of actual fees, please check the box. Specification concerning the underlying funds, each fund's total cost, weighted cost and weighted rebate.

16.3 New fund

For new funds estimated ongoing charges is used for assessment of the rebate.

16.4 Change in fees

If the fees change during the year so that the ground for assessment (reported fees) becomes misleading, shall the Fund Manager contact the Swedish Pensions Agency for adjustment of current year's invoicing.

16.5 Explanation of terms

Term	Explanation
Ongoing charges	Corresponds to ongoing charges in the prospectus. Ongoing charges is used as ground for assessment for the rebate for all of the funds that don't have performance based fee or constitutes fund of funds.
Management fee	The Management fee refers among other things to the fund's cost for management and custody. The Management fee divided by 365 is normally drawn from the fund every day.
Total including transaction costs	Total including transaction costs (TCR/TKA) in % is calculated as a share of an average fund capital for every day of the entire year (365 days). TCR/TKA is the total cost in a fund, it contains management fee, transaction costs and all other costs including withholding tax and interest expenses. The information is presented in the Swedish Pensions Agency's fund catalogue and on the website.
Main fund's total cost withdrawal quotient - HTK	HTK corresponds with the sum of the fund's accounted costs including performance based fee, but excluding transactions costs, interest expenses and withholding tax. The calculation is described in the General Terms and conditions for co-operation (Appendix C, section 2)
Underlying fund's weighted cost withdrawal quotient - UVK	Kostnadernas viktas efter innehavets storlek. UVK corresponds with the sum of the underlying funds' costs including performance based fee. The costs are weighted after the size of the holding. The calculation is described in the General Terms and conditions for co-operation (Appendix C, section 2)
Total cost withdrawal quotient SK	$SK = HTK + UVK$ The system calculates this term automatically and uses it for calculation of the price reduction.
Fund fee (on the web and in the fund catalogue)	The fund's ongoing charges after the deduction of the Swedish Pensions Agency's rebate.

CONTACTS

17 Contact the Swedish Pensions Agency

If you have any questions or need further information about the Swedish Pensions Agency and the premium pension system, please visit:

http://www.pensionsmyndigheten.se/ForFundMangers_en.html

Contact information

Postal address: Pensionsmyndigheten,
Registrator
P.O. Box 38190,
SE-100 64 Stockholm
SWEDEN

E-mail: registrator@pensionsmyndigheten.se

Visiting address: Hornsgatan 168, Stockholm

Telephone: +46-(0)771-771 771

Questions regarding fund registrations, fund information and price reduction

E-mail: fund_information@pensionsmyndigheten.se

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

Questions regarding daily trading, Focus, NAV reporting, contract notes, and holdings:

E-mail: fundadmin@pensionsmyndigheten.se

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

Questions regarding payment of fund orders:

E-mail: finansadmin@pensionsmyndigheten.se

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