



# PROCUREMENT REPORT

Actively managed European equity funds

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# 1. Summary

On 25 March 2024, the Swedish Fund Selection Agency, FTN, published the award decision regarding the procurement of actively managed European equity funds for the premium pension fund platform (ref. LUP 2023-1).

The procurement affects approximately 130,000 pension savers and covers assets under management of just under SEK 11 billion as of 31 December 2023. Out of the six funds that have been awarded fund agreements, three are already on the fund platform.

This is the first of several procurements that FTN will carry out in the coming years. The aim is to ensure a range of cost-efficient funds of high quality, to create opportunities for a higher and safer premium pension.

The funds procured must, by law, be suitable, controllable, sustainable, cost-efficient and of high quality. In addition, the range of funds on the fund platform must provide freedom of choice for pension savers.

For pension savers, the procurement means that all funds in the category have undergone extensive evaluation and are deemed to be of high quality. At the same time, the average fee for the funds in the category has been reduced from 0.48 to 0.21 percent. The sustainability requirements for the funds have also been raised.

### **The fund managers and funds that have been awarded are:**

- **Abrdn Investments Luxembourg S.A.**  
European Sustainable Equity Fund
- **AMF Fonder AB**  
AMF Aktiefond Europa
- **JPMorgan Asset Management**  
JPMorgan Funds Europe Sustainable Equity Fund
- **Nordea Investment Funds S.A.**  
Nordea 1 – European Stars Equity Fund (BP-EUR)
- **SEB Investment Management AB**  
SEB Europe Equity Fund
- **Swedbank Robur Fonder AB**  
Swedbank Robur Europafond A





## 2. The mandate of FTN

FTN is a government authority with the mandate to procure, monitor and quality assure the funds in the Swedish premium pension system.<sup>1</sup>

The funds on the premium pension fund platform are procured in order to ensure the quality of funds and fund managers, and thereby protect the interests of pension savers. FTN shall ensure that funds

<sup>1</sup> The Act (2022:759) on the Swedish Fund Selection Agency.



**TO PROTECT THE  
INTERESTS OF  
PENSION SAVERS, HIGH  
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FOR FUNDS AND FUND  
MANAGERS.**

and fund managers continuously meet the terms of the fund agreement during the contract period.

To protect the interests of pension savers, high requirements are set for funds and fund managers on the fund platform. The evaluation and review of funds, fund managers and management organization, both during and after procurement, aims to offer high quality pension savings that provide a safe pension.

The funds on the procured fund platform must be suitable for the premium pension system, cost-efficient, sustainable, controllable and of high quality. This is stipulated by the legislation that regulates the procurements of funds to the premium pension fund platform.<sup>2</sup> The premium pension system and the offered range of funds shall be characterized by freedom of choice for the pension saver, who shall be given the opportunity to choose the investment strategy and influence the level of risk for the management of his or her premium pension savings.

Once all fund categories on the current fund platform have been procured, FTN will monitor the fund platform and initiate new procurements when fund agreements expire. FTN will also evaluate the offering on the fund platform on an ongoing basis and monitor the development of the fund industry in general. External factors and development in the fund industry in general may create a need for procurements of new categories that are not currently represented on the fund platform.

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<sup>2</sup> Act (2022:760) on procurement of funds for the premium pension fund platform.





### 3. The procurement process

The procurement process is central to selecting funds for the premium pension fund platform. The procurement process is designed to procure and evaluate funds for the fund platform, with regard to the statutory requirements of suitability, controllability, sustainability, quality and cost-effectiveness.

*The purpose of this chapter is to provide a simplified yet clear picture of FTN's procurement process for the public to read. This means that the chapter contains abbreviated descriptions and examples from the procurement documentation for this specific procurement. If descriptions in this report are simplified in such a way that information could be perceived as contradictory in comparison with what is stated in the procurement documentation, it is always the procurement documents that prevail.*

## 3.1. The market dialogue of FTN

FTN is required by law to maintain a continuous dialogue with fund managers, industry organizations and other market participants.

The purpose of the dialogue is, among else, to gain knowledge, on what the fund industry can provide based on the requirements of the agency, and available funds and fund managers. Receiving input from fund managers, the agency will be able to set better and more suitable terms and conditions for the procurements. Through the industry dialogue, the agency will also be able to inform the fund managers of its requirements and the desired outcome of the procurement, collect opinions and share information.

The dialogue can also enable the fund managers to submit tenders during the coming procurements that to a higher degree reflect what is needed by the agency. Through a continuous dialogue between the agency and the fund managers, the industry is prepared for coming procurements, creating trust and good conditions for a long and stable collaboration.

Dialogue can be conducted in different ways, for example through dialogue meetings, forums for discussion, external referrals or by sending out questionnaires, known as a request for information (RFI), with the purpose to gather certain information.

The market dialogue is conducted taking into consideration the principles for procurement law, and the information that the Swedish Fund Selection Agency shares with the market will also be available on FTN's website [www.ftn.se](http://www.ftn.se).

## 3.2. Design of fund category offering

Prior to each procurement, the fund category to be procured is evaluated based on the availability of funds with a relevant strategy, the demand from pension savers, portfolio management strategies, the suitability of the funds for the fund platform, and more. The analysis made at this stage for each category forms the basis for the design of the procurement. The procurement plan for the fund platform is decided on by the Board of FTN before the procurement documentation is prepared by the FTN office.

## 3.3. Preparation for the procurement

Before notice is made for a procurement, the procurement documentation has been prepared. FTN establishes a procurement specification for each procurement. It is drawn up on the basis of the FTN Board's considerations concerning the requirements for the specific procurement.





