

*The fund rules were established by the Management Company's Board of Directors on September 9, 2021.*

## FUND RULES FOR XACT NORDEN (UCITS ETF)

### § 1

#### **The fund's legal status, etc.**

The name of the fund is XACT Norden (UCITS ETF). The fund is a securities (UCITS) fund according to the Swedish Investment Funds Act (2004:46).

The fund consists of liquid assets and financial instruments, which are provided to the fund by those who thereby are shareholders in the fund. The fund may not acquire rights, assume liabilities, or lodge an appeal before a court of law or any other authority. Assets included in a fund may not be seized and fund unit holders are not held accountable for the liabilities of the fund. The Management Company represents the fund unit holders in questions regarding the fund, decisions regarding the assets included in the fund, and exercises those rights that arise from the fund. One fund unit is a right to as large of a share in a securities fund that is equivalent to the fund's net capital divided by the number of outstanding units. Each fund unit has equivalent rights to the assets included in the fund.

### § 2

#### **Management Company**

The fund is managed by Handelsbanken Fonder AB, with corporate identity number 5564188851, hereafter the "Management Company".

### § 3

#### **The Depositary and its duties**

The fund's assets are held in the custody of J.P. Morgan SE - Stockholm bank branch, with organisation registration number 516406-1110, which serves as the Depositary. The Depositary will execute the decisions of the Management Company that are not in conflict with the Swedish Investment Funds Act or the rules of the fund. Further, the Depositary will receive and hold the assets included in the fund, as well as ensure that:

1. the sale and redemption of units occur according to the law and fund rules,
2. the value of the fund units are estimated according to the law and fund rules,
3. the assets in the fund reach the Depositary without delay, and
4. the assets in the fund are utilized according to the law and fund rules.

### § 4

#### **The fund's character**

The fund is an index fund that tracks the Handelsbanken Nordic ESG Index, with the purpose of providing returns over time that correspond as closely as possible to the returns of the index.

The unit holder register is held by Euroclear Sweden AB (Euroclear) in accordance with the Securities Depositories and Financial Instruments Accounts Act (1998:1479).

### § 5

#### **The fund's investment strategy**

The fund's assets may be invested

- in transferable securities,
- in money market instruments,
- in derivative instruments,

- in fund units ((up to a maximum of 10% of fund assets), and
- in an account at a credit institution.

The fund shall track the performance of the Handelsbanken Nordic ESG Index in its investments and thereby attain a return that corresponds as closely as possible to the returns of the index. Refer to § 7 below for a more detailed description.

Underlying assets to derivative instruments may consist of or be related to

- such assets as referred to in Chapter 5, § 1, second paragraph, first sentence in the Swedish Investment Funds Act,
- financial indices,
- rates of interest,
- exchange rates, or
- foreign currencies.

## § 6

### Markets

The fund's purchase and sale of fund units takes place directly from each respective fund management company, trustee company, collective investment undertaking or AIF manager. The purchase and sale of other financial instruments and exchange-traded funds (so-called ETFs) may occur in a regulated market or equivalent market outside EEA, other markets within or outside EEA, that are regulated and open to the general public as well as on MTFs or similar marketplaces.

## § 7

### Specific investment strategy

Fund assets may be invested in such transferable securities and money market instruments as stated in Chapter 5, § 5 of the Swedish Investment Funds Act.

The fund may invest in derivative instruments as part of the fund's investment focus.

The fund may use such derivative instruments as stated in Chapter 5, § 12, second paragraph of the Swedish Investment Funds Act (so-called OTC derivatives).

The fund is an index fund in accordance with Chapter 5, § 7 of the Swedish Investment Funds Act. Handelsbanken Nordic ESG Index consists of a selection of about 30 of the most-traded companies on the Nordic stock exchanges that meet the sustainability requirements in the index. The sustainability requirements provide that companies with high sustainability ratings are included in the index (inclusion), while companies that are involved in verified violations of international norms, as well as companies operating within controversial sectors, are excluded in the index (exclusion). When exceptional conditions arise in the market to which the index relates, the fund has been granted permission by the Swedish Financial Supervisory Authority, pursuant to Chapter 5, § 7 of the Swedish Investment Funds Act (2004:46), to invest up to 35% of the fund capital in transferable securities issued by a single issuer or issuers within a single corporate group when required to ensure that the holdings correspond to the issuer or the corporate group's proportion of the index. The index is market-value weighted and is revised and adjusted four times each year. The index is reinvested, i.e., distributions paid out for equities included in the index are reinvested in the index. Additional information concerning the index is available in the Prospectus.

