



PROCUREMENT REPORT

Nordic equity funds



Fondtorgsnämnden
Swedish Fund Selection Agency

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1. Executive summary

On 19 February 2025, the Swedish Fund Selection Agency (FTN) announced the award decision regarding the procurement of Nordic equity funds that focus on large and mid-cap companies for the premium pension fund platform. This decision will affect approximately 80,000 savers, with total assets close to SEK 8,8 billion as of 31 December 2024.

Four fund managers are awarded fund agreements for four funds, one of which is new to the platform.

For pension savers, the procurement means that the funds in the category have now undergone extensive controls and are of high quality. In addition, the minimum level of sustainability in the funds has been raised. At the same time, the average annual fee for the funds in the category has been reduced by 37 per cent from 0.326 to 0.204 per cent.

By law, the funds procured must be suitable, controllable, sustainable, cost-efficient and of high quality. In addition, the range on the fund platform must provide pension savers with freedom of choice. The aim is to ensure a high-quality range of funds at competitive fees, thereby creating the conditions for a more secure and higher premium pension scheme.

FTN has carried out the procurement of Nordic equity funds in parallel with the procurement of Nordic small-cap funds. This has made it possible to coordinate several aspects of the procurement, such as project administration and interview meetings.

The fund managers and funds that have been awarded are:

- **Handelsbanken Fonder AB**
Handelsbanken Norden Selektiv
- **Nordea Funds Ltd**
Nordea Nordic Fund
- **SEB Investment Management AB**
SEB Nordenfond
- **Ålandsbanken Fondbolag Ab**
Ålandsbanken Norden Aktie



2. FTN's mandate

FTN is a government authority with the mandate to procure, monitor and quality assure the funds in the Swedish premium pension system.

The funds for the premium pension fund platform are procured in order to ensure the quality of funds and fund managers and thereby safeguard the interests of pension savers. During the term of the agreement, FTN regularly controls that the funds and fund managers fulfil the terms and conditions of the fund agreement.



TO PROTECT THE INTERESTS OF PENSION SAVERS, HIGH REQUIREMENTS ARE SET FOR FUNDS AND FUND MANAGERS.

To protect savers' interests, high requirements apply to the funds and fund managers participating on the fund platform. The evaluation and monitoring of funds, fund managers and management activities, both during and after procurement, aim to offer high-quality pension savings that contribute to a secure pension.

The funds on the procured funds platform must be suitable for the premium pension system, cost-efficient, sustainable, controllable and of high quality. These requirements are stipulated in the law governing FTN's procurement of funds. The premium pension system and the range of funds offered must be characterised by freedom of choice, where savers are able to influence the risk and investment focus of their premium pension savings.

FTN monitors the fund platform and will procure new funds when fund agreements expire. FTN will continuously evaluate the range of funds on the fund platform and monitor development in the fund industry as a whole. External factors and changes in the fund industry may create a need for the procurement of new categories that are not currently represented on the fund platform.



3. Procurement process

FTN's procurement process is central to the work of procuring funds for the premium pension fund platform. It is designed to procure and evaluate funds in line with the terms of the statutory requirements of suitability, sustainability, controllability, quality and cost-efficiency of the funds.

The purpose of this chapter is to provide a simplified yet clear picture of FTN's procurement process for the public to read. This means that the chapter contains abbreviated descriptions and examples from the procurement documentation for this specific procurement. If descriptions in this report are simplified in such a way that information could be perceived as contradictory in comparison with what is stated in the procurement documentation, it is always the procurement documents that prevail.

3.1. FTN's market dialogue

FTN is required by law to maintain a continuous dialogue with fund managers, industry associations and other market participants.

The purpose of the market dialogue is, among other things, to increase knowledge, based on the agency's needs, of the funds and fund managers on the market and what they can offer. By receiving input from fund managers, the agency will be able to set better and more appropriate terms and conditions for the procurements. Through the market dialogue, the agency will also be able to inform the fund managers of its requirements and the desired outcome of the procurement, get feedback, obtain news and share information.

