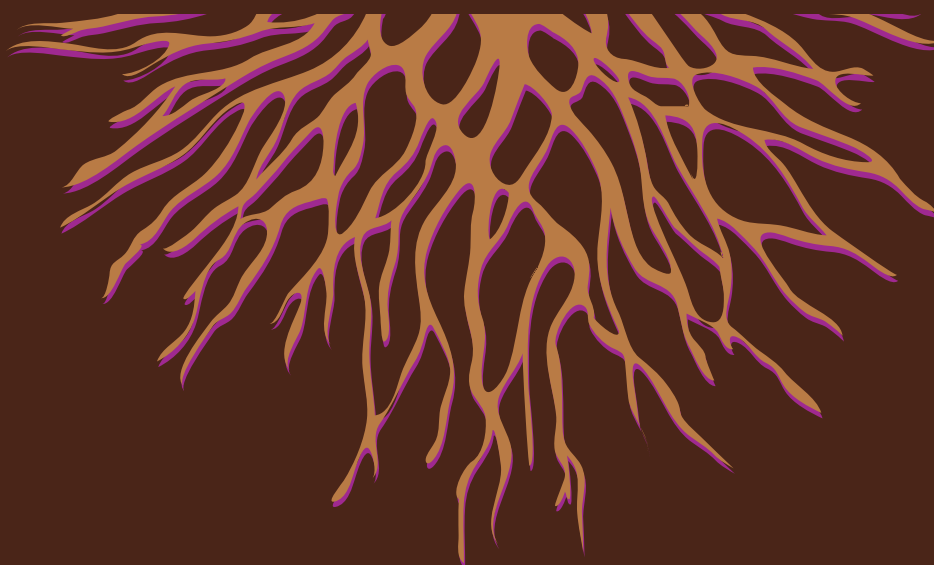


## **FIM FUNDS – FUND PROSPECTUS ON 23.7.2021**



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# GENERAL

This fund prospectus is valid as of 23.7.2021. It includes information on FIM Funds that are managed by FIM Asset Management Ltd. The official fund prospectus documentation comprises this fund prospectus, fund-specific key investor information documents (KIID) and fund rules.

## FIM Asset Management Ltd

FIM Funds (hereinafter referred to as “FIM Funds” or “Funds”) are managed by FIM Asset Management Ltd (hereinafter referred to as “FIM”), a company established on 18 January 1994 and entered in the Finnish Trade Register on 25 May 1994 (business ID 0979133-9, domicile Helsinki).

FIM engages in mutual fund and asset management operations pursuant to the Act on Common Funds, as well as related activities. The company's share capital is 8,426,215.09 euros. FIM Asset Management Ltd is part of S-Bank Group.

## Information about the reward system of the Fund Management Company

The rewarding principles of the Fund Management Company do not encourage such risk taking that would conflict with the fund rules, the risk profile or the Fund Management Company's duty to act in the best interest of the fund. The rewarding system takes into account the business strategies, investment activities and objectives, values and interests of the Fund Management Company and the funds it manages, as well as of the investors of the Fund, and avoids situations in which a conflict of interests might arise. More information about the reward system is available at [www.s-pankki.fi](http://www.s-pankki.fi)

## Board of Directors and Managing Director

Veli-Matti Parmala acts as Chairman of the Board of FIM Asset Management Ltd. The members of the Board of Directors are Eero Eriksson and Hanna Porkka. FIM Asset Management Ltd's Managing Director is Teri Heilala.

## Ownership steering policy

The ownership steering policy of FIM Funds aims to contribute to the positive long-term value development of fund holdings, and to promote responsible operations.

FIM has signed the United Nations Principles for Responsible Investment (UNPRI). FIM is committed to taking environmental, social, and corporate governance (ESG) issues into consideration in its investment activity.

## Custodian

The custodians of mutual funds managed by FIM Asset Management Ltd is the Helsinki branch of Skandinaviska Enskilda Banken (publ). Skandinaviska Enskilda Banken AB (publ), Helsinki branch (business ID 0985469-4, street address Eteläesplanadi 18, 00130 Helsinki, Finland). The custodian is a Finnish branch office of a foreign credit institution.

The assets of each mutual fund are kept separate from the assets of other mutual funds, the fund management company, and the custodian. The finances of the Management Company are kept entirely separate from the assets of the mutual funds, and the assets of the mutual funds cannot be used to cover the liabilities of the fund management company or custodian. The Fund cannot become bankrupt, although the unit value may increase or decrease depending on the market situation.

The custodian is responsible for the duties and obligations regarding each fund prescribed for the custodian in the legislation and regulations governing funds. When performing its duties as a custodian, the custodian operates independently of the funds and the Management Company. According to the custody agreement and the legislation and regulations governing funds, the custodian may transfer part or all of these duties to one or more third parties, including the sub-custodians appointed by the custodian at the time. The fact that the custodian has transferred the assets in its custody in full or in part to the custody of a third party will not affect the responsibility or liability of the custodian.

## Agents

FIM has partly outsourced the upkeep of the unitholder register of FIM Funds to the following cooperation partners: Avanza Bank AB, Aktieinvest Fondkommission AB, EAB Group Plc, Handelsbanken AB, MFEX Mutual Funds Exchange AB, Nordea AB, Nordnet Bank AB, Skandiabanken AB, Swedbank AB and Ålandsbanken Abp.

This outsourcing task relates to the upkeep of the register information regarding unitholders obtained via these companies. FIM has made sales commission agreements regarding the trading fees or other transaction fees paid by the funds with certain securities brokers and fund management companies. FIM has also made fee-sharing and sales commission agreements regarding its funds based on the customer relationship as a whole.

FIM has outsourced the fund accounting, part of operational tasks of unitholder register and maintenance tasks of fund admin systems to Digia Finland Ltd.

FIM Asset Management Ltd is part of S-Bank Group and thus the marketing of the mutual funds is carried out in association with S-Bank Group's other marketing activities.

FIM Asset Management Ltd has outsourced portfolio management of FIM Forest Non-UCITS Fund to FIM Private Equities Funds Ltd.

