



# Article 10 (SFDR)

## Website disclosure for an Article 8 fund

### Ruth Core Swedish Equities

Version	Date	Explanation
1.0	June 28, 2024	First version

Product name: Ruth Core Swedish Equities  
(The "Fund")

Legal entity identifier: 549300HVY8KUGYTQIU97  
ISIN code: LU2744834313

Does this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## A. Summary

### **No sustainable investment objective**

The fund promotes E/S characteristics, but will not make any sustainable investments.

### **Environmental or social characteristics of the financial product**

The Fund intends to promote environmental and social characteristics by rewarding investments in companies that are leaders in sustainability. The environmental characteristics are promoted by the Fund's management model rewarding companies that are well positioned in regard to the climate transition and contributing to reach climate transition goals.

### **Investment strategy**

Sustainability is at the centre of the investment process. Each investment is preceded by an overall sustainability assessment based on a three-dimensional quantitative analysis, exclusion and active inclusion from a sustainability perspective.

### **Proportion of Investments**

The Fund will invest at least 90% of its assets in equity or equity related financial instruments that provide direct or indirect exposure to the equity market. It shall invest at least 90% of its assets in Swedish companies.

**Monitoring of environmental or social characteristics**

The following sustainability indicators are monitored to measure the attainment of the environmental and social characteristics of the Fund:

- Percentage of investments complying with the sustainability characteristics required by the Sustainability Cube™ and included in the portfolio;
- Percentage of companies with exposures to any of the activities/sectors prohibited under the Fund's exclusion criteria;

Average Sustainability Cube™ score of the portfolio.

**Methodologies**

The data points are used to determine potential exclusions, to determine carbon scores and gender equality and to calculate contribution to the Sustainability Cube™ score.

The Sustainability Cube™ framework aggregates actual, progress and public sentiment scores within each sustainability dimension (Climate Transition score, ESG score and combined SDG score). The combined Sustainability Cube™ score is calculated as the geometric mean of the scores from the three sustainability dimensions.

The Fund has divided companies into percentiles based on the companies' Sustainability Cube™ score. Companies in the top 50<sup>th</sup> percentile within their sector and region can be included as investments in Funds allocation dedicated to promote environmental and social characteristics.

**Data sources and processing**

The attainment of the Fund's objective to promote environmental or social characteristics are measured using third party data.

Various data sources are used in the Sustainability Cube™, including: MSCI, Materia, Google's patent database (green patents).

**Limitations to methodologies and data**

Assessing a company's sustainability status can pose challenges related to the need for improved quality of available sustainability data. Challenges include:

- Sustainability analysis requires a wide range of complementary data and quality improvements to ensure robustness, as sustainability data may initially be inadequate and incomplete.
- Sustainability is a dynamic process and changes over time.
- Sustainability should be measured based on companies' current position as well as from a forward-looking perspective, and if possible, also based on perceptions of companies' sustainability standards.
- Historical information does not capture where the company is headed.

**Due diligence**

See the Company's Due Diligence policy at [www.ruthassetmanagement.com](http://www.ruthassetmanagement.com) for further information:

**<https://www.ruthassetmanagement.com/media/wzhlqn24/policy-for-due-diligence-2024.pdf>**

**Engagement policies**

Engagement is not part of the environmental or social investment strategy.

**Designated reference benchmark**

No specific index designated as a reference benchmark.



## B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.



## C. Environmental or social characteristics of the financial product

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

The Fund is managed from a multidimensional and dynamic approach to promote environmental and social characteristics. The Fund intends to promote environmental and social characteristics by rewarding investments in companies that are leaders in sustainability. The environmental characteristics are promoted by the Fund's management model rewarding companies that are well positioned in regard to the climate transition and contributing to reach climate transition goals. The social characteristics are promoted by the Fund's management model excluding companies that do not meet human rights requirements and rewarding companies with good gender equality.



## D. Investment strategy

### What investment strategy does this financial product follow?

Sustainability is at the centre of the investment process. Each investment is preceded by an overall sustainability assessment based on a three-dimensional quantitative analysis, exclusion and active inclusion from a sustainability perspective. The three dimensions refer to the three areas listed below. The Fund strives to optimise the portfolio based on: the Sustainability Cube™ score based on each company's sub-score in the three areas:

- Climate transition ("Climate")
- Industry leaders in ESG ("ESG")
- Adaptation to the UN SDGs ("SDGs")

The Sustainability Cube™ framework aggregates actual, progress and public sentiment scores within each sustainability dimension (Climate, ESG and SDG). The combined Sustainability Cube™ score is calculated as the geometric mean of the scores from the three sustainability dimensions. The Fund only include companies in the portfolio that resides above the 50<sup>th</sup> percentile in regards to the Sustainability Cube™ score in each sector, companies below this threshold are not included as investments in the Fund.