The market dialogue can also contribute to the fund managers submitting tenders in subsequent procurements that are more in line with FTN's requirements. A continuous dialogue between the Agency and the fund managers prepares the market for future procurements, which is intended to create trust and conditions for a broad understanding.

The dialogue can be conducted in various ways, for example through meetings, discussion forums, external referrals or by sending out questions with the aim of obtaining certain information, known as a Request for Information (RFI).

The dialogue adheres to essential public procurement principles, and the information that FTN shares with industry participants is also available on the agency's website, ftn.se.

3.2. Preparatory analysis

FTN decides annually on a general procurement plan for the fund platform.

Before each specific procurement, the fund category to be procured is analysed based on availability of funds with a relevant profile, demand from pension savers, investment strategies applied, suitability of the funds for the fund platform, etc. The assessment conducted at this stage forms the basis for the design of the procurement documentation for the specific procurement.

3.3. Producing procurement documentation

Before a procurement is announced, the procurement documentation is prepared. FTN establishes a specification for each



IN ORDER FOR A TENDER TO BE EVALUATED, THE FUND MUST MEET ALL THE MANDATORY REQUIREMENTS OF THE PROCUREMENT

procurement based on the conditions and requirements of the specific procurement.

The procurement documentation is comprehensive and describes, among other things, the general conditions for the procurement and the evaluation model that will be applied. It covers areas such as management activities, financial stability, risk management, transparency and availability of data from the fund managers participating in the procurement. Before giving notice of the procurement, FTN formally approves the procurement documentation, including the fund agreement and its annexes.

3.4. Notice of procurement

Procurement of funds for the premium pension fund platform is announced on the procurement platform e-Avrop. The notice is followed by a period during which tenderers can submit tenders. The length of the time period for submitting tenders varies between procurements. Questions regarding the procurement can be asked up to ten days before the deadline for submitting tenders. Questions are answered on an ongoing basis via e-Avrop, up to six days before the deadline for submitting tenders.

3.5. Requirements, grounds for exclusion and evaluation

3.5.1. Compliance with requirements

The tender opening is the start of the assessment and evaluation of the tenders. The first part involves verifying the fulfilment of mandatory requirements. FTN's office checks that the tenders received are complete, that the tender fee has been paid, and that the tender fulfils both general and procurement-specific mandatory requirements and that there are no grounds for exclusion.

Example of a mandatory requirement set out in the procurement specification is that the fund manager, and any investment manager, must have managed assets in the strategy covered by the procurement for a continuous period of at least three years over the last five years. An example of a requirement in the procurement specification is that the fund must replicate or emulate the composition of its benchmark.

Grounds for exclusion could be for example if the fund manager or investment manager has been convicted of certain types of financial crime or if the fund manager has unduly attempted to distort competition or influence the decision-making process of the procuring agency.

For a tender to be evaluated, the fund must fulfil the mandatory requirements applicable to the procurement and there must be no grounds for

exclusion. The tenders that fulfil the requirements are evaluated in the next phase of the procurement process.

3.5.2. Qualitative and quantitative evaluation

The assessment involves an in-depth qualitative and quantitative analysis aimed at evaluating the information provided in the tenders. The fund managers that best fulfil the award criteria are invited for interviews. The maximum number of fund managers that can be invited to an interview varies and is set out in the procurement guidelines for each procurement.

The evaluation criteria and their respective weights are outlined in the Request for Proposal (RFP).

In evaluating the award criteria, FTN will assess various factors, including:

- **Investment philosophy:** The investment philosophy should be clear and describe how the fund manager seeks to create added value for savers. The philosophy should be adhered to in the daily work.
- **Investment process:** The investment process describes how the investment management is carried out. Each step of the process should be described from idea to portfolio construction, as well as in terms of who does what and with what authority. Evidence of discipline, structure and repeatability of the process shall be demonstrated.
- **Manager resources:** Both the portfolio manager and the associate portfolio manager and their team, as well as any other resources within the organisation, will be evaluated. Organisation, diversity, staff turnover, skills development and corporate culture are assessed.
- **Investment performance:** Performance is evaluated to confirm that the fund manager's process and philosophy are working – that the ability and conditions to generate returns within the chosen investment strategy are in place. The evaluation consists of in-depth quantitative analyses aimed at verifying that the fund is being managed in the way described in the tender and that this can be observed in historical data.
- **Administration and risk control:** The organisation of the fund manager's control functions for risk management, risk control, compliance and audit control functions, including the ability to monitor and manage risks within the fund and the management organisation, is considered.