FIM Forest Non-UCITS Fund has outsourced accounting tasks to Newsec Ltd, the management of forest holdings to Innofor Ltd and UPM-Kymmene Corporation, and the value appraisal of forest holdings to AKA Arvointipalvelu Kujala KHK LKV.

**Auditors**

The auditors are KPMG Oy Ab Authorized Public Accountants, with APA Marcus Tötterman as the chief auditor. The deputy auditor is APA Virpi Halonen.

**Supervisory authority**

The operations of FIM and Funds are supervised by the Finnish Financial Supervisory Authority, address: Snellmaninkatu 6, PO Box 103, FI-00101 Helsinki, Finland, tel. +358 10 831 51, kirjaamo@finanssivalvonta.fi. In Sweden, many FIM Funds have an investment fund marketing permission issued by the Swedish financial supervisory authority Finansinspektionen. A number of FIM Funds have also received marketing permission in Norway from the Norwegian supervisory authority Finanstilsynet.

## FIM FUNDS MANAGED BY FIM

Equity funds	Primary investment area/object	Exposure in shares <sup>1</sup>	Merge history, former name, changes in investment policy <sup>2</sup>	Fund manager	Rules approved <sup>3</sup>
FIM Brands Mutual Fund	Global, stocks in companies with strong brands	0–100 %	Merger: FIM Rohto BioMed Mutual Fund (18.11.2019).	Mikko Linnanvuori	14.1.2016
FIM Emerging Markets ESG Mutual Fund	Emerging markets, stocks in major companies	0–100 %		Kuldar Rahuorg, Heikki Ollikainen	28.1.2020
FIM Europe Mutual Fund	Eurozone, stocks in small and medium-sized companies	0–100 %	Former name FIM Union Fund. The investment policy was changed on 16 June 2014. The fund may invest in the entire European area. Merger: FIM European Small and Mid Cap Companies (22.3.2016). Merger: FIM Multifactor Equity Europe Mutual Fund (18.11.2019).	Seppo Kurki-Suonio	29.4.2014
FIM Fenno Mutual Fund	Finland, stocks	0–100 %		Juha Varis	14.1.2016
FIM Frontier Mutual Fund	Frontier markets, stocks	0–100 %	Merger: FIM Brazil (9.9.2015), FIM Emerging Markets Smaller Companies Mutual Fund and FIM Russia Mutual Fund (8.1.2019)	Kuldar Rahuorg, Heikki Ollikainen	28.1.2020
FIM USA Mutual Fund	The USA, stocks	0–100 %	Former name FIM Tekno Fund. The investment policy was changed on 2 April 2013. Invested previously in the stocks of telecom, IT and electronics companies. Merger: FIM Multifactor Equity USA Mutual Fund (18.11.2019).	Mikko Linnanvuori	14.1.2016

Short-term fixed-income funds	Primary investment area/object	Duration <sup>4</sup>	Merge history, former name, changes in investment policy <sup>2</sup>	Fund manager	Rules approved <sup>3</sup>
FIM Short-Term Bond Fund	Eurozone, short bond <sup>5</sup>	max 12 mos.	Former name FIM Likvidi Fund. The investment policy was changed on 1 March 2019.	Janne Nisula	18.1.2019
Long-term fixed-income funds	Primary investment area/object	Duration <sup>4</sup>	Merge history, former name, changes in investment policy <sup>2</sup>	Fund manager	Rules approved <sup>3</sup>
FIM Emerging Yield Mutual Fund	Emerging economies, government and corporate bonds	max 10 yrs	Changed from a Non-UCITS Fund into a mutual fund (3.2.2014)	Mikko Kuisma	10.12.2013
FIM Euro Mutual Fund	Eurozone, government bonds <sup>5</sup>	max 15 yrs		Jouni Salmenkivi	14.1.2016
FIM IG Green ESG Mutual Fund	Global, corporate bonds	max 10 yrs	Former name FIM Real Fund. The investment policy was changed on 1 October 2018 and on 17 May 2019.	Janne Nisula	9.4.2019
Asset allocation funds	Primary investment area/object	Exposure in shares/duration <sup>4</sup>	Merge history, former name, changes in investment policy <sup>2</sup>	Fund manager	Rules approved <sup>3</sup>
FIM Asset Management 50 Fund (fund of funds)	Global, fixed-income instruments and stocks	–	Investment policy was changed on 2 May 2013. The maximum weighting of equity investments was increased. Former name FIM Piano Fund. Investment policy was changed on 18 March 2020. Former name FIM Balanced Mutual Fund	Ari Pakarinen	28.1.2020
S-Savingsfund Cautious Mutual Fund (fund of funds)	Global, fixed-income instruments and stocks	–	Former name FIM Asset Management 30 Mutual Fund. <sup>6</sup>	Ari Pakarinen	5.1.2018
S-Savingsfund Moderate Mutual Fund (fund of funds)	Global, stocks and fixed-income instruments	–	Merger: FIM Asset Allocation (26.9.2008). Former name FIM Asset Management 70 Mutual Fund. <sup>6</sup>	Ari Pakarinen	5.1.2018
Real estate funds	Primary investment area/object		Merge history, former name, changes in investment policy <sup>2</sup>	Fund manager	Rules approved <sup>3</sup>
FIM Forest Non-UCITS Fund <sup>7</sup>	Finland and other Member States of the European Economic Area, forest estates and other forest-related investment objects.		Investment policy changed on 4 November 2019.	Timo Hakulinen	29.4.2021

Total risk of funds is calculated using exposure. Exposure (delta) is a yardstick of total risk that shows how large a part of the assets in the mutual fund has been invested.

For further information on FIM Funds and their investments, please refer to fund-specific key investor information documents and fund rules.

<sup>1</sup> Normal exposure exceeds 75%.

<sup>2</sup> Funds that have merged with the mutual fund and their merge date. Former names of the fund and changes in its investment policy.

<sup>3</sup> The rules have been approved in Finland. The Board of the Fund Management company approves the rules of Non-UCITS Funds.

<sup>4</sup> The duration refers to the average payback time of a fixed-income fund weighted with the current value of the cash flow. The greater the duration, the higher the market risk of the portfolio; i.e. its sensitivity to interest rate changes.

