

Information brochure

Tellus Midas

The information brochure has been prepared in accordance with the Swedish Investment Funds Act (2004:46) and the Swedish Financial Supervisory Authority's regulations (2013:9) on investment funds.

Last updated September 2025

General

This information brochure relates to Tellus Midas (the "fund"). The fund is a mutual fund under the Swedish Mutual Funds Act. The information brochure includes the following sections:

- General information
- Investment focus and risk information
- Calculation example of performance-based remuneration
- Sustainability report
- Fund rules

The legal nature of a fund

A fund is formed through capital contributions from the general public and is owned by those who have contributed capital. The fund is managed by a fund management company, which represents the fund unit holders in all legal and financial matters concerning the fund. The assets are held by a custodian. The fund is not a legal entity. This means, among other things, that it cannot acquire rights or assume obligations.

Property included in a fund cannot be seized. A fund unit is a right to a share of the fund corresponding to its net assets divided by the number of outstanding units.

The fund has two share classes, of which share class A is non-distributing and share class B is distributing. More detailed information on the terms and conditions for distribution can be found in § 12 of the fund rules.

The fund rules are otherwise common to both share classes.

The fund company

Tellus Fonder AB Organization number: 556702-9557 Address:
Riddargatan 18, 114 51 Stockholm, Stockholm
Phone: 08-545 170 16
Website: www.tellusfonder.se
E-mail: info@tellusfonder.se

Date of company formation

April 28, 2006

Legal form and registered office of the company

Limited company, Stockholm

Size of the company's share capital

4,561,126

Board of Directors and management

Board members

Member (chairman): Thomas Eriksson
Member: Bo Pettersson
Member: Jan Pettersson
Member: Lisa Hållars Member:
Marc Burde

Senior executives

Henrik Karacs: CEO and complaints officer. Bo Pettersson: Responsible for fund management. Anders Bruzelius: Responsible for fund management.

Fredrik Hansson (under contract): Risk management function Anna
Henjeby (under contract): Compliance function

Securities funds managed by the fund company

Tellus Midas

Tellus Global Investment Company

Purchase and redemption of fund units

The fund is open for trading on every Swedish banking day. Purchase requests must be made in writing to the fund company and by paying the amount due into the fund's bank account or bank giro account in the manner specified in the fund's information brochure and on the fund company's website, www.tellusfonder.se. Redemption requests are also made in the manner specified in the fund's information brochure and on the fund company's website.

Subscription and redemption requests received by the fund company on a specific banking day before 2 p.m. on weekdays (Monday-Friday), or before 10 a.m. on the day before a public holiday, will be executed on the following banking day.

Subscription and redemption therefore always take place at a price that is not known to the unit holder at the time of the subscription or redemption request. The fund unit price cannot be limited, either when requesting a purchase or redemption.

Withdrawal of purchase and redemption requests is only permitted if the fund management company receives written notification on the same day and if the fund management company approves it.

The fund is not open for subscription and redemption on days when the valuation of the fund's assets cannot be made in a manner that ensures equal rights for fund unit holders, for example as a result of one or more markets on which the fund's assets, or part thereof, are traded being wholly or partially closed.

If funds for redemption must be obtained through the sale of securities, such sale shall take place and redemption shall be effected as soon as possible. However, the subscription and redemption of fund units may be postponed if there are special reasons for doing so and it is justified in the interests of the fund unit holders. The fund management company shall notify the Swedish Financial Supervisory Authority and the fund unit holders concerned of the measure without delay.

Information on the latest estimated price for fund units is provided by the fund management company. This information is also published daily on the fund management company's website, www.tellusfonder.se.

Management fees in the fund

A fixed management fee shall be paid to the fund company from the fund's assets for the management of the fund, which includes costs for custody, supervision, and auditing.

Fixed management fee

Remuneration to the fund company is paid in both share class A and share class B at a fixed fee of no more than 1.0 percent per annum of the value of the fund shares. The fixed management fee is currently 1.0 percent. Fees are calculated daily and paid to the fund company on the last day of each month.

Performance-based remuneration

In addition to the fixed fee, both share class A and share class B pay performance-based remuneration to the fund company of a maximum of 20 percent of the fund's excess return. Excess return is defined as the portion of the total return that exceeds a so-called return threshold. The return threshold

is defined as the interest rate on three-month Swedish treasury bills on the first banking day of each month, as published by Sveriges Riksbank +3%. Total return here refers to return after deduction of the fixed management fee. High Water Mark is applied, which means that variable fees are only paid on excess return against the return threshold and when the return is at All Time High.

Performance-based remuneration is calculated daily in both share classes and paid to the fund management company on the last day of each month.

If the share class achieves a total return below the return threshold on a given day and if the share class achieves a total return above the return threshold on a later day, no performance-based remuneration shall be paid until the underperformance of previous periods has been compensated.

Performance-based remuneration is calculated according to a collective model. This means that all unit holders pay the same amount per fund unit in any performance-based remuneration for a given period and that any underperformance must be compensated before any individual unit holder needs to pay any performance-based remuneration. However, no compensation for any underperformance is paid to unit holders who sell their units. The right to compensation applies only to unit holders who remain in the fund and is taken from any excess returns that may be generated in the future.

Brokerage fees and other costs related to the purchase and sale of transferable securities and other financial instruments, as well as taxes, are charged to the fund.

Calculation examples and further description of performance-based remuneration can be found in Appendix 1.

The fund's activity level and benchmark index

Information on how Tellus Midas is managed is provided below in the section "Investment focus and risk information", which in brief means that the fund aims to build up the savings capital of its unit holders over the long term through investments in equities and interest-bearing instruments worldwide with a flexible equity allocation, provide the fund's investors with a clearly positive return over time that exceeds the long-term return on the stock markets, and avoid individual years with sharply negative returns. In view of this, the broad global index MSCI All Country NDTR (Net Dividend Total Return) SEK is considered to be a relevant benchmark index for the fund.

The fund does not follow its benchmark index when making investment decisions, and the fund's holdings therefore differ from those of the benchmark index. The fund and its benchmark index also differ in that the fund's portfolio contains far fewer holdings, and the fund and its benchmark index are therefore weighted differently. As a result, the fund and its benchmark index have different risk structures and therefore perform differently when market conditions change. The fund also has a flexible equity allocation and can therefore vary both its total equity exposure and its exposure to specific markets and geographical areas over time.

The fund's activity level is a measure of its active risk-taking. Active risk measures how much the fund's return deviates from its benchmark index, and is the measure Tellus Midas uses to calculate activity level. Active risk is calculated by measuring the difference between the fund's return and the benchmark index's return based on monthly data from the last two years. The measure is calculated as the standard deviation of the difference in returns. The activity measure achieved is explained by the fact that the fund is actively managed and that the fund has deviated from the benchmark index.

The activity measure depends on how the fund correlates with the market and the composition of the fund's investments. The fund's active risk, for share class A, per specified year since inception is as follows:

2012: 7.22

2013: 9.31

2014: 10.49

2015: 10.78

2016	11.66
2017	12.06
2018	9.53
2019	8.17
2020	14.89
2021:	14.91
2022:	9.70
2023:	12.87
2024:	11.82

Historical returns

The fund's annual return for each year is as follows:

2009	23.27
2010	3.83
2011:	-13.64
2012	15.25
2013	9.88
2014	-3.61
2015	2.19
2016	-3.92%
2017	27.19%
2018:	-11.07
2019	26.47
2020	34.94
2021:	17.56
2022:	-1.75
2023:	15.39%
2024:	19.92%

Information on the current share value is provided on the fund company's website, www.tellusfonder.se

Brokerage

Brokerage fees and other costs (such as transaction and delivery costs) incurred as a result of the fund's trading in financial instruments shall be paid by the fund. Brokerage fees constitute remuneration for the brokerage of trading in financial instruments.

Assignment agreements

Tellus Fonder AB has entered into an assignment agreement with Swedbank regarding the performance of fund administration, ongoing accounting and reporting functions, and with HPS regarding IT support.

Tellus Fonder AB has entered into an assignment agreement with Advisense for the performance of compliance and risk functions.

Tellus Fonder AB has entered into an assignment agreement with Moneo regarding internal auditing.