The fund may use such techniques and instruments to create leverage in the fund as stated in Chapter 25, § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) regarding securities funds.

## § 8

### Valuation

The fund's value is calculated by deducting those liabilities applicable to the fund from the assets.

The fund's assets include fund units, transferable securities, liquid assets including short-term investments on the money market, and other assets in possession of the fund.

Financial instruments that are included in the fund are valued at the applicable market price. The market price is used preferably. If such a price is not available or if the price is deemed as misleading by the Management Company, the financial instruments will be valued according to those objective principles decided by the Management Company. The valuation on objective principles establishes a market value based on information for the most recent price paid or the indicative bid price from market makers, if such have been designated by the issuer. If this information is not available or is deemed to be unreliable, the market value is set using information from counterparties or other external sources. Liquid assets and current receivables (investments in an account at a credit institution, short-term investments on the money market and cash settlements for securities sold) are valued at the amount whereby they are expected to be received.

Transferable securities and money market instruments as referenced in Chapter 5, § 5 of the Swedish Investment Funds Act will be valued on a market value established on objective principles based on information for the most recent price paid or the indicative bid price from market makers, if such have been designated by the issuer. If this information is not available or is deemed to be unreliable, the market value is set with the assistance of an independent broker or other independent external sources.

In the event the market price during the valuation of OTC derivatives cannot be determined in accordance to any of the aforementioned alternatives or is blatantly misleading, the market value will be set based on generally-accepted valuation models, such as Black & Scholes.

In addition to liabilities arising as a result of the fund's operations, fund liabilities include future tax liabilities and management fees.

The value of a fund unit is the fund value divided by the number of outstanding fund units.

## § 9

### Subscription and redemption of fund units

#### *Trading in fund units on the marketplace – secondary market*

The subscription and redemption of fund units can be conducted on the marketplaces where the fund units are admitted to trading.

The subscription and redemption can occur with a minimum of one (1) whole fund unit. No subscription or redemption fees are charged for the purchase and sale of fund units; however, a brokerage commission is charged where appropriate. Fund units are traded at the applicable market price, which can deviate from the fund's net asset value. The Management Company has an agreement with a minimum of one independent market maker who provides a fully functioning secondary market in the fund units.

The Management Company does not act as a broker on any marketplace in which the fund units are traded. The Management Company is in no way responsible for the transactions that occur in fund units.

#### *Trading of fund units through the Management Company – primary market*

The subscription of new fund units and redemption of outstanding fund units may occur every banking day at the Management Company.

Notification of the subscription or redemption of a fund unit shall be made to the Management Company via telephone, fax or the Internet in accordance with the rules and instructions that can be obtained from the Management Company. The fund unit price will be set at the closing price on the day the request has been

received by the Management Company. Banking day refers to a day that is not Saturday, Sunday or another holiday and when the banks in Sweden are generally open to the public.

However, the fund is not open for subscription and redemption on those banking days where valuation of the fund's assets is unable to be conducted in such a manner that ensures that the rights of the fund unit holders are treated equally, e.g., as a result of the total or partial closure of one or several markets in which the fund conducts trading.

The Management Company normally calculates the fund net asset value each banking day. The Management Company does not calculate the net asset value if the fund is closed for subscription and redemption with regard to the conditions stated in these fund rules and in § 10. When a request for subscription or redemption is received on a day in which the fund is closed for subscription and redemption, the fund net asset value is normally set on the following banking day.

This means that the subscription and redemption occur on an occasion when the request for subscription or redemption is at an unknown fund unit price for the fund unit holder.

The fund only sells fund units in blocks of a certain number of whole units or in multiples thereof. The fund redeems fund units either in blocks of a certain number of whole units or in multiples thereof; alternatively, in portions of a block. The Management Company periodically determines the applicable size of the block. Information about the current size of the block is available on the Management Company's website or directly from the Management Company upon request.

The subscription occurs when a buyer transfers assets (financial instruments and a cash amount) that are a composition, i.e., the Subscription portfolio composition, which is determined by the parameters set by the Management Company. The portfolio composition corresponds to the fund's value at a specific time. The portfolio composition is set and notification is made by the Management Company before each new banking day. The portfolio composition must be entered into the securities- and bank account provided by the Management Company in accordance with the rules and instructions that can be obtained from the Management Company.

The redemption occurs when the units are entered into the Management Company's assigned securities account in accordance with the rules and instructions that can be obtained from the Management Company. At the time of the redemption, a set composition of assets (financial instruments and a cash amount), i.e., the Redemption portfolio composition, which corresponds to the value of the fund's assets and liabilities at a specific time, will be transferred by the Management Company to the fund unit holder's custody account within three banking days. The Redemption portfolio composition is determined and notification is made by the Management Company before each new banking day.

