



# Megatrends

## Fund

*An Equity Fund Investing in the Most Powerful Forces Shaping the Global Economy*

*Investing in long-term global trends shaping the world economy and societies is in the core of the Fund. The Fund is ideal for investors with long investment horizon (minimum five years), who can bear high risk and are seeking geographically and sector wise well-diversified equity portfolio, which reaps the benefit from multidecade structural changes, so called megatrends, in global economy.*

This document provides you with key investor information about the Fund. It is not marketing material. This information is required by law to help you understand the nature and the risks of investing in this Fund. You should study the document carefully to make an informed investment decision. You can find information regarding subscribing and redeeming, the custodian as well as bonuses/fees in the common section of the Fund Prospectus.

A-share ISIN codes: A1 / FI4000415187, A2 / FI4000415195, A3 / FI4000415203, A4 / FI4000415211

## OBJECTIVES AND INVESTMENT POLICY

The objective of the Fund's investment operations is to gain through active portfolio management the best possible long-term return for the invested assets in accordance with the Fund's rules and the Act on Common Funds. The Fund does not have a comparison index. The Fund invests its assets globally in different asset categories, covering shares and interest rates. In line with its investment policy, the Fund focuses on achieving returns and benefits from global long-term changes and trends, such as the focus of the world economy shifting from the West to the East, the growth of the middle classes in Asia, strong urbanisation, the ageing population, rapid technological change and new energy solutions. The investment products used by the Fund are mainly ETF and ETN funds subject to public trading, or equivalent securities, that follow the development of share, interest, credit or other financing indices.

The Fund may also invest, to a limited degree, in other securities, money market instruments and deposits in credit institutions. Derivative contracts may be utilised in the Fund's investment activities both for hedging the investments of the Fund and for seeking returns as part of the investment strategy. The basic currency of the Fund is euro.

In a normal market situation, the Fund's assets are invested in products investing in the stock market, excluding the cash funds deemed necessary for the operation of the Fund. A minimum of 90 % of the Fund's assets are invested in share-based investment targets. Depending on the market situation, the remaining 10 % of the assets may be invested in interest rate products and in investment funds or undertakings for collective investment that invest in them. Investment decisions are based on our market and share view as well as on our assessment of the key long-term trends and forces driving structural change in the world economy.

The Fund is suitable for investors with a long (at least five-year) investment horizon and a very high risk tolerance who want an equity portfolio that is globally diversified across different sectors and captures return opportunities offered by megatrends and long-term change trends in the world economy.

## RISK AND REWARD PROFILE



The Fund's risk category is normally based on the value fluctuation of the Fund unit in the last five years. Since the Fund is a new one, the risk assessment is based on the historical returns for the MSCI World AC index. As a globally diversified equity fund, Front Megatrends most closely resembles this index in terms of its risk profile. The current risk category of the investment fund is 5, which means that the value development of a fund unit involves a high risk. A higher number usually indicates a greater fluctuation in the value of the Fund. This means that both the return potential and the risk potential are higher. The lower the number, the lower the risk. However, not even the lowest risk category (1) is completely devoid of risk. It is also noteworthy that a lower risk and return profile is not necessarily a good indication of the future development of the Fund.

Therefore, the risk category of the Fund will not necessarily remain unchanged; instead, it may vary over time.

It is worth noting that no investment is entirely devoid of risk, and it is not possible on the basis of the Fund's risk category to paint a fully reliable picture of the Fund's future risk category, as it does not necessarily take into account certain unforeseen events.

The single greatest factor affecting the value of a fund unit in the short term is the general development of the stock market. The Fund invests in ETF funds focusing on developing markets where political risks may have a significant effect on the yield of the investments. Front Asset Management Ltd's active fund management style may also materially affect the Fund's value, especially when compared to other similar products. The Fund is subject to a moderate currency risk as the target funds make investments and may be priced in currencies other than the euro.

## CHARGES OF THE FUND

Fund unit series	A1	A2	A3	A4
<b>CHARGES RELATED TO THE SUBSCRIPTION AND REDEMPTION OF SHARES IN THE FUND</b>				
Subscription fee	0 %	0 %	0 %	0 %
Redemption fee	0 %	0 %	0 %	0 %
<b>CHARGES TAKEN FROM THE FUND OVER A YEAR</b>				
Fixed management fee*	0,75 %	1,5 %	0,1 %	2,0 %
Custody fee	0,1 %	0,1 %	0,1 %	0,1 %
No results-based fee				
Ongoing charges (TER)**	1,33 %	2,08 %	0,68 %	2,58 %

\*The amount is deducted from the value of the fund unit series when calculating the value, and the fee is paid afterwards to the Management Company on a monthly basis.

\*\*The ongoing charges is a measure of the total annual cost of the Fund to the investor. The ongoing charges consist of the Fund's management and custody fees, as well as similar fees for funds included in the Fund's investment targets. Ongoing charges do not include security transaction fees or any performance-based fees. The ongoing charges are based on an estimate if the series has not existed for a full calendar year. The calculation formula for the ongoing charges and annual portfolio turnover rate is available on request from the Management Company.

## PAST PERFORMANCE

The Fund's past performance is not a guarantee of future performance. The Fund started operations on 3 February 2020. The bar chart shows the percentage change in the value of the Fund unit for the full calendar years for which the Fund has existed. The table displays the same information in numerical format.

The Fund's annual returns have been calculated after expenses, and the currency of calculation is euro. Taxes have not been taken into account in the calculation.



	A1	A2	A3	A4
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The Fund's Management Company is Front Asset Management Ltd, Business ID: 2045142-3, Pohjoisesplanadi 35 Ab, FI-00100 Helsinki, Finland

## PRACTICAL INFORMATION

Front Asset Management Ltd (hereinafter referred to as the "Management Company") has been granted a management company and alternative fund management operating licence in Finland. The Fund and the Management Company are monitored by the Finnish Financial Supervisory Authority.

The custodian of the Fund is Skandinaviska Enskilda Banken AB's (SEB) Helsinki Branch.

You can get additional information about the Fund from the Fund materials (the funds' common rules, the fund-specific rules, Key Investor Information brochure (KID), Fund Prospectus as well as the annual report and midyear report of the Front funds) free of charge on Front's home page at [www.front.fi](http://www.front.fi) or from the Management Company during the customer service office hours.

The value of the Fund unit is calculated on all Finnish banking days and published on the Front home page at [www.front.fi](http://www.front.fi). The legislation of the Fund's home Member State may have an impact on the personal tax position of the investor. Front will be liable for any tax withheld at source.

Complaints pertaining to investments should be submitted to Front, and they will be processed in accordance with the investor's information package ([www.front.fi](http://www.front.fi)). In addition, investors always have the option to submit their case to the Finnish Financial Ombudsman Bureau (FINE) for handling. Insolvency of the product's developer (the Management Company) will result in the dismantling of the Fund and the return of the investments to the investors.

Front >

*A partner for a demanding investor*