

Incentives

Pursuant to the regulations of the Swedish Financial Supervisory Authority, the Company, in conjunction with fund and portfolio management, may only pay/disburse or receive compensation in the form of fees, commissions or benefits-in-kind (incentives) under certain conditions. In the event an incentive is paid or provided to or by a third party, the fee, commission or benefit-in-kind must be intended to enhance the quality of the relevant fund activity and not prevent the Company from acting in the interests of the investors.

Information regarding the incentives the Company pays or receives is set forth below.

Compensation within the context of the fund operations

The Company receives compensation from the funds for management, administration, auditing, accounting and register maintenance and for expenses associated with custodian institutions. The compensation is comprised of a management fee which is described in the fund rules. In addition, there are transaction costs associated with third parties.

Compensation for discretionary management

In conjunction with discretionary management, the Company receives compensation in accordance with the respective discretionary management agreement.

Compensation paid to distributors

The Company distributes its funds via external collaboration partners in the form of, for example, banks, insurance companies, securities companies and insurance intermediaries. This distribution entails that the funds, among other things, are made available to end-customers on the platforms provided by various banks, securities companies and insurance companies. The funds are also made available to securities companies and insurance intermediaries which provide investment advice through which end-customers may obtain access to funds when they consult with their advisors. Compensation for these services is paid in the form of a percentage of the management fee on the capital brokered by the distributors. The compensation may vary depending on the fund brokered, the distributor involved, and the sales channels through which the fund is made available. Compensation varies depending on the services performed by the distributor in the form of advising and provision of systems for distribution (e.g. platforms) within an interval between 50-160 base points.

The above text is a summary of the compensation paid to the Company's distributors. Upon request by the unit holders, the Company can provide more detailed information regarding the manner in which the compensation is calculated.

Compensation from third parties

The Company receives no compensation in the form of goods or services in conjunction with the transactions on behalf of the funds (so-called soft commissions).

Reporting analysis costs in the fund – information to unit holders

The analysis cost which arises at external analysis providers in conjunction with securities transactions in funds may be incurred by the funds in the event the analysis enhances the quality of management and does not prevent the Company from acting in the interests of the unit holders.

The providers of analytical services may be banks and securities companies, but may also involve different types of providers. The benefit of any analysis must, at a minimum, be regarded as equal to the cost incurred. The cost for analysis shall also be distinguished from the cost of executing of orders – brokerage fees – per fund for the purpose of reporting these costs in a manner which is transparent for the unit holders.

ISEC Services may enter into a brokerage commission allocation agreement with certain counterparties regarding securities trading. Complete information regarding the amount of brokerage fees and analysis costs included therein will be provided upon request from a unit holder of the relevant fund.

In conjunction with outsourced management through service agreements, the provider's handling of incentives is also checked.