

14. Template pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

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

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



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Product name: CB FUND – SAVE EARTH FUND®

Legal entity identifier: 529900CM3ES7TC9YOL54

Sustainable investment objective

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: 80%**

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective: 0%**

It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

It is our belief that that long-term investing is synonymous with investing in sustainability and continued economic development depend on large scale investments in the following key areas: clean tech, renewable energy and water management. Expanding on this notion companies pioneering development of products within these areas provide structural growth and by extension higher profit growth and returns than the stock market average, for a foreseeable future. For CB Asset Management it is important that we deliver a competitive return within the bounds of social responsibility and sustainability. We find matters of ESG very important for a company's possibility of creating and maintaining a stable long-term return.

The Sub-Fund holds investments mainly in equities represented in selected environmental indices. The geographical exposure is mainly towards Europe and North America. The fund is actively managed with a concentrated portfolio and investments are made on a long-term basis

As previously mentioned, it is the managers' belief that long-term investing is synonymous with investing in sustainability. The fund management is subject to an ethical framework as well as the UN principles for Responsible Investments, UN PRI. Additionally, the fund is connected to SWESIF Hållbarhetsprofilen and exclude all controversial products and services mentioned by SWESIF such as weapons, alcohol, uranium, and pornography.

The reference benchmark of the fund is MSCI World Net, which is not a sustainability focused index. There are several reasons why this index has been chosen as the benchmark index, but it is mainly since there were no good sustainability indices in 2008 when the fund was inception.

Furthermore, the managers strongly believe that sustainable investments are synonymous with successful investments and demonstrate this by using a non-sustainability-oriented index.

- **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

Companies are mainly related to the areas of Renewable Energy Clean Technologies, Water Management and Water Distribution. In order to measure the attainment of the above objectives, the Investment Manager will monitor the following indicators in the framework of its internal ESG screening:

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

2) ESG Methodology

The sustainability indicators have been determined in the framework of the Investment Manager's internal ESG screening methodology.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities for maximizing the long-term risk-adjusted returns.

The Investment Manager considers sustainability risks are as part of its broader analysis of potential investments and the factors considered will vary depending on the security in question, but typically include ownership structure, board structure and membership, capital allocation track record, management incentives, labour relations history, and climate risks.

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

CB Asset Management invests in companies with strong ESG practices and excludes companies that might harm matters of ESG. Further, sustainability risks are considered in the investment process and continuous screening to exclude such companies. If such a screening comes back negatively, CB Asset Management investigate the issues of the company. If measures are taken to combat such issues, CB Asset Management follows the process. If no sufficient measures are taken, CB Asset Management usually divest the holding.

CB Asset Management regards the 18 mandatory indicators:

- GHG emissions (Scope 1, 2, 3 and total)
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity sensitive areas

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

- Emissions to water
- Hazardous waste ratio
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)
- GHG Intensity
- Social violations for sovereigns
- Deforestation
- Supplier Codes of Conduct

CB Asset Management are also committed to following global norms including:

- United Nations Global Compact
 - ILO Conventions on labour standards
 - UN Declaration of Human Rights
 - UN Rights of the Child Convention
 - UN Climate Convention
 - The Kyoto Protocol
 - UN Convention against Corruption
- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

CBAM regards violations and lack of processes complied to these guidelines and principles.

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

Yes

Please see **How have the indicators for adverse impacts on sustainability factors been taken into account?** below, or the [Sustainability report](#).

No





The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What investment strategy does this financial product follow?

The fund is actively managed with a concentrated portfolio and investments are made on a long-term basis. It is the managers' belief that long-term investing is synonymous with investing in sustainability. The fund management is subject to an ethical framework, and the UN principles for Responsible Investments, UN PRI. The fund invests in companies with exposure to structural growth themes that can deliver stable growth independent of the volatile business cycle – specifically the sectors cleantech, renewable energy and water. The fund also prefers to invest in companies with protected growth, often characterized by industries with high barriers to entry.

The fund has low turnover, and the strategy is not based on constantly identifying new possible investments, but instead focused on a more concentrated scope of companies which are regularly observed over a long period of time. The objective is not per se focused on finding inefficiencies or arbitraging. Of course, any type of investing is, per definition, about finding some type of mispricing/inefficiencies. What we do seek to find is long term opportunities in companies that we find well managed, reflected in a superior history – attributes not seldom overlooked by the market.

The fund aims to outperform MSCI World Net index over 12 months, with lower standard deviation.