Tellus Fonder AB has also entered into distribution agreements with Avanza Bank AB, Nordnet Bank AB, MFEX Mutual Funds Exchange AB, Allfunds Nordic Fund Market, Strukturinvest Fondkommission AB, United Securities AB, Fondab AB, and Söderberg & Partners.

Tellus Fonder has entered into agreements with distributors in the countries where some of the funds are marketed. These distributors assist end customers with all information regarding sales/redemptions and information about the funds.

Shareholder register

Swedbank AB, Stockholm, keeps a register of all unit holders. Fund insurance companies and pension savings institutions keep their own registers of how policyholders' and pension savers' premiums have been invested in various funds.

Custodian

The custodian must act independently of the fund company and exclusively in the common interest of the unit holders. One of the tasks of a custodian is to hold a fund's assets and handle payments into and out of the fund. The custodian checks that the fund company's instructions regarding the fund, as well as its management and subscription, redemption, and valuation of fund units, are carried out in accordance with the Swedish Investment Funds Act and the fund rules. The fund's custodian is Swedbank AB (publ), and its legal form is a bank limited company (a limited company that has been granted a license to conduct banking operations). The custodian's main business is banking and financial operations, and its registered office is located in Stockholm.

Under the Custodian Agreement, applicable EU directives, laws, and other regulations, a custodian may, under certain conditions and in order to fulfill its obligations effectively, delegate parts of these obligations to one or more external companies, including other custodian banks, appointed by the custodian from time to time. Custody and listing in accordance with applicable EU directives, laws, and other regulations are the only tasks that may be delegated.

If foreign instruments are included in the fund, the custodian may allow an appropriate foreign custodian to hold them in custody. This does not relieve the custodian of its responsibilities under the LVF.

When delegating, the custodian shall act with all due skill, care, and diligence required by applicable regulations to ensure that the assets of the funds are only entrusted to a contractor who can offer adequate protection. The custodian's responsibility is not affected in any way if the custody of some or all of the assets is delegated to an external company.

Handling conflicts of interest

Swedbank has procedures in place to identify, manage, monitor, and report any conflicts of interest. As the institution is part of the bank, conflicts of interest may arise between the institution's operations and other operations within the bank. To ensure that potential conflicts of interest do not

affecting the funds and their unit holders, the institution and other operations within the bank, as well as the fund company's operations, are functionally and organisationally separate. The institution acts independently of the funds and the fund company and exclusively in the interests of the unit holders.

Areas where conflicts of interest may arise include, for example, between the service that constitutes trading in financial instruments on its own behalf or on behalf of its customers and investment advice, as well as between customers for these activities. Within Swedbank AB (publ), there are also established procedures for how situations where a conflict of interest arises should be reported internally and handled. The institution may delegate parts of its operations to one or more external companies, including other custodian banks appointed by the institution from time to time. The tasks that may be delegated, according to the UCITS Directive and applicable Swedish regulations, are custody and record keeping. The Institute shall act with due skill, care, and diligence in its selection, continued engagement, and supervision of the party to which depositary functions have been delegated. A list of contractors and contractors to whom further delegation has taken place and any conflicts of interest that may arise as a result of such delegation can be obtained from the company.

As the custodian is part of Swedbank AB, conflicts of interest may arise between the custodian's activities and other activities within Swedbank AB and its subsidiaries. The custodian has a legal obligation to identify and manage such conflicts of interest and to report them to the fund's investors. Examples of activities that may involve conflicts of interest are: (i) Provision of nominee registration, fund administration, establishment of a register of unit holders, analysis, management of securities lending, asset management, investment advice and/or other advisory services to the fund; (ii) Participation in banking, securities trading including currency trading, derivatives trading, lending, brokerage, market making, or other financial transactions with the fund, either on its own behalf or on behalf of other clients.

The depositary's activities are always conducted in the interests of the fund unit holders and in accordance with prevailing market conditions.

Swedbank AB (publ) has appointed State Street Bank International GmbH. to act as custodian for securities held outside Sweden. Swedbank AB (publ) has procedures in place to identify, manage, monitor, and report any conflicts of interest.

Remuneration policy

The Board of Directors of Tellus Fonder AB adopted the Remuneration Policy on April 27, 2023. Employees receive a fixed monthly salary. No employee has any variable remuneration under contract and, from this perspective, there are no regulated employees at the firm. The Board of Directors decides on remuneration for the CEO. Fixed remuneration for other staff is decided by the company's CEO, and if variable remuneration is to be considered for other staff, the decision is made by the CEO together with the Chairman of the Board.

We pay compensation to distributors of the company's funds. In most cases, this compensation amounts to half of the fixed fee and is paid quarterly. Some distributors then pay this part of the fixed fee back to their customers.

Information about the company's remuneration policy is available on the website www.tellusfonder.se and a paper copy can be obtained on request.

Auditors

The auditors are responsible for reviewing the accounts on which the fund's annual report is based.

Leif Lüscher is the principal auditor and is responsible for auditing the accounts on which the fund's annual report is based.

Tax rules

Mutual funds are not liable for tax in Sweden on income from assets included in the fund. On dividends from foreign holdings, the fund pays withholding tax at the rate applicable in the respective country, taking into account any double taxation agreements between Sweden and the other country. Dividends are reported at the amounts actually received, but it cannot be ruled out that these withholding tax deductions may be revised, which could mean that the fund is charged additional withholding tax. Refunds (repayment of withholding tax paid) are reported when received.

The taxation of fund savers depends on their tax residence and the tax scale for the investment.

Swedish fund unit holders pay income tax on both an annual standard income calculated on the value of the fund units at the beginning of the year and on any gains and dividends on the fund units. The annual standard income amounts to 0.4 percent of the value of the units at the beginning of the calendar year. The standard income is then included in the capital income category and taxed at 30 percent. Control information is provided for natural persons and Swedish estates, while legal entities must calculate the standard income and pay tax themselves. The tax may be affected by individual circumstances, and anyone who is unsure about the possible tax consequences should seek expert help.

Changes to fund rules

The fund company has the option of changing the fund's fund rules by applying to the Swedish Financial Supervisory Authority (). The changes may affect the fund's characteristics, such as its investment focus, fees, and risk profile. In such cases, the unit holders will be informed of the changes.

Termination of the fund or transfer of fund operations

If the fund management company decides to terminate the fund or, with the consent of the Swedish Financial Supervisory Authority, to transfer the management of the fund to another fund management company, all unit holders will be informed thereof.

The management of the fund shall be taken over immediately by the custodian if the Swedish Financial Supervisory Authority revokes the fund company's license or if the fund company enters into liquidation or is declared bankrupt. The fund company may also transfer the management of a fund to another fund company. Such a transfer requires the approval of the Swedish Financial Supervisory Authority.

If a fund is terminated or transferred, information about this must be published in the Swedish Official Gazette unless the Swedish Financial Supervisory Authority has granted an exemption. A takeover of the depositary or another fund management company may take place no earlier than three months after the changes have been announced, unless the Swedish Financial Supervisory Authority grants permission for the takeover to take place earlier. If the fund management company wishes to cease management of a fund, the depositary shall take over management when the business ceases. The fund management company may transfer management to another fund management company, but must then have the permission of the Swedish Financial Supervisory Authority. The takeover may take place no earlier than three months after the changes have been announced, unless the Swedish Financial Supervisory Authority () grants permission for the fund to be transferred earlier. Information about the changes shall be available from both the fund management company and the depositary.

Liability for damages

If a fund unit holder has suffered damage as a result of the fund management company violating the Swedish Securities Funds Act (2004:46) or fund rules, the fund management company shall compensate for the damage.

Information about incentives for investors

The Company has entered into cooperation agreements with external parties regarding the marketing of the Company's funds. The Company pays ongoing compensation to these parties for their marketing efforts in accordance with individually negotiated agreements.

agreements. The remuneration is paid as a certain percentage of the fixed management fee for the fund. The percentage remuneration of the fixed management fee varies between 50% and 60%. The Company provides more information about the remuneration structure upon request.

Marketing of units outside Sweden

Some of the funds managed by the fund company are marketed in other countries within the EEA. For all of these countries, Swedbank AB's branch in the respective country makes payments to unit holders, redeems units, and provides information.

