# Prospectus

## SEB Fund 2

with its current Sub-Funds

SEB Asia ex. Japan Fund
SEB Russia Fund

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Undertaking for Collective Investment in Transferable Securities under the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment

R.C.S Luxembourg K50

January 2021

# Important Information

It is not permitted to supply information or explanation that differs from the Prospectus or the Management Regulations.

SEB Investment Management AB is not liable if and to the extent that such divergent information or explanations are supplied.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes in those laws or practice.

This Prospectus is only valid, when used in connection with the applicable KIID, the Management Regulations and the audited annual report of the Fund, the report date of which must not be older than 16 months. This report should be accompanied by the un-audited semi-annual report of the Fund, if the annual report date is older than eight months.

The distribution of the Prospectus and the offering of the Sub-Funds and their Unit Classes may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to subscribe to Units pursuant to this Prospectus to inform themselves of, and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and consequences of applying for, holding, converting and disposing of Units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

This Prospectus does not constitute an offer or solicitation to subscribe to the Units by anyone in any country in which such offer or solicitation is unlawful or unauthorized, or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus in certain countries may require it to be translated into languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English versions of this Prospectus, the English version shall always prevail.

# Glossary of terms

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

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| Base Currency | the currency of denomination of the different Sub-Funds as defined under each Sub-Fund in part II of the Prospectus "The Sub-Funds" |
| Branch | SEB Investment Management AB, Luxembourg Branch |
| Central Administration | The Bank of New York Mellon SA/NV Luxembourg Branch. |
| Class / Unit Class | the Management Company may decide to issue, within each Sub-Fund, separate classes of Units whose assets will be commonly invested but where a specific entry or exit charge structure, minimum investment amount, distribution policy or any other feature may be applied |
| Collateral Policy | The collateral policy for OTC derivatives & efficient portfolio management techniques for SEB Investment Management AB |
| Consolidation Currency | the consolidation currency of the Fund being the U.S. dollar |
| Commitment method | The commitment method calculates all derivative exposure as if they were direct investments in the underlying positions after consideration of netting or hedging. The total exposure to markets deriving from Derivatives may not exceed 100% of the Net Asset Value of the Sub-Fund so that the global exposure of the Sub-Fund to the equity, bond and money markets may not exceed 200% of the Net Asset Value of the Sub-Fund. |
| CSSF | the Luxembourg Financial Supervisory Authority "*Commission de Surveillance du Secteur Financier*" |
| Depositary | Skandinaviska Enskilda Banken (publ), AB Luxembourg Branch |
| Directive 2009/65/EC | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time |
| EU | European Union |
| ESMA | European Securities and Markets Authority, previously the Committee of European Securities Regulators |
| FATCA | US Foreign Account Tax Compliance Act |
| FATF | Financial Action Task Force |

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| Feeder UCITS | A sub-fund qualifying as a UCITS feeder sub-fund as defined in chapter 9 of the Law |
| Finansinspektionen | The Swedish Financial Supervisory Authority |
| Fund | SEB Fund 2 is organised under the Law as a common fund (*FCP – fonds commun de placement*). It comprises several Sub-Funds. The term "Fund" shall be read in the general part of the prospectus as meaning the whole umbrella SEB Fund 2 or any of its Sub-Funds, as the case may be. |
| Institutional Investor | An undertaking or organisation, within the meaning of Article 174 of the Law such as credit institutions, professionals of the financial sector–including investment in their own name but on behalf of third parties who are also investors within the meaning of this definition or pursuant to a discretionary management agreement - insurance and reinsurance companies, pension funds, Luxembourg and foreign investment schemes and qualified holding companies, regional and local authorities |
| KIID | key investor information document of a Unit Class |
| Law | the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time |
| Management Company | SEB Investment Management AB, acting directly or through the Branch, as the case may be |
| Management Regulations | the management regulations of the Fund as amended from time to time |
| Member State | a member state/states of the EU. The states that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the EU, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the EU. |
| NAV - Net Asset Value per Unit | the value per Unit of any Class determined in accordance with the relevant provisions described in this Prospectus and the Management Regulations |
| OECD | Organisation for Economic Co-operation and Development |
| Prospectus | the currently applicable prospectus of the Fund, as amended and updated from time to time |
| RCS | Luxembourg Trade and Companies Register, *Registre de Commerce et des Sociétés* |
| Reference Currency | the currency of denomination of the relevant Class in the Sub-Funds |
| SEB Group | Skandinaviska Enskilda Banken AB (publ) and all its subsidiaries |

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| Sub-Fund | a separate portfolio of assets which is invested in accordance with a specific investment objective<br><br>The Sub-Funds are distinguished mainly by their specific investment policy, their Base Currency and/or any other specific feature. The particulars of each Sub-Fund are described in part II of the Prospectus "The Sub-Funds". The board of directors of the Management Company may, at any time, decide on the creation of further Sub-Funds and in such case, the part II of the Prospectus will be updated. Each Sub-Fund may have one or more Classes. |
| UCI | Undertaking for Collective Investment |
| UCITS | Undertaking for Collective Investment in Transferable Securities |
| Unitholder | the holder of Units in any Sub-Fund |
| Units | units of any Sub-Fund |
| Valuation Day | a day on which the NAV per Unit is calculated<br><br>Unless there is a suspension in the processing of Sub-Fund unit transactions, or unless the Valuation Day is stated otherwise for a Sub-Fund, any bank business day in Luxembourg except 24 December and 31 December ("Bank Business Day")[1]. |
| Website of the Branch | www.sebgroup.lu |

[1] For an up-to-date list of days when the NAV is not calculated : https://sebgroup.lu/private/luxembourg-based-funds/luxembourg-funds-trading-calendar. This list may be updated without notice.

# TABLE OF CONTENTS

# I. The Fund

## 1. General information

SEB Fund 2 is an open-ended common fund ("FCP" – "*Fonds commun de placement*") registered under Part I of the Law. The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS).

The Fund was set up on 21 April 1986 for an undetermined duration.

The Fund is registered at the Luxembourg Trade and Companies Register under the number K 50.

The Management Regulations lastly modified with effect from 20 September 2017 have been published in the *Recueil Electronique des Sociétés et Associations (RESA)* on 2 November 2017.

The Fund has several Sub-Funds, the assets of which are invested in accordance with the particular investment features applicable to each Sub-Fund. The rights of the Unitholders and creditors regarding a Sub-Fund are limited to the assets of the Sub-Fund. The assets of a Sub-Fund will be answerable exclusively for the rights of the Unitholders relating to this Sub-Fund. Each Sub-Fund will be deemed to be a separate entity.

The money in the Sub-Funds is invested by the Management Company, or where applicable, the appointed investment manager, acting in its own name on behalf of the joint account of the Unitholders in securities, money market instruments and other eligible assets (the "Eligible Assets"), based on the principle of risk-spreading.

Unitholders as joint owners have an interest in the assets of the Sub-Funds in proportion to the number of Units they hold. All Sub-Fund's Units have the same right. In accordance with the Law, a subscription of Units constitutes acceptance of all terms and provisions of the Prospectus and the Management Regulations.

At the date of the Prospectus, two Sub-Funds are at the Unitholders' disposal. In the event of creation of further Sub-Funds, the Prospectus will be updated accordingly.