Please note that this is a simplified description. The full and governing award criteria are described in the procurement documentation.

3.5.3. Interview meetings

FTN's office conducts site visits and interview meetings with representatives of the tenderer. The purpose of the interview meeting is to validate the information provided in the tender. The interviews cannot lead to a higher score in the procurement but may result in a deduction of points if FTN discovers that the information submitted in the tender does not correspond to the tenderer's organisation, operations or management, etc.

3.5.4. Revision of price

Fund managers selected for interview meetings are offered the opportunity, after the interview meetings, to submit in writing a revised and final offer for a lower price. This means that a fund manager may lower the price initially indicated in the tender, but may not raise it.

3.6. Award decision

Once the evaluation has been completed and the final scores have been determined, FTN will decide which fund managers will be awarded a contract and thus be allowed to sign contracts for funds on the premium pension fund platform. The award decision is published via e-Avrop and on the agency's website ftn.se. The award decision becomes legally binding after a 10-day standstill period following the award announcement.

3.7. Allocation and deregistration

When notice is made for a procurement of a fund category, the fund agreements for the affiliated funds in the corresponding category are given notice of termination. However, the funds remain on the fund platform until the procurement is completed.

Once the procurement is finalised and the award decision is legally binding, the phase-out process for the funds which are to be deregistered will begin. After a fund agreement is signed for the procured funds, the funds are registered in the Swedish Pensions Agency's system, provided they are not already listed on the fund platform. Thereby they will be available to pension savers.

The scheme for the allocation of capital means that the premium pension assets are to be transferred from the funds to be deregistered and distributed equally among the procured funds, with certain exceptions. For example, funds that are procured and already registered on the fund platform, retain existing assets. If current assets from premium pension savers are less than the allocated capital, the fund can be

The full and prevailing provisions on the allocation scheme can be found in the procurement guidelines for the procurement in question.

allocated assets up to the same level as other procured funds. Pension savers can always choose to switch funds, which means that there is no guarantee of the amount of allocated capital.

3.7.1. Information for pension savers

When a procurement process is completed, pension savers with investments in funds that are no longer covered by a fund agreement are notified that their chosen fund will be deregistered from the fund platform. The individual saver does not need to do anything. The saver's assets will automatically be transferred to an equivalent procured fund in the corresponding category. A saver can switch funds within the premium pension system at any time.

If a saver is already invested in a fund that is awarded in the procurement, the assets will remain in that fund unless the saver actively decides to allocate differently.

3.8. Monitoring and reviewing

A prerequisite for being eligible on the fund platform is that the fund over time maintains the high quality it presented when procured and that the fund manager acts in the pension savers' best interest throughout the contract period.

The procured funds are reviewed against the mandatory requirements and award criteria specified in the fund agreement for each procurement. If a fund no longer complies with the fund agreement or other requirements during the contract period, this may lead to termination of the fund agreement.

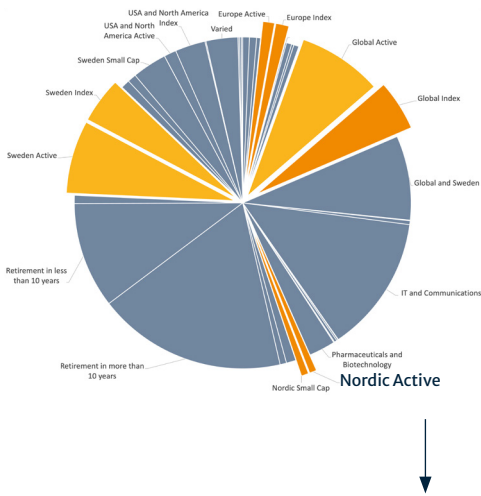
To enable monitoring, the fund manager shall provide FTN with information on an ongoing basis, as specified in the fund agreement. Information will be collected via for example questionnaires and, if necessary, also at the request of FTN's office.



