

DRAFT

Dnr/ref. FTN 2023-10

Request for proposal (RFP)

Procurement Reference: <To be completed>
Procurement of Funds:<To be completed>
Request For Proposal (RFP)

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Company:	
Name of the tendered Fund:	
Date:	
Place:	

Name and title of the authorized signatory:	Name and title of the authorized signatory:
Signature (mandatory):	Signature (mandatory):

Important Information

- <Description of the objective of the procurement>
- <Reference to Procurement Guidelines>
- Tenders shall be submitted by completing this questionnaire (“**Request for Proposal**”) and submitting the document including attachments electronically via <e-Avrop>.
- The Request for Proposal is divided into sections which correspond to the Award Criteria (<Reference to Procurement Guidelines>).
- All answers must be given in Swedish or English. Any requested document must also be drafted in the above mentioned languages, all currency information must be given in SEK. Other currencies shall be converted to SEK with the respective WM/Reuters 4pm rates.
- Fund Managers must fulfill all the mandatory requirements in chapter 2 and answer the questions in that chapter accordingly. Failure to answer all questions in chapters 1 and 2 or failure to provide the documents requested in chapter 3 may lead to the tender being rejected.
- Questions marked with (*) will be given a score of 0 **or** 4 according to the instructions in the Procurement Guidelines section 9.4
- All information shall be as of DD of MMM YYYY unless otherwise stated.

Content

1. Administrative Information	3
2. Confirmations	5
3. Supplementing documents	6
4. Fund Manager	9
5. People	13
6. The Fund	17
7. Investment Philosophy and Process	20
8. Portfolio Construction	24
9. Implementation	27
10. Performance	31
11. Risk	33
12. Administration	37
13. Fee, operating expenses and fee transparency	38

1. Administrative Information

This chapter is for administrative purposes and will not be part of the evaluation. It is mandatory to provide the information requested.

1.1. Information about the Fund Manager for this Fund:

	Fund Manager
Name	
Registration number	
Address	
Date of incorporation	
Country of incorporation	
External auditor	
Depository Name	
Depository registration number	

1.2. Information about the authorized signatory who signed the questionnaire on behalf of the Fund Manager:

	Authorized signatory 1
Name	
Title	
E-mail	

	Authorized signatory 2
Name	
Title	
E-mail	

1.3. Information about the Investment Manager (if applicable):

	Investment Manager
Name	
Registration number	
Address	
Date of incorporation	
Country of incorporation	
External auditor	

1.4. Is the Investment Manager part of the same Group of Companies as the Fund Manager?

YES	
NO	

(Mark your answer with "X")

1.5. Is the track record of the Fund Manager's Strategy available on any database (eVestment, Morningstar etc.)?

YES	
NO	

(Mark your answer with "X")

If yes, provide the provider and identifier.

2. Confirmations

- 2.1. The Fund Manager is not subject to any of the <exclusion grounds stated in chapter 7 and appendix N of the procurement guidelines>.

Confirmed	
Not confirmed	

(Mark your answer with "X")

- 2.2. The Fund Manager confirms compliance with <all mandatory requirements stated in chapter 8 and appendix N of the procurement guidelines>.

Confirmed	
Not confirmed	

(Mark your answer with "X")

- 2.3. Confirm that neither FTN nor any of its employees has received from your company or any of its employees any form of compensation (except the tender fee) in connection with this tender.

Confirmed	
Not confirmed	

(Mark your answer with "X")

- 2.4. Confirm that neither PPCmetrics AG nor any of its employees has received from your company or any of its employees any form of compensation in connection with this tender.

Confirmed	
Not confirmed	

(Mark your answer with "X")

- 2.5. FTN will require past transactions of the Fund for further analysis should the Fund Manager proceed to the onsite due diligence meeting. This information is needed to conduct further analysis to confirm the investment philosophy and process. Confirm that you are able to fulfill this requirement.

Confirmed	
Not confirmed	

(Mark your answer with "X")

- 2.6. Confirm that the information provided in this tender is correct and complete to the best of your knowledge.

Confirmed	
Not confirmed	

(Mark your answer with "X")

3. Supplementing documents

Submitting the documents requested in this chapter is mandatory.

- 3.1. Provide the most recent version of the Authorized SignatorList of the legal contracting entity e.g. in the following format: "[NAME OF FUND MANAGER_Authorized_Signatory_List.pdf](#)".
- 3.2. Provide the most recent version of the Proof of registration of the legal contracting entity e.g. in the following format: "[NAME OF FUND MANAGER_Proof_Of_Registration.pdf](#)".
- 3.3. Provide the Fund Manager's two latest annual reports (PDF only). Name the file e.g. in the form "[NAME OF FUND MANAGER_ANNUAL_REPORT.pdf](#)"
- 3.4. Please provide a list of all direct owners of the Fund Manager, and if applicable the Investment Manager, controlling one percent or more of shares or voting rights (5 percent for public entities).
- 3.5. Please provide a list of all indirect owners of the Fund Manager, and if applicable the Investment Manager, controlling one percent or more of shares or voting rights (5 percent for public entities).
- 3.6. List any agreements or other arrangements in effect that may alter the ownership structure or voting powers.
- 3.7. List the person(s) that would be considered the ultimate beneficial owner of the Fund Manager and if applicable the Investment Manager.
- 3.8. List the Board of Directors of the Fund Manager and highlight who are independent as well as other assignments they may hold.
- 3.9. Provide an overview of the legal group structure of which the Fund Manager is part, including a detailed chart.
Name the file e.g.: "[NAME OF FUND MANAGER_LEGAL CHART.pdf](#)"
- 3.10. Provide an organization chart for the Fund Manager and the team responsible for the Fund.
Name the file e.g.: "[NAME OF FUND MANAGER_ORGANIZATION CHART.pdf](#)"