## 2. Involved parties

2.1. Presentation of involved parties

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|---|---|
| RCS number | RCS Luxembourg K50 |
| Management Company | SEB Investment Management AB<br><br>SE-106 40 Stockholm<br><br>Visiting address:<br>Stjärntorget 4<br>169 79 Solna<br>Sweden |
| Board of directors of the Management Company | |
| Chairperson | Johan Wigh<br>Partner<br>Advokatfirman Törngren Magnell<br>Västra Trädgårdsgatan 8<br>111 53 Stockholm<br>Sweden |
| Members | Mikael Huldt<br>Head of Alternative Investments<br>AFA Försäkring<br>Klara Södra Kyrkogata 18<br>111 52. Stockholm<br>Sweden<br><br>Martin Gärtner<br>Former Head of Private Banking, Skandinaviska Enskilda Banken AB (publ.)<br>Bergkantstigen 3<br>131 46 Nacka<br>Sweden<br><br>Viveka Hirdman-Ryrberg<br>Head of Corporate Communication & Sustainability<br>Investor AB<br>Arsenalgatan 8c<br>111 47 Stockholm<br>Sweden |
| Branch | SEB Investment Management AB, Luxembourg Branch<br>4, rue Peternelchen<br>L-2370 Howald |

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| Central Administration (including the administrative, registrar and transfer agent function) and Paying Agent in Luxembourg | The Bank of New York Mellon SA/NV Luxembourg Branch<br>2-4, rue Eugène Ruppert<br>L-2453 Luxembourg |
| Global Distributor | Skandinaviska Enskilda Banken AB (publ)<br>Kungsträdgårdsgatan 8<br>SE-106 40 Stockholm |
| Representatives and paying agents outside Luxembourg | The full list of representatives and paying agents outside Luxembourg can be obtained, free of any charge, at the address of the Management Company, at the address of the Branch and on the Website of the Branch |
| Depositary | Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch<br>4, rue Peternelchen,<br>L-2370 Howald |
| Approved Statutory Auditor of the Fund **(hereafter the "Auditor")** | Ernst & Young S.A.<br>35E avenue John F. Kennedy<br>L-1855 Luxembourg, Grand Duchy of Luxembourg |

## 2.2. Description of involved parties

### 2.2.1. The Management Company

The Fund is managed on behalf of the Unitholders by the Management Company, SEB Investment Management AB. The Management Company was established on 19 May 1978 in the form of a Swedish limited liability company (AB).The Management Company is authorized by Finansinspektionen for the management of UCITS and for the discretionary management of financial instruments and investment portfolios under the Swedish UCITS Act (SFS 2004:46). The Management Company is also authorised as an alternative investment fund manager to manage alternative investment funds under the Swedish AIFM Act (SFS 2013:561). It has its registered office in Solna.

Its subscribed and paid-in capital is SEK1,500,000.

The objective of the Management Company is the creation, administration, management and distribution of undertakings for collective investment in transferable securities (UCITS) and alternative investment funds (AIF) and ancillary services, as well as discretionary management of financial instruments and investment portfolios.

With regard to the Fund, the Management Company is responsible for the following functions: investment management, administration and marketing. The Management Company may (under its own responsibility, control and coordination) delegate some of its functions to third parties for the purpose of efficient management.

The Management Company conducts its business mainly in Sweden and has established a branch in Luxembourg. Risk management and central administration activities are performed through the Branch. The Management Company may act either directly or through the Branch. The Management Company may be represented either by the board of directors of the Management Company or by the manager of the Branch.

The Management Company acts as management company for other funds. The names of such other funds can be found on the Website of the Branch.

### 2.2.2. The Central Administration and Paying Agent

The Management Company has delegated parts of the Central Administration as further detailed hereafter, including the administrative, registrar and transfer agent functions - under its continued responsibility and control -at its own expenses to The Bank of New York Mellon SA/NV, Luxembourg Branch, 2-4, rue Eugène Ruppert, L-2453 Luxembourg.

The Bank of New York Mellon SA/NV was incorporated in Belgiumas a "société anonyme/naamloze vennootschap"30 September 2008 and its Luxembourg branch is registered with the Luxembourg Trade and Companies Register under Corporate Identity Number B105 087 (the "Administrative Agent" or "Registrar and Transfer Agent").

In its capacity as administrative agent, the Administrative Agent carries out certain administrative duties related to the administration of the Fund, including the calculation of the NAV of the Units and the provision of accounting services to the Fund.

In its capacity as registrar and transfer agent, the Registrar and Transfer Agent processes all subscriptions, redemptions, transfers and conversions of Units and registers these transactions in the Unitholders' register of the Fund.

The Bank of New York Mellon SA/NV, Luxembourg Branch. may, subject to the approval of the Management Company and the subsequent update of the Prospectus, as required, sub-delegate parts of its functions to entities all in accordance with Luxembourg laws and regulations.

The Bank of New York Mellon SA/NV, Luxembourg Branch. has been also delegated the function of paying agent of the Fund. In such capacity The Bank of New York Mellon SA/NV, Luxembourg Branch shall be responsible for the collection of subscription amounts in relation to the issue of Units as well as for making payments in relation to the redemption of Units and payment of dividends.

### 2.2.3. The Investment Managers

For some Sub-Funds as indicated in part II of the Prospectus "The Sub-Funds" the Management Company may delegate the investment management function to different investment managers.

Each investment manager implements the investment policy of the applicable Sub-Fund, makes investment decisions and continuously adapts them to market developments as appropriate, taking into account the interest of the applicable Sub-Fund.

Further details on the investment managers, if any, are laid down under each Sub-Fund in part II of the Prospectus "The Sub-Funds".

The investment manager may, for its part, in agreement with the Management Company and subject to prior approval by the supervisory authority, at its own expense and under its own responsibility, entrust sub-managers wholly or in part with the management of each Sub-Fund.

### 2.2.4. The Global Distributor

Skandinaviska Enskilda Banken AB (publ) has been appointed as the global distributor of the Fund by the Management Company.

### 2.2.5. The Depositary

Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch, registered with the Luxembourg trade and companies register under number B39819 and having its place of business at 4, rue Peternelchen, L-2370 Howald, a branch of Skandinaviska Enskilda Banken AB (publ), a credit institution incorporated in Sweden and registered with the Swedish Companies Registration Office under number 502032-9081 with its registered office in Stockholm, Sweden has been appointed as depositary (the "Depositary") for the safe-keeping of the assets of the Fund which comprises the custody of financial instruments, the record keeping and verification of ownership of other assets of the Fund as well as the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the Law, as amended from time to time, and the Depositary Agreement entered into with the Management Company (the "Depositary Agreement").

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with Luxembourg law and the Management Regulations; (ii) the value of the Units is calculated in accordance with Luxembourg law and the Management Regulations; (iii) the instructions of the Management Company are carried out, unless they conflict with applicable Luxembourg law and/or the Management Regulations; (iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and (v) the Fund's incomes are applied in accordance with Luxembourg law and the Management Regulations.

In carrying out its functions the Depositary acts honestly, fairly, professionally and independently and solely in the interest of the investors. The Depositary is on an ongoing basis analyzing, based on applicable laws and regulations as well as its conflict of interest policy potential conflicts of interests that may arise while

carrying out its functions. It has to be taken into account that the Management Company and the Depositary are members of the same SEB Group. Thus, both have put in place policies and procedures ensuring that they (i) identify all conflicts of interests arising from that link and (ii) take all reasonable steps to avoid those conflicts of interest. Where a conflict of interest arising out of the group link between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of the investors.

When performing its activities, the Depositary obtains information relating to funds which could theoretically be misused (and thus raise potential conflict of interests issues) in relation to e.g. the interests of other clients of the SEB Group, whether engaging in trading in the same securities or seeking other services, particularly in the area of offering services competing with the interests of other counterparties used by the funds/fund managers, and the interests of the Depositary's employees in personal account dealings. Potential conflicts of interests in the SEB Group can be further exemplified as not market equivalent pricing of the depositories' services and the undue influence in the management and board of directors of the funds/fund managers by the Depositary, and vice versa.

Consequently, to mitigate the potential conflicts of interest, it has been ensured that the activities of a depositary function are physically, hierarchically and systematically separated from other functions of the Depositary in order to establish information firewalls. Moreover, the depositary function has a mandate and a veto to approve or decline fund clients independent of other functions and has its own committees for escalation of matters connected to its role as a depositary, where other functions with potentially conflicting interests are not represented.

For further details on management, monitoring and disclosure of potential conflicts of interest please refer to Instruction for Handling of Conflicts of Interest in Skandinaviska Enskilda Banken AB (publ) which can be found on the following webpage:
http://sebgroup.lu/siteassets/about-seb/policies/sebsa_conflict_of_interest.pdf

In compliance with the provisions of the Depositary Agreement and the Law, as amended from time to time, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more delegate(s), as they are appointed by the Depositary from time to time.