4. The Nordic equity category today

This procurement concerns the Nordic equity funds category on the existing fund platform. A total of just over SEK 17.7 billion was invested in the funds in this category as of 31 December 2024, of which almost SEK 8.8 billion was invested in funds focusing on large and mid-cap companies. This corresponds to approximately one per cent of the total capital on the fund platform. In connection with this procurement, it was decided that the Nordic equity funds category should be replaced by the two new categories Nordic (large and mid-cap companies) and Nordic small-cap.

4. The Nordic equity category today



4.1. Range of funds

As of 31 December 2024, the category of Nordic equity funds focused on large and mid-cap companies on present affiliated fund platform consisted of ten funds. Of these ten funds, four were managed by Swedish fund managers and six by fund managers from other Nordic countries. The total number of savers in the funds was 80,000.

Over 70 per cent of the capital in the category was invested in the four largest funds.

The funds in the present range on the affiliated fund platform as of 31 December 2024:

Nordic equity funds

Funds currently on the platform: 10

Number of funds to be procured: 4

Assets under management: SEK 8.8 billion

Share of total assets under management (excl AP7 Såfa): 1 %

Fund Manager	Fund
DNB Asset Management AS	DNB Grönt Skifte Norden
Handelsbanken Fonder AB	Handelsbanken Norden
Holbergs Fondsforvaltning AS	Holberg Norden
Nordea Funds Ltd	Nordea Nordic
Odin Forvaltning AS	Odin Norden
SEB Investment Management AB	SEB Nordenfond
Simplicity AB	Simplicity Norden
Storebrand Asset Management AS	Delphi Nordic
Swedbank Robur Fonder AB	Swedbank Robur Nordenfond
Ålandsbanken Fondbolag Ab	Ålandsbanken Norden Aktie

0.326 %

**EQUALLY-WEIGHTED
AVERAGE FEE AFTER
DISCOUNT IN DECEMBER
2025**

4.2. Fees

As at 31 December 2024, the equally weighted average annual fee within the category was 0.326 per cent, after the Swedish Pensions Agency discount. The median annual fee was 0.283 per cent, with a range from a low of 0.227 to a high of 0.538 per cent.

4.3. Returns

The average annual return over the last three years until 31 March 2024 for the category was 9.1%. This could be compared to the category index, the VINX Benchmark Cap Net Index, used in the procurement. The category index had an average annual return of 9.7 per cent over the same period.

Thus, over the last three years, the annual return of the funds in the category has been on average half a percentage point lower than that of the category index. Over the same period, the spread in performance between the funds ranged from an annual return of 1.6 per cent to 14.1 per cent per year. Only three out of ten funds had an annual return in excess of the category index over the past three years.

4.4. Sustainability

On the current affiliated fund platform, there is one requirement regarding sustainability. Fund managers should be signatories of, or covered by the UN Principles for Responsible Investment (PRI). This is still a requirement for fund managers on the procured fund platform.

All ten funds on the current affiliated fund platform promote sustainability (reporting under SFDR Article 8).



5. Results of the procurement

The procurement notice was issued on 29 April 2024 and the award decision was announced on 19 February 2025. A total of 17 tenders were received, of which four fund managers were awarded fund agreements for four funds on the premium pension fund platform.

5. Results of the procurement



For full and governing criteria of the procurement, please see the procurement documentation.

5.1. Scope of the procurement

This procurement concerns UCITS funds with a primary focus on This procurement concerns UCITS funds that invest in Nordic equities with a primary focus on large and mid-cap companies. Active risk relative to the fund's benchmark index must be at least two per cent and the maximum permitted active risk between the chosen benchmark index and FTN's category index, VINX Benchmark Cap Net Index, is four per cent.

With the procurement, the requirements for the funds have been raised in terms of sustainability, compared to the requirements on the existing affiliated fund platform. An example of this is the requirement that the fund manager must utilise a norm-based screening process in its management to detect potential violations of international standards, such as the Global Compact's Principles of Corporate Social Responsibility, and that the fund manager identifies how well the operations in which the fund invests consider environmental, social and governance aspects.