<sup>5</sup> FIM intends to invest more than 35 one-hundredths of the fund assets in securities that are issued or backed by the following states: Finland, Germany, France and Italy.

<sup>6</sup> This name is still used for shareclass which is offered to clients of FIM Asset Management.

<sup>7</sup> FIM Forest non-UCITS fund is only offered to professional investors in Sweden.

# THE FUNDS' BENCHMARK INDICES

Not all Funds necessarily have a benchmark index. The benchmark indices used by FIM Funds are listed in the table below.

Fund	Benchmark index
FIM Brands	MSCI Daily TR All Countries World Index Consumer Discretionary USD (50 %) MSCI Daily TR All Countries World Index Consumer Staples USD (50 %)
FIM Euro	Bloomberg Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR
FIM Euroope	MSCI Daily Net TR Europe Euro
FIM Fenno	OMX Helsinki Benchmark (tr)
FIM Frontier	Frontier Emerging Markets Net TR
FIM Emerging Markets ESG	MSCI Emerging Markets Daily Net TR EUR
FIM USA	MSCI USA TR NET
FIM Asset Management 50	Share indices (50%): MSCI USA EUR (26,0 %), MSCI Europe EUR (10,0 %), MSCI Emerging Markets Daily EUR (7,5 %), OMX Helsinki Benchmark CAP (4,0 %), MSCI Japan EUR (2,5 %).  Interest rate indices (50%): J.P. Morgan Cash Euro Currency 1 Month (7,5 %), Bloomberg Barclays Euro Aggregate Treasury Value Unhedged EUR (15,0 %), Bloomberg Barclays Aggregate Corporate Value Unhedged EUR (10,0 %), 50 % Bloomberg Barclays Emerging Markets Sovereign Unhedged EUR & 50 % Bloomberg Barclays EM Local Currency Government 10 % Country Capped Unhedged EUR (10,0 %) total return indices and ICE BofAML European Currency Developed Markets High Yield Constrained Index calculated in Euro (7,5 %).
S-Savingsfund Moderate (FIM Asset Management 70)	Share indices (70%): MSCI USA EUR (36,4 %), MSCI Europe EUR (14,0 %), MSCI Emerging Markets Daily EUR (10,5 %), OMX Helsinki Benchmark CAP (5,6 %), MSCI Japan EUR (3,5 %).  Interest rate indices (30%): J.P. Morgan Cash Euro Currency 1 Month (4,5 %), Bloomberg Barclays Euro Aggregate Treasury Value Unhedged EUR (9,0 %), Bloomberg Barclays Aggregate Corporate Value Unhedged EUR (6,0 %), 50 % Bloomberg Barclays Emerging Markets Sovereign Unhedged EUR & 50 % Bloomberg Barclays EM Local Currency Government 10 % Country Capped Unhedged EUR (6,0 %) total return indices and ICE BofAML European Currency Developed Markets High Yield Constrained Index calculated in Euro (4,5 %).

Fund	Benchmark index
S-Savingsfund Cautious (FIM Asset Management 30)	<p>Share indices (30%):</p> <p>MSCI USA EUR (15,6 %), MSCI Europe EUR (6,0 %), MSCI Emerging Markets Daily EUR (4,5 %), OMX Helsinki Benchmark CAP (2,4 %), MSCI Japan EUR (1,5 %).</p> <p>Interest rate indices (70%):</p> <p>J.P. Morgan Cash Euro Currency 1 Month (10,5 %), Bloomberg Barclays Euro Aggregate Treasury Value Unhedged EUR (21,0 %), Bloomberg Barclays Aggregate Corporate Value Unhedged EUR (14,0 %), 50 % Bloomberg Barclays Emerging Markets Sovereign Unhedged EUR &amp; 50 % Bloomberg Barclays EM Local Currency Government 10 % Country Capped Unhedged EUR (14,0 %) total return indices and ICE BofAML European Currency Developed Markets High Yield Constrained Index calculated in Euro (10,5 %).</p>

#### MSCI Index disclaimer

This Fund (FIM Brands, FIM Emerging Markets ESG, FIM Europe, FIM Fossil Free Europe ESG, FIM Passive Europe ESG, FIM Passive USA ESG, S-Savingsfund Brave, S-Savingsfund Cautious, S-Savingsfund Moderate, FIM USA) is not sponsored, endorsed, sold or promoted by MSCI INC. ("MSCI"), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the "MSCI Parties"), the MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by FIM (Licensee). None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of this fund or any other person or entity regarding the advisability of investing in funds generally or in this fund particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated of this fund or any other person or entity. None of the MSCI parties has any obligation to take the need of the issuer or owners of this fund or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this fund to be issued or in the determination of calculation of the equation by or the consideration into which this fund is redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of this fund or any other person or entity in connection with the administration, marketing or offering of this fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as to results to be obtained by the issuer of the fund, owners of the fund, or any other person or entity from the use of any MSCI index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties have any liability for any direct, indirect, special, punitive consequential or any other damages (including lost profits) even if notified of the possibility of such damages.



## RECOMMENDED MINIMUM INVESTMENT HORIZONS BY FUND

General recommended minimum investment horizons by Fund<sup>(1)</sup>:

Fund	Recommended investment period (years)	Fund risk level
FIM Brands	6	5
FIM Emerging Markets ESG	6	6
FIM Emerging Yield	5	3
FIM Euro	3	3
FIM Europe	6	6
FIM Fenno	6	6
FIM Frontier	7	5
FIM IG Green ESG	4	3
FIM Asset Management 50	3	4
FIM Short-Term Bond	2	2
FIM Forest	5	4
FIM USA	7	6
S-Savingsfund Cautious (FIM Asset Management 30)	2	4
S-Savingsfund Moderate (FIM Asset Management 70)	4	5

<sup>1</sup>The information is up-to-date as of 23.7.2021.

## PAST PERFORMANCE OF FUNDS, 31 DECEMBER 2020

There are always financial risks related to investment operations. Past performance does not guarantee future returns. The value of investments and the returns distributed by them may increase or decrease, and investors may not necessarily get back their originally invested capital.

If the fund has operated for less than one year, its returns will not be notified.