- 3.11. Provide the ethics policy/code of conduct or any other similar policy for the Fund Manager. Provide the most recent version of this code in one PDF named e.g. : "NAME OF FUND MANAGER_CoC.pdf"
- 3.12. Provide the conflict of interest policy for the Fund Manager. Provide the most recent version of this policy in one PDF named e.g.: "NAME OF FUND MANAGER_Conflicts of Interest.pdf"
- 3.13. Provide an example of a portfolio compliance report. Name the file e.g. "NAME OF FUND MANAGER_Portfolio_Compliance_report.pdf"
- 3.14. Provide a copy of the Fund Manager's best execution policy in one PDF named e.g.: "NAME OF FUND MANAGER_Best Execution.pdf"
- 3.15. Provide a flow chart for the entire process from when the order is generated by the Fund Manager to when the trade is matched and confirmed.
- 3.16. Provide a sample of a portfolio performance report that Fund Manager typically provide institutional clients with regularly. Provide the sample in one PDF named e.g.: "NAME OF FUND MANAGER_Performance Report.pdf"
- 3.17. Provide a monthly performance attribution report that the Fund Manager typically provide institutional clients with regularly. Provide the sample in one PDF named e.g.: "NAME OF FUND MANAGER_Performance Attribution.pdf"
- 3.18. Provide a monthly risk contribution report that the Fund Manager typically provide institutional clients with regularly in one PDF named e.g.: "NAME OF YOUR COMPANY_Risk Contribution.pdf"
- 3.19. Provide holdings data as of 2023-03-31 in the excel file template provided.

4. Fund Manager

Part of the quality criteria <X%>

This section covers questions where the Fund Manager has to disclose or describe its history, organization, ownership structure, board of directors and senior management, strategic business plan, financial ratios as well as its client base.

Based on the responses to the surveyed areas, FTN will evaluate the Fund Manager's knowledge and understanding of fund management and its expected ability to manage the assets of the Fund in a manner relevant to the procurement and the aim of generating good future returns.

4.1. Describe the Fund Manager's history, starting the year the Fund Manager was established. Elaborate on major events.*

4.2. Provide an overview of the group structure of which the Fund Manager is part.*

a) Has there been any changes to the structure in the past ten years?

b) Are there any changes planned to the structure?

4.3. Does the organization, in case of a group structure any company within the Group of Companies or any Affiliated Company, provide other services besides asset management?*

YES	
NO	

(Mark your answer with "X")

If yes, describe the other services.

4.4. Describe the routine to identify and handle conflicts of interest.

4.5. FTN might require a relevant log of identified conflicts of interest including handling procedures. Are you able to accommodate this?

YES	
NO	

(Mark your answer with "X")

4.6. Describe the Fund Manager's overall strategic business plan for the coming years. Are there any intentions to grow the Fund Manager's overall business or to develop new funds/strategies? How?*

4.7. Has the Fund Manager set science-based net zero climate targets for the investment organization?*

Yes	
No	

(Mark the answer with "X")

Elaborate.

4.8. Provide the following financial key figures for the Fund Manager for the last five annual accounts. If the fiscal year is not a calendar year provide the information in the column in which the fiscal year ends.

	2022	2021	2020	2019	2018
EBITDA					
Net earnings					
Assets					
Liabilities					
No. of employees					
Personnel costs					

4.9. Specify the Fund Manager's three largest strategies in percent of AuM.*

Strategy	% of AuM

4.10. Which are the most important strategies for the Fund Manager's revenue?

Strategy	% of revenue

4.11. Fill out the table below for the AuM and number of accounts for the Fund Manager. AuM in Millions of SEK.*

	2022-12-31	2021-12-31	2020-12-31	2019-12-31	2018-12-31
AuM Total					
Number of accounts					
Unaffiliated AuM Total					
Unaffiliated Number of accounts					

4.12. Provide the size of the three largest accounts for the Fund Manager.*

	AuM	% of firm total	Type of Client
Largest			
Second largest			
Third largest			

4.13. Does the Fund Manager manage assets money for governmental authorities?*

YES	
NO	

(Mark the answer with "X")

If yes, disclose at least one and no more than three full references:

	Name	Country	Size of account (MSEK)
Reference 1			
Reference 2			
Reference 3			

- 4.14. Fill out the table below for the total AuM of the Fund Manager. For gains and losses of AuM, attribute these to subscriptions and redemptions only.*

