

# Information regarding Kavaljer and its services– Portfolio Management

Full Company Name:	Kavaljer AB
Organization number:	556618-7315
Postal Address:	Box 1221, 131 28 Nacka Strand
Visiting Address:	Cylindervägen 12
Language:	Swedish, English
Phone:	+46 (0)8-684 393 00
Email:	info@kavaljer.se
Communication Methods:	Telephone, email, personal meeting
Business Orders:	Telefon, 08-684 393 00
License:	Portfolio Management
Licensing Authority:	Swedish Financial Supervisory Authority, Brunnsgr. 3 111 38 Stockholm
Bolagsverket, Contact Information:	Bolagsverket, 851 81 Sundsvall, phone: 0771 670 670

## **Business / Offered Service**

The company provides portfolio management to non-professional clients as well as management of the funds Kavaljer Quality Focus and Kavaljer Investmentbolagsfond. The company's portfolio management service is aimed at private individuals, companies, and institutions. Each client has their own unique portfolio tailored to their wishes, needs, and risk appetite. Depending on the customization, the client's unique portfolio will resemble one of the company's three model portfolios or a combination of these. The funds Kavaljer Quality Focus and Kavaljer Investmentbolagsfond are available for purchase through one of the company's distributors.

## **Investment Objectives and Risk**

Investment objectives and risk levels for the management are set and continuously updated by the company together with the client, and are documented in each client's customer documentation. The risk in the portfolio management can be increased or decreased by adjusting the proportion of bonds relative to the proportion of equities. Further information about risks is available on the company's website: [www.kavaljer.se](http://www.kavaljer.se).

## **Suitability Assessment**

In order for the company to assess which products or services are suitable, it must obtain sufficient information about the client's personal and financial circumstances. The company also needs to know the client's experience and knowledge of the products and services offered by the company, information about the client's financial situation, and the client's ability to bear losses. It is also important for the company to understand the client's investment objectives, the level of financial risk the client is willing to take, and how long the client intends to hold the investment. The purpose of the information collected from the client is to enable the company to safeguard the client's interests and provide portfolio management that is appropriate in light of the client's preferences and needs. It is therefore important that the information the client provides to the company is accurate and as complete as possible. Employees of the company who provide portfolio management are also subject to specific knowledge and competence requirements. A person who, on behalf of the company, provides information to clients about financial instruments, investment services, or ancillary services in connection with portfolio management must have the knowledge and competence required to:

- perform their duties,
- ensure that clients' interests are protected,
- and ensure that the institution acts honestly, fairly, and professionally.

The company has separate guidelines that describe in more detail how the company applies the requirements for knowledge and competence.

A suitability assessment is conducted for all clients and must be updated regularly. The client receives a copy, which is documented by the company. The reporting to the client must include an updated explanation of how the investment corresponds to the client's preferences, investment objectives, and other characteristics.

**Client Reporting**

Reports on portfolio performance and transaction confirmations for each transaction initiated by the company, as well as charged management fees, are provided by the client's custodian institution. Reports on portfolio performance and management fees charged may also be obtained from the company upon request. Each custodian institution has its own procedures for how these are made available, usually through a personal login with credentials provided by the custodian.

Annual reports including portfolio performance, holdings, dividends, interest income, and interest expenses, etc., are provided annually by the custodian institution.

**Custody of Clients' Securities and Funds**

The company does not hold clients' securities, nor does it receive clients' funds with an accounting obligation.

**Deposit Guarantee**

Client assets are covered by the deposit guarantee scheme and investor protection of the selected custodian institution. The deposit guarantee and investor protection are administered by the Swedish National Debt Office (Riksgälden). For more information, see [www.riksgalden.se](http://www.riksgalden.se).

## Conflicts of Interest

The company has implemented internal rules for identifying and managing conflicts of interest. Conflicts of interest refer both to conflicts between the company or its employees and the company's clients, as well as between different clients or client groups. Situations that may give rise to conflicts of interest are those that could pose a risk of negatively impacting clients' interests. The internal guidelines emphasize that employees must always prioritize the client's interests. To manage potential conflicts of interest, the company has established a number of internal rules that employees are required to follow. Important areas include:

- Obligation to report employees' and their related parties' personal securities transactions.
- Confidentiality for employees and consultants regarding clients' financial and personal circumstances.
- Ethical rules, for example regarding impartiality, secondary employment, and representation.
- How the suitability assessment should be conducted to determine whether portfolio management is appropriate for the client.
- Circumstances where the company, its employees, contractors, board members, or affiliated companies are likely to gain a financial benefit or avoid a financial loss at the client's expense.
- Circumstances where the company, its employees, contractors, board members, or affiliated companies have an interest in the outcome of a service provided to the client or of a transaction executed on the client's behalf that differs from the client's interest.
- Circumstances where the company, its employees, contractors, board members, or affiliated companies have an economic or other incentive to favor the interests of another client or client group over those of the client.
- Circumstances where the company, its employees, contractors, board members, or affiliated companies receive or will receive incentives from the client or from a party other than the client in connection with a service provided to the client, in the form of money, goods, or services in addition to the standard commission or fee for the relevant service or activity.

