

Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: SEB Prime Solutions – CARN Latitude

Legal entity identifier: 529900VDHDDS140TH186

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

- | | |
|--|--|
| <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p> | <p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p> |
|--|--|

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund's exclusion policy promotes environmental and social responsibility by avoiding investment in companies that engage in harmful practices. It prohibits investment in companies that produce weapons violating humanitarian principles, contribute to human rights violations, cause severe environmental damage, have high greenhouse gas emissions, or are involved in corruption or unethical practices.

The policy demonstrates a commitment to ethical and sustainable investing.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

In terms of environmental characteristics, the policy prohibits investment in companies that contribute to severe environmental damage and those that have unacceptable levels of greenhouse gas emissions. This demonstrates a commitment to avoiding investment in companies that have a negative impact on the environment and to promoting sustainability.

In terms of social characteristics, the policy prohibits investment in companies that are involved in serious human rights violations, the sale of weapons to states engaged in armed conflict, and those that are involved in gross corruption or other serious financial crimes. This demonstrates a commitment to avoiding investment in companies that engage in practices that are harmful to society and promoting ethical and responsible business practices.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Not applicable

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable

Does this financial product consider principal adverse impacts on sustainability factors?

Yes,

The exclusion policy considers principal adverse impacts on sustainability factors by prohibiting investment in companies that engage in practices that have negative impacts on the environment or society. By excluding companies that contribute to severe environmental damage, have unacceptable levels of greenhouse gas emissions, or are involved in serious human rights violations, the exclusion policy takes into account the principal adverse impacts that these practices have on sustainability factors.

No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What investment strategy does this financial product follow?

The investment objective of the Sub-Fund is to achieve maximum capital appreciation by combining long and short positions on equities that are listed on regulated markets. The Sub-Fund invests predominantly in European Companies (particularly in the Nordic Countries) that are operating in a wide range of economic sectors. In pursuing this objective, the Sub-Fund seeks long exposure on the companies that are believed to be undervalued or mispriced and conversely short positions for companies that are believed to be overvalued.

These principles for choosing investments must be in line with our exclusion policy.

The Sub-Fund shall not invest in companies which themselves or through entities they control:

1. develop or produce weapons or key components of weapons that violate fundamental humanitarian principles through their normal use. Such weapons include biological weapons, chemical weapons, nuclear weapons, non-detectable fragments, incendiary weapons, blinding laser weapons, antipersonnel mines and cluster munitions.
2. produce tobacco or tobacco-products
3. produce cannabis for recreational use
4. companies that contributes to serious or systematic human rights violations, serious violations of the rights of individuals in situations of war or conflict, the sale of weapons to states engaged in armed conflict that use the weapons in ways that constitute serious and systematic violations of the international rules on the conduct of hostilities, the sale of weapons or military materiel to states that are subject to investment restrictions on government bonds, severe environmental damage, acts or omissions that on an aggregate company level lead to unacceptable greenhouse gas emissions, gross corruption or other serious financial crime or other particularly serious violations of fundamental ethical norms.

For point 2 and 3, we accept companies with these activities if it constitutes less than 5 percent of their income.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The exclusion policy outlined above provides the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product.

The policy defines the types of companies that the Sub-Fund is prohibited from investing in, including those that produce weapons violating humanitarian principles, contribute to serious human rights violations, cause severe environmental damage, have high greenhouse gas emissions, or are involved in corruption or unethical practices. These restrictions provide clear criteria for selecting investments and ensure that the Sub-Fund only invests in companies that align with the environmental or social characteristics promoted by the financial product.

In this way, the exclusion policy acts as a framework for the investment strategy, providing a set of binding rules that guide the selection of investments. By following these restrictions, the investment strategy is able to promote the environmental and social characteristics that are important t

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Negative screening is a method used to reduce the investment universe and create a portfolio of investments that align with certain criteria or principles. The exclusion policy provides the binding elements that are used to select investments in a way that supports the environmental and social objectives of the financial product.

By following this investment strategy, the Sub-Fund can promote sustainability and responsible investment practices and align its investments with its values and objectives.

Our investment strategy will reduce scope of the investment with 5%, according to our estimates.

- **What is the policy to assess good governance practices of the investee companies?**
CARN will monitor that companies are not making moves to engage in activities on the exclusion list. CARN will also check that companies in our portfolio is not breach with OECDs guidelines for multinational enterprises.