The subscription and redemption of units at the Management Company may also occur against cash on the primary market.

The subscription occurs when a buyer transfers a cash amount, corresponding to the value of the fund's assets and liabilities at a specific time. The cash amount must be booked in the bank account provided by the Management Company in accordance with the rules and instructions that can be obtained from the Management Company. The redemption occurs when the units are entered into the securities account provided by the Management Company in accordance with the rules and instructions that can be obtained from the Management Company. The incoming liquid assets will be transferred to the fund unit holder's custody account within three banking days.

Information about the latest fund net asset value can be obtained every banking day at the Management Company or every day via the Management Company's website.

A subscription or redemption request may only be revoked if the Management Company so permits.

## § 10

### **Exceptional circumstances**

The fund may be closed for the subscription and redemption of fund units in the event exceptional circumstances have occurred, whereby the value of the fund's assets cannot be calculated in such a manner to guarantee the equal treatment of the fund unit holders.

## § 11

### **Fees and remuneration**

The Management Company does not charge any subscription or redemption fees when the funds are traded on the stock exchange. A maximum fee of 0.04 percent of the fund's net asset value, with a minimum fee of EUR 3,200, will be charged for the subscription and redemption of units. A maximum fee of 2 percent will be charged for subscription and redemption against cash. A maximum fee of 2 percent (with a minimum fee of EUR 10) will be charged for the redemption on the primary market when the number of units do not total a full block. All of the fees are allocated to the Management Company.

Remuneration shall be paid to the Management Company from fund assets for fund management, marketing, and administration of the fund. The remuneration amount is calculated daily based on the value of the fund and must not exceed 0.15 percent per annum. The remuneration includes costs for custody, supervision, and auditing.

Expenses for brokerage fees, taxes, etc. for the purchase and sale of financial instruments are paid from the fund.

Applicable value-added tax will be added to the remuneration stated above for each occurrence.

## § 12

### **Distribution**

The fund does not distribute dividends. All yields on the fund's assets, such as in dividends and interest, are invested in accordance with these fund rules.

## § 13

### **Financial year**

The financial year for the Management Company and the fund is the calendar year.

## § 14

### **Semi-annual review and annual report, amendments to fund rules**

The Management Company must submit an annual report about the fund within four months of the end of the financial year. The annual report will be sent to the Financial Supervisory Authority and will be sent free-of-charge to all fund unit holders who have requested its receipt. In addition, the annual report will be made available at the Management Company and Custodian Institution.

The Management Company must submit a semi-annual review of the fund's first six months within two months of the end of the midyear. The semi-annual review will be sent to the Financial Supervisory Authority and will be sent free-of-charge to all fund unit holders who have requested its receipt. In addition, the semi-annual review will be made available at the Management Company and Custodian Institution.

Any decisions made by the Management Company's Board of Directors for changes to these fund rules must be subject to the approval of the Financial Supervisory Authority.

The change shall be made public by the Management Company in the subsequent annual report or semi-annual review and otherwise in the manner determined by the Financial Supervisory Authority as well as be made available at the Management Company and Custodian Institution.

## § 15

### **Pledge of fund units**

If the fund unit holder mortgages fund units in his possession, the fund unit holder (mortgagor) and/or the mortgagee must notify the fund unit holder's custodian in those cases in which fund units are held in trust. Euroclear shall be notified of a pledge of fund units for those fund units registered directly at Euroclear. The notification must include the following information:

1. the name of the fund unit holder/mortgagor,
2. the name of the mortgagee,
3. the number of fund units that are included in the scope of the pledge, and
4. any limitations in the scope of the pledge.

The mortgagor must sign the notification.

## § 16

### **Liability limitations**

In accordance with Chapter 2, § 21 of the Swedish Investment Funds Act, the Management Company shall compensate a loss if the Management Company violates the Swedish Investment Funds Act or fund rules, resulting in a loss for the fund unit holder.