In order to avoid any potential conflicts of interest, irrespective of whether a given delegate is part of the SEB Group or not, the Depositary exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant delegate. Furthermore, the conditions of any appointment of a delegate that is member of the SEB Group will be negotiated at arm's length in order to ensure the interests of the investors. Should a conflict of interest occur and in case such conflict of interest cannot be neutralized, such conflict of interest as well as the decisions taken will be disclosed to the investors and the Prospectus revised accordingly. An up-to-date list of these delegates can be found on the following webpage:
http://sebgroup.lu/siteassets/corporations-and-institutions/global-custody-network.pdf

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements.

In order to ensure that its tasks are only delegated to delegates providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the Law in the

selection and the appointment of any delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any delegate to which it has delegated parts of its tasks as well as of any arrangements of the delegate in respect of the matters delegated to it. In particular, any delegation is only possible when the delegate at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the delegate in accordance with the Law. The Depositary's liability shall not be affected by any such delegation unless otherwise stipulated in the Law and/or the Depositary Agreement.

An up-to-date information regarding the Depositary, its duties and the conflicts of interest that may arise, any safekeeping functions delegated by the Depositary, the list of delegates and any conflicts of interests that may arise from such delegation, is available to the investors upon request at the address of the Management Company.

The Depositary is liable to the Fund or its investors for the loss of a financial instrument held in custody by the Depositary and/or a delegate. In case of loss of such financial instrument, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the Law, the Depositary will not be liable for the loss of a financial instrument, if such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Fund and to the investors for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law and/or the Depositary Agreement.

The Management Company and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal of the Depositary or of its removal by the Management Company, the Depositary must be replaced at the latest within two (2) months after the expiry of the aforementioned termination notice by a successor depositary to whom the Fund's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Management Company does not name such successor depositary in time the Depositary may notify the CSSF of the situation. The Management Company will take the necessary steps, if any, to initiate the liquidation of the Fund, if no successor depositary bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

## 3. Investment objective and policy

Unless otherwise provided hereafter, references to "Fund" in this section should be read as references to a "Sub-Fund". The provisions of this section apply only insofar to each specific Sub-Fund as they are compatible with its specific investment policy, as disclosed in part II of the Prospectus "The Sub-Funds".

The main objective of each Sub-Fund will be to invest directly and/or indirectly in transferable securities and other Eligible Assets, as described under 3.1. here below, with the purpose of spreading investment risks and achieving long-term capital growth. The investment objectives of the Sub-Funds will be carried out in compliance with the investment restrictions set forth hereafter.

Additionally, some Sub-Funds may invest in instruments issued in another currency than the Base Currency of a respective Sub-Fund. The currency exposure of such instruments may be hedged. In case the currency hedging is applicable, it will be specified in part II of the Prospectus "The Sub-Funds". Considering the

practical challenges of doing so, the Management Company does not guarantee how successful such hedging will be. For more details, see Section 4.1. "Risk Factors" and in particular the paragraph "Hedging risk".

The Management Company ensures that the funds managed by it comply with the ethical and/or sustainability principles that the Management Company follows. Investors should note that the criteria for ethical and sustainable funds is subject to change. Investors can read more about the sustainability principles the Management Company follows on the Website of the Branch.

Where a UCITS comprises more than one sub-fund, each sub-fund shall be regarded as a separate UCITS for the purposes of this section.

3.1. Eligible Assets

The Fund may only invest in

Transferable securities and money market instruments

a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;

b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public;

c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the EU or dealt in on another market in a non-Member State of the EU which is regulated, operates regularly and is recognised and open to the public;

d) recently issued transferable securities and money market instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public;
- the admission is secured within one year of issue;

Transferable securities and money market instruments mentioned under c) and d) are listed on a stock exchange or dealt in on a regulated market in North America, Central America, South America, Australia (incl. Oceania), Africa, Asia and/or Europe.

Units of undertakings for collective investment

e) units of UCITS and/or other UCIs, including exchange traded funds ("ETFs"), within the meaning of article 1, paragraph (2), points a) and b) of the Directive 2009/65/EC, as may be amended from time to time, whether or not established in a Member State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and, in particular, that the rules on asset segregation, borrowing, lending and uncovered

sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 2009/65/EC;

- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the net assets of the UCITS or the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs;

Deposits with a credit institution

f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

Financial derivative instruments

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market mentioned above in sub-paragraphs a), b) and c), and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments described in sub-paragraphs a) to h), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest, in accordance with the investment objectives;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Where the financial derivative instrument is cash-settled automatically or at the Fund's discretion, the Fund will be allowed not to hold the specific underlying instrument as cover. Acceptable cover is described under Section 3.5.below.

The Fund might engage in index related contracts to gain quick and cost-efficient exposure to underlying markets under the condition that the underlying indices for these investments are publicly available, transparent and governed by pre-determined rules and objectives, all in accordance with the ESMA guidelines on ETFs and other UCITS issues (ESMA/2014/937).

Within the limits under g) here above, the Fund may make use of all financial derivative instruments authorised by the Law and/or by circulars issued by the CSSF.

Particular rules apply to the following derivatives:

Volatility index futures

If the Fund makes use of volatility index futures the following criteria must be met:

- the volatility index futures must be dealt on a regulated market;
- the underlying stock indices must comply with the diversification rules as set out in 3.2. here below;
- the Fund must employ a risk-management process which enables it to adequately take into account the incurred risks.

Credit default swaps

Credit default swaps may be used, among other things, to hedge credit risks arising from debt securities acquired by the Fund. In this case, the interest rates collected by the Fund from a bond with a comparatively high creditworthiness risk may be swapped for interest rates from a bond having a lower credit risk, for example. At the same time, the contractual partner may be obliged to buy the bond at an agreed price or pay a cash settlement when a previously defined event, such as the insolvency of the issuer,occurs.

The Management Company shall also be authorised to use such transactions the objectives of which are other than hedging. The contracting partner must be a top-rated financial institution which specialises in such transactions. The credit default swaps must be sufficiently liquid. Both the debt securities underlying the credit default swap and the respective issuer must be taken into account with regard to the investment limits set out here below.

Credit default swaps shall be valued on a regular basis using clear and transparent methods. The Management Company and the Auditor shall monitor the clarity and transparency of the valuation methods and their application. If, within the framework of monitoring activities, differences are detected, the Management Company shall arrange to remedy the situation.

Total return swaps

A total return swap ("TRS") is a contract in which one counterparty transfers to another party the total economic performance of a reference asset, including income from interest, fees, market gains or losses from price movement as well as credit losses. A Sub-Fund may enter into one or several TRS transactions to gain or reduce exposure to a reference asset as well as to hedge the existing long positions or exposures.

The Fund does not intend to use total return swaps, unless mentioned otherwise in part II of the Prospectus "The Sub-Funds".

None of the Sub-Funds has currently entered into any TRS or financial derivative instruments with similar characteristics. The Prospectus will be updated in accordance with the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse ("SFTR") prior to the use of TRS by any Sub-Fund.

All revenues arising from TRS will be returned to the relevant Sub-Fund.

Counterparties to TRS do not have discretionary power over the composition or management of the investments in the portfolio of any Sub-Fund or over the underlying assets of the derivative financial instruments. Counterparty approval is not required in relation to any investment made by a Sub-Fund.

Money market instruments other than those dealt in on a regulated market

h) money market instruments other than those dealt in on a regulated market and which fall under article 1 of the Law, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:

- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the

case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking any securities of which are dealt in on regulated markets referred to in sub-paragraphs a), b) or c) or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

The Fund may hold cash and cash equivalent on an ancillary basis, in order to maintain liquidity, all in the best interest of the Unitholders.

In addition, the Fund's assets may be invested in all other Eligible Assets within the scope of legal possibilities and the provisions laid down in the Management Regulations.

However, the Fund shall not invest more than 10% of its net assets in transferable securities or money market instruments other than those referred to under this section above.

### 3.2. Investment restrictions applicable to Eligible Assets

Transferable securities and money market instruments as defined in the Law

1) The Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body.

2) Moreover, the total value of the transferable securities and money market instruments held by the Fund in the issuing bodies in each of which it invests more than 5% of its net assets, shall not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

   Notwithstanding the individual limits laid down in point 1), point 8) and point 9) the Fund shall not combine, where this would lead to investing more than 20% of its net assets in a single body, any of the following:

   - investments in transferable securities or money market instruments issued by that body,
   - deposits made with that body, or
   - exposures arising from OTC derivative transactions undertaken with that body

3) The limit of 10% laid down in point 1) may be raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies of which one or more Member States belong.