Investment focus and risk information

The fund's objective

Tellus Midas's objective is, through investments in equities and interest-bearing instruments worldwide with a flexible equity allocation, to build up the unit holders' savings capital in the long term, provide the fund's investors with a clearly positive return over time that also significantly exceeds the long-term return on the stock markets, and to avoid individual years with sharply negative returns.

The fund company's assessment is that, in the very long term, the stock markets should generate a return of around 7 percent per annum. Tellus Midas is aiming higher and therefore has a long-term target of generating an average annual return in excess of 10 percent. However, the fund's return will vary considerably from year to year.

The fund is suitable for savers and investors with an investment horizon of at least 5 years. Each fund unit holder must be able to accept that significant price fluctuations may occur. The fund's base currency is the Swedish krona, and the return targets above refer to Swedish kronor.

Basic philosophy

Tellus Midas' fundamental view is that buying a share means investing in and participating in a company. Companies engage in innovation, product development, creating better business models, and developing and streamlining business processes. It is this fundamental activity that, when done right, leads to strong profitability and high returns in companies.

The company's share price performance is entirely dependent on its long-term profitability. Tellus Midas believes that shares will generate a better return than bonds in the long term, based on the fact that the value of innovations, product development, etc. ultimately accrues to shareholders after lenders have received their fixed portion. Shares certainly carry a higher risk (of total loss of capital), but also offer significantly greater opportunities than bonds, and this is a consequence of their legal status.

Therefore, it is through long-term investments in companies and their shares that Tellus Midas will build up the savings capital of its shareholders over time. Fundamentally, it is always people, and the corporate cultures created by people, that form the core of a company.

Tellus Midas invests in companies with a strong corporate culture where the business is built by developing people and business models, products, and services that create long-term value for customers, employees, and shareholders. In order to be successful in the long term, it is necessary for companies to feel a sense of participation in society and a personal responsibility for the environment and ethics. Just as Tellus Midas focuses on long-term investments rather than short-term speculation, this must also characterize the companies we invest in. A holistic approach focused on long-term sustainable growth without narrow-minded greed is what we believe should permeate strong and successful corporate cultures.

Building and running a successful company takes a long time, and the path to success is rarely straight. It is therefore important to take a long-term view, be patient, and closely monitor developments when investing. This is Tellus Midas' fundamental philosophy.

Sustainability information

The fund applies sustainability aspects in its management. Sustainability risks are taken into account in financial company analyses and investment decisions, which has an effect but is not necessarily decisive for which companies are selected for the fund. The likely impact of sustainability risks on returns is considered to be low. The fund takes sustainability factors such as environmental aspects (e.g., companies' impact on the environment and climate), social aspects (e.g., human rights), and corporate governance aspects (e.g., shareholder rights) into account in its investment decisions. The fund does not invest in companies involved in, among other things, controversial weapons production, tobacco, or fossil fuels. However, the fund does invest in conventional weapons production. See our sustainability policy for further information on how the fund integrates sustainability risks into its investment decisions.

The fund uses Morningstar's sustainability service Sustainalytics as its main tool for monitoring the sustainability level of the portfolio and individual holdings. The sustainability level of the portfolio as a whole is checked several times a year, and each new holding is checked immediately upon purchase. The fund's sustainability risk is assessed according to Sustainalytics' metrics as low at present, and is expected to remain so in the future.

The fund is an Article 8 fund.

Investment strategy

Tellus Midas is based on structured, company-focused equity management based on its own fundamental company and investment analysis, where the most important source of information is contacts with the companies. The fund invests in equities and interest-bearing instruments worldwide. Within Europe, the fund focuses on continental Europe. However, the most important factors are the companies' future prospects and the share price, not the country in which the shares are listed. The fund has no other sector restrictions.

Management is value-oriented, and the fund's managers seek out good companies with undervalued assets or underestimated profit growth. We strive to find companies where we can accurately assess risks and potential, and which have strengths in the form of, for example, good management, a simple and unique business concept, good products, strong finances, good cash flows, and strong market positions or patents. It is also of utmost importance that the investment can generate a return over time that corresponds well to our return requirement. In cases where investments develop as expected, we expect to retain them for several years.

The fund never invests in a stock simply because it happens to be part of a stock index. The fund's equity exposure is fully flexible and depends entirely on how many companies the managers manage to identify that meet the investment criteria. The equity portion will be somewhere between 0 and up to 100 percent. The fund is fully invested at times when we find many attractive investments that we believe will generate a good return.

On the other hand, if we assess that the stock market is highly valued and cannot find many good investments, we will have low equity exposure in the fund.

In summary, the fund's assets are invested in equities and equity-related transferable securities.

The Fund's assets may be invested in money market instruments as referred to in Chapter 5, Section 5 of the LVF. The Fund's assets may not be invested in transferable securities as referred to in Chapter 5, Section 5 of the LVF.

Derivative instruments may be used as part of the fund's investment strategy. OTC derivatives, in accordance with Chapter 5, Section 12, second paragraph of the Swedish Investment Funds Act (LVF), may be used as part of the fund's investment strategy and to streamline management in accordance with Chapter 25, Section 10 of FFFS 2013:9. The fund may also use the techniques and instruments referred to in Chapter 1625, Section 210 of FFFS 2013:9 to reduce costs and risks in management and to increase returns and create leverage in the portfolio. The Fund's trading in derivative instruments may, provided that coverage is provided in accordance with Chapter 25, Section 158 of FFFS

2013:9, lead to the fund having a negative exposure in a single currency, single share, single

equity market, individual interest rate market, or individual index. The fund may use currency derivatives for the purpose of hedging its holdings.

Risk profile and risk control

General risk information

Investments in funds involve financial risk. A fund can both increase and decrease in value, and it is by no means certain that you will get back the entire amount invested. Investments in funds involve risks linked to the stock, interest rate, and currency markets in the form of, for example, changes in prices, interest rates, and credit ratings, etc. All of these risks can also arise in parallel with other risks.

A fund usually contains investments in or exposure to asset classes such as equities or interest-bearing securities such as bonds. The price of equities usually varies considerably more than the price of bonds, which means that a fund that invests mainly in equities will have greater price fluctuations than a pure bond fund. Since a limited company's lenders have priority over the company's shareholders in the event of bankruptcy, the risk of total loss of capital is greater for shareholders than for bondholders. Equity funds therefore carry greater risk than bond funds, but also offer the potential for higher returns, as any surplus value in the companies, after the lenders have received their fixed portions, accrues to the shareholders. This risk is reduced by the fact that an equity fund owns shares in several different companies (diversification).

Although investments in interest-bearing securities generally carry a lower risk than equity investments, these investments also involve risks. Investments in interest-bearing securities depend on the issuer's creditworthiness and the maturity of the security, with longer maturities entailing higher risk. In addition, the risk of an interest-bearing security is affected by the currency in which its cash flows are denominated.

All listed securities have a liquidity risk, meaning that they cannot be traded at the intended time without a significant price reduction or high costs. This can affect equity and fixed income funds that are open for deposits and redemptions on a daily basis and which may therefore need to sell holdings in order to meet redemptions.

The fund's risk assessment method for calculating the fund's total exposure is in accordance with FFFS 2013:9. The standard deviation forms the basis for assessing the level of risk.

Trading in derivative instruments may entail increased market risk and counterparty risk in the form of the positive market value of the derivative instrument or any excess collateral provided by the fund to the counterparty. Derivatives may entail risks that have a greater impact on the fund than if the underlying investment instrument had been purchased directly.

However, the fund will not normally use derivative instruments, and the possibility of using such instruments is not expected to affect the fund's risk profile.

The fund's risk profile

Tellus Midas has a fully flexible equity allocation, which is however limited to between 0 and 100 percent. No single holding exceeds 10 percent of the fund's assets, and holdings exceeding 5 percent may not in total constitute more than 40 percent of the fund's assets.

Tellus Midas invests in smaller companies, which may be associated with higher liquidity risk. The fund therefore does not invest in equities with such limited liquidity that we do not believe we can liquidate a holding in less than five banking days. The fund may also invest in emerging markets, which may involve significantly higher risks than investments in developed markets.