As stated in the procurement documentation, the intention was to award four fund agreements in the fund category.

17

SUBMITTED TENDERS

5.2. Tenders submitted

A total of 17 tenders were submitted during the tender period.

	Fondförvaltare	Fund
1	Alfred Berg Asset Management AS	Alfred Berg Nordic Gambak
2	C WorldWide Fund Management S.A.	C WorldWide – C WorldWide Nordic
3	Danske Investment Management A/S	Danske Invest Norden Ansvarligt Fokus
4	DNB Asset Management AS	DNB Grønt Skifte Norden
5	FIL Limited	Fidelity Funds – Nordic Fund
6	Handelsbanken Fonder AB	Handelsbanken Norden Selektiv
7	Holberg Fondforvaltning AS	Holberg Norden
8	Lannebo Kapitalforvaltning AB	Lannebo Norden Hållbar
9	Nordea Funds Ltd	Nordea Nordic Fund
10	Fundrock Management Company S.A.	Norron SICAV – Sustainable Equity
11	Odin Forvaltning AS	Odin Norden
12	SEB Investment Management AB	SEB Nordenfond
13	Simplicity AB	Simplicity Norden
14	Skandia Fonder AB	Skandia Norden
15	Storebrand Asset Management AS	Delphi Nordic
16	Swedbank Robur Fonder AB	Swedbank Robur Nordenfond
17	Ålandsbanken Fondbolag Ab	Ålandsbanken Norden Aktie

For full details, see the procurement documentation.

5.3. Fulfilment of requirements

The received tenders were checked by FTN's office against administrative requirements, grounds for exclusion and mandatory requirements. Two tenders did not fulfil the requirements or were incomplete, and thus did not proceed to the evaluation phase. For example, one tender was rejected because the requirement for experience from the strategy could not be considered to be met.

A total of 15 tenders complied with the administrative and mandatory requirements, had no grounds for exclusion, and were therefore deemed to be correct and complete.

5.4. Evaluation of tenders

The evaluation focused on the fund's investment philosophy, investment process, the fund manager's control functions and the offered price. The fund's investment management organisation and its investment performance were also taken into account in the evaluation.

5.4.1. Interview meetings

The procurement guidelines for this specific procurement state that a maximum of 10 fund managers could be invited to an interview meeting. Out of 15 tenders evaluated, 10 were invited to an interview meeting.

The overall purpose of the interview meetings is to verify the answers provided by the fund manager in the tender.

5.4.2. Revision of price

At the last stage of the evaluation process, fund managers have the option to lower the price they initially offered in the tender. Thereafter, the final score, which forms the basis of the award decision, is established.

Five of the ten tenderers decided to revise their price.

5.5. Award decision

Out of 17 received tenders, four fund managers were awarded fund agreements with FTN. These fund managers and funds achieved the highest scores based on the overall evaluation criteria and fulfilled the mandatory requirements for the procurement process.

The four fund managers and funds awarded are:

- **Handelsbanken Fonder AB**
Handelsbanken Norden Selektiv
- **Nordea Funds Ltd**
Nordea Nordic Fund
- **SEB Investment Management AB**
SEB Nordenfond
- **Ålandsbanken Fondbolag Ab**
Ålandsbanken Norden Aktie

Resources, fund manager, investment management refer to chapters four and five of the RFP.

Fund, philosophy and process refer to chapters six and seven of the RFP.

Administration and risk control refer to chapters eight and ten of the RFP.

Historical returns refers to chapter 11 of the RFP.

Fee refers to chapter 12 of the RFP.