4) The limit of 10% laid down in point 1) may be raised to a maximum of 25% for certain bonds where they are issued by a credit institution whose registered office is situated in a Member State and which is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested, in conformity with the law, in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

   If the Fund invests more than 5% of its net assets in the bonds referred to in this point and issued by a single issuer, the total value of such investments may not exceed 80% of the value of the net assets of the Fund.

The transferable securities and money market instruments referred to in points 3) and 4) are not included in the calculation of the limit of 40% stated above in point 2).

The limits set out in points 1), 2) 3) and 4) shall not be combined; thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with points 1), 2), 3) and 4) shall not exceed in total 35% of the net assets of the Fund.

5) Notwithstanding the above limits, the Fund may invest, in accordance with the principle of risk - spreading, up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, by a member state of the OECD, G20, Singapore or Hong Kong or public international body to which one or more Member States of the EU belong, provided that (i) such securities and money market instruments are part of at least six different issues and (ii) the securities and money market instruments from any single issue do not account for more than 30% of the total net assets of the Fund.

6) Without prejudice to the limits laid down here below the limits of 10% laid down in point 1) above is raised to maximum 20% for investment in units and/or debt securities issued by the same body when the aim of the investment policy of the Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

   - the composition of the index is sufficiently diversified;
   - the index represents an adequate benchmark for the market to which it refers;
   - the index is published in an appropriate manner.

   This limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

   Securities mentioned in point 6) need not to be included in the calculation of the 40% limit mentioned in point 2).

Units of undertakings for collective investment

7) The Fund may acquire units of UCITS and/or other UCIs, including ETFs, referred to under 3.1 e), provided that no more than 20% of its net assets are invested in the units of a single UCITS or other UCI.

For the purpose of applying this investment limit, each sub-fund of a UCITS or UCI with multiple sub-funds shall be considered as a separate issuer, provided that the principle of segregation of the obligations of the different sub-funds is ensured in relation to third parties.

Investments in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the Fund.

When the Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in this section 3.2.

When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge entry or exit charges on account of the Fund's investment in the units of such other UCITS and/or other UCIs.

Each Sub-Fund may invest in all kinds of ETFs, provided that the investment policy of these ETFs corresponds widely to the investment policy of the respective Sub-Fund. Such ETFs may be managed actively or passively and are at any time in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC. When investing in open-ended ETFs, the Management Company or investment manager, as the case may be, will at any time comply with the limits for investments in other UCITS and UCI set out in the present section.

Specific rules applicable to

<u>Cross Sub-Fund investments</u>

Each Sub-Fund may subscribe to, acquire and/or hold Units of another Sub- Fund ("Target Sub-Fund") provided that:

1.1. the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund; and

1.2 no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated may be, according to its investment policy, invested in aggregate in units of other UCITS and/or UCIs; and

1.3. voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the concerned Sub-Fund and without prejudice to the appropriate processing in the accounts and periodic reports; and

1.4. in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law; and

1.5 there is no duplication of management fee/entry or exit charges between those at the level of the Sub-Fund having invested in the Target Sub-Fund, and this Target Sub-Fund.

<u>Master and feeder structures for Sub-Funds</u>

By way of derogation to the above and in accordance with the provisions of the Law, the Management Company may, at its discretion (i) create any Sub-Fund qualifying either as a feeder Sub-Fund or as a master or (ii) convert any existing Sub-Fund into a feeder or a master Sub-Fund.

In case applicable, part II "The Sub-Funds" will be updated accordingly under the respective Sub-Fund.

Deposits with credit institutions

8) The Fund may not invest more than 20% of its net assets in deposits made with the same body.

Financial derivative instruments

9) The risk exposure to a counterparty of the Fund in an OTC derivative and efficient portfolio management transactions may not exceed, in aggregate, 10% of its net assets when the counterparty is a credit institution as mentioned here before, or 5% of its net assets in the other cases.

The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio.

The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The global exposure to the underlying assets shall not exceed in aggregate the investment limits laid down under article 43 of the Law.

The underlying assets of index based financial derivative instruments are not combined to the investment limits laid down under the points mentioned here before under the condition that the index complies with the criteria which are explained more in detail in the article 4) of the Management Regulations. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the restrictions in this section.

Maximum exposure to a single body

10) The Fund may not combine, where this would lead to investment of more than 20% of its net assets in a single body, any of the following:

i) investments in transferable securities or money market instruments issued by a single body and subject to the 10% limit by body mentioned in point 1), and/or
ii) deposits made with a single body and subject to the 20% limit mentioned in point 8), and/or
iii) a risk exposure to a counterparty of the Fund in an OTC derivative and efficient portfolio management transactions undertaken with a single body and subject to the 10% or 5% limits by body mentioned in point 9) in excess of 20% of its net assets.

The Fund may not combine, where this would lead to investment of more than 35% of its net assets in a single body, any of the following:

i) investments in transferable securities or money market instruments issued by the same body and subject to the 35% limit by body mentioned under point 3) above, and/or
ii) investments in certain debt securities issued by the same body and subject to the 25% limit by body mentioned in point 4), and/or
iii) deposits made with the same body and subject to the 20% limit mentioned in point 8), and/or
iv) a risk exposure to a counterparty of the Fund in an OTC derivative and/or efficient portfolio management transactions with the same body and subject to the 10% or 5% limits by body mentioned in point 9) in excess of 35% of its net assets.

Eligible Assets issued by the same group

11) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with the Directive 83/349/EEC or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits described under the article 43 of the Law.

12) The Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

Acquisition limits by issuer of Eligible Assets

13) The Management Company acting in connection with all the common funds it manages and which fall within the scope of Part I of the Law or of Directive 2009/65/EC, may not acquire any units carrying voting rights, which would enable it to exercise significant influence over the management of an issuing body.

The Fund may not acquire:

i) more than 10% of the non-voting units of the same issuer;

ii) more than 10% of the debt securities of the same issuer;

iii) more than 10% of the money market instruments of any single issuer;

iv) more than 25% of the units of a same UCITS or other UCI.

The limits laid down in the second, third and fourth indents above may be disregarded at the time of acquisition if at that time the gross amount of debt securities or of money market instruments, or of UCITS/UCIs or the net amount of the securities in issue, cannot be calculated.

The ceilings as set forth above are waived in respect of:
a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

b) transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU;

c) transferable securities and money market instruments issued by public international bodies of which one or more Member States of the EU are members;

d) shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the EU complies with the limits laid down in articles 43 and 46 of the Law and article 48, paragraphs 1) and 2) of the Law. Where the limits set in articles 43 and 46 of the Law are exceeded, article 49 of the Law shall apply mutatis mutandis.

If the limits referred to under this section 3.2. are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.

While ensuring observance of the principle of risk-spreading, newly created Sub-Funds may derogate from the limits laid down in this section 3.2. for a period of six months following the date of its authorisation.

The Management Company may from time to time, upon approval by the Depositary, impose further investment restrictions in order to meet the requirements in such countries, where the Units are distributed or will be distributed.

### 3.3. Unauthorized investments

The Fund may not:

i) acquire either precious metals or certificates representing them;
ii) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in article 41 § 1 sub-paragraphs e), g) and h) of the Law; provided that this restriction shall not prevent the Fund from making deposits or carrying out other accounts in connection with financial derivative instruments, permitted within the limits referred to above;
iii) grant loans or act as a guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial instruments which are not fully paid and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan;
iv) borrow amounts in excess of 10% of its total net assets. Any borrowing is to be effected only as a temporary measure. However, it may acquire foreign currency by means of a back-to-back loan.

### 3.4. Efficient portfolio management techniques

Each Sub-Fund may, provided that it is specifically mentioned in part II of the Prospectus "The Sub-Funds", for the purpose of generating additional capital or income or for reducing its costs or risks, engage in securities lending transactions and/or enter into Repurchase Agreements (as defined below).