**IN ORDER FOR A TENDER TO BE EVALUATED, THE FUND MUST MEET ALL THE MANDATORY REQUIREMENTS OF THE PROCUREMENT**

The procurement documentation is extensive. It describes, among other things, the general conditions for the procurement and the evaluation model that will be applied. It includes questions regarding management organization, financial stability, risk management, transparency and availability of data from the participating fund managers. The procurement documentation, including the fund agreement with annexes, is decided on by the Board of FTN and notice is made electronically via e-Avrop.

#### **3.4. Publication of the notice of procurement**

Notice for the procurements of funds for the fund platform is made via e-Avrop, which is a digital procurement platform. The notice is followed by a period during which tenderers can submit tenders. The time interval during which tenders can be submitted varies between procurements.

For the procurement described in this report, notice was made for the procurement on June 30th 2023 and the last day to submit tenders was October 5th 2023. Questions on the procurement could be asked up until ten days before the deadline for submission of tenders. Questions were answered continuously via e-Avrop, up until six days before the deadline to submit a tender.

#### **3.5. Mandatory requirements, exclusion criteria and evaluation**

##### **3.5.1. Control of compliance with requirements**

The tender opening constitutes the start of the assessment and evaluation of the tenders, where the first step entails controlling the tenders' compliance with the requirements for the procurement. The office of FTN controls that the tenders received are complete, that the tender fee has been paid, that the tender meets both general and procurement-specific mandatory requirements and that there are no grounds for exclusion.

Examples of mandatory requirements in this specific procurement are that the fund manager, or investment manager if applicable, must have managed assets within the strategy the procurement concerns for a consecutive period of at least three years during the last five years. Examples of requirements in the procurement specification are that the fund must be actively managed and have an active risk within set intervals.

Examples of grounds for exclusion are if the fund manager or investment manager has been convicted of certain types of financial crime and if the fund manager has unduly attempted to distort competition or to influence the decision-making process of the procuring authority.

In order for a tender to be evaluated, the fund must meet all the mandatory requirements of the procurement and there must be no grounds for exclusion. Tenders that meet the requirements will be evaluated by the FTN office in the next phase of the procurement.

#### 3.5.2. Qualitative and quantitative evaluation

The evaluation involves an in-depth qualitative and quantitative analysis aimed at verifying the information provided in the tenders. The fund managers who receives the highest scores on the award criteria are invited to interview meetings. The maximum number of fund managers that are invited to the interviews vary and is stated in the procurement guidelines for each procurement. In this procurement, a maximum of fifteen tenderers could be invited to an interview.

The evaluation criteria and their respective weights in the evaluation are described in the Request for Proposal (RFP). For this specific procurement, the award criterion regarding the quality of the fund, chapters 4–12 of the RFP, had a weight of 75 percent and the award criterion of cost-efficiency, chapter 13 of the RFP, had a weight of 25 percent. The weights for these two award criteria are fixed in relation to each other.

During the evaluation of the award criteria, the following aspects will, among others, be assessed:

- **Investment philosophy:** The investment philosophy should be clear and describe how the fund manager seeks to create added value for unit holders. The philosophy should be reflected in the daily work and adhered to by the entire organization.
- **Investment process:** The investment process describes how the investment management is carried out. Each step and the order of the process should be described from idea generation to portfolio construction. Who does what and with what authority should be described. Evidence of discipline, structure and repeatability of the process should be demonstrated.
- **Manager resources:** Who does what in the portfolio management. Both the fund manager and the associate portfolio manager and team, as well as any other resources within the firm that the fund manager can use, will be assessed. Organization, diversity, staff turnover, skills development and culture are evaluated.
- **Investment performance:** Performance is evaluated to confirm that the fund manager's process and philosophy works – that the fund manager has the ability and prerequisites to create returns in relation to the chosen investment philosophy. The evaluation consists of in-depth quantitative analyses aimed at verifying that

*Please note that this is a simplified description. The full and governing award criteria are described in the procurement documentation.*

the management of the fund is carried out in the manner described in the tender and that it can be observed in the data.

- **Administration and risk control:** The fund manager's organization of control functions for risk management, risk control, compliance and audit, including the ability to monitor and manage risks within the fund and the management organization is evaluated.

#### 3.5.3. Site visits and interviews

Members of the FTN office conduct site visits and interviews with representatives of the tenderer. The purpose of the site visits is to verify the information submitted in the tender. The interviews cannot lead to a higher score in the procurement but can result in a deduction of points if it is discovered during the site visit that the information submitted in the tender does not correspond to the tenderer's organization, operations, management, etc.

#### 3.5.4. Revision of price

The fund managers selected for interview meetings are offered the opportunity, after the meetings have taken place, to submit in writing a revised and final offer of a lower price. This means that a fund manager may reduce the price initially quoted in the offer, but not increase it.

### 3.6. Award decision

When the evaluation is completed, the Board of FTN decides on which fund managers that are awarded a fund agreement. The law stipulates that the contract period of the fund agreements cannot be longer than twelve years. In this procurement, the initial contract period is six years with the possibility of extension to a maximum of twelve years. The award decision is published via e-Avrop and on FTN's website [www.ftn.se](http://www.ftn.se). The award decision enters into force after the standstill period announced in the award decision has expired.

### 3.7. Allocation and deregistration

When notice is made for a procurement of a fund category, the fund agreements for the current funds in the category are terminated. However, the funds remain on the fund platform until the procurement is completed.

Once the procurement process is completed and the award decision has become legally binding, the deregistration process of the funds in the category not awarded a fund agreement begins. The awarded funds is offered the opportunity to sign a fund agreement for the procured fund. Once the agreement has been concluded, the funds



*The full and prevailing provisions on the allocation scheme can be found in the procurement guidelines for the procurement in question.*

will be registered in the Swedish Pensions Agency's systems, if they are not already on the fund platform, and thus become available to pension savers.