Listed companies, both Swedish and foreign, are affected to a greater or lesser extent by exchange rate movements in their operations. These are often difficult to quantify precisely, but for a fund that is a shareholder in the company, whether Swedish or foreign, the company's currency exposure is an integral part of the investment. Tellus Midas' assets may be hedged through the purchase or sale of currency forwards or the acquisition of call or put options on currency.

When the fund has a lower equity exposure, the capital is instead invested in interest-bearing securities and in accounts with credit institutions. These investments are intended to protect the capital rather than generate returns, and are therefore made in securities with satisfactory credit ratings, short maturities, and no or limited currency risk. Investments in accounts with individual credit institutions may not exceed 20 percent of the fund's assets.

The fund company believes that the greatest risk in the fund is that company-specific investment decisions, based on the fund's fundamental investment strategy, prove to be inadequate and, in retrospect, incorrect.

In Tellus Midas, investors can expect higher volatility (i.e., "day-to-day fluctuations in share value") than in most hedge funds and not the same focus on achieving a positive return at any cost over shorter periods. On the one hand, Tellus Midas has a higher company-specific risk (fewer and larger holdings) than traditional equity funds. On the other hand, the fund often has a lower equity exposure than traditional equity funds, although the equity exposure, and thus volatility, may vary within the fund during a single year. Overall, however, investors in Tellus Midas can expect lower volatility over time than with most traditional equity funds.

The value of the fund may fluctuate significantly due to the composition of the fund and the management methods used by the fund company.

Information about securities financing transactions and total return swaps

Tellus Midas may use securities financing transactions in the form of lending and borrowing of shares. Total return swaps are not used. Further information on lending and borrowing of shares is provided below.

Shares included in the fund may be lent to a third party. The fund then receives collateral from the party borrowing the shares and is paid in the form of interest. Share lending is carried out to increase the fund's return. The fund may lend shares to an extent corresponding to a maximum of 20 percent of the fund's assets.

The fund does not lend any other types of financial instruments. Collateral received is held by the fund's custodian. The shares that are lent are transferred to the counterparty.

The remuneration payable to the securities lending agent under the revenue sharing agreement is included in the annual fee reported in the fact sheet. All income generated through the use of techniques and instruments aimed at improving the efficiency of management is payable to the fund, after deduction of administrative costs for security management and other costs.

Tellus Midas may borrow shares from a third party and then sell the shares on the stock market. The fund company engages the fund's custodian as an intermediary for securities lending. The fund's custodian thus acts as the fund's securities lending agent. Collateral provided by the fund is transferred to the counterparty.

The annual reports for the funds show the extent to which securities lending has occurred in previous years.

Risk control

Since Tellus Midas's greatest risk is inadequate and incorrect company-specific investment decisions, it follows that the most important risk control is that the fund's managers have in-depth and detailed knowledge of and continuously monitor the development of each individual company investment made.

Tellus Midas invests in companies worldwide without industry restrictions. The strategy does not take into account or aim to replicate the composition of various stock market indices in any way. Consequently, the company does not monitor or control relative risks (e.g., tracking error).

When calculating the fund's total exposure, the commitment method is applied, which means that derivative positions are converted into a corresponding position in the underlying assets.

Derivative instruments have a so-called leverage effect. However, since the fund's equity exposure may not exceed 100 percent or fall below 0 percent of the fund's assets, the fund's use of derivative instruments cannot increase the equity exposure (risk) beyond what can be achieved without using derivative instruments.

Limit controls are performed daily to ensure that management is conducted within the framework of established fund regulations.

Security management

When the fund conducts transactions involving OTC financial derivatives, this may give rise to counterparty risk. To regulate counterparty risk, Tellus Midas has a policy of entering into collateral agreements with counterparties. The collateral accepted is in accordance with applicable regulations and ESMA guidelines on exchange-traded funds and other matters relating to fund companies (ESMA 2014/937). Cash is primarily accepted as collateral. However, collateral other than cash may be accepted. Collateral received that is not cash must have low market, credit, and liquidity risk. Collateral received for OTC derivatives that is not cash may not be reinvested, sold, or pledged.

Performance-based remuneration

Calculation example

Below are examples of how performance-based remuneration is calculated. The examples are based on share values after deduction of the fixed management fee. First, certain terms used are explained.

Return threshold: The fund's established benchmark for the withdrawal of performance-based fees – 3-month treasury bill rate plus 3%.

Excess return: The portion of the return that exceeds the threshold return. Excess return can occur even when the fund has a negative price trend, if the return threshold has a larger negative price trend.

Accumulated return: Total return since the fund's inception

High Water Mark: The fund's highest excess return compared to the threshold return

Day 1	Daily return	Accumulated return
Fund	+ 1.000 percent	+ 1.000 percent
Return threshold	+ 0.003 percent	+ 0.003 percent
Excess return	+ 0.997 percentage points	+ 0.997 percentage points

Performance-based remuneration charged on this date 0.20 percent [0.997 * 0.2]

High water mark applicable after this date is +0.997 percentage points

Comment: Performance-based remuneration is calculated daily, and the return threshold corresponds to just under +0.003 percent per day. The fund rose 1 percent and consequently exceeded the return threshold by 0.997 percentage points. Therefore, performance-based remuneration is paid at one-fifth of these 0.997 percentage points, which corresponds to 0.199 percent of the fund unit value.

Day 2	Daily return	Accumulated return
The fund	– 1.000 percent	– 0.010 percent
Return threshold	+ 0.003 percent	+ 0.005 percent
Excess return	– 1.003 percentage points	– 0.015 percentage points

Performance-based remuneration charged on this date None

High water mark applicable after this date is +0.997 percentage points

Comment: The return threshold is again adjusted upward by just under +0.003 percent. The accumulated return for the return threshold is therefore rounded to +0.005 percent for day 2. The fund decreased in value and performance-based remuneration can never be paid on a day when this happens. However, fund unit holders who have been with the fund since day 1 have still paid performance-based remuneration even though the fund now actually has an accumulated underperformance. No repayment of remuneration already paid will therefore be made.

Day 3	Daily return	Accumulated return
The fund	+ 0.700 percent	+ 0.690 percent
Return threshold	+ 0.003 percent	+ 0.008 percent
Excess return	+ 0.697 percentage points	+ 0.682 percentage points

Performance-based remuneration charged on this date None

High water mark applicable after this date is +0.997 percentage points

Comment: The return threshold is once again raised by just under +0.003 percent. The fund rose by 0.7 percent. The fund's accumulated excess return is now positive again and amounts to 0.682 percentage points. However, this is lower than the previous highest accumulated excess return. Therefore, no performance-based remuneration is paid on this date.

Day 4	Daily return	Accumulated return
The fund	+ 0.800 percent	+ 1.495 percent
Return threshold	+ 0.003 percent	+ 0.011 percent
Excess return	+ 0.797 percentage points	+ 1.484 percentage points

Performance-based remuneration charged on this date 0.10 percent [(1.484 - 0.997) * 0.2]

High water mark applicable after this date is +1.484 percentage points

Comment: The return threshold is once again raised by just under +0.003 percent. The fund rose by 0.8 percent. The fund's accumulated excess return now amounts to 1.484 percentage points. This is higher than the high water mark of 0.997 percentage points, which is why performance-based remuneration is charged on this date. The amount now charged is one-fifth of the difference between the current excess return of 1.484 percentage points and the high water mark of 0.997 percentage points. In other words, the basis for the calculation is

0.487 percentage points (the increase in the high water mark), and one-fifth of this corresponds to just under 0.10 percent of the fund unit value.

Day 5	Daily return	Accumulated return
The fund	– 10.00 percent	– 8.654 percent
Return threshold	+ 0.003 percent	+ 0.014 percent
Excess return	– 10.003 percentage points	– 8.640 percentage points

Performance-based remuneration charged on this date None

High water mark applicable after this date is +1.484 percentage points

Comment: The return threshold is once again adjusted upward by just under +0.003 percent. The fund decreased in value, and performance-based compensation can never be paid on a day when this happens.