	Total	Inst. Specialist seg. Accounts	Pooled inst. Assets	Retail pooled funds
Number of clients				
Number of accounts				
AuM (million SEK)				
Accounts gained past 12 months as of YYYY-MM-DD				
AuM gained past 12 months as of YYYY-MM-DD				
Accounts lost past 12 months as of YYYY-MM-DD				
AuM lost past 12 months as of YYYY-MM-DD				
Accounts gained past 36 months as of YYYY-MM-DD				
AuM gained past 36 months as of YYYY-MM-DD				
Accounts lost past 36 months as of YYYY-MM-DD				
AuM lost past 36 months as of YYYY-MM-DD				

- 4.15. Are there any instances during the last five years when the Fund Manager, its parent company, Key Decision Makers, Affiliated Company or any company within the Group of Companies have had their license revoked, been fined, investigated or been disciplined by any relevant regulatory body or other authorities? If yes, provide a short description of the cases and indicate whether the cases are still pending.
- 4.16. Describe the insurance coverage that the Fund Manager carries, including the name of the insurer. Does the insurance cover rogue trading and cyber security incidents? If yes, explain the coverage.

5. People

Part of the quality criteria <X%>

This section includes questions about the human resources at the Fund Manager and the environment in which it operates. The questions cover organization, key people, responsibilities, staff policies, diversity and culture. Based on the answers provided, FTN will evaluate the Fund Manager's ability to hire and retain personnel and ensure that they have the knowledge and relevant skills to generate good returns in relation to the described investment philosophy and process.

Overall, the information provided will contribute to the assessment of both the capacity and the capability of the management company to provide high-quality management of the funds.

- 5.1. Describe the history of the team currently managing the Fund.
- 5.2. How is the investment team responsible for the Fund organized? Provide details of any organizational changes that have occurred within the last five years.
- 5.3. List the Key Decision Makers and the individuals responsible for the Fund (including back-up of the portfolio manager) and describe each person's background. Short biographies may be submitted here.

Provide complete biographies including extensive and detailed CV's as a pdf file named e.g.: "**NAME OF FUND MANAGER**_CV.pdf"

- 5.4. For each member of the investment team; state the year they joined the team for the Fund. List all other responsibilities (investment as well as administrative) apart from the management of the Fund the members may have. State the year they were given each responsibility.
- 5.5. Comment on any plans to increase or reduce the headcount in general.
- 5.6. Do you foresee any changes among the senior staff in general over the coming year? If yes, describe.*
- 5.7. Do you have a plan for succession (in terms of on-going management of the Fund)? Describe.
- 5.8. Describe your recruitment process. Include the below aspects in your answer.*
- a) Details of company efforts towards equal opportunity and diversity.
 - b) The vetting / background checks of key people undertaken.
- 5.9. Do you measure your gender pay gap?*

YES	
NO	

(Mark the answer with "X")

Elaborate on the findings and outline your efforts to close the gap if any. If applicable, share your report.

- 5.10. List the office locations from which the investment team operates. If the team operates from more than one location, describe how the communication/interaction between the offices/teams is organized.*
- 5.11. Has anyone within the team changed geographical location within the last three years? From? To? Any changes planned?*
- 5.12. Describe the Fund Manager's in-house expertise regarding ESG-issues.*
- 5.13. Describe external expertise regarding ESG-issues that the Fund Manager may use.*
- 5.14. Describe the formal meeting structure for the Fund Manager.*
- 5.15. List joiners in the Funds investment management team over the last five years as of YYYY-MM-DD.

Year joined	Name	Responsibility	Previous employer

- 5.16. List leavers in the Funds investment management team over the last five years. If there have not been any leavers in the last five years as of YYYY-MM-DD, state so.

Year leaving	Name	Responsibility	Reason	Employment years	New employer

- 5.17. Describe the basis upon which investment professionals are remunerated.*
- 5.18. How do you ensure the loyalty of employees (incentive plans, career development etc.)?*
- 5.19. Describe the corporate culture characterizing the Fund Manager and how it differs from other firms. Describe the importance of this culture for the Fund Manager and the importance of corporate culture in the fund management industry in general.*
- 5.20. In what way is corporate culture cultivated?*
- 5.21. Who are the most important culture bearers within the firm and why?*
- 5.22. Do you see any need for culture related changes in the near future?*How?*
- 5.23. Fill out the table using the tab "Human Resources" of the attached excel file.

	Total current fulltime employees	Total work experience (years)	Number of hires (last 3 years)	Number of leavers (last 3 years)	Turn-over
Fund Manager					
Portfolio managers					
Research analysts					
Trading					
Strategists/ Economists					
ESG					
Tax, legal					
Administration / Accounting					
Investment Monitoring & Risk Management					
Compliance					

AML officers					
Others					
Team managing the Fund					
Portfolio managers					
Research analysts					
Trading					
Strategists/Economists					
ESG					
Others					

6. The Fund

Part of the quality criteria <X%>

In this section, the Fund Manager shall provide information about the general characteristics and performance of the Fund, how capacity is managed and the nature of the client base. The Fund Manager will also describe how the organization will adapt to changes and any capacity constraints that may exist or arise.

Based on the answers provided, FTN will assess the Fund Manager's described ability to adapt to changes and its understanding of capacity constraints and how these are managed.