Fund	Suitable for	Fund began its operations	12 mos.	3 yrs p.a.	5 yrs p.a.	From the establishment of fund p.a.
FIM Asset Management 50	The Fund suits investors who want a comprehensive asset management solution with moderate risk.	7.5.2001	8.40 %	3.69 %	3.55 %	4.44 %
FIM Brands	The Fund suits investors who have faith in the long-term success of companies that represent strong, established brands.	8.5.2000	12.92 %	11.01 %	7.43 %	6.75 %
FIM Emerging Markets ESG	The Fund suits investors who want to diversify their investments in the emerging markets.	7.12.2005	3.73 %	3.61 %	8.35 %	3.68 %
FIM Emerging Yield	The Fund suits investors who wish to utilise the return potential of emerging fixed-income markets while taking on less risk than investments in stocks would entail.	31.3.2008	-1.40 %	1.50 %	2.72 %	4.22 %
FIM Euro	The Fund suits investors seeking return potential that exceeds the returns offered by money -markets but with risk that is lower than in stock markets.	14.9.1998	3.98 %	3.59 %	2.74 %	4.04 %
FIM Europe	The Fund suits investors looking for a solid foundation for their portfolio, as well as a good dividend yield from European companies.	8.5.2000	-3.01 %	0.52 %	2.34 %	1.70 %
FIM Fenno	The Fund suits investors who have faith in the growth prospects of Finnish companies.	17.8.1998	25.93 %	12.38 %	9.39 %	14.40 %
FIM Forest C unit class	The Fund suits investors who are looking for steady inflation-protected returns and exceptional alternative to diversify assets outside of traditional asset classes.	14.10.2016	14.73 %	8.67 %	–	7.32 %
FIM Frontier B unit class	The Fund suits investors with a long-term focus, seeking exceptional and unusual investments with high return potential.	30.8.2013	-10.90 %	-3.95 %	-0.09 %	1.85 %
FIM IG Green ESG	The Fund suits investors seeking responsibly corporate bond profits from quality firms.	30.4.2004	0.78 %	1.05 %	1.11 %	2.70 %
FIM Short-Term Bond Fund	The Fund suits investors who want a low risk and good liquidity bond investment.	3.11.1997	-1.57 %	-0.44 %	-0.22 %	1.57 %
S-Savingsfund Cautious	The Fund suits investors who want a comprehensive low-risk asset management solution.	7.12.2005				
FIM Asset Management 30 Growth unit class			3.40 %	2.72 %	2.59 %	3.96 %
30 Yield unit class			0.18 %	0.61 %	0.07 %	0.67 %
S-Savingsfund Moderate	The Fund suits investors who want a comprehensive asset management solution with moderate risk.	7.12.2005				
FIM Asset Management 70 -unit class			5.72 %	5.18 %	4.74 %	4.94 %
FIM USA	The Fund suits investors who want to invest in quality companies in the largest stock markets in the world.	4.1.1999	12.02 %	12.00 %	8.21 %	5.95 %

# BUYING AND SELLING OF FUND UNITS

In Sweden and Norway, FIM receives fund orders mainly via selected partners that offer FIM's funds for sale on the Nordic market. Through our partners, fund investors gain access to FIM's selection of funds and the broad range of savings alternatives and products. Our partners help fund investors to make investments in FIM Funds using one-time deposits, monthly deposits, assurance policies and pension saving options.

The following partners offer the broadest range of FIM Funds:

- Avanza Bank AB
- Handelsbanken AB
- MFEX Mutual Funds Exchange AB
- Nordnet Bank AB
- Pensionsmyndigheten
- Skandiabanken AB

The asset management company also cooperates with other partners.

## TRADING PROCEDURES

### Buying fund units

You can buy (subscribe), exchange and sell (redeem) fund units on all banking days at the asset management company or other subscription partners of the asset management company. The subscription price is the unit rate calculated on the banking day the subscription amount becomes available to the asset management company, provided that the asset management company has received the necessary details about the subscription by 3:00 p.m. CET.

### FIM Emerging Markets ESG and FIM Frontier

Subscriptions for units in FIM Emerging Markets ESG and in FIM Frontier can be made on all Finnish banking days. A subscription order received by the Management Company on a banking day before 3:00 p.m. CET will be executed at the value confirmed for the following banking day, provided the subscription amount is at the Management Company's disposal on the same date as the subscription order is received. A subscription order received by the Management Company on a banking day after 3:00 p.m. CET or on a day that is not a banking day will be executed at the value confirmed for the second banking day following the subscription date, provided the subscription amount is at the Management Company's disposal on the same date as the subscription order is received.

### FIM Forest

Subscriptions for units in FIM Forest Fund can be made on the 15th of March, June, September and December or if that day is not a banking day, on the following banking day. The subscriptions are executed at the unit value calculated for the specific subscription date provided that the subscription amount is at the disposal of the Management Company and the notice of subscription was made on the subscription day in question by 3:00 p.m. CET, and that the Management Company has received appropriate and sufficient information on the subscription, the subscriber and the identity of the subscriber. If the Management Company receives the subscription payment and/or information on the subscription and identity of the subscriber after 3:00 p.m. CET, the subscription day will be the following possible subscription day, and the subscription price will be the value calculated for this subscription day.

### Selling fund units

To sell fund units, you give an order to the asset management company's partner as agreed and surrender any unit certificates to the asset management company.

Orders received before 3:00 p.m. CET will be carried out at the redemption day's rate, provided that the fund has the requisite cash for the redemption; orders received later will be settled to the following banking day's rate, provided that the fund has the requisite cash for the redemption. If the cash for settling the redemption is to be obtained through selling securities, the sale shall be carried out to the calculated rate of the date of receipt of the cash from the securities sold.

### FIM Emerging Markets ESG and FIM Frontier

Redemptions for units in FIM Emerging Markets ESG and in FIM Frontier can be made on all Finnish banking days. A redemption order received by the Management Company on a banking day before 3:00 p.m. CET will be executed at the value confirmed for the following banking day, provided the Fund has sufficient cash reserves for the redemption and the calculation of fund value has not been suspended. A redemption order received by the Management Company on a banking day after 3:00 p.m. CET or on a day that is not a banking day will be executed at the value confirmed for the second banking day following receipt of the order, provided the Fund has sufficient cash reserves for the redemption and the calculation of fund value has not been suspended.