The capital allocation scheme states that the premium pension assets to be transferred from funds previously registered on the platform are distributed equally among the procured funds, with certain exceptions. For example, funds that are already registered on the fund platform, and are awarded a fund contract in the procurement, retain their assets under management stemming from the Swedish Pensions Agency. If the pensions agency's assets at the time are less than the allocated capital, the fund will receive assets up to the same level as other procured funds. Pension savers always have the possibility to transfer their savings into other funds, which means that there is no guarantee of allocated amount.

#### **3.7.1. Information for pension savers**

In connection with the completion of a procurement, the Swedish Pensions Agency notifies the savers that have assets invested in funds that are no longer covered by fund agreements by letter, stating that their chosen fund will be deregistered from the fund platform. The individual pension saver does not need to take action, the saver's assets are automatically transferred to an equivalent procured fund in the same category if the pensions saver does not make another choice. However, the pension saver always has the option of changing funds within the premium pension system at any time.

If the pension saver has assets in a fund currently registered on the fund platform that is awarded a fund contract in a procurement the pension saver's assets will remain in that fund.

#### **3.8. Continuous monitoring**

A prerequisite for being eligible for the fund platform is that the fund maintain the same high quality as when procured, where the fund managers must act with the pension savers' interest in focus throughout the contract period.

The procured funds are monitored with respect to the mandatory requirements and award criteria specified in the fund agreement for each procurement. If a fund no longer meets the fund agreement or other requirements during the contract period, this may lead to termination of the fund agreement. A deterioration in the quality that the fund had at the time of the award decision can thus lead to the termination of the fund agreement.

In order to enable monitoring, the fund manager must be able to provide FTN with information on an ongoing basis, as specified in the fund agreement. Information will be collected via distributed questionnaires and, if necessary, also upon the request of the office of FTN.



## 4. The European equity funds category as of today

This specific procurement covers actively managed equity funds in the fund category Europe which is also one of the fund categories on the current fund platform. Total assets under management for all funds within the category was at year-end 2023 SEK 10.7 billion, corresponding to just under one percent of the total assets under management on the fund platform.<sup>1</sup>

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<sup>1</sup> excluding AP7 S&fa

### Actively managed European equity funds

Funds currently on the  
platform: 22\*

Number of funds to be pro-  
cured: Max 6

Assets under management:  
SEK 10.7 billion

Share of total assets under  
management (excl AP7  
Såfa): approx. 1 %

\*Per 2023-12-31.

## 4.1. The range of funds offered

As of year-end 2023, the category of actively managed European equity funds on the current fund platform consisted of 22 funds. Of these 22 funds, 19 were managed by foreign fund managers and three by Swedish fund managers. The total number of pension savers in the funds on the platform was 136,049.

More than 92 percent of the assets in this category was placed in the six largest funds. The remaining 16 funds together held less than 8 percent of the assets.

The funds that were offered in the current category on the fund platform as of 2023-12-31 were:

Fund Manager	Fund
abrdn Investments Luxembourg S.A	abrdn SICAV I – Europe ex UK Sustainable Equity Fund A
abrdn Investments Luxembourg S.A	abrdn SICAV I – European Sustainable Equity Fund A
AMF Fonder AB	AMF Aktiefond Europa
Banque de Luxembourg Investments	BL – Equities Europe B
BlackRock Luxembourg S.A.	BlackRock – Euro Markets A2
BlackRock Luxembourg S.A.	BlackRock – European Value A2
Luxcellence Management Company S.A.	CB European Quality Fund A Cap
Danske Invest Management A/S	Danske Invest SICAV – Europe SI
Evli Fondbolag Ab	Evli Europa Placeringsfonden B
FIL Investment Management (Luxembourg) S.A.	Fidelity – European Dynamic Growth Fund A
Fondbolaget Fondita Ab	Fondita Sustainable Europe Placeringsfond
Goldman Sachs Asset Management B.V.	Goldman Sachs Europe Equity P
Goldman Sachs Asset Management B.V.	Goldman Sachs Europe Sustainable Equity P
Goldman Sachs Asset Management B.V.	Goldman Sachs Eurozone Equity P
Länsförsäkringar Fondförvaltning AB	Länsförsäkringar Europa Aktiv A
Nordea Funds Ab	Nordea European Stars
Odin Forvaltning AS	Odin Europa C
Pictet Asset Management (Europe) S.A.	Pictet Quest Europe Sustainable Equities R
S-Bank Fund Management Ltd.	S-Banken Europa Aktie A
SEB Investment Management AB	SEB Europafond
Franklin Templeton International Services S.à.r.l.	Templeton European Opportunities Fund A
Ålandsbanken Fondbolag Ab	Ålandsbanken Europa Aktie B Placeringsfond



# 0.48 %

**AVERAGE EQUALLY  
WEIGHTED FEE AFTER  
DISCOUNT YEAR 2023.**

## 4.2. Fees

At year-end 2023, the equally weighted average fee in the category was 0.48 percent, net of the Swedish Pensions Agency's discount. The median fee was 0.51 percent with a spread ranging from a minimum of 0.14 percent to a maximum of 0.68 percent. The capital-weighted average fee, after discount, was 0.27 percent.

The average equally weighted fee in the category, 0.48 percent, is higher than for the fund platform as a whole, where the average is approximately 0.33 percent. Actively managed equity funds, generally have a higher fee than, for example, index funds and fixed income funds.