Such transactions are strictly regulated and shall comply with the rules and limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law; (ii) CSSF Circular 08/356 concerning rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments; (iii) ESMA guidelines on ETFs and other UCITS issues 2014/937, as amended or replaced from time to time ("ESMA/2014/937"); (iv) any other applicable laws, regulations, circulars or CSSF positions.

Where a Sub-Fund is actually engaged in efficient portfolio management technique transactions, in accordance with its investment policy, it will be explicitly expressed in part II of the Prospectus "The Sub-Funds" together with the maximum and the expected proportion of assets under management that are subject to such transactions.

#### 3.4.1. Securities Lending

Securities lending transactions are, in addition to the aforementioned provisions, subject to the main restrictions described below, it being understood that this list is not exhaustive:

- Transactions may be terminated or the return of the securities lent may be requested at any time at the initiative of the Sub-Fund;
- Securities Lending Transactions may not exceed 50% of the net assets of the Sub-Fund;
- A transaction shall be limited to a period of maximum 30 calendar days;

- The borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Union law;
- The counterparty exposure vis-à-vis a single counterparty arising from such transactions shall not exceed 10% of the Sub-Fund's net assets when the counterparty is a financial institution and 5% of its net assets in all other cases, as set out in section 3.2.(9).
- The Sub-Fund must receive collateral, the value of which shall be equal to at least 90% of the global valuation of the securities lent (interests, dividends and other eventual rights included);
- Collateral received shall meet a range of standards and comply with the collateral policy of the Management Company, as further described in the section 3.5. Collateral Management.
- The Company may lend securities through a standardised system organised by a recognised securities clearing institution or by financial institutions subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in European Union law and specialised in this type of transactions;

Any income generated by securities lending transactions (reduced by any applicable direct or indirect operational costs and fees arising there from and paid to a securities lending agent, as appointed from time to time) will be payable to the relevant Sub-Fund.

Securities lending aims to generate additional income with an acceptable level of risk. However, there can be no assurance that the objective sought to be obtained from such use be achieved. Additionally, such transactions give rise to certain risks, including but not limited to, valuation and operational risks and market and counterparty risks. For further information, please refer to the section 4.2 Risk Factors.

None of the Sub-Funds has currently entered into any securities lending transactions. The Prospectus will be updated in accordance with the SFTR prior to any Sub-Fund entering into such transaction.

### 3.4.2. Repurchase and reverse repurchase transactions

"Repurchase Agreement" shall mean a repurchase agreement or reverse repurchase agreement as well as a documented buy-sell-back or sell-buy-back transaction.

Repurchase agreements consist of transactions governed by an agreement whereby a party sells transferable securities or money market instruments to a counterparty, subject to a commitment to repurchase them or substituted transferable securities or money market instruments of the same description from the counterparty at a set price and date. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, or reverse repurchase agreements for the counterparty buying them. For any avoidance of doubt, a documented buy-sell-back or sell-buy-back transactions shall be seen as a repurchase transaction.

Repurchase agreement and sell-buy-back transactions are subject to the following, although non-exhaustive, rules:

- At the maturity, the Fund must have sufficient assets to enable it to settle the amount agreed with the counterparty and continue to comply with the investment policy and restrictions;
- The Fund must ensure that the level of repurchase agreement or sell-buy-back transactions is kept at a level to enable it to meet all redemption obligations;
- The Fund may only enter into repurchase agreement or sell-buy-back transactions provided that it is able at any time (a) to recall the full amount of cash in any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However,

fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Reverse repurchase and buy-sell-back transactions are subject to the following, although non-exhaustive, rules:

- The UCITS may not sell or pledge as security the securities purchased as part of the contract, unless it has other means of coverage;
- The value of the reverse repurchase or buy-sell-back transactions is kept at a level that allows the UCITS to meet its redemption obligations at all times;
- The securities purchased must, when combined with the rest of the Sub-Fund's portfolio comply with the Sub-Fund's investment policy and restrictions;
- Securities acquired under a reverse repurchase agreement or buy-sell-back transaction must be
    - Short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;
    - Bonds issued or guaranteed by an OECD Member State, by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
    - Shares or units issued by money market UCIs calculating a daily NAV and being assigned a rating of AAA or its equivalent
    - Bonds issued by non-governmental issuers offering adequate liquidity
    - Shares quoted or negotiated on a regulated market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.
- The Fund may only enter into reverse repurchase agreement or buy-sell-back transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All revenues arising from Repurchase Agreement transactions, net of direct and indirect operational costs, will be returned to the relevant Sub-Fund.

Direct and indirect costs and fees may be paid to banks, investment firms, broker-dealers or other financial institutions or intermediaries who may be related parties to the Management Company and/or the Depositary.

None of the Sub-Funds has currently entered into any Repurchase Agreements. The Prospectus will be updated in accordance with the SFTR prior to any Sub-Fund entering into such transaction

3.5 Counterparty selection

The counterparties to OTC financial derivatives and efficient portfolio management techniques will be selected among first class financial institutions specialized in the relevant type of transactions, subject to prudential supervision and belonging to the categories of counterparties approved by the CSSF, having their registered office in one of the OECD countries and with a minimum credit rating of investment grade.

The Fund may enter into TRS and/or Repurchase Agreement with a counterparty belonging to the same group as the Management Company or Investment Manager, if any.

3.6. Collateral management

While entering into OTC financial derivatives, the Fund shall, at all times, comply with the Management Company's collateral policy, Acceptable collatera
l ("Eligible Collateral Assets") shall meet the requirements provided by applicable laws, regulations, CSSF Circulars and in particular, but not limited to the ESMA/2014/937 and the Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty ("EMIR 2016/2251").

The collateral policy includes, but is not limited to:

(1) The eligible type of collateral

Eligible Collateral Assets consists of the following liquid assets:

- Cash in an OECD country currency in accordance with Article 4(1)(a) of the EMIR 2016/2251;
- Debt securities, regardless of their maturities, issued or guaranteed by an EU Member States or its local authorities or central banks in accordance with Article 4(1)(c) of EMIR 2016/2251;
- Debt securities, regardless of their maturities, issued by multilateral development banks as listed in Article 117(2) of Regulation (EU) 575/2013 in accordance with Article 4(1)(h) of EMIR 2016/2251;
- Debt securities, regardless of their maturities, issued by international organisations listed in Article 118 of Regulation (EU) 575/2013 in line with Article 4(1)(i) of EMIR 2016/2251; and/or
- Debt securities, regardless of their maturities, issued by third countries (i.e. non- EU countries)' governments or central banks in accordance with Article 4(1)(j) of EMIR 2016/2251.

(2) Collateral diversification:

Collateral diversification will be as follows:

- The basket of collateral shall not lead to an exposure to a single issuer greater than 20% of the total net assets of the Sub-Fund (not of the value of the collateral). For the purpose of this limit, collateral issued by a local authority of a member state of the OECD shall be treated as exposure to that member state.
- The basket of collateral can however be fully composed of transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country to EU, or a public international body (referred hereafter as "Government or government-related issuer") provided that the Sub-Fund receives at least 6 different issues, none of them representing more than 30% of the total net assets of the Sub-Fund. For the avoidance of doubt, the Fund may also be fully collateralised by a single Government or government-related issuer.

(3) Collateral correlation policy

Collateral received shall be issued by an entity that is independent from the collateral provider.

(4) The level of collateral required

The counterparty exposure is limited to 10% of the total net assets with regard to OTC derivative instruments and/or efficient portfolio management techniques. As a result, the collateral received, after haircuts, shall be equal to at least 90% of the value of the counterparty exposure

(5) The haircut policy

The below constitutes the minimum applicable haircut:

Table 1 – Haircut applicable to Cash

| Asset class | Haircut |
|---|---|
| I. Cash in a OECD country currency and defined as an eligible currency in the relevant governing master agreement or credit support annex | 0% |
| II. Cash in other currencies than define above in (I.) or adjustment for currency mismatch other than those referred to in (I.) | 8% |

Table 2 – Haircut applicable to debt securities

Haircut will vary within the range set out below depending on the credit quality of the issuer.

| Asset Type | Maturity | | |
|---|---|---|---|
| | < 1 yr | 1 – 5 year(s) | 5 – 30 years |
| All debt securities defined as Eligible Collateral Assets above in section (1) "The eligible type of collateral" | 0.5%-1% | 2%-3% | 4%-6% |

(6) Collateral valuation

Collateral received shall be marked to market on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Management Company for each asset class based on its haircut policy disclosed above in section "The haircut policy".