6.1. Provide the following general characteristics of the Fund (Only state raw facts in this table, i.e. no comments on responses)*

	As of YYYY-MM-DD
Inception year of the Fund	
Year the current team was established	
Bloomberg ticker of the fund (if applicable)	
Number of people in the investment team	
Benchmark	
Process (e.g. bottom-up, top-down etc.)	
Style (e.g. value, growth, core, GARP etc.)	

Outperformance target p.a. over a cycle (3-5 years)	
Expected TE range ex. post	
Information ratio target over a cycle	
Number of stocks typically in the portfolio	
Turnover ¹	
Excess return (gross of fees / net of taxes) ex. post 1 year	
Excess return annualized (gross of fees / net of taxes) ex. post 3 years	
Excess return annualized (gross of fees / net of taxes) ex. post 5 years	
Tracking error ex. post 3 years	
Tracking error ex. post 5 years	
Portfolio beta ex. post 3 years	
Portfolio beta ex. post 5 years	
Success ratio 3 years	
Success ratio 5 years	

- 6.2. Do you plan to grow the AuM of the Strategy? Describe (how, in which markets, timetable, type of customers).*
- 6.3. How is the Fund Manager's organization adapted to changes; new customers, number of accounts and inflow/outflow of capital?
- 6.4. Do you foresee any capacity constraints for the Strategy? If so elaborate.
- 6.5. Fill out the table below for the Fund Managers AuM and accounts within Strategy.*

	2023-03-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
AuM total					
Number of accounts					

¹ Portfolio turnover is calculated by taking either the total amount of new securities purchased or the number of securities sold (whichever is less) over a particular period, divided by the total net asset value (NAV) of the fund. The measurement is usually reported for a 12-month time period.

Unaffiliated AuM total					
Unaffiliated number of accounts					

6.6. Provide the size of the Fund Managers three largest accounts for the Strategy.*

	AuM	% of firm total	Type of Client
Largest			
Second largest			
Third largest			

6.7. Fill out the table for the Strategy managed by the Fund Manager as of YYYY-MM-DD.*

	Total	Inst. Specialist seg. Accounts	Pooled inst. Assets	Retail pooled funds
Number of Clients				
Number of Accounts				
AuM (million SEK)				
Accounts gained past 12 months as of YYYY-MM-DD				
AuM gained past 12 months as of YYYY-MM-DD				
Accounts lost 12 months as of YYYY-MM-DD				

AuM lost past 12 months as of YYYY-MM-DD				
Accounts gained past 36 months as of YYYY-MM-DD				
AuM gained past 36 months as of YYYY-MM-DD				
Accounts lost 36 months as of YYYY-MM-DD				
AuM lost past 36 months as of YYYY-MM-DD				

- 6.8. List the Fund Managers you would expect to be your top 5 competitors for the Strategy in this procurement. Comment on each of them in respect of why you would see them as competitors.*

TOP FIVE COMPETITORS

7. Investment Philosophy and Process

Part of the quality criteria <X%>

This section includes questions where the Fund Manager has to describe the investment philosophy, investment process, team member responsibilities and delegation as well as integration of non-financial factors (sustainability).

FTN will assess the Fund Manager's ability to describe and demonstrate its unique approach to adding value for the savers through its investment philosophy. This section will also evaluate how the investment process is designed to align with the investment philosophy. A well-described investment process should clearly demonstrate discipline, repeatability, predictability and integration of non-financial factors into the approach

through clear responsibilities and delegation, among others. The evaluation will also cover the ability of the Fund Manager to manage the assets of the Fund in accordance with the objectives and constraints set out in the investment guidelines.

FTN will also evaluate the consistency of the information provided in the responses with the information provided in the responses in section 6.

- 7.1. Describe the investment philosophy for the Fund. When was it implemented?
- 7.2. Has there been any major changes to the investment philosophy since inception of the Strategy? If yes, elaborate on the reason behind the changes.
- 7.3. Has there been any minor changes to the investment philosophy since inception of the Strategy? If yes, elaborate on the reason behind the changes.
- 7.4. As a requirement, the Fund Manager must have processes in place to identify and assess if portfolio holdings, existing or potential, are associated with violations of any of the ten principles of the Global Compact, the OECD Guidelines for Multinational Enterprises and the fund manager must also be able to accommodate exclusion of portfolio entities that:
 - produce, store, trade, or use anti-personnel mines as defined by the UN Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction
 - produce, store, trade, or use cluster munitions as defined by the UN Convention on Cluster Munitions
 - produce, store, trade, or use biological weapons as defined by the UN Convention on the Prohibition of Development, Production, Stockpiling of Bacteriological (Biological) and Toxin Weapons and on the Destruction
 - produce, store, trade, or use biological weapons as defined by the UN Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction
 - are involved in nuclear programs as defined in the UN Treaty on the Non-Proliferation of Nuclear Weapons (NPT).
 - are subject to prevailing EU or UN sanctions

Elaborate on the Fund Manager's investment beliefs and how they are related to responsible investments. Also elaborate on the Fund Manager's ESG objectives, how they are incorporated in your investment philosophy and how well you think they are aligned with FTNs vision and legal requirements as described above.