## 4.3. Returns

The average annual return over the last three years until 30 June 2023 for the category was 9.0 percent. This can be compared to the category index, MSCI Europe TR Index, used in the procurement of the category. The MSCI Europe TR Index had an average annual return of 11.8 percent during the same period.

The funds in the category have thus had an annual return over the past three years that has been on average 2.8 percentage points lower than the category index. The spread in outcomes is relatively large, from an average return of 3.5 percent per year to 14.1 percent per year. Over the past three years, two of 21 funds have had an annual average return that exceeds the return of the category index.<sup>2</sup>

## 4.4. Sustainability

There are a few sustainability requirements on the current fund platform, such as that fund managers should be a UN's Principles for Responsible Investment (UNPRI) signatory.

Of the total of twenty two funds in the current category, twenty one funds report under Sustainable Finance Disclosure Regulation (SFDR) Article 8 or 9.

<sup>2</sup> 21 out of 22 funds have a three year track record.



## 5. Results of the procurement of European equity funds

Notice for the procurement was made June 30<sup>th</sup> 2023 and the award decision was published March 25<sup>th</sup> 2024. A total of 35 tenders were submitted, of which six fund managers were awarded fund agreements regarding funds on the premium pension fund platform.

## 5. Results of the procurement of European equity funds



*For full and governing criteria of the procurement, please see the procurement documentation.*

### 5.1. Scope of the procurement

The procurement in question covers UCITS funds with a main focus on investments in equity in large and medium-sized companies in Europe. The funds must be actively managed with the investment target of generating excess returns compared to the benchmark index. Since the funds must be actively managed, and thus not follow an index, the minimum permitted tracking error is two percent against the fund's benchmark index. The fund's benchmark index may in turn have a maximum of four percent tracking error against the procurement's category index MSCI Europe TR Index, which ensures that the funds provide exposure to the desired asset class.

In the procurement, the requirements in terms of sustainability are raised in comparison to the current fund platform. One example of this is that the procurement specification requires the funds to have sustainability as an integral part of the investment process and to be reporting in accordance with SFDR Article 8 or 9.

According to the procurement documentation, up to six funds can be awarded fund agreements. The fund agreements have an initial contractual period of six years.



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## SUBMITTED TENDERS

## 5.2. Tenders submitted

A total of 35 tenders were submitted in the procurement during the tender period. The following tenderers participated:

	Fondförvaltare	Fond
1	ABN AMRO Investment Solutions	ABN AMRO EdenTree European Sustainable Equities
2	abrdn Investments Luxembourg S.A.	European Sustainable Equity Fund
3	Allianz Global Investors GmbH	Allianz Europe Equity Growth – AT EUR
4	Allianz Global Investors GmbH	Allianz Europe Equity Growth Select – AT EUR
5	AMF Fonder AB	AMF Aktiefond Europa
6	Amundi Ireland Limited	GIB AM European Focus Fund
7	AXA Investment Managers Paris	AXA WF Framlington Sustainable Europe I EUR
8	BlackRock Global Funds	BGF European Fund
9	BlackRock Global Funds	BGF European Sustainable Equity Fund
10	BLI – Banque de Luxembourg Investments	BL Equities Europe
11	BNY Mellon Fund Management (Luxembourg) S.A.	Representative Walter Scott Europe strategy portfolio
12	Bridge Fund Management Limited	Liontrust GF Sustainable Future Pan-European Growth Fund
13	Comgest Asset Management International Limited	Comgest Growth Europe Compounds
14	CPR AM	CPR Europe ESG
15	Danske Invest Management A/S	Danske Invest SICAV Europe Class SI – sek
16	Devon Equity Management Limited	Devon Equity Funds SICAV – European Opportunities
17	Evli Fund Management Company Ltd	Evli Europe
18	Fisher Investments Ireland Limited	Fisher Investments Institutional European Equity Fund
19	Generali Investments Luxembourg S.A.	Generali Investments Sicav SRI Ageing Population
20	Handelsbanken Fonder AB	Handelsbanken Europa Selektiv
21	Invesco Ltd.	Invesco Pan European Focus Equity Fund A – Acc Shares
22	JPMorgan Asset Management Europe	JPMorgan Funds – Europe Sustainable Equity Fund
23	Jupiter Asset Management International S.A.	Jupiter European Growth SICAV
24	Länsförsäkringar Fondförvaltning AB	Länsförsäkringar Europa Aktiv
25	M&G PLC	M&G (Lux) European Strategic Value Fund
26	Montanaro Asset Management Limited	Montanaro European Focus Fund
27	Nordea Investment Funds S.A	Nordea 1 – European Stars Equity Fund (BP – EUR)
28	RBC Global Asset Management (UK) Limited	RBC Funds (Lux) – European Equity Focus Fund
29	Robeco Institutional Asset Management B.V	Robeco Sustainable European Stars Equities
30	SEB Investment Management AB	SEB Europe Equity Fund
31	Swedbank Robur Fonder AB	Swedbank Robur Europafond A
32	Sycomore Asset Management S.A.	Sycomore Europe ECO Solutions
33	Unigestion SA	Uni-Global – Equities Europe
34	Universal-Investment-Luxembourg S.A.	Berenberg European Focus Fund
35	Ålandsbanken Fondbolag AB	Ålandsbanken Europa Aktie

*For full details, see the procurement documentation.*

### **5.3. Fulfilment of requirements**

The submitted tenders were reviewed by the FTN office and controlled against administrative requirements, exclusion criteria and mandatory requirements. 23 tenders did not meet the requirements, or were incomplete, and thus did not proceed to the evaluation phase.

A total of 12 correct and complete tenders were submitted that met the administrative and mandatory requirements.