(7) Safekeeping of collateral

As long as collateral received is owned by the Fund (i.e. that there has been a transfer of title), it will be held by the Depositary or its appointed sub-custodian. In all other cases, the collateral shall be held by a third party custodian that is subject to prudential supervision and which is fully independent from the collateral provider.

(8) Restriction of reuse of collateral/ collateral reinvestment policy

*For collateral received in OTC transactions*

Collateral received under an OTC transaction, including TRS, shall not be sold, re-invested or pledged.

*For collateral received in the use of efficient portfolio management techniques*

Non cash-collateral shall not be reused, reinvested or pledged.

Cash collateral received under efficient portfolio management techniques may not be pledged or given as a guarantee.

However, up to 100% of the cash collateral received may be reinvested in the following:

- shares or units issued by short term money market undertakings for collective investment as defined in the CESR guidelines on a Common Definition of European Money Market Funds (CESR/10-049);
- deposits with credit institutional having its registered office in an EU Member State or with a credit institution situated in a non EU Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- high quality government bonds; and
- reverse repurchase agreement transactions provided the transactions are with credit institutions subject to the prudential supervision and the Fund may recall at any time the full amount of cash on accrued basis.

# 4. Information on risk

## 4.1. General information

Investing in a Sub-Fund Units involves financial risks. These can involve risks associated with equity markets, bond markets, commodity (including precious metal) markets, foreign exchange markets such as changes in prices, interest rates and credit worthiness. Any of these risks may also occur along with other risks. Some of these risk factors are addressed briefly below.

A fund normally consists of investments in or has exposure towards the asset classes equities, bonds, currencies and/or commodities. Equities and commodities are generally inherent with a higher risk than bonds or currencies. Higher risk investments may or may not offer a possibility of better returns than lower risk investments. A combination of several asset classes can often give the individual investor a more suitable diversification of risk.

Investors should have a clear picture of the Sub-Fund, of the risks involved in investing in Units and they should not make a decision to invest until they have obtained financial and tax expert advice.

Investors assume the risk of receiving a lesser amount than they originally invested.

## 4.2. Risk factors

Collateral management risk

Counterparty risk may be mitigated by transfer or pledge of collateral. There is however a risk that the collateral received, when realised, will not raise sufficient cash to settle the counterparty's default. This may be due to factors including inaccurate pricing or improper monitoring of collateral, adverse market movements, deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded where the collateral takes the form of securities (liquidity risk). Besides, collateral accepted by a Sub-Fund, with no title transfer (for example a pledge), will not be held by the Depositary. In the latter case there may be a risk of loss resulting from events such as the insolvency or negligence of such third party custodian or entity holding the collateral. Furthermore, collateral

arrangements are entered into on the basis of complex legal document which may be difficult to enforce or may be subject to dispute.

Commodity risk

Investments with exposure to commodities and precious metals involve additional risks compared to traditional investment. In particular, overall market movements, political, economic, regulatory and natural events may strongly influence such investments. Additionally, commodity market is usually very volatile and may be subject to market disruptions.

Counterparty risk

When the Sub-Fund conducts over-the-counter (OTC) transactions or enters into the efficient portfolio management instruments, it may be exposed to risks relating to the credit standing of its counterparties and to their ability to fulfil the conditions and obligations of the contracts it enters into with them.

Country risk China

The legal rights of investors in China are uncertain, government intervention is common and unpredictable, some of the major trading and custody systems are unproven, and all types of investments are likely to have comparatively high volatility and greater liquidity and counterparty risks.

In China, it is uncertain whether a court would protect the Sub-Fund's right to securities it may purchase via Stock Connect programs or other methods whose regulations are untested and subject to change. The structure of these schemes does not require full accountability of some of its component entities and leaves investors such as the Sub-Fund with relatively little standing to take legal action in China. In addition, Chinese security exchanges or authorities may tax or limit short-swing profits, recall eligible stocks, set or change quotas (maximum trading volumes, either at the investor level or at the market level) or otherwise block, limit, restrict or delay trading, hampering or preventing a fund from implementing its intended strategies.

*Shanghai- and Shenzhen-Hong Kong Stock Connect programs.* Stock Connect is a joint project of the Hong Kong Exchanges and Clearing Limited (HKEC), China Securities Depository and Clearing Corporation Limited (ChinaClear), the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Hong Kong Securities Clearing Company Limited (HKSCC), a clearing house that in turn is operated by HKEC, acts as nominee for investors accessing Stock Connect Securities.
Creditors of the nominee or custodian could assert that the assets in accounts held for the funds are actually assets of the nominee or custodian. If a court should uphold this assertion, creditors of the nominee or custodian could seek payment from the assets of the relevant fund. HKSCC, as nominee, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners (such as the funds). Consequently, title to such securities, or the rights associated with them (such as participation in corporate actions or shareholder meetings), cannot be assured.
Should the Fund (or any of the Sub-Funds) suffer losses resulting from the performance or insolvency of HKSCC, the Fund would have no direct legal recourse against HKSCC, because Chinese law does not recognize any direct legal relationship between HKSCC and either the FCP or the depositary.
Should ChinaClear default, HKSCC's contractual liabilities will be limited to assisting participants with claims. The Fund's attempts to recover lost assets could involve considerable delays and expenses, and may not be successful.

*Onshore and offshore renminbi.* In China, the government maintains two separate currencies: internal renminbi (CNY), which must remain within China and generally cannot be owned by foreigners, and external renminbi (CNH), which can be owned by any investor. The exchange rate between the two, and the extent

to which currency exchanges involving CNH are allowed, are managed by the government, based on a combination of market and policy considerations. This effectively creates currency risk within a single nation's currency, as well as liquidity risk, since the conversion of CNY to CNH, and of CNH to other currencies, can be restricted, as can the removal of any currency from China or Hong Kong.

Concentration risk

A Sub-Fund may concentrate its investment in a limited number of issuers, countries, sectors or instruments. It may result in the Sub-Fund's assets being more sensitive to adverse movement in a particular economy, sector, and company or instrument type.

Credit risk

The creditworthiness (solvency and willingness to pay) of an issuer may change substantially over time. Debt instruments involve a credit risk with regard to the issuers, for which the issuers' credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk (greater risk of default) than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero).

Currency Risk

If a Sub-Fund holds assets denominated in foreign currencies, it is subject to currency risk. Any depreciation of the foreign currency against the Base Currency of the Sub-Fund would cause the value of the assets denominated in the foreign currency to fall. Exchange rates may change rapidly and unpredictably, and some currencies may be more volatile than others.

Emerging and less developed markets risk

Investments in emerging or less developed markets are often more volatile than investments in mature markets, due to, among others, political, economic, legal and regulatory risks specific to those markets.

Hedging risk

In some Sub-Funds, the Management Company may have an ambition to hedge the currency risk. Considering the practical challenges of doing so, however, the Management Company does not guarantee how successful such currency hedging will be. For example, in case of hedging of a Unit Class, unsuccessful currency hedging means that the value of the Unit Class may rise or fall in response to fluctuations in the exchange rate between the Base Currency and the Reference Currency of the Unit Class. In case of hedging of instruments, unsuccessful hedging means that the value of the portfolio may rise or fall in response to fluctuations in the exchange rate between the Base Currency and the currency of the instruments.

Risks relating to the investment in financial derivative instruments ("derivative risk")

Financial derivative instrument is a generic name for instruments getting their return from underlying assets. The return of the financial derivative instrument depends on the return of the underlying asset.

Specific risks related to OTC Derivatives

OTC derivatives are private agreements between a fund and one or more counterparties. In general, those transactions are less subject to governmental regulation and supervision, compared to exchange traded derivatives. OTC derivatives carry greater counterparty and liquidity risks. Additionally, the Fund may not be able to find a comparable derivative to be able to offset a certain position.