- 7.5. Describe the investment process in detail (provide flowcharts showing step-by-step the investment process of the Fund). Make sure you cover the following:
- Idea generation
 - Research process
 - Portfolio construction
 - Trading and implementation

Send the flow chart in a pdf file named e.g.: "**NAME OF FUND MANAGER_PROCESS.pdf**"

- 7.6. Provide the names of the people/teams involved in each step of the investment process and the person ultimately responsible for the decision taken in each step.
- 7.7. Do you delegate any part of the investment process outside of the Fund Manager?

Yes	
No	

(Mark the answer with "X")

If yes:

- a) indicate which parts and to which legal entities
- b) describe the due diligence process prior to the appointment of any delegation
- c) state whether any functions are outsourced without service level agreement and the reason why

- 7.8. Describe the discretion given to individual analysts and portfolio managers to deviate from the model portfolio. Describe the monitoring thereof (if applicable).
- 7.9. Describe the buy and sell discipline in place.
- 7.10. Under which circumstances would the Fund Manager deviate from its buy/sell disciplines? Has the Fund Manager ever deviated? If so, describe.
- 7.11. Indicate briefly what distinguishes the Fund Manager's investment process from the main competitors. What is the Fund Manager's competitive advantage?*
- 7.12. Has the Fund Manager made any major changes to the investment process since inception of the Strategy? If yes, elaborate on the reason behind the changes.
- 7.13. Has the Fund Manager made any minor changes to the investment process since the inception of the Strategy? If yes, elaborate on the reason behind the changes.
- 7.14. Is the Fund Manager planning any enhancements to the investment process within the next year? If so, describe.*
- 7.15. Describe the Fund Manager's investment risk management processes:
- a) How is the risk management incorporated into the investment process?
 - b) List the scope of monitoring and documentation
 - c) Describe the risk attribution system
 - d) Describe the software and tools used
 - e) Describe the pricing source(s) and valuation methods used for risk management purposes for both FX and securities
 - g) Describe the escalation process and name the ultimate decision makers with respect to the inclusion or exclusion of holdings
 - h) How flexible is the risk-system? Describe in detail?
 - j) How is the risk calculated for the different types of financial instruments?

- 7.16. How does the Fund Manager consider and integrate ESG factors in its decision making? Describe how the Fund Manager identifies and manages material ESG-related risks and opportunities in the investment process/portfolio management of the Fund? Provide examples showing how ESG aspects have influenced investment decisions.
- 7.17. Does the Fund Manager's organization support the TCFD (Task Force on Climate-related Financial Disclosures) recommendations for climate-related risks and opportunities?*
- 7.18. Describe any screening of violations of international norms and standards (norm-based screening) performed as an integral part of the Fund Manager's security selection process. Describe if and how the Fund Manager would make the ESG-findings available to FTN. What ESG data and research does the Fund Manager use and for what purpose/purposes? If any third-party data or research is used, describe how such data and research is used.
- 7.19. Describe the three best and worst investments in the Fund during the past 12 months as of the DDst of MMM, YYYY from an ESG perspective. State the investments, describe the case, outcome and potential learning.
- 7.20. Elaborate on the Fund Manager's engagement process with companies, both prior to the investment and once invested.
- 7.21. Elaborate on the Fund Manager's proxy voting process. Make sure to comment on whether the voting guidelines are public, if the Fund Manager vote by proxies itself and whether best practices in local markets are considered. How and when are proxy voting results disclosed and to whom?

8. Portfolio Construction

Part of the quality criteria <X%>

This section includes questions where the Fund Manager has to describe the ability to translate the investment philosophy and process into a portfolio. The Fund Manager will also describe the investment universe, holdings and

instruments used, deviations from benchmarks and investment guidelines, risk budgeting and liquidity management.

On the basis of the responses, FTN will assess the overall ability of the Fund Manager to translate the investment process into a portfolio within the areas set out in the previous paragraph. The Fund Manager should be able to demonstrate that it can efficiently generate good risk adjusted returns under the given circumstances.

Based on the responses provided, FTN will evaluate the credibility of the characteristics described in the investment philosophy and process (chapter 7).

- 8.1. Describe the universe the Fund's securities are selected from?*
- 8.2. What kind of financial instruments are used in the Fund?*
- 8.3. Does the Fund participate in initial public offerings?
 - If so, how many in the last three calendar years?
 - What was the contribution to the return from these per calendar year?
 - How many of these were managed by a company with the Group of Companies?
- 8.4. Fill out the table with the active share ratio. active share is calculated as the sum of the absolute difference between the weight of a holding in the portfolio vs. the benchmark.