### **5.4. Evaluation of tenders**

The 12 tenders that met the requirements were evaluated by the office of FTN. In the evaluation, great emphasis was placed on the fund's fee, investment philosophy and process, and the fund manager's control functions. The fund's management organization and its investment performance were also considered in the evaluation.

#### **5.4.1. Interviews and on-site visits**

The procurement guidelines for the procurement in question state that a maximum of fifteen fund managers could be invited to an interview meeting. From a total of twelve evaluated tenders, ten were invited to an interview meeting, as one tenderer chose to withdraw its tender and one tenderer did not reach the required minimum level of points after evaluation.

Prior to the interview meetings, fund managers were required to provide additional information, such as five years of transaction history for the fund. The transaction history was used to get a deeper understanding of how the fund's portfolio manager creates value in the management and to verify that the transaction history is consistent with the investment philosophy and investment process stated by the fund manager in the tender. The overall purpose of the interview meetings is to verify the answers provided by the fund manager in the tender.

#### **5.4.2. Revision of price**

In the final part of the evaluation phase, fund managers had the opportunity to reduce the price quoted in the offer. The final score was then determined and formed the basis for the award decision made by the Board of FTN.

### 5.5. Award decision

From of a total of 35 submitted tenders, six fund managers are awarded fund contracts with FTN. These six fund managers are those who received the highest score in the overall evaluation of the award criteria and meet the mandatory requirements for the procurement. The award decision was made public by FTN on March 25<sup>th</sup> 2024.

#### **The six fund managers and funds awarded are:**

- **Abrdn Investments Luxembourg S.A.**  
European Sustainable Equity Fund
- **AMF Fonder AB**  
AMF Aktiefond Europa
- **JPMorgan Asset Management**  
JPMorgan Funds Europe Sustainable Equity Fund
- **Nordea Investment Funds S.A.**  
Nordea 1 – European Stars Equity Fund (BP-EUR)
- **SEB Investment Management AB**  
SEB Europe Equity Fund
- **Swedbank Robur Fonder AB**  
Swedbank Robur Europafond A



**Resources** refer to chapters four and five of the RFP.

**Fund, philosophy and process** refer to chapters six and seven of the RFP.

**Investment performance and portfolio construction** refer to chapters eight and ten of the RFP.

**Implementation, administration and risk control** refers to chapters 9, 11 and 12 of the RFP.

**Fee** refers to chapter 13 of the RFP.

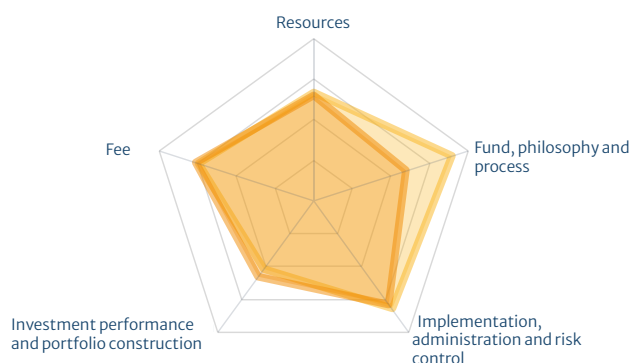
## 5.6. Results from the evaluation

The chart below illustrates the evaluation results of the procured funds with regard to the award criteria in the procurement. The result for each awarded fund is shown in relation to the average result for the 10 funds and fund managers for which FTN carried out a full evaluation, including interview meetings.

In the evaluation, the responses in the tender documents are rated on a scale of 0–4, with 4 being the maximum score. The scale of the graphs is adjusted to show 2–4 to make it easier for the reader to see differences between the individual scores of the funds and the average. Note that the award criteria have different weights in the evaluation but this is not taken into account in these charts.

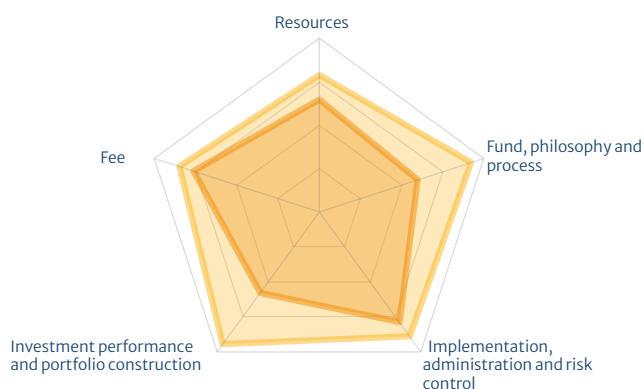
### Abrdn Investments Luxembourg S.A.

- Abrdn Standard SICAV I European Sustainable Equity Fund
- Genomsnitt utvärderade fonder



### AMF Fonder AB

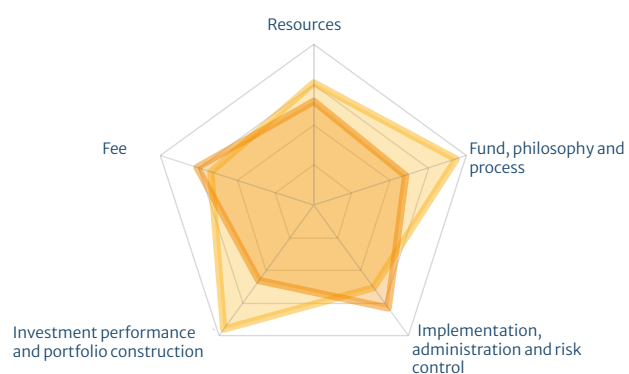
- AMF Aktiefond Europa
- Genomsnitt utvärderade fonder