Day 6 to day 730 (two years ahead)	Daily return	Accumulated return
The fund	+ 13.000 percent	+ 3.221 percent
Return threshold	+ 2.000 percent	+ 2.013 percent
Excess return	+ 11.000 percentage points	+ 1.208 percentage points

Performance-based remuneration charged on this date None

High water mark applicable after this date is +1.484 percentage points

Comment: Two years have now passed and the return threshold, which in the example increases by 1.00 percent annually (and just under +0.003 percent per day), stands at +2.013 percent after two years. After the big drop on day 5, the fund has increased by 13 percent during the period, and the fund's return since inception is just under +3.221 percent.

Since its inception, the fund has outperformed its benchmark (i.e., the three-month government bond yield, which is 1.00 percent in the example) by 1.208 percentage points. Despite this, no performance-based remuneration has yet been paid (the last time it was paid was on day 4) because the high water mark is 1.484 percentage points. (In the example, it is assumed that the fund's excess return during the period has not been higher than this).

Fund unit holders who have been with the fund since day 1 have thus paid performance-based compensation for an excess return of 1.484 percentage points, even though the fund now has a de facto accumulated excess return of 1.208 percentage points. Fund unit holders who bought into the fund at the price set between day 5 and day 6, on the other hand, have not paid any performance-based remuneration at all, even though they have received a cumulative excess return of 11 percentage points. The performance-based compensation is thus calculated according to a collective model, which may benefit certain unit holders – but does not actually disadvantage any unit holders (the “benefit” is at the expense of the fund company, not other unit holders).

Final comment: The return threshold is three months' government bond yield plus 3%. In the example, it has been assumed to be 1.00 percent throughout the period. In reality, this interest rate changes every month and may differ significantly from the figure in the example.

Fund rules for Tellus Midas

§ 1 Name and legal status of the fund The name of the investment fund is Tellus Midas, hereinafter referred to as the fund. The fund is a securities fund under the Swedish Securities Funds Act (2004:46) (LVF). Its operations are conducted in accordance with these fund rules, the articles of association of the fund management company, the LVF, and other applicable statutes. The fund is open to the general public. The fund is not a legal entity and therefore cannot bring legal action in court. The fund cannot acquire rights or assume obligations. Property included in the fund may not be seized. The fund's assets are jointly owned by the fund unit holders, and each fund unit carries equal rights to the fund's property. The fund management company specified in § 2 represents the unit holders in all matters relating to the fund, decides on the property included in the fund, and exercises the rights arising from the property.

The fund has two share classes, of which share class A is non-distributing and share class B is distributing. More detailed information on the terms and conditions for distribution can be found in § 12. The fund rules are otherwise common to both share classes.

§ 2 Fund manager

The fund is managed by Tellus Fonder AB, corporate identity number 556702-9557, hereinafter referred to as the fund company.

Section 3 Custodian and its duties The fund's assets are held by Swedbank AB (publ), corporate identity number 502017-7753, hereinafter referred to as the custodian. The custodian shall receive and hold the property included in the fund.

The custodian shall implement the fund company's decisions regarding the fund and receive and hold the fund's assets. The custodian shall verify that the decisions regarding the fund made by the fund company, such as valuation, redemption, and sale of fund units, are made in accordance with the law, regulations, and these fund rules.

If foreign instruments are included in the fund, the custodian may allow an appropriate foreign custodian to hold them in custody. This does not relieve the custodian of its responsibility under the LVF Funds Act.

§ 4 Nature of the fund

The fund invests in equities and interest-bearing instruments globally. The fund's equity share is fully flexible, which means that the fund also invests in interest-bearing transferable securities, such as bonds and other debt instruments.

The fund company seeks attractive corporate investments. The important factors are the company's future prospects and the price of the share, not the size of the company or its geographical or industry location.

The objective is to achieve a positive return over the long term that also significantly exceeds the return on the European stock market.

§ 5 The fund's investment focus

The fund's assets shall be invested in transferable securities, money market instruments, derivative instruments, fund units, and accounts with credit institutions.

The fund's investment area is global.

The total exposure to equities, in the form of equities and equity-related transferable securities, equity-related derivative instruments, and fund units, shall be no less than 0 percent and no more than 100 percent of the fund's assets.

The fund never invests in a share simply because it happens to be part of a share index. The fund's shareholding is fully flexible and depends entirely on how many companies the fund management company manages to identify that meet the investment criteria. If most companies are expensive and overvalued, in the fund management company's assessment, the fund will have a large proportion of interest-bearing securities.

If, on the other hand, the fund company identifies many good companies that are undervalued, the fund will have a high equity allocation.

Holdings of fund units may amount to a maximum of 10 percent of the fund's value.

For investments in derivative instruments, the underlying assets shall consist of or relate to assets referred to in Chapter 5, Section 12 of the Investment Funds Act.

Section 6 Marketplaces

The fund's assets may be invested in a regulated market within the EEA or an equivalent market outside the EEA. Trading may also take place on other markets within or outside the EEA that are regulated and open to the public.

Section 7 Special investment focus

The Fund's assets may be invested in money market instruments as referred to in Chapter 5, Section 5 of the LVF. The Fund's assets may not be invested in transferable securities as referred to in Chapter 5, Section 5 of the LVF.

Derivative instruments may be used as part of the fund's investment strategy. OTC derivatives, in accordance with Chapter 5, Section 12, second paragraph of the Swedish Investment Funds Act (LVF), may be used as part of the fund's investment strategy in accordance with Chapter 25, Section 10 of FFFS 2013:9. The fund may also use the techniques and instruments referred to in Chapter 25, Section 21 of FFFS 2013:9 to reduce costs and risks in management, increase returns, and create leverage in the portfolio. The fund's trading in derivative instruments may, provided that coverage is provided in accordance with Chapter 25, Section 15 of FFFS 2013:9, result in the fund having a negative exposure in a single currency, a single share, a single stock market, a single interest rate market, or a single index. The fund may use currency derivatives for the purpose of hedging its holdings.

§ 8 Valuation

The value of a fund unit is the respective unit class's share of the fund's value divided by the number of outstanding fund units for each unit class. The fund's value is calculated by deducting the liabilities relating to the fund from the assets.

The value of a fund unit is determined taking into account the terms and conditions associated with each unit class and shall be calculated daily (each banking day) by the fund company based on the closing prices on that day.

The fund's assets consist of:

- Financial instruments
- Cash
- Accrued interest
- Accrued dividend receivables
- Unrealized sales
- Other assets and receivables relating to the fund

The fund's liabilities consist of:

- Compensation to the fund company
- Compensation to the custodian

- Unliquidated purchases
- Tax liabilities
- Other liabilities relating to the fund

Transaction-related costs such as brokerage fees, clearing fees, and similar costs are paid on an ongoing basis by the fund.

Financial instruments shall be valued at market value. This refers to the latest selling price or, if such is unavailable, the latest purchase price. If such prices are unavailable or if the company considers the prices to be misleading, the company may determine the value on objective grounds, for example by comparison with other comparable instruments, but with adjustments for factors such as risk.

If the market value cannot be determined by the fund company, an independent valuation shall be carried out.

For money market instruments referred to in Chapter 5, Section 5 of the LVF, a market value is determined on objective grounds according to a special valuation based on information about the latest payment price or indicative purchase price from the market maker, if one has been appointed for the issuer. If such information is not available or is deemed unreliable by the fund management company, the market value shall be determined by, for example, obtaining information from independent brokers or other external independent sources.

Such information may, for example, be the issue price or knowledge that a transaction has been made at a certain price in the asset in question. Cash and cash equivalents, in the form of assets in bank accounts and short-term investments in the money market, as well as proceeds from securities sold, are valued at the amount at which they are expected to be received.

OTC derivatives are determined at market value by the fund management company based on, for example, the bid/ask price offered by the issuing bank, market makers, or other marketplaces. If such prices are not available or if the company considers the prices to be misleading, the company may determine the value on objective grounds, such as calculations based on the Black & Scholes valuation model or similar accepted models. If the market value cannot be determined by the fund company, an independent valuation shall be carried out.

§ 9 Sale and redemption of fund units

Sales (purchases by unit holders), hereinafter referred to as subscriptions, and redemptions (sales by unit holders) may take place on any Swedish banking day.