### FIM Forest

Redemptions for units in FIM Forest Fund can be made on the 15th of June and December or if that day is not a banking day, on the following banking day. If the redemption order was received on the redemption date by 3:00 p.m. CET, the redemption will be executed at the value calculated for the next redemption date, provided that the Management Company has received appropriate and sufficient information for the redemption. The redemption process will last at least half a year. If the means required for the redemption have to be procured by selling securities held by the Fund, the redemption process may take longer.

### Exchange of fund units

The procedure for exchange-trading is identical to selling fund units, and subject to the fund having the requisite cash for the transaction. If the cash for settling the exchange must be obtained through selling securities, the exchange shall be carried out at the calculated rate of the date of receipt of the cash from the securities sold.

In the case of fund unit exchanges where the redemption concerns units of FIM Forest, the subscription for units in another fund will take place once assets from the redemption have been obtained.

In the case of fund unit exchanges where the subscription concerns units in FIM Emerging Markets ESG Fund, in FIM Frontier Fund or in FIM Forest Fund, investors should note that these unit classes can only be subscribed for once a quarter in accordance with the deadlines stated above.

# FEES AND CHARGES

## Minimum deposit

The minimum deposit in FIM Funds is EUR 10. The minimum deposit is EUR 1 000 000 in FIM Forest C-unit class.

## Fund unit subscription and redemption fees

The asset management company does not charge any fees for buying, selling and exchange-trading fund units.

## Fund management fees

The asset management company charges a management fee for handling the fund, which is either a fixed fee or a mix of a fixed and a performance fee.

The management fee includes custodial fees used to pay the custodian for holding the assets, as well as other related tasks. The fixed fee (and performance fee, if applicable) is included in the fund unit's value and will not be charge separately from the fund unit holder.

The applicable fees and their amounts pertaining to each fund are presented in the price list for FIM Funds on page 13 in this prospectus.

## Annual fees

The annual fees stated in the price list for funds are the fees charged in the previous year and comprise compensation paid to the asset management company and the custodian. These fees may vary year-on-year. They do not comprise any performance fees or trading fees paid by the fund, with the exception of fees paid for buying or selling units in another fund.

The funds may also invest in other funds. Moreover, the annual fees include any management and custodial fees for fund units in the investment portfolio.

## Dividend on yield units

In the case of yield units, where applicable, the asset management company's Annual General Meeting shall determine the dividend to be distributed and paid to yield unit holders. The dividend paid on yield units shall be deducted from the amount of capital constituting the yield unit's share of the fund's capital.

The dividends will be paid to the fund unit holders, based on the asset management company's records on the date of the Annual General Meeting, within one (1) month from the date of the Annual General Meeting. Unless otherwise agreed, the dividend amount will be paid on the bank account given by the fund unit holder.

For information about the date of the Annual General Meeting, please contact the asset management company during business hours.

## Price list of FIM Funds

Fund	Subscription fee	Redemption fee	Management fee (Inc. custody fee)	Ongoing charges (2020)	Portfolio turnover rate* (2020)
FIM Asset Management 50	0,00 %	0,00 %	0,00 %	1,10 %	179,87 %
FIM Brands	1,00 %	1,00 %	1,80 %	1,81 %	35,04 %
FIM Emerging Markets ESG	1,00 %	2,00 %	1,90 %	1,90 %	-2,43 %
FIM Emerging Yield	0,50 %	0,50 %	0,90 %	0,91 %	7,94 %
FIM Euro	0,00 %	0,00 %	0,50 %	0,50 %	28,65 %
FIM Europe	1,00 %	1,00 %	1,80 %	1,81 %	0,30 %
FIM Fenno	1,00 %	1,00 %	1,60 %	1,61 %	176,84 %
FIM Frontier B unit class	0,00 %	0,00 %	1,90 %	1,92 %	6,09 %
FIM Forest C unit class	2,00 %	0,00 %–4,00 % <sup>(1)</sup>	1,00 %	1,17 %	15,06 %
FIM IG Green ESG	0,00 %	0,00 %	0,50 %	0,50 %	34,84 %
S-Savingsfund Cautious FIM Asset Management 30 -unit class	0,00 %	0,00 %	0,00 % <sup>(11)</sup>	0,82 %	97,40 %
S-Savingsfund Moderate FIM Asset Management 70 -unit class	0,00 %	0,00 %	0,00 % <sup>(11)</sup>	1,06 %	32,22 %
FIM Short-Term Bond	0,00 %	0,00 %	0,15 % <sup>(3)</sup>	0,15 %	206,39 %
FIM USA	1,00 %	1,00 %	1,50 %	1,50 %	-7,37 %

<sup>1)</sup>The figure depicts the rate of change in securities in the fund portfolio. The portfolio turnover rate is calculated by deducting the total sum of fund subscriptions and redemptions from the total sum of securities bought and sold by the fund, then dividing the figure by the average market value of the fund. This calculation method is applied in an effort to eliminate the turnover caused by fund unit subscriptions or redemptions.

<sup>1</sup> A redemption fee will be charged for the Fund in relation to the investment period. The redemption fee will be:

- 4%, if the investment period is shorter than 1 year
- 3%, if the investment period is at least 1 year but shorter than 3 years
- 2%, if the investment period is at least 3 years but shorter than 4 years
- 1%, if the investment period is at least 4 years.

The redemption fee is disbursed to the fund.

<sup>2</sup>No management fee has been charged for the fund as of 3 June 2013.

<sup>3</sup>Valid from 1 January 2021 until 31 December 2021. A normal management fee is 0.30%.

# PUBLICATION OF FUND UNIT VALUES, REPORTS AND ERRORS IN VALUE CALCULATION

## Fund unit value and its publication

The Management Company calculates the value of the fund and its fund units on each valuation day. The value of the fund and its fund units is calculated pursuant to the Act on Common Funds and fund rules.

If possible, the values of units in FIM Funds will be posted via the online services ([www.fim.com](http://www.fim.com) and [www.fim.se](http://www.fim.se)) by 11 am Swedish time on the following weekday.