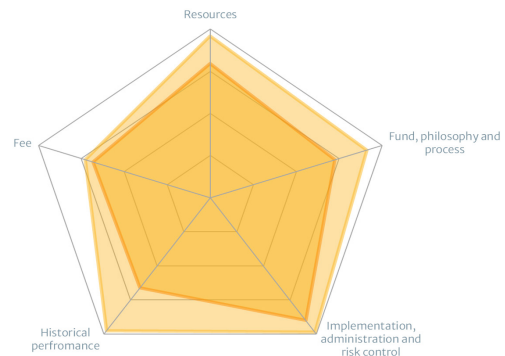
5.6. Evaluation of results

The charts below show the results of the procured funds in relation to the award criteria used during the procurement process. Each awarded fund's outcome is compared to the average results of the 10 funds and fund managers that were fully evaluated and interviewed.

In the evaluation, the responses in the tender documents are rated on a scale of 0–4. Note that the award criteria have different weights in the evaluation but this is not taken into account in these charts.

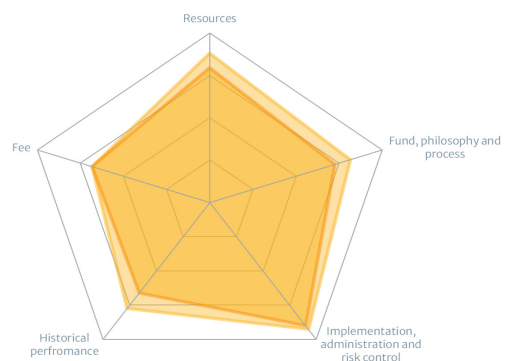
Handelsbanken Fonder AB

- Handelsbanken Norden Selectiv
- Average – evaluated funds



Nordea Funds Ltd

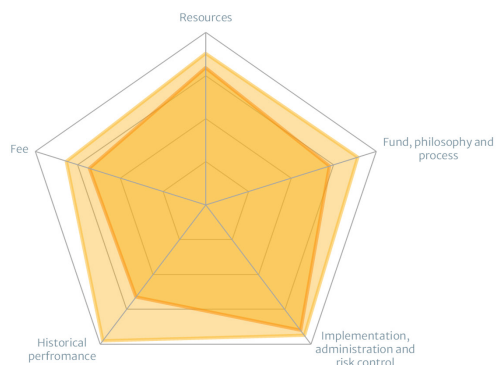
- Nordea Nordic Fund
- Average – evaluated funds



5. Results of the procurement

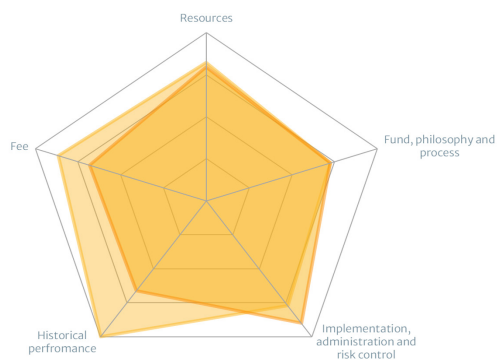
SEB Investment Management AB

- SEB Nordenfond
- Average – evaluated funds



Ålandsbanken Fondbolag Ab

- Ålandsbanken Norden Aktie
- Average – evaluated funds



5.7. Fund facts

5.7.1. Handelsbanken Norden Selektiv

The fund is an actively managed Nordic equity fund that invests in both growth and value stocks with a focus on quality companies. The fund has an investment horizon of five years. The investment process is based on fundamental analysis. The portfolio consists of between 16 and 35 holdings.

Fund information	
Fund manager	Handelsbanken Fonder AB
Investment manager	-
Negotiated fee (price)	0.215%
Year of inception	2014
New on the platform	Yes
Benchmark	SIX SRI Nordic 200
SFDR	Article 8
ISIN	SE0005991700

5.7.2. Nordea Nordic Fund

The fund is an actively managed Nordic equity fund that invests mainly in quality companies. The fund has an investment horizon of three to five years. The investment process is based on fundamental analysis. The portfolio consists of around 30 holdings.

Fund information	
Fund manager	Nordea Funds Ltd
Investment manager	Nordea Investment Management AB
Negotiated fee (price)	0.250%
Year of inception	1987
New on the platform	No
Benchmark	VINX Benchmark Cap
SFDR	Article 8
ISIN	FI0008813399

5.7.3. SEB Nordenfond

The fund is an actively managed Nordic equity fund that invests mainly in large and medium-sized quality companies. The fund has an investment horizon of at least five years. The investment process is based on fundamental analysis. The portfolio consists of between 30 and 40 holdings.