## 5. Results of the procurement of European equity funds

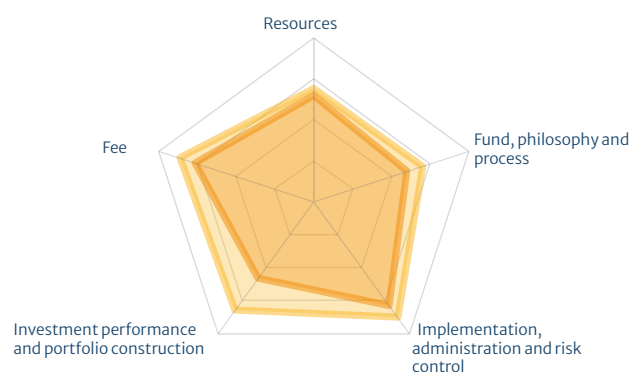
### JPMorgan Asset Management

- JPMorgan Funds Europe Sustainable Equity Fund
- Average – evaluated funds



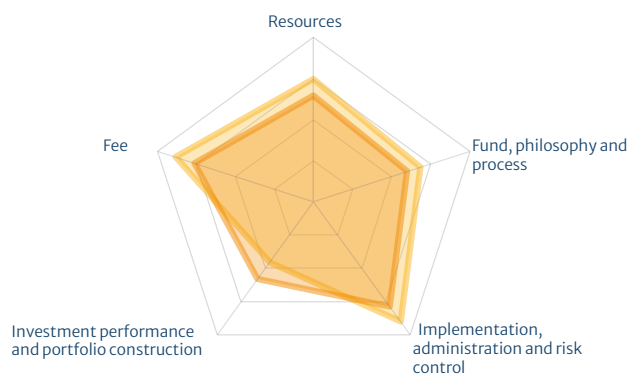
### Nordea Investment Funds S.A

- Nordea 1 European Stars Equity Fund
- Average – evaluated funds



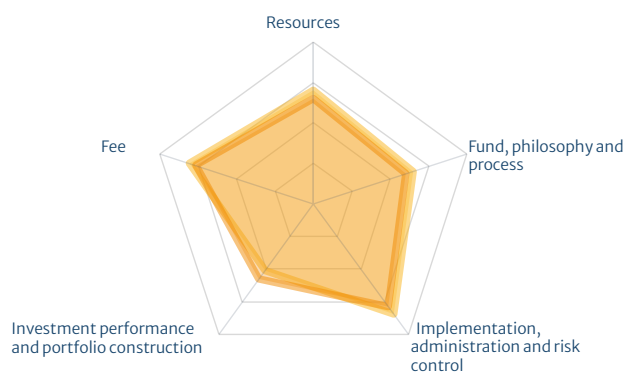
### SEB Investment Management AB

- SEB Europe Equity Fund
- Average – evaluated funds



### Swedbank Robur Fonder AB

- Swedbank Robur Europafond
- Average – evaluated funds



## 5.7. Fund information

### 5.7.1. abrdn Standard SICAV I – European Sustainable Equity Fund

The fund invests in large and medium-sized companies listed in Europe, with a focus on high quality companies. The investment process is based on a company-focused fundamental analysis (bottom-up) and the fund usually has around thirty holdings. The fund's target is to generate a return that exceeds its benchmark, the FTSE World Europe Index (EUR). The investment team consists of four employees, including three portfolio managers, who together have managed the fund since 2015. abrdn Standard SICAV I – European Sustainable Equity Fund was established in 1993 and is registered in Luxembourg. The fund is managed by abrdn Investments Limited, that has been managing funds since 1987.

Fund information	
Fund manager	abrdn Investments Limited
New on the fund platform	No
ISIN	LU0094541447
Country of registration	Luxembourg
Currency	EUR
Start date	1993
Portfolio managers	Ben Ritchie (2015), Kurt Cruickshank (2022), Roseanna Ivory (2022)
Assets under management	approx. EUR 276 million
Negotiated fee	0,30%
SFDR	Article 8
Benchmark	FTSE World Europe Index (EUR)
Sharpe ratio (3 years)	0,51
Standard deviation (3 years annualized)	15,81%
Information ratio (3 years)	-0,56

### 5.7.2. AMF Aktiefond Europa

The fund invests in large and medium-sized companies listed in Europe, with a focus on growth companies with reasonable valuations (GARP). The investment process is based on a company-focused fundamental analysis (bottom-up) and the fund typically has around eighty holdings. The fund aims to generate a return that exceeds its benchmark index, MSCI AC Europe NR. The investment team consists of two portfolio managers who together have managed the fund since 2021. AMF Aktiefond Europa was established in 1999 and is registered in Sweden. The fund is managed by AMF Fonder AB, that has been managing funds since 1997.

Fund information	
Fund manager	AMF Fonder AB
New on the fund platform	No
ISIN	SE0000739153
Country of registration	Sweden
Currency	SEK
Start date	1999
Portfolio managers	Rickard Alte (2021–09), Martin Siwmark (2021–12)
Assets under management	approx. SEK 8 billion
Negotiated fee	0,08%
SFDR	Article 8
Benchmark	MSCI AC Europe NR
Sharpe ratio (3 years)	0,64
Standard deviation (3 years annualized)	16,32%
Information ratio (3 years)	0,62



### 5.7.3. JPMorgan Funds – Europe Sustainable Equity Fund

The fund invests in large and medium-sized companies listed in Europe, with a focus on well-established companies. The investment process is based on a company-focused fundamental analysis (bottom-up) and the fund typically has around 75 holdings. The fund aims to generate a return in excess of its benchmark, the MSCI Europe Index (Total Return Net). The investment team consists of a total of 38 employees, with three portfolio managers who together have managed the fund since 2016. JPMorgan Funds – Europe Sustainable Equity Fund was launched in 2016 and is registered in Luxembourg. The fund is managed by JPMorgan Asset Management (UK) Limited, that has been managing funds since 1974.