	2023-03-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Active share (%)					

- 8.5. State how many holdings the Fund normally consists of.*
- 8.6. State the historical average yearly turnover in percent in the Fund (calculated as the lesser of buys and sells divided by average market value).
- 8.7. Indicate the relative importance of the following sources of value added .*

Source of value added	%
Stock Selection	
Sector allocation	
Country allocation	
ESG	
Allocation to cash	
Others	

If other, specify

- 8.8. Indicate the percentage of the Fund market value that is normally invested in securities not included in the benchmark (if applicable).*
- 8.9. Indicate the highest expected percentage of the Funds market value to be invested in securities not included in the benchmark at any single time (if applicable).*
- 8.10. Would the Fund Manager use derivatives in the Fund? If yes, to what extent, which instruments and for what purpose? If yes, are these cleared centrally?
- 8.11. Does the Fund Manager have any constraints in the portfolio construction on how much it invests in any region/country/sector/company etc.? Elaborate on the reasons and the rationale for the constraint.
- 8.12. Describe in detail the risk budgeting process and the risk model applied to the portfolio construction.
- 8.13. Give a general overview of the liquidity in the Fund, in terms of potential challenges in meeting subscriptions and redemptions. Make sure to cover experienced and/or potential situations where liquidity is a constraint in the daily management of the Fund, if any.
- 8.14. Describe how the Fund Manager monitors and manages liquidity:
- Describe your market research and intelligence to monitor market liquidity
 - How do you monitor liquidity of the Fund's holdings
 - How do you handle an "illiquidity event"? Provide a specific example?
 - How do you handle in- and outflows of capital to the Fund?
 - How do you avoid causing market impact?
 - Describe what kind of stress tests are applied
 - Do you foresee any liquidity and market impact problems relating to the size of the Fund?
- 8.15. Has the Fund Manager gated any of its funds from withdrawals the last ten years? If yes, elaborate.

9. Implementation

Part of the quality criteria <X%>

This section covers securities transactions, how best price and minimum transaction risks are achieved, on what market places the Fund Manager executes its trades and with which counterparties. FTN will evaluate the Fund Manager's ability to buy and sell securities in a qualitative and cost-efficient manner based on analysis of the responses given. High quality in this context is defined as the ability to transact at market prices, with low transaction costs and minimal market impact, and that there are solid, transparent and well documented processes covering the execution of trades.

- 9.1. Describe your organizational setup for executing trades.*
 - Key persons
 - Number of full-time employees
 - Process from allocation decision by Fund Manager to trade execution in the market
 - System or software for the execution process
 - Segregation of duties

- 9.2. Does the execution team handle all trades placed in the market?
 - If any trades are executed directly by the portfolio manager, how large is that share in terms of number of trades and traded volume?
 - What are the reasons and circumstances when the portfolio manager places trading orders instead of the execution team?

- 9.3. How is best execution with brokers, dealers and other counterparties ensured?
 - How is post-trade analysis done from a best execution perspective?
 - How is best execution reported?
 - Which organizational function is responsible for supervising and monitoring compliance with best execution?
 - Are you able to provide FTN with an audit trail to verify best execution in retrospect?

- 9.4. Which trading venues are used for execution?*

- 9.5. Please describe how trades are allocated across the various funds and mandates you manage. When is allocation determined, pre-trade or post-trade? Please describe your internal trade allocation policy.

- 9.6. Please describe your policy for crossing and internal matching of trades.
 - Operational processing

- Pricing rules and methods
- Oversight and monitoring

9.7. Do you execute any trades on behalf of the Fund with any Affiliated Company?

If yes, which company and to what extent (percent)?

- In transacted volume
- In commissions paid by the fund

9.8. Please describe the process and criteria for the Fund's broker selection and monitoring.

9.9. Indicate the five most important brokers for the Fund and their percentage of the total trading volume during the past 12 months as of YYYY-MM-DD:*

Broker name	% of volume	% of brokerage paid

- 9.10. How are transaction costs in the Fund measured, reported, forecasted and monitored?*
- 9.11. What were the transaction costs (in bps) in the Fund, per year, the last three calendar years?*
- 9.12. Elaborate on counterparty risks and describe the process of monitoring these, pinpointing where the main risks might arise and what the Fund Manager does to mitigate these risks.
- 9.13. Elaborate on how the Fund Manager manages and ensures commission unbundling.*
- 9.14. How is the cost for research handled and what is the process for purchasing research?
- 9.15. Please list the Fund Manager's five largest research providers (for the Fund), per year, in the last three calendar years.
- 9.16. Does the Fund engage in securities lending?*
- Does the Fund use an Affiliated Company as lending agent?
 - What are the limits on the amounts of lent securities in percentage of the Fund's NAV
 - What is the current value of lent securities in percentage of the Fund's NAV
 - How many holdings are currently completely or partly lent.
 - Does the Fund recall securities for all shareholders' meetings?
 - What is the Fund's total income from securities lending as percentage of average NAV in the last annual accounts.
- 9.17. Is the Fund Manager able to use a transition management service for the transfer of assets, should the Fund Manager be awarded a mandate in this procurement?*

YES	
NO	

(Mark the answer with "X")

10. Performance

Part of the quality criteria <X%>

This section covers the Funds/Strategy's past performance and the Fund Manager's ability to generate good risk-adjusted returns. Based on the answers provided, FTN will evaluate the Fund Manager's ability to, with a high probability, deliver a high quality Fund/Strategy over the investment period. In this context, high quality means a risk-adjusted return that exceeds that of a relevant benchmark over time in a stable manner and under varying market conditions.

Based on the responses provided, FTN will evaluate the credibility of the characteristics described in the investment philosophy and process (chapter 7).