Specific risks related to exchange traded derivatives

Although exchange traded derivatives are generally considered as less risky than OTC derivatives, there is still the risk that the securities exchange or commodities contract market suspend or limit the trading in derivatives or in their underlying assets.

Specific risks related to Credit Default Sw aps ("CDS")

The price at which a CDS trades may differ from the price of the CDS' referenced security. In adverse market conditions, the basis (the difference between the spread on bond and the spread of a CDS) can be significantly more volatile than the CDS' referenced security.

Leverage risk

Leverage is typical for trading in financial derivative instruments. Investment in derivative transactions may potentially result in losses greater than the amount invested for those transactions.

Risks relating to efficient portfolio management techniques

- Securities lending

Securities lending involves counterparty risk:

(i) Although the Sub-Fund shall receive sufficient collateral to reduce its counterparty exposure, there is no requirement to have such counterparty exposure fully covered by collateral. Therefore, the Sub-Fund may bear losses in case of default of the relevant counterparty;

(ii) If the borrower of securities fails to return securities lent by a Sub-Fund, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent out, whether due to inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of the issuer of the collateral or the illiquidity of the market is which the collateral is traded.

Additionally, delays in the return of securities lent may restrict the ability of a Sub-Fund to meet delivery obligations or payment obligations arising from redemption requests

- Repurchase and reverse repurchase agreement

The principal risk when engaging in Repurchase Agreement transactions is the counterparty risk. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described above under the heading "Counterparty risk".

Repurchase Agreement transactions also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Sub-Fund to meet redemption requests. Such risk may be higher for buy-sell-back or sell-buy-back transactions which cannot, in contrast to repurchase and reverse repurchase agreements, be closed at any time. The Sub-fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

Finally investors shall note that there is no margin maintenance under Repurchase Agreement transactions. To align the values of cash and collateral, the transaction shall be terminated and simultaneously, a new creation shall be created for the remaining term of maturity. While it may reduce the legal difficulties associated with collateral management, it may also entail higher operational risk.

Interest rate risk

To the extent that the Fund invests in debt instruments, it is exposed to risk of interest rate changes. These risks may be incurred in the event of interest-rate fluctuations in the denomination currency of such debt instruments.

If the market interest rate increases, the price of the interest bearing securities included in the Sub-Funds may drop. This applies to a larger degree, if the Sub-Funds should also hold interest bearing securities with a longer time to maturity and a lower nominal interest return.

Risks relating to the investments in UCIs and UCITS

The investors shall be aware of the fact that the fees charged by the target UCI or UCITS will have to be borne on a pro rata basis by the investing Sub-Fund and that in consequence the NAV of the investing Sub-Fund will be affected. This might lead in respect of the Fund to a duplication of fees.

Liquidity risk

Liquidity risks arise when a particular security is difficult to dispose of. In principle, the Fund may only acquire securities that can be unwound promptly. Nevertheless, it may be difficult to sell, at a reasonable price, particular securities at certain points in time during certain phases or in certain markets.

Market risk

This risk is of general nature and exists in all forms of investment. The principal factor affecting the price performance of securities is the performance of capital markets and the economic performance of individual issuers, which in turn are influenced by the general situation of the world economy, as well as the basic economic and political conditions in the particular countries or sectors.

Operational risk

Operational risk refers to the potential losses resulting from unforeseen events, business disruption, inadequate controls and control or system failure.

Risk relating to the reuse of collateral

The relevant Sub-Fund may incur losses when reinvesting cash collateral received. Such a loss would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. In such a case, the Sub-Fund would need to cover the shortfall.

Risk of default

In addition to the general trends on capital markets the particular performance of each individual issuer also affects the price of an investment. The risk of a decline in the assets of issuers, for example, cannot be entirely eliminated even by the most careful selection of securities.

4.3. Risk management process

The Fund employs a risk management process, which enables the Management Company to monitor and measure at any time the risk of the positions, including derivatives positions, and their contribution to the overall risk profile of the portfolio.

The global exposure may be measured using the commitment approach.

# 5. Units

## 5.1. Unit Classes

Each Sub-Fund may create and offer several different Unit Classes. Although all Unit Classes in a Sub Fund invest in common in the same portfolio of securities, they may have different characteristics and investor eligibility requirements.

Any Unit Class that the Sub-Fund issues is defined by the following criteria: charges, dividend policy, denomination currency, targeted investor group, minimum investment amount, minimum holdings and other eligibility criteria. The base Unit Class labels described in the table below define the target investor group for a specific Unit Class.

### 5.1.1. Investor groups

The Management Company may issue Units taking into account the target investors. The Unit Classes in the Sub-Funds may therefore be:

| | |
|---|---|
| (No class letter, suffixes only) | Units which may be acquired by all kinds of investors; |
| "HNW" Unit Class | Units which may only be acquired by high net worth individuals who can afford the more elevated minimum initial investment amount |
| "U" Unit Class | Units which are available to all kinds of investors at the discretion of the Management Company but only offered<br>(i) through distributors, financial intermediaries, distribution partners or similar (ii) appointed by the Global Distributor, or an authorised affiliate, that (iii) are investing on behalf of their customers and are charging the latter advisory, or alike, fees. The Management Company does not remit any commission-based payments for these units. |
| "I " Unit Class | Units which are available to Institutional Investors as defined in the Glossary of terms |
| "Z" Unit Class | Units which are available to Institutional Investors at the discretion of the Management Company. The Management Company does not remit any commission-based payments for these units. |
| "X" Unit Class | Units which are available to Institutional Investors, directly or through the Global Distributor or any of its subsidiaries, where such intermediary or the Institutional Investor, have concluded a written agreement with the Management Company in which the relevant fees and charging procedure are agreed with the Management Company prior to the investor's initial subscription. All or part of the fees that are normally charged to a Unit Class will not be charged to the Unit Class for these units. Instead, these units will accommodate a separate charging structure whereby all or part of the fees are charged separately and/or collected directly from the investor. |
| "ICP" Unit Class | Units which may only be acquired by Institutional Investors as defined in the Glossary of terms, with a bias towards pension. |

In order to distinguish between fee levels and minimum investment requirements, the base Unit Class may be followed by a number, such as Z1, Z2.

### 5.1.2. Available currencies

The Unit Class can be issued in any of the following currencies: SEK, NOK, DKK, EUR, USD, SGD, JPY, CHF and GBP.

### 5.1.3. Dividend policy

Unless otherwise described in Part II of the Prospectus "The Sub-Funds", the Management Company decides whether to issue capitalising ("C" Units) and/or distributing units ("D" Units) per Sub-Fund.

The "C" Units will reinvest their income, if any. The "D" Units may pay a dividend to its Unitholders, upon decision of the Management Company. Dividends are generally paid annually. The exception is when the Management Company decides to pay dividends for a specific Sub-Fund either monthly, quarterly or semi-annually. .

### 5.1.4. Hedging policy

The Management Company may issue Unit Classes whose Reference Currency is not the Base Currency of the respective Sub-Fund. With regard to such Unit Classes, the Management Company aimsto hedge the currency exposure from the Base Currency into the currency exposure of the Reference Currency. Considering the practical challenges of doing so, the Management Company cannot guarantee the level of success of such currency hedging. For details, see Section 4.2. "Risk factors" particularly the paragraph "Hedging risk".

For Unit Classes where the Management Company aims to currency-hedge the Unit Class, an "H-" precedes the currency denomination of the Unit Class. For example "(H-SEK)" indicates that the Management Company aims to hedge the currency exposure from a Base Currency to SEK-exposure for the Unit Class. The hedging activity aims to limit performance impact as related to fluctuations in the exchange rate between the Base Currency and the Reference Currency of the Unit Class. The effects of profit and loss, as related to currency hedging of a particular Unit Class, are allocated to the relevant Unit Class

Hedging transactions may be executed when the Reference Currency declines or increases in value relative to the relevant Sub-Fund's Base Currency. This type of hedging can provide substantial protection for investors in the affected unit class against a decrease in the value of the Sub-Fund's Base Currency in relation to the Reference Currency of the Unit Class. However, it can also minimise or hinder an increase in the value of the Sub-Fund's currency.