Fund information	
Fund manager	SEB Investment Management
Investment manager	-
Negotiated fee (price)	0.190%
Year of inception	1997
New on the platform	No (new share class)
Benchmark	VINX Benchmark Cap
SFDR	Article 8
ISIN	SE0020053387

5.7.4. Ålandsbanken Norden Aktie

The fund is an actively managed Nordic equity fund that invests in quality companies, preferably large cap companies. The fund has an investment horizon of at least five years. The investment process is based on fundamental macro and company analysis. The portfolio consists of between 35 and 40 holdings.

Fund information	
Fund manager	Ålandsbanken Fondbolag Ab
Investment manager	-
Negotiated fee (price)	0.160%
Year of inception	2015
New on the platform	No
Benchmark	VINX Benchmark Cap
SFDR	Article 8
ISIN	FI4000123245



6. Changes in the category

Following the procurement, the Nordic equity funds category consists of four funds, down from ten previously. Of these four funds, one is new to the premium pension platform. The other three funds are already included in the range on the fund platform. Two of these have been procured at a lower price than before. The third fund has been procured at essentially the same price.

This chapter aims to highlight differences between the funds in the current fund category and the funds in the procured category. Please note that this is not part of the evaluation carried out in the context of the procurement process.

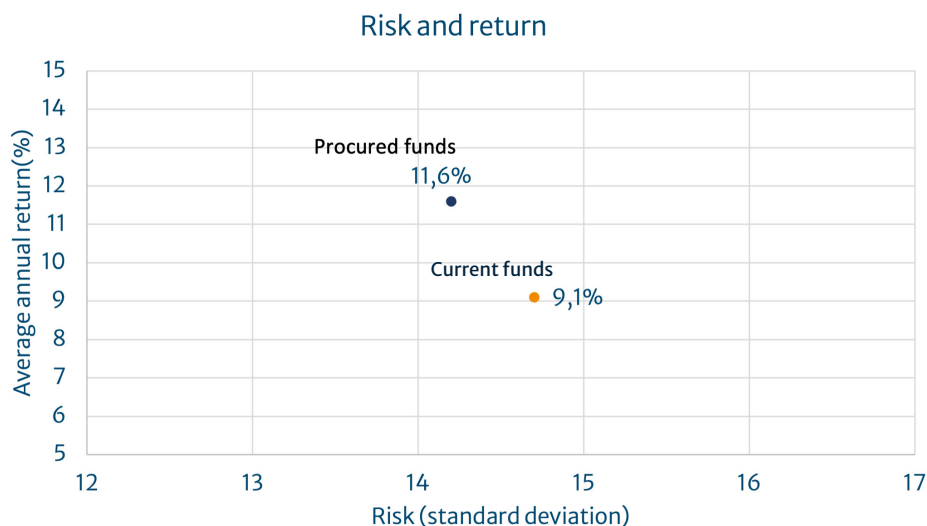
6.1. Quality, risk and return

All funds awarded fund agreements fulfil FTN's quality requirements. This means that the funds are considered to have a good probability of generating excess returns for pension savers over time.

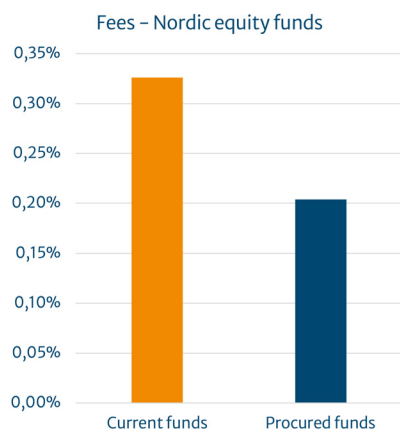
Quality is only assessed on funds that have participated in a procurement and not on funds on the affiliated platform. It is therefore not possible to analyse how quality has changed through procurement.