10.1. Provide a short description of the models used and provide details of the methodology/formulas the Fund Manager uses to calculate the risk and performance measures that are monitored and reported.*

10.2. Provide the performance of the Fund and a representative Composite of the Strategy (if applicable)?

The performance must be indicated gross of fees and converted to SEK.
No simulated / back tested track records.

- Complete the table below for the Composite relevant for the Fund. If the track record is shorter than 5 years, complete since inception.

	Total return portfolio (% p.a.)	Volatility portfolio (% p.a.)	Total return bench-mark (% p.a.)	Volatility bench-mark (% p.a.)	Difference portfolio vs. bench-mark (% p.a.)	Tracking error (% p.a.)
01-01-2018 – 31-12-2022						
Since inception						

- Provide the relevant monthly performance data in calculated in SEK for a representative Composite for the Fund (if applicable) as well as the Fund. Submit this data using tabs "Track Record DM" of the attached excel file.
- Is the source of the indicated performance a certified Composite? If yes specify the certification (e.g. GIPS)?
- Fill out the table below for the Composite:

	Answer
Composite name	
Launch of the composite	
Benchmark	
Currency	
Hedged / Unhedged	
Net / gross returns	
Dispersion of the tracking error differences (standard deviation)	
Dispersion of performance (standard deviation)	
Current number of portfolios in the composite	
Current volume in the composite (in SEK million)	

- Describe in detail the benchmark of the track record (name, currency, net or gross as well as the ticker).

	Answer
Benchmark name	
Currency	
Net or gross dividends	
Ticker	

- 10.3. Comment on the yearly performance numbers for the Fund. Describe the outcome for each year, reason and potential learning.*
- 10.4. Comment on the five best and worst contributors to the excess return during 2022 for the Fund. Comment primarily on the outcome, reasons, and potential learnings of the exposure and secondarily on the companies as in the following example;*

"Five best contributors for 2022: 1. "ABC company."; Nature of Business : "ABC company" is the world's largest diversified resources company with significant exposure in iron ore, oil and aluminum; Reason : Benefited from continual rise in commodities prices, in particular, iron ore, crude oil and thermal coal; Outcome(contribution) : +X.X %; Potential learning : Limited supply (partly due to supply disruptions) and strong demand has helped sustain commodity prices at a higher level for a longer period. In turn, this has benefited the earnings of the mining companies..."

- 10.5. Under what market conditions would the Fund Manager expect its process to deliver the best results? Describe why and when it can be expected to outperform/underperform?

11. Risk

Part of the quality criteria <X%>

This section covers the Fund Manager's management of financial and operational risks, as well as its compliance and audit functions. FTN will evaluate the Fund Manager's ability to monitor and manage the risks in the Fund, to ensure adherence to investment guidelines and to comply with relevant regulations at all times during the tenure of the Fund Agreement. High quality is in this context defined in a holistic manner covering:

- The ability to attract and retain staff with relevant competence and experience
- The implementation of robust and secure systems and processes for monitoring, reporting and management of both financial and operational risks
- An organization that is adequately staffed with clear segregation of duties and routines for managing unforeseen issues and events
- Routines and processes safeguarding the independence and authority of the control functions within the second and third line of defense

- 11.1. Give an overview of the Fund Manager's methodology for control of operational, credit, market and liquidity risks. The description should focus on how risk is integrated with the portfolio management, restricted and reported. Specify models and systems.

Financial Risk

- 11.2. Please describe the organization of the risk control unit.*
- Key persons
 - Number of full-time employees
 - Duration of employment
 - Organizational structure
- 11.3. Is any part of the risk control, monitoring or reporting thereof outsourced?*
- 11.4. Which tools are used in the daily risk monitoring process and what pricing data and other information do they rely on?*
- 11.5. What are the most important portfolio risk metrics that are reported?*
- How often are they reported?
 - To whom are they reported?
 - Why are these metrics considered to be the most important?
- 11.6. How is the organizational independence of the risk control unit ensured?
- 11.7. Describe the risk escalation process.
- In what situations are risks escalated?
 - Who is the ultimate decision maker if risks are escalated?
- 11.8. Describe how internal risk limits and investment guidelines are implemented in portfolio management:
- Give an overview of the internal risk management policy
 - How are they applied in the management of the fund, including pre-trade limitations?
 - How is compliance with the investment guidelines monitored?
 - How often are the investment guidelines changed, and why?
 - When was the last change, and what was the reason for it?

- 11.9. Describe the most recent breaches of risk limits, the circumstances, how they were managed and the key lessons learned.
- 11.10. Have the organization ever violated an investment guideline? If so, describe the violation and the resolution.

Operational risk

- 11.11. Describe the organization of the operational risk unit:*
- Key persons
 - Number of full-time employees
 - Duration of employment
 - Organizational structure
- 11.12. Describe your contingency and disaster recovery plan in terms of:
- Back-up facilities
 - Key systems
 - Management decision making
- 11.13. When was the contingency plan last tested? Outcome and key lessons learned?
- 11.14. Describe the system and routines for incident reporting?*

IT and Cybersecurity

- 11.15. Provide an overview and describe the Fund Manager's IT infrastructure including a system overview/plan. Include a description of where the primary and secondary data centers are located and how data is replicated between these two and at what frequency. When was the system recovery last tested and were there any critical findings?
- 11.16. Has the Fund Manager had any incidents related to cyber security? If yes, describe the incidents including measures taken, lessons learned and if applicable compensation paid.