Fund information	
Fund manager	JPMorgan Asset Management (UK) Limited
New on the fund platform	Yes
ISIN	LU1529809227
Country of registration	Luxembourg
Currency	EUR
Start date	2016
Portfolio managers	Richard Webb (2016–12), Joanna Crompton (2016–12), Alexandra Sentuc (2020–11)
Assets under management	approx. EUR 961 million
Negotiated fee	0,38%
SFDR	Article 8
Benchmark	MSCI Europe Index (Total Return Net)
Sharpe ratio (3 years)	0,88
Standard deviation (3 years annualized)	16,17%
Information ratio (3 years)	0,49

#### 5.7.4. Nordea 1 – European Stars Equity Fund

The fund invests in large and medium-sized companies listed in Europe, with a mix of value and growth companies. The investment process is based on a company-focused fundamental analysis (bottom-up) and the fund typically has around 80 holdings. The fund aims to generate a return that exceeds its benchmark, the MSCI Europe Index (Net Return). The investment team consists of eleven employees, with two portfolio managers, who together have managed the fund since 2020. Nordea 1 – European Stars Equity Fund was launched in 2017 and is registered in Luxembourg. The fund is managed by Nordea Investment Management AB, that has been managing funds since 1954.

Fund information	
Fund manager	Nordea Investment Management AB
New on the fund platform	Yes
ISIN	LU2700275808
Country of registration	Luxembourg
Currency	EUR
Start date	2017
Portfolio managers	René Møller Petersen (2020–01), Frederik Nøkleby Weber (2020–01)
Assets under management	approx. SEK 8.0 billion
Negotiated fee	0,20 %
SFDR	Article 8
Benchmark	MSCI Europe Index (Net Return)
Sharpe ratio (3 years)	0,77
Standard deviation (3 years annualized)	17,27%
Information ratio (3 years)	0,17

### 5.7.5. SEB Europe Equity Fund

The fund invests in large and medium-sized companies listed in Europe. The investment process is based on a company-focused systematic analysis (quantitative bottom-up) of large amounts of data and the fund typically has between 110–200 holdings. The fund aims to generate a return that exceeds its benchmark, the MSCI Europe Net Total Return Index. The investment team consists of eleven employees, including two portfolio managers who have jointly managed the fund since 2010. SEB Europe Equity Fund was established in 1988 and is registered in Luxembourg. The fund is managed by SEB Investment Management AB, that has been managing funds since 1978.

Fund information	
Fund manager	SEB Investment Management AB
New on the fund platform	No
ISIN	LU2412067188
Country of registration	Luxembourg
Currency	EUR
Start date	1988
Portfolio managers	Maria Werner (2015), Oscar Blomkvist (2018)
Assets under management	approx. EUR 129 million
Negotiated fee	0,099%
SFDR	Article 8
Benchmark	MSCI Europe Net Total Return Index
Sharpe ratio (3 years)	0,71
Standard deviation (3 years annualized)	15,96%
Information ratio (3 years)	–0,38

### 5.7.6. Swedbank Robur Europafond

The fund invests in large and medium-sized companies listed in Europe, with a focus on growth companies. The investment process is based on a company-focused fundamental analysis (bottom-up) and the fund typically has around 55 holdings. The fund aims to generate a return that exceeds its benchmark, MSCI Europe Net. The investment team consists of a portfolio manager who has managed the fund since 2020. Swedbank Robur Europafond was established in 2000 and is registered in Sweden. The fund is managed by Swedbank Robur Fonder AB, that has been managing funds since 1978.

Fund information	
Fund manager	Swedbank Robur Fonder AB
New on the fund platform	Yes
ISIN	SE0000539454
Country of registration	Sweden
Currency	SEK
Start date	2000
Portfolio managers	Petra Klaffert (2020–10)
Assets under management	approx. SEK 10.1 billion
Negotiated fee	0,21%
SFDR	Article 8
Benchmark	MSCI Europe Net
Sharpe ratio (3 years)	0,56
Standard deviation (3 years annualized)	15,74%
Information ratio (3 years)	-0,37





## 6. Change in the category

The fund category actively managed European equity funds is reduced from 22 to 6 funds after the procurement. Of these six, three are new to the premium pension fund platform and three are part of the current offering on the platform.

The three funds that are part of the current offering on the fund platform and that have now been procured, have all been procured at a lower fee than what they are currently charging on the platform.



*This chapter aims to highlight differences between the funds in the current fund category and the funds in the procured category. Please note that this is not part of the evaluation carried out in the context of the procurement process.*

## 6.1. Quality, risk and return

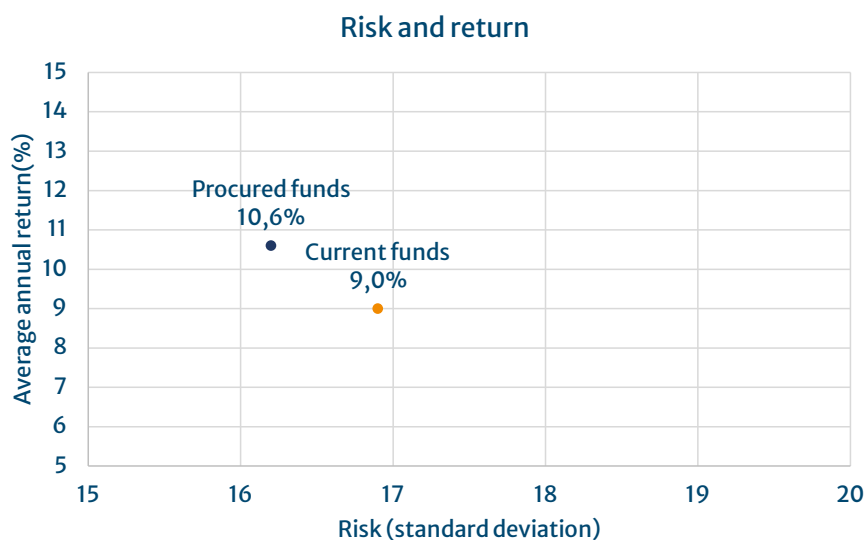
All funds awarded fund agreements are of high quality. This means that the funds are deemed to have a high probability of generating good returns for the pension savers over time.