The company wishes to draw clients' attention to the fact that Kavaljer manages the funds Kavaljer Investmentbolagsfond and Kavaljer Quality Focus on behalf of the fund company BIL Manage Invest S.A. For this, Kavaljer receives compensation in the form of a percentage of the management fee that the fund company charges the fund. The potential conflict of interest lies in the possibility that the company may have an incentive to allocate clients' portfolios to these funds, thereby increasing the company's revenues. The company will, however, follow the investment objectives set by the client. This may mean that investing in the Kavaljer funds could be appropriate. To eliminate the conflict of interest, the company will not charge a management fee in the portfolio management service for the portion of assets that is invested in these funds. Furthermore, the company is obligated to carry out its management duties with the client's interests as the highest priority.

## Conflicts of Interest

If a conflict of interest arises that may or does adversely affect a client, the company shall provide the client with information about this. The information shall include a detailed description of the conflicts of interest that arise in connection with the provision of the company's services, taking into account the type of client for whom the notice is intended. The description shall explain the general nature and sources of the conflicts of interest, as well as the risks that arise for the client as a result of the conflicts of interest, and the measures taken to mitigate these risks in sufficient detail so that the client can make an informed decision regarding the investment service or ancillary service in light of which the conflict of interest arises. Upon request, the company provides the client with additional information about its conflict of interest policy.

### **Client Categorization**

Within portfolio management, all clients are categorized as non-professional clients. Clients may request to be reclassified as professional clients. A client's request for a change of category must be made in writing to the company's CEO. The company decides whether a reclassification shall take place and has guidelines for the conditions that must be met for such a reclassification. Reclassifying from a non-professional to a professional client entails reduced client protection, as the company's duty to provide information is reduced, and the company will assume that the client has sufficient knowledge and experience when assessing whether the service is suitable for the client. The company shall inform the client that they will receive less protection if a reclassification is requested.

### **Portfolio Performance and Comparison**

The client's portfolio performance is compared with a relevant benchmark index. Typically, OMX Stockholm All-Share Cap GI for Nordic equities and Dow Jones Global Index Net Total Return for global portfolios.

### **Investments and Valuation**

Investments in portfolio management are primarily made in listed equities in the Nordic region. Listed equities on other international exchanges may also occur. Interest-bearing investments are made in Swedish bonds and bond funds. Foreign bonds and bond funds may also be included. Valuation is performed daily on the marketplaces where the instruments are listed. Equity investments are made based on a comprehensive assessment that takes into account valuation, operational stability, growth, and the ability to generate stable cash flows.

### **Order Placement**

Before placing any order, the company considers the following circumstances to achieve the best possible result in terms of the total amount the client will pay or receive:

- Cost of the transaction
- Speed and likelihood of execution and settlement
- Size and nature of the order
- Other factors the company deems relevant, such as strong market knowledge

### **Fees and Charges, Incentives**

The company's compensation from the client consists solely of a fixed percentage-based management fee in accordance with a separate price list. Transaction fees and fund fees are paid directly to the custodian or fund company. Kavaljer does not receive any commission for these. Kavaljer does not invest in products that generate sales commissions. In the event the company is offered a commission, it will be passed in full to the client.

Thus, there are no incentives for the company to invest in any particular security or product.

### **Compensation to Distributors**

The company manages the funds Kavaljer Investmentbolagsfond and Kavaljer Quality Focus on behalf of the fund company BIL Manage Invest S.A. For this, the company receives compensation in the form of a percentage of the management fee charged by the fund company to the funds. The reported fund unit value is net of management fees. The company has entered into agreements with distributors (banks, insurance intermediaries, securities companies) who market the funds. These distributors receive a share of the management fee that the company receives from the fund company. Further information is available upon request.

## Processing of Personal Data

The company is the data controller for your personal data. The company processes your personal data in accordance with the applicable Privacy Policy (entitled "How Kavaljer Processes Your Personal Data"), which is available on the company's website:

<http://kavaljer.se/>

## Complaints

Kavaljer strives to ensure that clients are satisfied with the company's services and products. In the event of a complaint, please first contact the company's Complaints Officer:

Peter Lindvall

Postal Address:

Kavaljer AB, Box 1221, 131 28 Nacka Strand

Email: [peter@kavaljer.se](mailto:peter@kavaljer.se)

Phone: +46 (0)8-551 195 79

Complaints must be handled efficiently and carefully, and responses should be factual and accurate. The response must be provided in writing and formulated as clearly as possible so that the complainant can easily understand the content. Complaints are processed by the company's complaints officer in consultation with the person who originally received the client's complaint. Decisions regarding complaints are made by the CEO. The company has also established separate internal guidelines regarding complaints handling, which are available to clients upon request. As a consumer, you also always have the right to escalate your concerns or complaints to external institutions:

Allmänna reklamationsnämnden - [www.arn.se](http://www.arn.se)

Box 174 101 23 Stockholm

Phone: 08-508 860 00

Email: [arn@arn.se](mailto:arn@arn.se)

Visiting address:

Kungsholmstorg 5

Opening hours: 9-12, 13-16

Konsumenternas Bank- och finansbyrå - [www.bankforsakring.konsumenternas.se/](http://www.bankforsakring.konsumenternas.se/)

Box 24215, 104 51 Stockholm

Visiting address: Karlavägen 108

Telefon 0200 - 22 58 00, +46 8 22 58 00 (from abroad utlandet), Opening hours:

Weekdays 9 - 12.

You may also contact your municipal consumer guidance service or bring your case before a general court.