Compliance

11.17. Which function does the chief compliance officer report to?*

11.18. Describe the Fund Manager's compliance routines as specific as possible, including:*

- Pre-trade as well as post-trade compliance
- Segregation of duties
- Systems used
- Automated and manual processes

11.19. How often are compliance reports done and to whom are they reported?

11.20. Describe the Fund Manager's and its related parties' top three compliance risks and how these are handled.

11.21. Describe both the policy and the setup used for Whistle Blowing.

- Has there been any reported incidents or issues?

Audit

11.22. When was the auditor of the Fund Manager appointed and when were the two prior changes? Describe the process of appointing auditors.

11.23. FTN expects to at least annually receive a written audit memorandum (such as SSAE 18, AA F01/20, ISAE 3402) from the manager's auditors covering any findings related to the management of the mandate. Will you be able to accommodate this requirement?

YES	
NO	

(Mark the answer with "X")

11.24. Describe the Fund Manager's internal audit function?*

11.25. Has the Fund Manager been subject to material remarks from its external auditors?

YES	
NO	

(Mark the answer with “X”)
If yes, explain.

12. Administration

Part of the quality criteria <X%>

This section covers the administrative processes of the Fund Manager. FTN will evaluate the Fund Manager’s ability to deliver a high-quality product, with reliable valuation of securities and processes compatible with the Swedish Pension Agency’s administrative requirements. High quality in this context is defined as secure and robust processes with clear segregation of duties, and a correct and independently verified valuation of assets in the Fund, as well as a minimum of disruptions in the entire administrative workflow.

- 12.1. Describe the Fund Manager’s work with the appointed depository, including the following details about your depository:*
- Comment on the depository's relation to the Fund Manager
 - Latest change of depository and the reason for the change
 - Potential escalation processes on the initiative of the depository
- 12.2. Describe your reconciliation process including tolerance levels used.*
- 12.3. Describe in detail the NAV setting process for the fund administrator, including a description of how underlying securities are priced. Elaborate on the Fund Manager’s third-party valuation process.
- Which pricing sources are used and are these external or internal?
 - Do you have any alternative pricing sources in case the first pricing source becomes unavailable?
 - How are stale prices
 - a) detected
 - b) handled?
 - Are reasonability checks carried out prior to setting the NAVs and are there any formal sign-off processes in place before distributing the net asset values?
 - Outline the process for considering corporate actions in the NAV calculation and elaborate on set policy for inclusion of trades in the NAV calculation (i.e. are unconfirmed trades part of the NAV calculation or only confirmed ones?)

- 12.4. Describe how registrar and transfer agency duties are fulfilled, including a description of the share register as well as how subscriptions, redemptions and transfers are processed.
- 12.5. Describe how the operational side of the Fund Manager's business is organized with details of each person's area of responsibility as well as their deputies/back-ups. Pinpoint the most critical resources and elaborate on the measures taken to minimize the operational risk that would arise should this resource be incapacitated to work.

13. Fee, operating expenses and fee transparency

Part of the price criteria <X%>

This section asks questions about the Funds management fee and cost structure. This information will contribute to an assessment of the cost-effectiveness of the Fund.

This section includes questions where the Fund Manager describes all the fees and costs charged to the Fund.

FTN will assess the transparency of the costs and charges disclosed, where a higher degree of transparency will be rewarded. In addition, the management fee will be evaluated in terms of its level.

- 13.1. Describe the fee structure in detail, elaborate on the management fees as well as the operating expenses paid from the Fund.

- 13.2. Enter management fees at different account sizes. Account sizes in million SEK.

Size	Flat fee in Bp
50	
100	
200	
300	
500	

- 13.3. Does the Fund Manager apply swing pricing for the Fund?

YES	
NO	

(Mark the answer with "X")

If yes, describe if you apply full or partial swing price and current swing factor in the Fund.

- 13.4. Is the Fund Manager willing to ensure that it will not charge/offer other customers (regardless of client type, geographic location or other client classification), with a comparable investment mandate in terms of size, market and constraints, lower fees without lowering the fees to the Fund accordingly?

YES	
NO	

(Mark the answer with "X")

- 13.5. What is the level of the operating expenses, provide a breakdown also highlighting any and all costs paid to any related parties.
- 13.6. Are the operating expenses passed through as is? Are they capped, if so at what level?
- 13.7. How often are the terms for the operating expenses of the Fund renegotiated?
- 13.8. Provide information on the sensitivity of the operating expenses of the Fund at different AuM levels.

	Operating expenses in Bp
fund size 50 million SEK	
fund size 200 million SEK	
fund size 500 million SEK	
fund size 1 billion SEK	

13.9. Confirm that the fees are exhaustive and that FTN does not have to pay any other fees (e.g. legal, administrative or other) to the Fund Manager.

YES	
NO	

(Mark the answer with "X")

If no, state possible other costs.