The values of units in FIM Forest Fund will be published 15 banking days after the 15th day of March, June, September and December. FIM Forest fund employs a pricing method for both the subscription and redemption value that spreads out the property acquisition costs to the fund and promotes the equality of unitholders. The market value of a forest property at the time of acquisition includes transfer tax, which is deducted as straight-line depreciation over a period of five years. Transfer tax is depreciated at the rate of five per cent per quarter, and the first depreciation is made for the quarter when the property is acquired. If the intention is to give up the property before five years have passed, the remaining transfer tax is depreciated at the time of selling. Due to the activation of the transfer tax, the value of the fund unit is higher than its value without this activation. Therefore, the activation reduces the number of fund units received by the fund's unitholder and increases the sum payable for redemption until the transfer tax has been depreciated from the balance sheet.

## Annual and semi-annual reports, as well as the financial period

The financial year of the Fund Management Company and the investment funds is one calendar year. The Fund Management Company prepares and publishes the annual reports of the Fund

Management Company and the funds within three (3) months of the end of the financial period. The annual reports are available from the Fund Management Company. Interim reports of the funds, as well as the information referred to in Chapter 12, sections 5 and 6 of the Act on the Managers of Alternative Investment Funds, such as the risk profile and information on the risk management systems, the amount of leverage employed, and changes to its maximum level, are available from the Fund Management Company within two (2) months of the end of the reporting period.

## The limit for a material error

Errors in value calculation are entered on a fund-specific list. Unitholders have the right to familiarise themselves with the list.

An error in value calculation is material when it exceeds a specific portion of the fund value. When determining the limit for a material error, funds are divided into four classes as per their annual volatility; i.e. their annual fluctuation of returns. The limit for a material error is from 0.1 to 0.5% in these classes.

## Classification of mutual funds as per volatility when determining the material error in value calculation:

- class I: mutual funds with annual volatility of  $\geq 10\%$ .
- class II: mutual funds with annual volatility of  $\geq 5\%$ , but  $< 10\%$ .
- class III: mutual funds with annual volatility of  $\geq 2\%$ , but  $< 5\%$ .
- class IV: mutual funds with annual volatility of  $\leq 2\%$ .

Should the funds have no three-month performance history, or no calculated or published volatility factor in the reviews, they will always be considered to belong to class IV.

Fund	Error class	The limit for material error (from the fund value)
FIM Asset Management 50	I	0.5 %
FIM Brands	I	0.5 %
FIM Emerging Markets ESG	I	0.5 %
FIM Emerging Yield	II	0.3 %
FIM Euro	II	0.3 %
FIM Europe	I	0.5 %
FIM Fenno	I	0.5 %

Fund	Error class	The limit for material error (from the fund value)
FIM Frontier	I	0.5 %
FIM Forest	II	0.3 %
FIM IG Green ESG	III	0.2 %
FIM Short-Term Bond	IV	0.1 %
FIM USA	I	0.5 %
S-Savingsfund Cautious	II	0.3 %
S-Savingsfund Moderate	I	0.5 %

# RISKS RELATED TO MUTUAL FUNDS AND FUND INVESTMENTS

There are always financial risks related to investment operations. Past performance does not guarantee future returns. The value of investments and the returns distributed by them may increase or decrease, and investors may not necessarily get back their originally invested capital.

## Market and outlook risks

Equity funds involve a risk of fluctuations in the market value of investments. The market value may vary considerably.

The funds invested in fixed-income markets involve a risk of fluctuations in the market value of investments. Investments may lose their value as the market interest changes.

In addition, such a fund management style that is proactive and follows the company's own market vision may also have a substantial impact on the fund value.

## Liquidity risk

Liquidating the fund's investments may not be possible at a reasonable price or within an expected time frame, which may hinder the payment of redemptions. In emerging markets, liquidity may have a substantial impact on the returns of investments.

The Fund Management Company monitors the amount of the funds' liquid assets to ensure the sufficient liquidity of each fund. In addition, stress tests to assess the liquidity risk are performed for the funds. The redemption of the fund units may last longer than usual and redemptions may be suspended in certain situations.

## Unforeseen events

Unforeseen events, such as political action or measures taken by authorities that relate to taxation, currencies, legislative amendments or other similar factors, may affect the value development of the fund and the liquidity of the securities owned by the fund. In emerging markets, political risks may have a substantial impact on the returns of investments.

## Counterparty risk

Trading counterparties or issuers of securities may neglect their obligations agreed.

## Credit risk

Credit risk relates to an uncertainty regarding the solvency of the issuers of debt instruments. The issuers of interest-bearing securities must pay a risk premium, in addition to the interest that is regarded as risk-free by the markets. Credit risk affects the value of the fund's fixed-income investments in cases where the credit rating of the issuer changes or credit premiums in general change. If the credit risk premiums increase, the value of the fund will decrease, and vice versa.

## Operational risks

Operational risks may result from external factors related to technology, organisation or insufficient operation of processes.

## Market area or branch-specific risk

The value development of a specific area, country or geographical region may substantially differ from the general value development of securities markets.

## Currency risk

The fund is affected by a currency risk when investments are made in currencies other than the euro.

## Derivatives, efficient portfolio management methods and related risks

The Funds may use methods and instruments in an effort to make portfolio management more efficient and to hedge against risks, such as reducing or increasing a fund's exposure to fluctuations in the prices of securities, interest rate levels, or currency exchange rates. Such methods include the use of derivatives (options, futures and forward contracts) and securities lending agreements.

Funds may use derivatives for hedging or to obtain additional gains or to make portfolio management more efficient. Currency derivatives may only be used for hedging purposes, except in the case of funds whose rules enable the use of currency derivatives for the purpose of making portfolio management more efficient. The funds may also engage in securities lending.

The use of the aforementioned methods does not guarantee the receipt of intended end results, and the funds may even incur losses. The use of derivatives for hedging purposes may diminish the fund's risk and expected returns. The use of derivatives for the purpose of obtaining additional gains may increase the fund's return potential, but it may also cause the fund's risk level to rise, compared to a situation in which the fund would purchase the underlying assets of the derivative contracts directly.