Subscription requests are made by paying the amount due into the fund's bank account or bank giro account in the manner specified in the fund's information brochure and on the fund company's website, www.tellusfonder.se. Redemption requests are also made in the manner specified in the fund's information brochure and on the fund company's website. Subscription and redemption requests received by the fund company on a given banking day before 2 p.m. on weekdays (Monday-Friday) or before 10 a.m. on the day before a public holiday will be executed on the following banking day. Subscription and redemption will therefore take place at a price that is not known to the unit holder at the time of the subscription or redemption request. The fund unit price cannot be limited, either at the time of the subscription or redemption request.

Withdrawal of subscription and redemption requests is only permitted if the fund management company receives written notification on the same day and if the fund management company approves it.

The fund is not open for subscription and redemption on days when the valuation of the fund's assets cannot be made in a manner that ensures equal rights for fund unit holders, for example as a result of one or more markets on which the fund's assets, or part thereof, are traded being wholly or partially closed.

If funds for redemption must be obtained through the sale of securities, such sale shall take place and redemption shall be effected as soon as possible. Subscription and redemption of fund units may

be postponed if there are special reasons for doing so and it is justified in the interests of the fund unit holders.

The fund company shall without delay notify the Swedish Financial Supervisory Authority and the unit holders concerned of the measure.

Information on the latest estimated price for fund units shall be provided by the fund management company. This information shall also be published daily on the fund management company's website, www.tellusfonder.se.

§ 10 Extraordinary circumstances

The fund company has the right to close the fund to new subscriptions and redemptions as a result of circumstances that mean that the fund's assets cannot be valued in a way that ensures equal rights for unit holders. This may be the case, for example, if one or more markets on which the fund's assets, or part thereof, are traded are temporarily closed due to unforeseen events or circumstances. The fund management company shall notify the Swedish Financial Supervisory Authority of such a decision without delay.

§ 11 Fees and remuneration

Remuneration shall be paid to the fund management company from the fund's assets for the management of the fund, which includes costs for custody, supervision, and auditing.

Remuneration to the fund management company shall be paid in both share class A and share class B at a fixed fee of no more than 1.0 percent per annum of the value of the fund shares. Fees shall be calculated daily and paid to the fund management company on the last day of each month.

In addition to the fixed fee, both share class A and share class B pay performance-based remuneration to the fund management company of up to 20 percent of the fund's excess return. Excess return is defined as the portion of the total return that exceeds a so-called return threshold.

The return threshold is defined as the interest rate on three-month Swedish treasury bills on the first banking day of each month, as published by Sveriges Riksbank +3%. Total return here refers to return after deduction of the fixed management fee.

Performance-based remuneration is calculated daily in both share classes and paid to the fund management company on the last day of each month.

If the share class achieves a total return on a given day that is below the return threshold and if the share class achieves a total return on a later day that exceeds the return threshold, no performance-based remuneration shall be paid until the underperformance of previous periods has been compensated.

Performance-based remuneration is calculated according to a collective model. This means that all unit holders pay the same amount per fund unit in any performance-based remuneration for a given period and that any underperformance must be compensated before any individual unit holder needs to pay any performance-based remuneration. However, no compensation for any underperformance is paid to shareholders who sell their shares. The right to compensation applies only to shareholders who remain in the fund and is taken from any excess returns that may be generated in the future.

Brokerage fees and other costs related to the purchase and sale of transferable securities and other financial instruments, as well as taxes, shall be charged to the fund.

§ 12 Dividends

Share class A does not pay dividends to shareholders.

Share class B pays dividends to shareholders. The fund company's board of directors decides annually on the dividend to be paid to shareholders in share class B, and the calculation is based on the fund's return from the previous financial year. However, the board of directors

may, however, set the dividend at a higher or lower amount if it is deemed to be in the interests of the unit holders.

Dividends are paid to shareholders in Share Class B who are registered as shareholders by the Fund Management Company on the set dividend date. Dividends shall, where applicable, be paid during the second quarter after the end of the financial year. The board may also decide that dividends shall be paid during the fourth quarter after the end of the financial year.

The dividend affects the relationship between the value of non-dividend-paying and dividend-paying shares by reducing the value of the dividend-paying shares in relation to the size of the dividend.

The dividend is reinvested in new units, but unit holders in unit class B may, after giving written notice to the Company no later than ten days before the fixed dividend date, have the dividend paid out in cash to a pre-registered bank account after deduction of tax.

For more information about the timing of the dividend and the target amount, please refer to the fund's Information Brochure.

§ 13 The Fund's financial year

The fund's financial year is the calendar year.

§ 14 Half-yearly report and annual report, amendment of the fund rules

The fund company shall prepare a semi-annual report and annual report for the fund within two and four months, respectively, after the end of the first half of the year and the end of the financial year. The annual report and semi-annual report shall be made available at the fund company and the custodian and shall be sent to the unit holders who have requested this from the fund company.

If the fund company decides to amend these fund rules, the decision, including the amended fund rules, shall be submitted to the Swedish Financial Supervisory Authority for approval. The decision shall be published by being made available at the fund company and the custodian and announced in the manner prescribed by the Swedish Financial Supervisory Authority.

§ 15 Pledging and transfer

Fund units may not be pledged as collateral.

Shares may be transferred with the consent of the fund company. Such consent shall only be given by the fund company if the transfer is made for the purpose of dividing marital property, as a gift to a spouse or own children, or if it concerns a transfer between different legal entities within the same group. However, the transfer will only be approved if the acquirer takes over the transferor's acquisition value of the fund units.

Requests for transfer must be submitted in writing to the fund company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must state the transferor and the person to whom the shares are being transferred, their personal identity number or organization number, address, telephone number, securities account or custodian bank and custody account number, bank account, and the purpose of the transfer.

§ 16 Limitation of liability

The fund company or custodian is not liable for damage resulting from Swedish or foreign legislation, Swedish or foreign government measures, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances.

The reservation regarding strikes, blockades, boycotts, and lockouts applies even if the company and the custodian are subject to or take such industrial action.

Losses incurred in other cases shall not be compensated by the fund company or the custodian if they have exercised normal care. The fund company or the custodian shall in no case be liable for indirect losses.

The fund management company or custodian shall not be liable for damage caused by a custodian bank or other agent engaged by the custodian with due care. Nor shall the fund management company or custodian be liable for damage incurred by the fund, fund unit holders or others as a result of restrictions on disposal that may be applied to the custodian with regard to financial instruments.

If the fund management company or custodian is prevented from executing a measure in whole or in part in accordance with the agreement due to circumstances specified in the first paragraph of this section, the measure may be postponed until the obstacle has ceased to exist. In the event of deferred payment, the fund management company or custodian shall not pay default interest. If interest has been promised, the fund management company or custodian shall pay interest at the rate applicable on the due date.

In other respects, the fund management company's and the depository's liability for damages is governed by Chapter 2, Section 21 of the LVF.

Section 17 Restriction on the right to subscribe for fund units, etc.

The fact that the fund is aimed at the general public does not mean that it is aimed at investors whose subscription for units in the fund or other participation in the fund is contrary to the provisions of Swedish or foreign law or regulations. Nor is the fund aimed at investors whose subscription or holding of units in the fund means that the fund or the fund company becomes obliged to take registration measures or other measures that the fund or the fund company would not otherwise be obliged to take. The fund company has the right to refuse subscription to investors referred to above in this paragraph.

The fund company may redeem shareholders' units in the fund – against the shareholders' objection – if it transpires that a unit holder has subscribed for units in the fund in contravention of provisions in Swedish or foreign law or regulations, or if the fund management company, due to a unit holder's subscription or holding in the fund, becomes obliged to take registration measures or other measures for the fund or the fund management company that the fund or the fund management company would not be obliged/obligated to take if the unit holder did not hold units in the fund.

Redemption in accordance with the preceding paragraph shall be executed immediately. The provisions regarding payment of redemption proceeds in § 9 above shall also apply in the event of redemption in accordance with this § 17.

Template for regular disclosures for financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and the first paragraph of Article 6 of Regulation (EU) 2020/852

Product name: Tellus Midas

Legal entity identifier: 549300XLCNLHBFVUEQ16

Environmental and/or social characteristics

Sustainable investment:

an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not cause significant harm to any other environmental or social objective and that the investment targets comply with good governance practices.

The EU taxonomy is a classification system established in Regulation (EU) 2020/852, which sets out a list of **environmentally sustainable economic activities**.