If the Custodian Institution or the institution that holds the financial instruments in custody on behalf of the Custodian Institution have lost financial instruments, the institution shall return financial instruments of the same type or pay an amount of equivalent value to the Management Company on behalf of the securities fund without undue delay pursuant to the Swedish Investment Funds Act, Chapter 3, § 14. The Custodian Institution is not liable for compensation pursuant to the above if the institution can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

If the fund unit holder incurs damages by the Custodian Institution or a subcontractor other than those stated in the previous paragraph that intentionally or through negligence violates the law or other statutes that regulate the business operations, the institution shall compensate for damages in accordance with Chapter 3, § 15 of the Swedish Investment Funds Act. In accordance with Chapter 3, § 16 of the Swedish Investment Funds Act, a service contract regarding the custody of assets and control of ownership pursuant to Chapter 3, § 6 of the Swedish Investment Funds Act does not absolve the Custodian Institution from its liability for losses and other damages in accordance with the Swedish Investment Funds Act. This is also applicable even if the service contractor subcontracts the assignment to another contractor in accordance with the Swedish Investment Funds Act.

While respecting the provisions in Chapter 2, § 21 in the Swedish Investment Funds Act, the following is applicable:

With regard to all of the incoming measures taken by the Custodian Institution and the management company, the Custodian Institution and the respective fund management company shall not be liable for damages due to Swedish or foreign statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout or other similar circumstances. The reservation concerning strike, blockade, boycott, and lockout also applies if the Custodian Institution and/or the Management Company themselves are subject to or take such conflict measures.

Other damages sustained by the fund unit holder shall not be compensated by the Custodian Institution and/or Management Company unless the Custodian Institution and/or Management Company willfully or negligently caused such damages. The Custodian Institution and/or Management Company shall not be liable in any circumstance for indirect damages.

The Custodian Institution/Management Company shall not be liable for damages resulting from a Swedish or foreign stock market or other marketplace, depository bank, central securities depository or other processor, clearinghouse, or other parties that provide comparable services. Nor shall the Custodian/Management Company be liable for damages resulting from a contractor retained with due diligence or, with regard to the Custodian Institution, that has been assigned by the Management Company. The aforementioned also applies to damages resulting from the insolvency of the organizations or contractors mentioned.

The Custodian Institution is not liable for damages to the Management Company or fund unit holders in the fund that may arise as a consequence of restrictions on the right of disposition of securities that may be applied against the Custodian Institution.

If obstacles exist that prevent the Custodian Institution and/or Management Company from effecting payments or taking other measures due to the circumstances mentioned in the fifth paragraph, the measures may be postponed until the obstacles have ceased. In the event of deferred payments, the Custodian Institution/Management Company shall pay interest, if interest is promised, in accordance with the interest rate applicable on the due date. If interest is not promised, the Custodian Institution or the Management Company is not obliged to pay interest at a higher rate of interest than that which is equivalent to the applicable reference rate set by the Swedish Riksbank pursuant to § 9 of the Interest Act (1975:635), supplemented by two percentage points for each occurrence.

If the Custodian Institution and/or the Management Company, as a result of the circumstances stated in the fifth paragraph, is prevented from accepting payment, the Custodian Institution and/or the Management Company has the right to interest according to those conditions that applied on the due date for that period during which the obstacle existed.

## § 17

### **Permitted investors, etc.**

The fund targets the public with the following limitations. The fund does not target such investors whose subscription or fund unit holdings result in or present a risk for (i) violation of Swedish or foreign law or other regulations, (ii) the fund or the Management Company being subject to registration obligations or other measures that the fund or the Management Company would not otherwise be obliged to undertake, or (iii) the fund being subject to substantial costs that are not in the interest of the unit holders. The fund does not target physical persons residing in the U.S. or legal persons headquartered in the U.S. or other U.S. Persons (such as a U.S. Person as defined in the U.S. Regulation S of the Securities Act of 1933, in the version applicable at the relevant time). In the event the Management Company determines that an investor is not permitted to subscribe to or hold units in the fund in accordance with the limitations stated in this paragraph, the Management Company may refuse the subscription of units as well as redeem units without prior consent on behalf of the investor. Refer to the fund's Prospectus for additional information regarding permitted investors.

#### **IMPORTANT INFORMATION**

*Svenska Handelsbanken AB (PLC) ("Index owner") is not liable for losses or damages due to Swedish or foreign statutes, measures taken by Swedish or foreign authorities, event of war, power failure, telecommunications failure, fire, water damage, strike, blockade, lockout, boycott, or other similar circumstances outside of the control of the Index owner. The reservation concerning strike, blockade, lockout and boycott also applies if the Index owner takes or is subject to such conflict measures.*

*The Index owner is in no respect liable for loss of data, loss of profit or other indirect damages. The Index owner does not provide any guarantees, either expressed or implied, as to the results to be obtained from the use of the index or the value at which the index stands at any particular time.*

*The Index owner shall not under any circumstances be liable for errors in the index and is under no obligation to report or publish any errors in the index.*