Derivatives transactions entail risks and transaction costs to which the fund would not be exposed if such methods were not used. However, the use of derivatives will not result in changes in the investment target stated for each fund. The risks related to the use of derivatives include as follows: a) a dependency on the portfolio manager's ability to predict market changes and trends; b) an imperfect correlation between the prices of derivative contracts and their underlying securities or changes in currency prices; c) a lack of an aftermarket for these contracts and a consequent lack of liquidity; d) the fund's possible inability due to a derivative position to purchase or sell a certain security at an opportune time, or the fund's possible obligation arising from a derivative position to sell a security at an inopportune time; and e) the inability of a counterparty to a non-standard derivative contracts to carry out its obligations.

Derivative contracts result in trading expenses for the fund. The recipients of these payments consist of trading and clearing counterparties of the derivative contracts. Payments may also be made to companies belonging to the same group as the Management Company.

The funds may make securities lending agreements with counterparties, which are agreed upon separately. Lending agreements refer to an arrangement in which a fund loans out a security it owns to receive compensation from the borrower. Securities loans may be annulled without cost at any time.

The funds obtain return from the securities lending minus fees paid to the party arranging and managing the securities lending. The party may be a company belonging to the same group as the Management Company.

A risk in securities lending relates to the borrower's potential insolvency or inability to return the borrowed securities, which may result in a delay in the retrieval of the securities and cause the fund to suffer capital losses.

### **Collateral**

Funds receive and deposit euro-denominated cash collateral in conjunction with derivatives trading. The level of collateral is determined on the basis of generally available calculation methods. The collateral will not be reinvested.

In an effort in securities lending to reduce the risk for the fund, the borrower must pledge collateral in accordance with the Management Company's collateral policy. Its value must be at least 100% of the value of the borrowed securities. The collateral may comprise cash or government bonds of EU or EEA member state with a high credit rating. The valuation of collateral takes place every day. Cash collateral obtained will be kept in the name of the fund in an account held by a third party. The collateral will not be reinvested.

### **Coverage of liability risk**

In accordance with Chapter 6, section 4 of the Act on the Managers of Alternative Investment Funds, the Fund Management Company has liability insurance to cover any losses that the manager of the alternative investment fund is liable for, in accordance with the act.



# CONSIDERATION OF SUSTAINABILITY RISKS

S-Bank Plc (“S-Bank”) and FIM Asset Management Ltd (“FIM”) aim to promote responsible investing. S-Bank and FIM consider sustainability risks significant and take them into account in investment decisions. Sustainability risks refer to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. In practice, sustainability risks are taken into account and managed with the following responsible investment strategies:

- ESG integration;
- Monitoring compliance with international norms;
- Owner influence;
- Impact investing;
- Exclusion;
- Favouring; and
- Thematic investing.

asset managers of all the active fixed-income and investment funds used have signed the UN Principles for Responsible Investment to ensure a certain level of responsibility also in external funds. The ETF products used in investment services are mostly excluded from the responsibility review, as they are passive by nature and the possibility to apply ESG strategies in them is limited (with the exception of ETF products that follow responsibility indices). In property investments, sustainability factors are taken into account in the construction and investment phase and through steering during operation. When investing in forests, factors such as various certifications are considered. In impact investing products, achieving a positive impact is sought particularly in social matters.

FIM and S-Bank have a defined decision-making process for the consideration of sustainability factors and risks, and the key related policies are submitted to the management board of S-Bank’s asset management business area for approval. The decision-making process is described in the principles for responsible investing. The decisions are mainly implemented within each unit that makes investment decisions by their portfolio managers as an integral part of investing.

FIM and S-Bank invest responsibly with consideration to financial returns and see responsibility as a competition factor for companies. Responsibility assessment may provide information on the risks and opportunities that could potentially affect the company’s financial performance in the future, for example, through changes in sales or expenses.

Sustainability risks may have an impact on the return on financial products. Risks may arise from companies with fossil energy reserves on their balance sheet, for example, or companies whose business depends heavily on coal. Risks may be triggered by the

reorientation of capital or regulation. Extreme weather phenomena may also cause unexpected consequences for companies due to disturbances in production or distribution, for example. Risks may also arise from companies that violate generally accepted international norms, damage the environment, mistreat their employees, or are guilty of corruption, for example, due to poor governance. Protection against risks is sought through the consideration of ESG factors in the investment analysis and decision-making, by influencing companies, and through the exclusion of companies that violate international norms or whose business depends heavily on coal, for example.

You can find more information on why and how FIM and S-Bank implement responsible investing at: [www.fim.com/fi/vastuullisuus-ja-vaikuttavuus/vastuullisuus/](http://www.fim.com/fi/vastuullisuus-ja-vaikuttavuus/vastuullisuus/).

## Sustainability classification of funds

In accordance with Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), we have classified our funds in three categories based on how they take sustainability factors into consideration:

1. funds that promote, among other characteristics, environmental and social characteristics;
2. funds that pursue sustainable investments; and
3. funds that do not meet the criteria for the above categories, but whose investment decisions take sustainability risks into consideration.

According to the company’s internal classification, the funds under point 1 are called Light Green, the funds under point 2 are Dark Green, and the funds under point 3 are Mainstream. Light Green and Dark Green funds invest in companies that comply with good governance practices.

The terms ESG and UN Global Compact are used in the fund-specific texts below. ESG comes from the English words Environmental, Social and Governance, and refers to factors relating to the environment, society and good governance. UN Global Compact consists of ten principles based on the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention against Corruption. The UN Global Compact principles require respect for human rights, anti-corruption measures, respect for the fundamental principles at work, and consideration for the environment, for example.

## FIM Emerging Markets ESG Mutual Fund (Light Green)

The fund promotes environmental and social characteristics by favouring responsible companies, using exclusion strategies, and by influencing the operations of companies.

The fund’s investment decisions take into account sustainability risks and utilise responsibility analysis. As part of responsibility analysis, each company’s performance is assessed in a num-

ber of ESG issues, such as CO2 emissions, the carbon footprint of the company's products, the company's vulnerability to climate change, clean energy opportunities, business ethics, ownership controls, working conditions and the Board of Director's characteristics. ESG issues are considered either directly or as part of ESG classifications. The assessments focus on the relevant issues, which vary somewhat between sectors. The fund will not invest in companies with weak ESG performance relative to the rest of their industry.