Monthly norm-based screening is done and companies that have confirmed controversies in regard to the UN Global Compact guidelines are excluded from the fund.

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

Based on the Sustainability Cube™ score, as described above, the Fund strives to invest only in companies above the 50<sup>th</sup> percentile in each sector. This is not always the case due to other portfolio construction constraints vs. benchmark.

The Fund works to maximize the total sustainability rating in the Fund based on the previously described strategy.

Companies meeting any of the criteria below are excluded from the investment universe. Post-investment, the exclusion criteria for companies in the investment portfolio are monitored on a monthly basis. In case an investment exceeds any of the thresholds, the investment is sold.

- Norm-based exclusions: Companies that intentionally and repeatedly violate the UN Global Compact and OECD Guidelines for Multinational Enterprises
- Country exclusions: Companies domiciled in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes
- Industry/sector exclusion: Companies that have direct revenue exposure to the following industries or sub-sectors (as defined below) based on the exclusion criteria and the thresholds listed below:

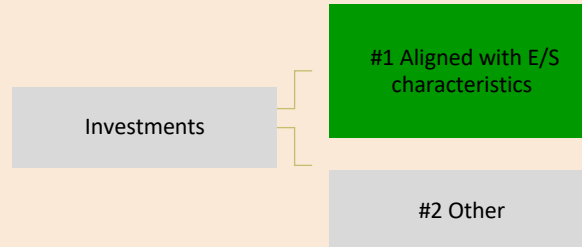
<b>industry/subsectors</b>	<b>Exclusion criteria and thresholds for industry/subsectors</b>
Tobacco	Companies that manufacture tobacco products. 0% revenue is the limit value.
Thermal Coal	Companies that derive 5% or more of their revenue from mining of thermal coal and its sale to external parties.
Nuclear weapons	Companies with primary involvement in nuclear warheads and missiles, nuclear systems, components for the intended use of nuclear power and exclusive nuclear power delivery platforms, components of nuclear exclusive delivery platforms, fissile material. 0% revenue is the limit value.
Controversial weapons	Companies with industry links to landmines, cluster weapons, chemical weapons or biological weapons. Note, industry affiliation includes ownership, manufacturing or investment. Landmines include unrelated security products. 0% revenue is the limit value.
Extraction of oil sands	Companies that derive 5% or more of their revenue from oil sands extraction.
Pornography	Companies that derive 5% or more of their revenue from production and/or distribution of pornography. Companies that receive revenue for selling pornography are not excluded.
Drilling in the Arctic	Companies that derive 5% or more of their revenues from onshore or offshore oil and gas production in the Arctic region. The definition of the Arctic is geographical and includes production activities north of latitude 66.5.

<b>What is the policy to assess good governance practices of the investee companies?</b>
<p>Assessment of good governance practices is addressed in several steps in the investment process.</p> <p><u>Exclusions:</u></p> <ul style="list-style-type: none"> <li>• Norm-based exclusions: Companies that intentionally and repeatedly violate the UN Global Compact and OECD Guidelines for Multinational Enterprises</li> </ul> <p><u>Sustainability Cube™ score:</u></p> <p>Governance practices of investee companies are evaluated using the Sustainability Cube™ model. Governance metrics are obtained from an acknowledged and credible data vendor and include ownership structure, board independence and experience, executive pay, and accounting standards. These metrics are combined into an overall governance score which makes up part of the ESG sub-score. This means that companies with poor governance practices are less likely to be among the 50% highest scoring companies included in the portfolio.</p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<p><input checked="" type="checkbox"/> Yes, Principal adverse impacts are taken into account in the norm-based and industry exclusions related to fossil fuels and emissions, controversial weapons and violations of UN Global Compact and OECD Guidelines for multi-national companies.</p> <p>Information on principal adverse impacts on sustainability factors can be found in the annual reports of the Fund.</p> <p><input type="checkbox"/> No</p>



### E. Proportion of investments

<b>What is the asset allocation planned for this financial product?</b>
<p>The Fund is an equity fund whose assets are invested in Swedish companies in various industries. The Fund's assets may be invested in transferable securities, fund units, money market instruments, derivative instruments, including OTC derivatives, and in accounts with credit institutions.</p> <p>The Fund invests at least 90% of its NAV in investments aligned with the characteristics promoted (#1 Aligned with E/S characteristics).</p> <p>Up to 10% of the portfolio will be invested for streamline portfolio management, liquidity management or hedging purposes.</p>