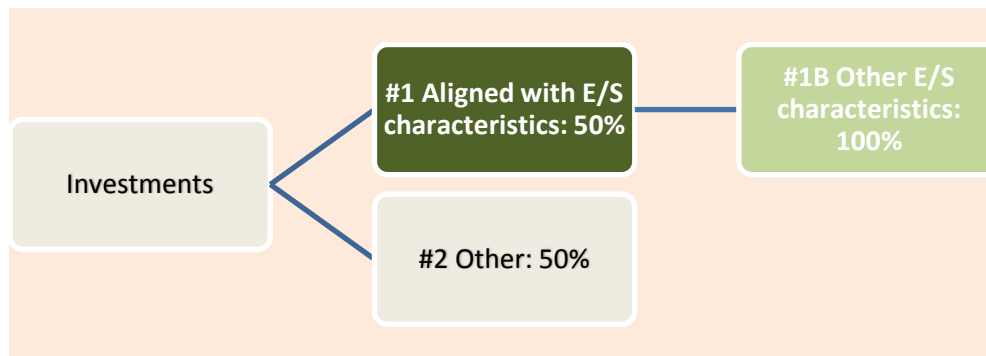
If companies are violating the principles above, the Sub-Fund will confront the companies. If the companies does not change to the desired course, the Sub-Fund will sell the shares in the company after 3 month.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to achieve maximum capital appreciation by investing in European companies, mainly those in the Nordic Countries, through a combination of long and short positions on equities that are listed on regulated markets. The Investment Manager seeks to identify undervalued or mispriced companies for long exposure and overvalued companies for short positions.

The exclusion policy outlined above provides the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product.

The policy defines the types of companies that the Sub-Fund is prohibited from investing in, including those that produce weapons violating humanitarian principles, contribute to serious human rights violations, cause severe environmental damage, have high greenhouse gas emissions, or are involved in corruption or unethical practices. These restrictions provide clear criteria for selecting investments and ensure that the Sub-Fund only invests in companies that align with the environmental or social characteristics promoted by the financial product.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

In the Sub-Fund, the Investment Manager invests in short positions for companies that are believed to be overvalued, and derivatives to achieve capital appreciation and to mitigate risks. The binding elements of the exclusion policy and positive selection of well performance on CO₂-emission do not apply to derivatives.

Short positions can be used to express a negative view on a specific company or industry and can be an important tool for investors to express their concerns about a company's governance, environmental or social practices.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

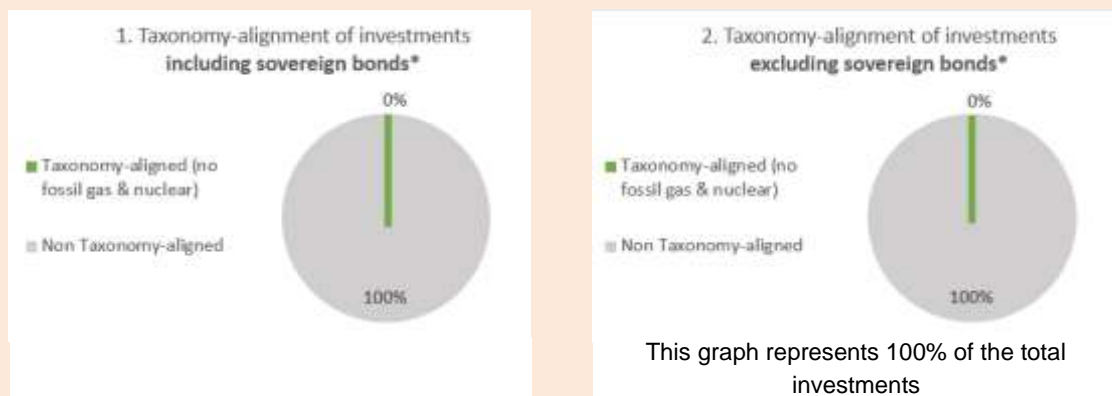
Yes:

In fossil gas

In nuclear energy

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory not in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are

sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments that might fall under “#2 Other” are cash positions, money market instruments, derivatives that might be required for portfolio management purposes. Long positions in this category will follow the investment objective of the Sub-Fund to achieve maximum capital appreciation by finding companies that are believed to be undervalued or mispriced and must not be in breach in the exclusion policy. However, they may not meet the positive selection criteria of good performance on carbon emission.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

- **How does the designated index differ from a relevant broad market index?**

Not applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.carncapital.com

Monitoring of environmental or social characteristics

<https://carncapital.com/wp-content/uploads/2022/02/Carn-Capital-Investment-Report-2021.pdf>