We automatically exclude from the fund's investments any companies that manufacture tobacco products or cannabis for recreational use, weapons prohibited by international agreements, mining companies with more than 20% of their turnover generated by coal for energy production, and electricity companies with more than 20% of their turnover generated by coal-based energy. However, a company can avoid exclusion if it has a credible strategy for reducing its dependence on coal.

We exert our influence on companies if their operations involve significant deficiencies related to ESG issues. Possible means of exerting influence as an owner include the exercising of voting rights at general meetings, direct influence on the company's operations, participation in collective influencing efforts by investors, and public debate. If a company's operations are not in line with the principles of the UN Global Compact, in addition to influencing, we may exclude the company from our investments.

The fund's benchmark index does not take into account the fund's ESG objectives.

#### **FIM IG Green ESG Mutual Fund (Light Green)**

The fund promotes environmental and social characteristics by investing in green bonds, favouring responsible companies, using exclusion strategies, and influencing the operations of companies.

The fund aims to invest at least 50% of its assets in green bonds. Green bonds finance investments that combat climate change or reduce the burden on the environment, for example.

The fund's investment decisions take into account sustainability risks and utilise responsibility analysis. As part of responsibility analysis, each company's performance is assessed in a number of ESG issues, such as CO2 emissions, the carbon footprint of the company's products, the company's vulnerability to climate change, clean energy opportunities, business ethics, ownership controls, working conditions and the Board of Director's characteristics. ESG issues are considered either directly or as part of ESG classifications. The assessments focus on the relevant issues, which vary somewhat between sectors. The fund will not invest in companies with weak ESG performance relative to the rest of their industry.

We automatically exclude from the fund's investments any companies that manufacture tobacco products or cannabis for recreational use, weapons prohibited by international agreements, mining companies with more than 20% of their turnover generated by coal used for energy production, and electricity companies with more than 20% of their turnover generated by coal-based energy. However, a company can avoid exclusion if it has a credible strategy for reducing its dependence on coal.

We exert our influence on companies if their operations involve significant deficiencies related to ESG issues. Possible means of exerting influence as an owner include direct influence on the company's operations, participation in collective influencing efforts by investors, and public debate. If a company's operations are not in line with the principles of the UN Global Compact, in addition to influencing, we may exclude the company from our investments.

No benchmark index has been designated for the fund.

#### **FIM Europe Mutual Fund, FIM Short-Term Bond Fund, FIM Fenno Mutual Fund, FIM USA Mutual Fund, FIM Brands Mutual Fund and FIM Frontier Mutual Fund (Light Green)**

The fund promotes environmental and social characteristics by using exclusion strategies and influencing the operations of companies.

The fund's investment decisions take into account sustainability risks and utilise responsibility analysis. As part of responsibility analysis, each company's performance is assessed in a number of ESG issues, such as CO2 emissions, the carbon footprint of the company's products, the company's vulnerability to climate change, clean energy opportunities, business ethics, ownership controls, working conditions and the Board of Director's characteristics. ESG issues are considered either directly or as part of ESG classifications. The assessments focus on the relevant issues, which vary somewhat between sectors.

We automatically exclude from the fund's investments any companies that manufacture tobacco products or cannabis for recreational use, weapons prohibited by international agreements, mining companies with more than 20% of their turnover generated by coal used for energy production, and electricity companies with more than 20% of their turnover generated by coal-based energy. However, a company can avoid exclusion if it has a credible strategy to reduce its dependence on coal.

We exert our influence on companies if their operations involve significant deficiencies related to ESG issues. Possible means of exerting influence as an owner include the exercising of voting rights at general meetings, direct influence on the company's operations, participation in collective influencing efforts by investors, and public debate. If a company's operations are not in line with the principles of the UN Global Compact, in addition to influencing, we may exclude the company from our investments.

If a benchmark index has been designated for the fund, it will not take into account the fund's ESG objectives.

#### **FIM Forest Non-UCITS Fund (Light Green)**

The fund promotes environmental and social characteristics. The fund takes sustainability risks into account in its investment decisions and assesses the responsibility of its investments. For example, the fund aims to increase biodiversity and the carbon sinks of forests, as well as diversify the recreational use of forests.

In the long term, the fund will cut down its forests less than they grow, which will turn the forests into carbon sinks. Growth is boosted by good and timely forest management and fertilisation if necessary. The fund also aims to increase new carbon seques-

tration by afforestation of suitable areas. All the fund's forests in Finland are PEFC- and FSC-certified. Forest certification is a guarantee of the legal and sustainable use of forests, and ensures that forests are managed in accordance with diversity and environmental requirements jointly agreed by a wide range of stakeholders. FSC certification also requires that at least 5% of the forests covered by the certificate are voluntarily excluded from economic use, and that another 5% are subject to special felling and management measures (such as continuous cultivation).

The fund leases forest land to wind farms and thus contributes more extensively to climate efforts. The fund enables the recreational use of forests to a greater extent than allowed by everyman's rights by leasing hunting rights to local hunting clubs and providing opportunities to build hiking and trekking trails on land owned by the fund, for example.

The fund reports on the following annually: the amount of carbon sink, the number of certified sites, the number of sites not in economic use, and the number of leases to wind farms.

The above also applies to forest real estate securities owned by the Fund.

No benchmark index has been designated for the fund.

#### **Other funds (Mainstream)**

Investments of the following financial products do not take into account the EU criteria for environmentally sustainable economic activities: FIM Euro Mutual Fund, FIM Asset Management 50 Fund, S-Savingsfund Cautious Mutual Fund, S-Savingsfund Moderate Mutual Fund, FIM Emerging Yield Mutual Fund. However, sustainability risks are considered in the investment decisions of the above-mentioned funds.

## **TAXATION OF THE FUND AND ITS UNITHOLDERS**

The fund is governed by Finnish law and exempt from tax on dividend sales profit. Investors are advised to always consult an expert in order to establish the tax consequences of their fund investments.

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