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

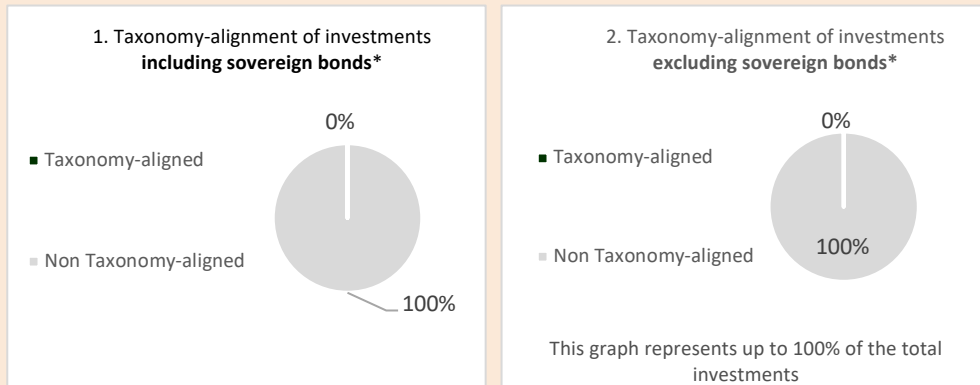
While this product promotes environmental and social characteristics, it does not aim at making sustainable investments. Therefore, its commitment to make “sustainable investments” within the meaning of the EU Taxonomy is set at 0%.

**Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
- In fossil gas     In nuclear energy
- No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

*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.

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

The Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to 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 Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The purpose of investments that can be classified as "#2 Other" within the SFDR (investments that do not qualify as sustainable investments) is to streamline portfolio management, liquidity management or hedging purposes. In the Fund, these investments are liquid assets. These are held to meet fund unit owners' requests for redemption. Since liquid funds are not invested in an investment object, no minimum safeguards can be taken.





## F. Monitoring of environmental or social characteristics

### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The following sustainability indicators are monitored to measure the attainment of the environmental and social characteristics of the Fund:

- Percentage of investments complying with the sustainability characteristics required by the Sustainability Cube™ and included in the portfolio;
- Percentage of companies with exposures to any of the activities/sectors prohibited under the Fund's exclusion criteria;

Average Sustainability Cube™ score of the portfolio.

### How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product?

The sustainability indicators used to measure the attainment of the sustainable investment objective are monitored on a regular basis throughout the lifecycle of the Fund. This is done by collecting third party data according to the Fund's investment process as well as through ex-post evaluation.



## G. Methodologies

### What are the methodologies used to measure the attainment of the environmental or social characteristics promoted by the financial product?

The attainment of the Fund's objective to promote environmental or social characteristics are measured using third party data. The data points are used to determine potential exclusions, to determine carbon scores and gender equality and to calculate contribution to the Sustainability Cube™ score. The Sustainability Cube™ framework aggregates actual, progress and public sentiment scores within each sustainability dimension (Climate Transition score, ESG score and combined SDG score). The combined Sustainability Cube™ score is calculated as the geometric mean of the scores from the three sustainability dimensions. The Fund has divided companies into percentiles based on the companies' Sustainability Cube™ score. Companies in the top 50th percentile within their sector and region can be included as investments in Funds allocation dedicated to promote environmental and social characteristics.



## H. Data sources and processing

### What are the data sources used to attain each of the environmental or social characteristics?

Data for Sustainability Cube™ is obtained from various data providers and sources:

- MSCI (carbon emissions, environmental, social, and governance data, UN SDG alignment):
  - Macro-level segment or geographic data from academic, governmental, and NGO datasets.
  - Company information (sustainability reports, proxy reports, financials, etc.).
  - Government databases, media, NGOs, other stakeholders.
  - Companies are invited to participate in a formal data verification process.
- Materia (sustainability sentiment data)
  - Natural Language Processing of UN SDG-related news from 30,000-60,000 daily news articles.
- Google's patent database (green patents)
  - Patent applications from 17 patent offices worldwide.

Data quality assessment is performed by the data provider as well as by the manager.