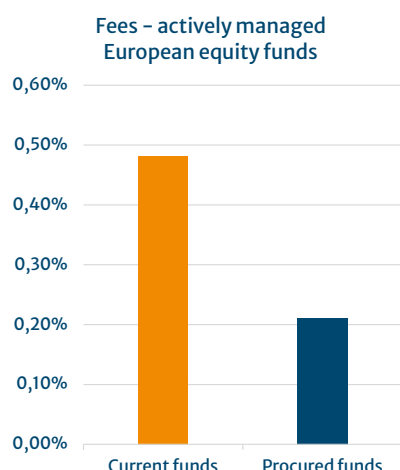
The quality of the funds has only been evaluated on those funds that have submitted tenders in the procurement and have met the requirements, not for the funds on the existing platform. It is therefore not possible to analyze how the quality has changed as a result of the procurement.

A comparison of historical returns over the last three years, until June 30th 2023, shows that the funds on the current platform have had an average annual return of 9.0 percent net of fees<sup>1</sup>. During the same period, the procured funds have had an average annual return of 10.6 percent net of fees. The procurement's category index MSCI Europe TR Index has during the same period had an average annual return of 11.8 percent.

During the three-year period until 30 June 2023, the procured group has had a slightly lower risk, measured as standard deviation, compared to the funds on the current platform. Over the past three years, the procured funds have thus on average had a higher return at a lower risk compared to the funds on the current platform.

<sup>1</sup> includes the 21 funds with a three year history





### 6.2. Fees

The average fee amongst the current funds on the platform was 0.48 percent at the time of notice for the procurement. The average fee of the procured funds is 0.21 percent. This means a reduction of the average fee by 0.27 percentage points.

### 6.3. Sustainability

In order to meet the legal requirement to procure sustainable funds, FTN has decided on mandatory sustainability requirements for both fund managers and funds. The fund managers and funds that have been procured meet all mandatory sustainability requirements. This means that the minimum level of sustainability in the fund offering has been raised in the category compared to the existing offering.

This means, among other things, that all procured funds:

- reports under SFDR Article 8 or 9,
- have processes in place, integrated with the fund's investment process and active ownership process, to identify whether businesses in which the fund invests are acting in line with the objectives of the Paris Agreement and have guidelines on how the fund manager should act as an investor based on this information,
- have signed and are subject to the UN-backed Principles for Responsible Investments (PRI).
- excludes activities related to the production, storage, trade or use of controversial and nuclear weapons; and
- excludes activities where more than 5 percent of turnover is derived from the production of tobacco or tobacco products, extraction/production of thermal coal or oil sands, generation of electricity by burning thermal coal.

### 6.4. Freedom of choice

Freedom of choice has not been part of the evaluation in the procurement process but is an overarching requirement that FTN has to consider in its decision-making. The selection of funds must offer freedom of choice for savers, for example regarding funds with different investment orientations and risk levels. This is mainly achieved by procuring different fund categories rather than procuring different funds within the same category.

The number of funds in the procured category is 6, compared to 22 funds in the corresponding fund category on the current platform. The reduction in the number of funds is not assumed to affect the freedom of choice within the category, as many of the funds in the category prior to the procurement have similar investment focuses. The six procured funds are considered to be sufficient in number to be able to achieve the equivalent diversity in the fund category as before, which is supported by the quantitative analysis of the degree of diversification in the category carried out by the office of FTN.

Before the tender, more than 90 percent of the invested capital in the category was invested in the six largest funds. Savers have thus only used the full range of 22 funds to a limited extent. It is the assessment of FTN that, even after the procurement, there is sufficient freedom of choice to meet savers' demand.



## 7. FTN's conclusions on the procured category of funds

The funds procured must, by law, be suitable, controllable, sustainable, cost-efficient and of high quality. In addition, the range of funds on the fund platform must provide freedom of choice for pension savers.



FTN can establish that a sufficient number of high quality tenders were received in the procurement process to enable a final result that meets the legal requirements.

The procurement has resulted in a reduction in the average fee in the category from 0.48 percent to 0.21 percent. This, combined with the fact that the procured funds are of high quality, means that FTN have confidence in that the procured funds have a high probability to generate good returns for savers over time.

The number of funds in the category is reduced from 22 to 6. This means, all things being equal, that the possibility of qualitatively reviewing the funds increases and the controllability of the category is thereby improved. The procured funds also meet the requirements in the procurement that aim to increase controllability, such as that the funds do not use financial leverage and that investments in other funds are not permitted.

The minimum level of sustainability has been raised in the category through the mandatory requirements of the procurement. After the procurement, all funds in the category have sustainability as a well-integrated part of the investment process and report in accordance with SFDR Article 8.

Finally, FTN would like to take this opportunity to thank all tenderers who invested time and resources by participating in the procurement.



**Fondtorgsnämnden**  
Swedish Fund Selection Agency