A comparison of historical returns within the category over the last three years, up to 31 March 2024, shows that the funds on the affiliated fund platform had an average annual return of 9.1 per cent after fees. Over the same period, the procured funds had an average annual return of 11.6 per cent after fees. The procurement's category index VINX Benchmark Cap Net Index measured in Swedish kronor has had an average annual return of 9.7 per cent over the same period.

Over the three-year period to 31 March 2024, the procured funds have had a slightly lower risk, measured as standard deviation, than the funds in the existing range. Thus, during this period, the procured funds have on average had a higher return at a lower risk compared to the funds in the existing range.



6. Change in the category



6.2. Fees

At the time of the procurement notice, the average fee of the affiliated funds in the category on the platform was 0.326 per cent. The average fee in the procured funds is 0.204 per cent, which represents a reduction of just over 37 per cent.

6.3. Sustainability

In order to fulfil the legal requirement to procure sustainable funds, FTN has decided on mandatory requirements regarding sustainability for both fund managers and funds. The funds that have been procured fulfil all mandatory requirements regarding sustainability. This means that the minimum level of sustainability in the fund range within the category has been raised compared to the situation before the procurement.

This means, among other things, that all procured funds have established processes, integrated with the fund's investment process and active ownership process, to identify whether operations in which the fund invests violate the Global Compact, the UN Guiding Principles on Business and Human Rights (UNPG) or the OECD Guidelines for Multinational Enterprises, and have guidelines on how the fund manager should act as an investor based on this information.

6.4. Freedom of choice

Freedom of choice has not been part of the evaluation in the procurement, but FTN has an overall requirement to take freedom of choice into account in its decision-making. The range of funds must offer savers freedom of choice, for example in terms of funds with different investment focus and risk levels. This is mainly done by procuring different fund categories rather than procuring different funds within the same category.

The number of funds in the procured funds category is now four compared to ten funds previously. The reduction in the number of funds is not expected to affect freedom of choice as many of the funds in the category had a similar investment focus prior to the procurement. The four procured funds are considered to be sufficient to achieve the same breadth of choice in the category as before.

Prior to the procurement, just over 70 per cent of the capital in the category was invested in the four largest funds. Savers have therefore only utilised the full range of funds to a certain extent. FTN considers that, even after the procurement, there is sufficient freedom of choice to meet savers' demand.



7. FTN's conclusions

The procured funds must, by law, be suitable, controllable, sustainable, cost-efficient, and of high quality. Additionally, the supply of funds on the fund platform should ensure pension savers have a freedom to choose. FTN concludes that a sufficient number of high-quality tenders were received, to enable an outcome that fulfils the legal requirements.

Although the Nordic region offers a wide range of companies and the opportunity for good risk diversification between regions and sectors, Swedish pension savers have historically chosen to invest their savings in Nordic funds to a small extent. Swedish and global funds, for example, have been more popular alternatives. During the procurement period, it has also emerged that Nordic equity funds have rarely been procured by institutional investors. FTN believes that Nordic equity funds are a fund category with suitable characteristics for Swedish pension savers and that it should be represented on the fund platform.

The procurement means that the number of funds in the category will be reduced from ten to four. This means, all else being equal, that controllability and the possibility to qualitatively review the funds will increase. The procured funds, three of which are already on the affiliated fund platform, also fulfil the higher requirements in the procurement that aim to increase controllability, such as not allowing investments in other funds.

The average annual fee in the category will decrease from 0.326 per cent to 0.204 per cent after the procurement. The average fee within the category thus decreases by just over 37 per cent. This, combined with the fact that the procured funds are of high quality, means that FTN believes that there are favourable conditions for the procured funds to generate a good return for savers over time.

The minimum level of sustainability has been raised within the category through the procurement's mandatory requirements for both the fund manager and any investment manager. The sustainability requirements in the procurement have ensured that the analysis of sustainability risks and opportunities are well integrated into all funds' investment processes and processes for active ownership and voting. All funds in the category following procurement report in accordance with SFDR Article 8.

The Swedish Fund Selection Agency, FTN, would like to conclude by thanking all tenderers for participating in the procurement.