Read more about how the strategy is implemented the [investment process](#).

- **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The Sub-Fund is focused on the three megatrends: cleantech, renewable energy and water management.

All investments are subject to an ethical and sustainable framework. This framework is upheld by the portfolio managers and used in the screening of potential investments, continuous screening of holdings, and screening of potential divestments. With help from a leading provider of ESG rating, the Sub-Fund is screened continuously to detect violations against matters of ESG. The screenings are key in ensuring that the internal investment process at CB Asset Management is based on the guidelines and restrictions set in place by the sustainability policy. In situations when a screening comes back positive for a violation, CB Asset Management evaluates the violation and decides what action to take. If it is determined that the company for which the violation is raised is not responsible for any of the actions leading to the violation, CB Asset Management can hold on to the company in anticipation of preventive actions from the affected company. On the other hand, if CB Asset Management agrees with the results of the screening, and the company for which the violation has been raised is not in the process of remedying it, CB Asset Management excludes the company and sells all holdings of the company in its funds.

It is the managers' belief that long-term investing is synonymous with investing in sustainability. The fund management is subject to an ethical framework as well as the UN principles for Responsible Investments, UN PRI. Additionally, the funds are connected to SWESIF Hållbarhetsprofilen and exclude all controversial products and services mentioned by SWESIF such as weapons, alcohol, uranium, and pornography.

Since the Sub-Fund is an environmental fund that only invests in environmental leaders with strong management, E and G factors can be seen as the primary factors in the Sub-Fund's management. Against this background, factors that are generally perceived as worthy of consideration need not necessarily be so from the Sub-Fund's perspective.

- **What is the policy to assess good governance practices of the investee companies?**

The ESG characteristics that will be taken into consideration integrate best-in-class approach with regard to governance practices - thus guaranteeing the good governance of the companies forming part of the portfolio.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

What is the asset allocation and the minimum share of sustainable investments?

- #1. There is no allocation planned between “Taxonomy aligned” and “Other”, but all investments are aligned with at least one of them (hence minimum 1%).
- #2. Not sustainable investments will be cash

For a company to be included in the Sub-Fund, it must either have a significant share of the business (50% of expected sales or profit) within any of, or a combination of, the areas cleantech, water management and/or renewable energy or a smaller part today that the fund managers believe will grow going forward and by that be a significant driver for the share price. Remaining operations must not be within a controversial sector. In addition, the company must produce pioneering products in environmental technology, water management and/or renewable energy that fund managers judge to be highly innovative, sustainable as well potential market leaders. For all investments the “do no significant harm principle” is considered. Please see the [investment process](#) for more information.



- #1 **Sustainable covers** sustainable investments with environmental or social objectives.
- #2 **Not sustainable** includes investments which do not qualify as sustainable investments.

1. How does the use of derivatives attain the sustainable investment objective?

The Sub-Fund does not use derivatives.



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

The minimum share expected to be invested in accordance with EU Taxonomy is 1%.

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



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

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

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

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

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

The Sub-Fund does not have a minimum share of investments in transitional and enabling activities.



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

The minimum share expected to be invested in accordance with the environmental objective that are not aligned with the EU Taxonomy is 1%.




- **What is the minimum share of sustainable investments with a social objective?**

The Sub-Fund does not have a minimum share of socially sustainable investments.



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments in the “Other” category are only cash. Cash is used to meet liquidity requirements as well as protecting assets in bad market conditions.

 **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No. The benchmark is only used for the calculation of the performance fee and to define the investment countries without constraints on the asset allocation in the portfolio. The benchmark has not been designated for the purpose of attaining the ESG characteristics promoted by the Sub-Fund and as a consequence is not aligned with the ESG characteristics promoted by the Sub-Fund.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

The benchmark index does not take sustainability factors into account.

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


Not applicable

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

It does not differ; it is a broad market index.

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

MSCI index methodologies can be found on their [website](#).

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



Where can I find more product specific information online?

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

[Website.](#)

Monitoring of environmental or social characteristics

[Sustainability report](#)

[Quarterly report](#)

[Monthly reports](#)

Methodologies

Positive screening

[Investment process](#)

Negative screening

[Investment process](#)

Limitations to methodologies and data

See this Prospectus.

Due diligence

[Website](#)

Engagement policies

[Principer för aktieägarengagemang](#) (in Swedish)

Attainment of the sustainable investment objective

[Sustainability report](#)

[Investment process](#)

[Sustainability policy](#)