- MSCI
  - Quality Review Committee: This committee aims to conduct data quality checks on all companies before publication. An automated quality database flags holdings to the committee when pre-specified conditions related to score changes are triggered, or when some values appear suspicious.
  - Data review and corporate engagement: A data review process allowing companies to comment on the accuracy of corporate data for all MSCI ESG Research reports. Companies are invited to participate in the data review ahead of the annual update. 50% of companies provided substantial feedback on ESG research in 2018.
- Matter
  - Out of sample validation: The Natural Language Processing algorithm is continuously validated. Random sampling of news data is identified as either positive or negative for SDGs and assessed manually.
- Manager
  - Data consistency checks
  - Quality checks
  - Completeness assessment

Aggregated Sustainability Cube™ scores are calculated to assess the overall sustainability characteristics of companies in the investment universe. The goal of designing this scoring framework has been to create a robust and balanced measurement. The Sustainability Cube™ scoring method measures sustainability across multiple dimensions, with different indicators considered in each dimension to achieve the sustainable investment goal of the fund. Dimensions include but are not limited to:

- Climate transition ("Climate"): Indicators include current carbon footprint, carbon goals, decarbonization initiatives, and development of products and services supporting greenhouse gas emission reduction.
- ESG industry leaders ("ESG"): Current ESG scores, ESG progress scores, and controversy screening.

- Alignment with UN SDGs ("SDG"): UN SDG revenues measured as companies' revenues in line with UN SDGs' development of products and services supporting UN SDGs. In addition to measuring companies' current status based on the above dimensions, Sustainability Cube™ scores also evaluate how well companies are positioned for the transition to a more sustainable economy, measured by corporate strategy and development of sustainable products and services.

The proportion of estimated data varies between different metrics. For metrics such as indicators of negative consequences and carbon intensity, both reported data from companies and estimated data are used in cases where reported data is not available. When estimated data is used, it comes from third-party providers whose methods are considered robust and reliable. For some metrics, estimated data may account for up to 100%.



## I. Limitations to methodologies and data

### What are the limitations to the methodologies and data sources?

Assessing a company's sustainability status can pose challenges related to the need for improved quality of available sustainability data. Challenges include:

- Sustainability analysis requires a wide range of complementary data and quality improvements to ensure robustness, as sustainability data may initially be inadequate and incomplete.
- Sustainability is a dynamic process and changes over time.
- Sustainability should be measured based on companies' current position as well as from a forward-looking perspective, and if possible, also based on perceptions of companies' sustainability standards.

Historical information does not capture where the company is headed. These challenges are addressed by:

- Using various data sources and sustainability dimensions,
- Real-time controversy monitoring to ensure potential issues are addressed early,
- Engaging data providers to fully understand data, and
- The robustness of the multi-dimensional Sustainability Cube™.

Sustainability factors can be challenging to measure, and the data involved are often incomplete and inadequate. Missing data in sub-dimensions to the Sustainability Cube™ are attributed as best as possible to avoid excluding companies with incomplete sustainability data. For smaller-sized companies, it may be more difficult to obtain complete sustainability data. The manager believes that to achieve the fund's sustainability goal, the key is to allocate significant resources to search for new relevant data sources and develop tools to optimize insights into existing data. Furthermore, the manager always strives to measure sustainability factors through various data sources and from different perspectives. The philosophy behind the Sustainability Cube™, used in the investment process, is that sustainability is a multidimensional and dynamic factor, and no single data point can capture all aspects of environmental or social sustainability factors.



### J. Due diligence

#### What is the due diligence carried out on the underlying assets?

The fund's investment strategy is implemented systematically and is rules-based. The implementation of the investment strategy and the monitoring of companies regarding relevant issues, financial and non-financial performance and risk, capital structure, social and environmental impact, and corporate governance, are primarily based on quantitative measures.

As the fund only invests in liquid financial instruments traded on a regulated market under an open disclosure system, much of the necessary financial information is readily available. Regarding sustainability, data is not as readily available and is often incomplete and to some extent unclear. As a consequence, an important part of the investment's due diligence process is to ensure that relevant data is obtained to ensure compliance with applicable financial and non-financial regulations, including sustainability, is available in good quality as described in the "Data sources and processing" section.

See the Company's Due Diligence policy at [www.ruthassetmanagement.com](http://www.ruthassetmanagement.com) for further information:  
<https://www.ruthassetmanagement.com/media/wzhlqn24/policy-for-due-diligence-2024.pdf>



### K. Engagement policies

#### Is engagement part of the environmental or social investment strategy?

- Yes  
 No



### L. Reference benchmark

#### Has a specific index designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

- Yes  
 No

**Where can more product-specific information be found?**



More product-specific information can be found in the periodic reports:

<https://www.ruthassetmanagement.com/media/2cydq0cy/a-rsbera-ttelse-2023.pdf>