The Regulation does not contain a list of socially sustainable economic activities. Sustainable investments with an environmental objective may or may not be compatible with the requirements of the taxonomy.

Did this financial product have a sustainable investment objective?

● ●

Y

es

☒

No

It made **sustainable investments** with an **environmental objective:** %

7

in economic activities
considered environmentally
sustainable under the EU
taxonomy

in economic activities that
are not considered
environmentally sustainable
according to the EU
taxonomy

It made sustainable investments with a **social objective**: %

☐ It **promoted environmental and social characteristics** and, although it did not have sustainable investment as its objective, it had a share of 0 sustainable investments

with an environmental objective in economic activities considered environmentally sustainable under the EU taxonomy

with an environmental objective in economic activities that are not considered environmentally sustainable according to the EU taxonomy

with a social objective

☒

It promoted environmental and social characteristics, but **did not make any sustainable investments**



To what extent did this financial product promote environmental and/or social characteristics?

The environmental or social characteristics promoted by the fund are listed below:

- The fund has excluded companies that do not respect international standards and conventions on the environment, human rights, labor rights, and diversity. Furthermore, the fund excludes companies involved in controversial activities or activities with a significant negative impact on the climate.
- The fund attaches great importance to companies following good corporate governance practices.
- The business models and strategies of the companies in which the fund invests must integrate sustainability and strive to achieve the goals of the Paris Agreement.

Sustainability indicators measure the achievement of the environmental or social characteristics promoted by the financial product.

● What did the sustainability indicators show?

To measure whether the fund has promoted environmental or social characteristics, Tellus Midas has used a number of sustainability indicators. The fund's performance in relation to these sustainability indicators is shown below.

Environmental or social characteristic promoted by the fund	Sustainability indicator	Fund performance
<i>Companies comply with good corporate governance practices</i>	Exposure to companies that violate the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Of the companies in which the fund has invested, over 95% are considered to adhere to good corporate governance, based on the companies following up on policies/guidelines and reporting on them regularly. The fund invests exclusively in large companies with a clear structure for corporate governance and follow-up. This means that the risk of companies not delivering on the high demands placed on them by investors is low.
<i>That companies integrate sustainability into their business models and strategies and strive to achieve the goals of the Paris Agreement</i>	Dialogues with the invested companies about how they work with sustainability	In the companies' annual reports and other available sustainability information provided by the companies, it has been clear that all companies integrate sustainability into their business models and strategies or strive to achieve the goals of the Paris Agreement. During the year, we have held dialogues on sustainability with company analysts and company representatives whom we meet regularly in connection with presentations and quarterly reports. We have many foreign holdings, and in these cases we follow them via the media and analyst commentary, as well as team activities.
<i>Exclusion of companies that do not respect international standards and conventions on the environment, human rights, labor law, and diversity</i>	Indicators of major negative impacts	The fund has taken into account negative consequences for sustainability factors in all of its investments.
	Exposure to companies that violate the UN Global Compact or the OECD Guidelines for multinational enterprises	Over 80% of the companies in the fund have signed the UN Global Compact and the OECD Guidelines for Multinational Enterprises.
	UN declarations on human rights and ILO conventions on labor rights	Over 80% of the companies in the fund have signed the UN declarations on human rights and the ILO conventions on labor law conditions.
<i>Exclusion of companies involved in controversial activities or activities with a significant negative impact on the climate</i>		
	Exposure to companies operating in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography, or commercial gambling.	The fund has not invested in any companies that, at the time of investment, were active in excluded industries, with the exception of weapons and military equipment. The latter category is considered sustainable from the perspective that it promotes the defense of democracy. 10% of the fund's investments and potential investments that have been reviewed have been excluded during the holding period on the grounds that they have been involved in activities related to the aforementioned exclusion criteria.
	Exposure to companies active in the production of fossil fuels.	The fund has not invested in any companies that were active in fossil fuels at the time of investment. 5 % of the fund's investments have been excluded during the holding period on the grounds that they have engaged in activities that related to the aforementioned exclusion criteria.



How were the main negative impacts on sustainability factors taken into account in this financial product?

The main negative consequences are the most negative consequences of investment decisions for sustainability factors relating to the environment, social issues and personnel issues, respect for human rights, and issues relating to the fight against corruption and bribery.

The fund has taken into account the main negative impacts on sustainability factors. The fund did not invest in companies operating in the fossil fuel sector or companies exposed to controversial weapons.

When analyzing new potential holdings, the results of screening in Sustainalytics were taken into account, as all of the holding's indicators were reviewed and how the holding's results could affect the entire portfolio rating. The results were discussed in connection with the investment decision, and in a number of cases, negative outcomes led us to refrain from investing in companies with poor ESG ratings or to reduce the company's weight in the portfolio, while positive outcomes led to these companies having a greater weight in the portfolio than they would otherwise have had.

Screening is supplemented by ongoing dialogue with analysts and company management, as well as communication from the company in the form of annual reports, statements, and other information shared by the company. As with screening, this qualitative analysis can influence how we choose to act when it is time to make investment decisions. A negative deviation in the sustainability policy regarding PAI indicators can, for example, lead to the divestment of the holding and a new screening in Sustainalytics and a new discussion in the investment council.

The ESG risk rating for the entire portfolio gives an overall low risk value of 20, which is 10% lower than comparable funds. Around 70% of the fund's holdings have a low/medium ESG risk exposure. In terms of corporate governance, 80% of the portfolio has a low risk management exposure.



What were the financial product's most important investments?

contains the investments that constitute the financial product's largest share of investments during the reference period, which is as follows:

January 1, 2024, to 12

Company	Sector	Share	Country
Rheinmetall	Defense	5.6	Germany
Investor	Finance	4.7	Sweden
Nvidia	IT	4.48	United States
SAAB	Defense	4.3	Sweden
Leonardo	Defense	4.17	Italy
Novo Nordisk	Health	4.1	Denmark
SAP	IT	3.91	Germany
American Express	Finance	3.17	United States
Microsoft	IT	3.15	United States
Goldman Sachs	Finance	2.9	United States



What was the proportion of sustainability-related investments?

The proportion of sustainable investments was 0%.

What was the asset allocation?



In which economic sectors were the investments made?

Finance
Healthcar
e Industry
Technolog
y Defense

No investments were made in sectors involving fossil fuels

What investments were included in the "other" category, what was their purpose, and were there any environmental or social minimum safeguards?



Other refers only to cash and cash equivalents.



What measures were taken to meet the environmental or social characteristics during the reference period?

Within the fund company, there are ongoing discussions about sectors that promote environmental or social characteristics and companies that do not. Sectors with poor ESG ratings are rejected, while we increase our weighting in companies with better ratings. We use Sustainalytics to help us with the quantitative analysis, while we conduct a comprehensive qualitative analysis through our dialogues with companies on sustainability issues, reviews of companies' annual reports, analysts' analyses of companies on sustainability-related issues, and information about companies provided by the media.

During the year, we completely excluded investments in, for example, oil companies and controversial weapons. This is an example of the active choices we make in our management. If we can choose between companies in the same sector but with different ESG ratings, we primarily choose to increase our weighting in companies that work positively with sustainability issues.

Template for information to be provided before concluding a contract for the financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and the first paragraph of Article 6 of Regulation (EU) 2020/852

Sustainable investment: an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not cause significant harm to any other environmental or social objective and that the investment targets comply with good governance practices.

The EU taxonomy is a classification system set out in Regulation (EU) 2020/852, which establishes a list of **environmentally sustainable economic activities**. The regulation does not establish a list of socially sustainable economic activities. Sustainable investments with an environmental objective may or may not be compatible with the requirements of the taxonomy.

Product name: Tellus Midas

Legal entity identifier: 549300XLCNLHBFVUEQ16

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes	No
☒ ☒ ☐ ☐ It will make a minimum of sustainable investments with an environmental objective: _____% ☐ in economic activities considered environmentally sustainable under the EU taxonomy ☐ in economic activities that are not considered environmentally sustainable under the EU taxonomy ☐ It will make a minimum of sustainable investments with a social objective: _____%	☒ ☐ ☒ ☐ It promotes environmental and social characteristics and, even if it does not have sustainable investment as its objective, will have a minimum share of _____% sustainable investments ☐ with an environmental objective in economic activities considered environmentally sustainable under the EU taxonomy ☐ with an environmental objective in economic activities that are not considered environmentally sustainable according to the EU taxonomy ☐ with a social objective ☒ It promotes environmental and social characteristics, but will not make any sustainable investments

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

- That companies follow good corporate governance practices
- That companies integrate sustainability into their business models and strategies and strive to achieve the goals of the Paris Agreement.
- Exclusion of companies involved in controversial activities or activities with a significant negative impact on the climate
- Exclusion of companies that do not respect international standards and conventions on the environment, human rights, labor rights, and diversity.

This is an actively managed fund that does not use an index to achieve the environmental and social characteristics promoted by the fund.



Sustainability indicators measure the achievement of the environmental or social characteristics promoted by the financial product.

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

- That investments achieve a minimum level in the sustainability analysis
- Dialogues with invested companies about how they work with sustainability
- Indicators for major negative consequences, such as gender equality on the board.
- Exposure to companies that violate the UN Global Compact, the OECD Guidelines for Multinational
- Companies, the UN's declarations on human rights, and the ILO's conventions on labor law conditions.
- Exposure to companies operating in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography, or commercial gambling.
- Exposure to companies active in the production of fossil fuels.



Does this financial product take into account the main negative impacts on sustainability factors?

☒ X

Yes

☐

No

The main negative impacts are the most negative impacts of investment decisions on sustainability factors relating to the environment, social issues and personnel issues, respect for human rights, and issues relating to the fight against corruption and bribery.

Tellus Fonder works actively in the managers' sustainability analysis to identify negative consequences for sustainability factors as part of the investment analysis performed on each company.

This identification is done by analyzing Principal Adverse Impact (PAI) indicators. These have been developed by the EU and cover areas that are always considered to have major negative consequences for sustainability factors. Tellus Fonder considers the likelihood of these negative consequences becoming a reality and how serious they are, as well as their potentially irreversible nature. The indicators are analyzed based on each company's unique situation, as the values of the PAI indicators may differ between companies depending on their business model, industry, and geography. Negative outcomes are analyzed and may lead to measures in the form of dialogue with company management and may also result in no investment being made in the company.

What investment strategy does this financial product follow?

The fund should be regarded as a long-term, well-diversified investment portfolio with good risk diversification. The fund focuses on investing in well-managed companies with good governance and includes companies that are well positioned to meet future sustainability challenges through their products and services. Good corporate governance, where companies have an ambition to be leaders in sustainability in their industry, is important, as is their ability to influence, both internally and externally, the world around them with quantifiable goals linked to sustainability challenges. In order to identify these companies, sustainability risks and opportunities are integrated into the investment decision-making process in a structured manner. Investments with deficiencies in corporate governance and business models that do not meet future demands for more sustainable products and services are avoided.

Tellus Fonder's managers conduct a thorough company analysis that includes factors such as the global macro picture, the company's financial key figures, development opportunities, and risks. Investments are assessed based on an integrated analysis of both financial and ESG factors.

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

The binding elements of the investment strategy are the sustainability rating and the standards-based and product-based screening governed by our exclusion criteria.

The binding elements therefore consist of the following:

- The minimum level established in the sustainability analysis must be achieved by companies in order for them to be included in the fund.
- No holdings may violate the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Declarations on Human Rights, or the ILO Conventions on labor conditions.
- No holdings may be involved in controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography, or commercial gambling.
- No holdings may be active in the production of fossil fuels.

Some of the exclusion criteria mentioned have established turnover limits of a maximum of 5% from distribution and/or production. More detailed information about the exclusion criteria can be found in our sustainability policy via the link <https://www.tellusfonder.se/hallbarhet>.

Praxis för god styrning omfattar sunda förvaltningsstrukturer, förhållandet mellan anställda, personalersättning och efterlevnad av skatteregler.

● What is the policy for assessing good governance practices in investment objects?

Good corporate governance, where companies aspire to be leaders in sustainability in their industry, is important, as is their ability to influence, both internally and externally, the world around them with quantifiable goals linked to sustainability challenges. To identify these companies, we integrate sustainability risks and opportunities into our investment decision-making process in a structured way. Investments with deficiencies in corporate governance and business models that do not meet future demands for more sustainable products and services are avoided.

Good corporate governance practices are taken into account at various levels in companies based on PAI, norm-based screening, and sustainability analysis.

Indicators evaluated include:

Ownership structure – Remuneration models

Management structure – Independent board members and gender equality on the board Tax – Tax incidents

Business ethics – UN Global Compact Principle 10 on combating corruption and bribery

Labor law – UN Global Compact Principle 3 on the right to collective bargaining and freedom of

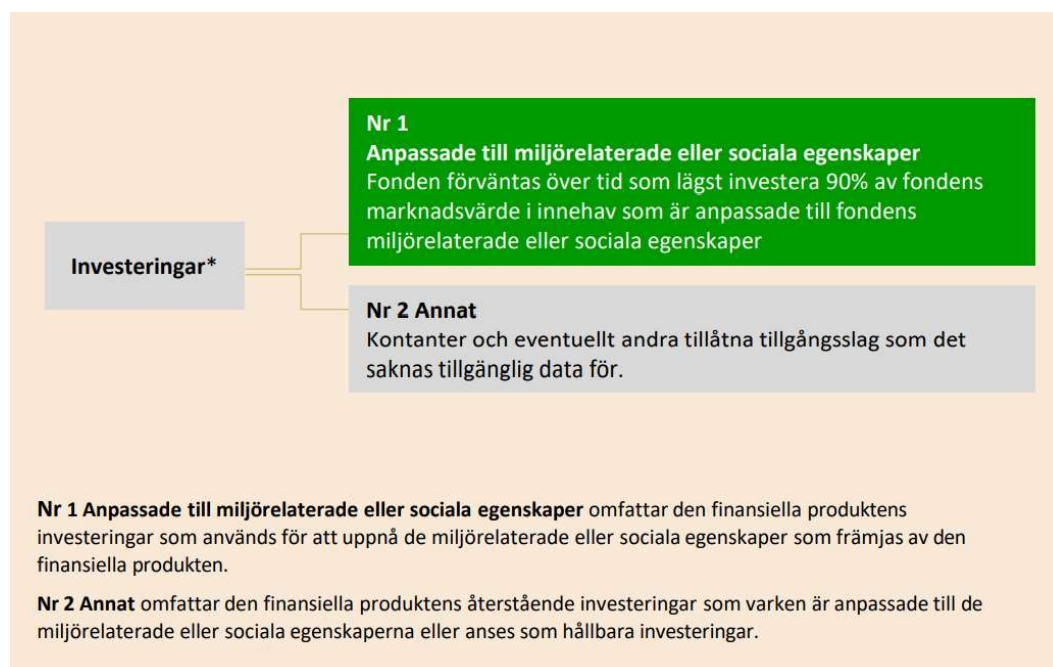
association. Checks on companies' compliance with regulations are carried out continuously and discussed as necessary.

What asset allocation is planned for the financial product?

Asset allocation describes the proportion of investments in specific assets.

Taxonomy-compliant activities are expressed as a percentage of the following:

- **revenue**, which reflects the proportion of income from investment targets' green activities
- **capital expenditures**, which show the green investments made by the investment object, e.g., for a transition to a green economy
- **operating expenses**, which reflect the green operational activities of the investment object.



**Investments refer to total assets under management*



To what minimum level are sustainable investments with an environmental objective compatible with the requirements of the EU taxonomy?

The fund has not committed to a specific minimum share of sustainable investments.

Enabling activities directly enable other activities to contribute significantly to an environmental objective.

Transition activities are activities for which low-carbon alternatives are not yet available and which, among other things, have greenhouse gas emissions at levels corresponding to best performance.

● ***What is the minimum share of investments in transition activities and enabling activities?***

The fund has no commitment to make a minimum share investments in transition activities and enabling activities.



What investments are included in "No. 2 Other," what is their purpose, and are there any environmental or social minimum safeguards?

Cash for liquidity management.



Where can I find more product-specific information online?

More product-specific information is available on the website:

<https://www.tellusfonder.se/vara-fonder>