The letters "PH" preceding the currency denomination of a unit class, for example IC(PH-EUR), indicate the Management Company aims to partially hedge the currency exposure from a Base Currency of the Sub-Fund to a euro exposure for the Unit Class. It can also indicate partial hedging to another specific currency in the sub fund's portfolio to a euro exposure for the Unit Class. This may be done for any currency.

### 5.1.5 Available classes

The information above describes all currently existing base Unit Classes and prefixes. The prefixes are added to the Unit Class name to indicate possible target group, currency of the Unit Class , the Unit Class' dividend policy and whether the Unit Class is hedged or not.

In practice, not all base Unit Classes and Unit Class configurations are available for all sub funds. Funds and unit classes are not available in all jurisdictions. A unit class is opened at the discretion of the Management Company. See Part II of this prospectus "The Sub-Funds" or www.sebgroup.lu for current information on available unit classes. You may also, free of charge, request a list from the Management Company.

### 5.1.6. Registered Units

Units may be issued as registered Units which will be recorded in a nominal account. Units that are not issued as registered units will be made available through securities settlement systems.

## 5.2. Issue of Units

The Management Company is authorized to issue Units continuously. However, the Management Company reserves the right to reject, at its discretion and in the Fund's and the Unitholders' interest, any subscription application. Any payments already made shall in such instances be immediately refunded without interest and at the risks and costs of the applicant. The Depositary shall immediately pay back incoming payments for applications for subscriptions which are not carried out.

Units are issued on each Valuation Day at their NAV plus an entry charge as indicated in part II of the Prospectus "The Sub-Funds". This issue price includes all commissions payable to banks and financial institutions taking part in the placement of Units, but not the charges taken by intervening correspondent banks for the execution of electronic transfers. Where Units are issued in countries where stamp duties or other charges apply, the issue price increases accordingly.

Unless otherwise laid down in part II of the Prospectus "The Sub-Funds", applications for subscriptions must be expressed either in number of Units or in amount. Payment for subscriptions must be made in the Reference Currency of the respective Class, euro and/or Swedish krona. The Management Company may however accept payments in other major currencies. Any cost relating to the foreign exchange transaction will have to be borne by the Unitholder.

The payment made by electronic transfer must reach the Registrar and Transfer Agent within five Bank Business Days following the applicable Valuation Day.

In order to avoid the repayment to subscribers of small surplus amounts, the Management Company will round up at its own expense each subscription to the next immediately higher whole number of Units or issue fractions up to three decimal places per Unit.

Confirmation of the execution of a subscription will be made by the dispatch of a contract note to the Unitholder indicating the name of the Fund, the Sub-Fund, the number and Class of Units subscribed to, the applicable NAV, the trade date, the settlement date, the currency and the exchange rate, if any.

By subscribing to a Unit, the Unitholder accepts the Management Regulations.

Note : to the extent that a Sub-Fund invests in markets that are closed on what would normally be a Valuation Day, the NAV of the Sub-Fund may not be calculated, which may delay the processing of trading requests by one or more days. For a calendar of known market closures, go to : https://sebgroup.lu/private/luxembourg-based-funds/luxembourg-funds-trading-calendar.

### 5.2.1. Restriction on issue

Units may not be offered, sold or otherwise distributed to prohibited persons (the "Prohibited Persons").

Prohibited Persons means any person, firm or corporate entity, determined in the sole discretion of the Management Company, as being not entitled to subscribe to or hold Units,

1. if in the opinion of the Management Company such holding may be harmful/damaging to the Fund,
2. if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if any contractual or statutory condition or condition provided in the Prospectus is no longer met by such person to participate in a Sub-Fund, or if such person fails to provide information or documentation as requested by the Management Company,
3. if as a result thereof the Fund or the Management Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred
4. if the participation of the investors in a Sub-Fund is such that it could have a significant detrimental impact on the economic interests of the investors, in particular in cases where individual investors seek by way of systematic subscriptions and immediate redemptions to realise a pecuniary benefit by exploiting the time differences between the setting of the closing prices and the valuation of the Sub-Fund's assets (market timing) or
5. if such person would not comply with the eligibility criteria for Units (e.g. in relation to "U.S. Persons" as described below).

The Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Units of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the US and such Units may be offered, sold or otherwise transferred only in compliance with the Securities Act of 1933 and such state or other securities laws. The Units of the Fund may not be offered or sold within the US or to or for the account, of any US Person. For these purposes, US Person is as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term "US Person" also means any entity organised principally for passive investment (such as a commodity pool, Investment Company or other similar entity) that was formed:

(a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

Applicants for the subscription to Units will be required to certify that they are not U.S. Persons and might be requested to prove that they are not Prohibited Persons.

Unitholders are required to notify the Registrar and Transfer Agent of any change in their domiciliation status.

Prospective investors are advised to consult their legal counsel prior to investing in Units of the Fund in order to determine their status as non U.S. Persons and as non-Prohibited Persons.

The Management Company may refuse to issue Units to Prohibited Persons or to register any transfer of Units to any Prohibited Person. Moreover the Fund's Management Company may at any time forcibly redeem / repurchase the Units held by a Prohibited Person and may take any other required action (e.g. such as blocking the accounts within the Fund of such Prohibited Person) in accordance with laws and regulation and in the best interest of the Fund and its investors..

The Management Company can furthermore reject an application for subscription at any time at its discretion, or temporarily limit, suspend or completely discontinue the issue of Units, in as far as this is deemed to be necessary in the interests of the existing Unitholders as an entirety, to protect the Management Company, to protect the Fund, in the interests of the investment policy or in the case of endangering specific investment objectives of the Fund.

#### 5.2.2. Anti-money laundering procedures

The applicants wanting to subscribe to Units must provide the Registrar and Transfer Agent with all necessary information, which the Registrar and Transfer Agent may reasonably require to verify the identity of the applicant. Failure to do so may result in the Registrar and Transfer Agent refusing to accept the subscription to Units in the Fund.

Applicants must indicate whether they invest on their own account or on behalf of a third party. Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, any applicant applying in its own name or applying through companies established in non FATF countries, is obliged to submit to the Registrar and Transfer Agent in Luxembourg all necessary information, which the Registrar and Transfer Agent may reasonably require to verify.

Unitholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations. Failure to provide such additional or updated documents may result in the respective Unitholder to qualify as a Prohibited Person as defined in the section "Restriction on issue" hereof.

#### 5.2.3. Late trading and market timing

The Management Company does not permit late trading, market timing or related excessive, short-term trading practices. In order to protect the best interests of the Unitholders, the Management Company reserves the right to reject any application to subscribe to Units from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it, in its discretion, may deem appropriate or necessary, such as the charge of higher exit charge, as laid down hereafter.

### 5.3. Redemption of Units

Units are redeemed, on each Valuation Day at their NAV, decreased by an exit charge, as indicated in part II of the Prospectus "The Sub-Funds" which is payable to banks and financial institutions taking part in the redemption of Units. Where Units are redeemed in countries where stamp duties or other charges apply, the redemption price decreases accordingly.

Requests for redemptions must be expressed either in number of Units or in amount. Payment will be made by the Depositary or the paying agents in the Reference Currency of the respective Class, euro or Swedish krona, or any other major currencies as accepted by the Management Company, according to the choice of the Unitholder. Electronic transfer will be made with a value date within ten Bank Business Days following the corresponding Valuation Day. Any cost relating to the foreign exchange transaction will have to be borne by the Unitholder. Confirmation of execution of redemption will be made by dispatching a contract note to the Unitholder.

Furthermore, in relation to suspected market timing practices, the Management Company may charge an additional exit charge of up to 2% of the NAV of the Units redeemed within six months of their issue. Such exit charge will be payable to the relevant Sub-Fund or Unit Class. The same exit charge for every redemption request executed on the same Valuation Day will be applicable if the redemption is based on market timing in order to ensure the equal treatment of investors.

If redemption requests for more than 10% of the NAV of a Sub-Fund are received, then the Fund shall have the right to limit redemptions so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Unitholders seeking to redeem Units as of a same Valuation Day so that each such Unitholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

### 5.3.1. Compulsory redemption of Units

The Fund's Management Company may at any time forcibly redeem / repurchase the Units held by a Prohibited Person, as defined under the section "Restriction on issue".

If a Unitholder's holding falls below the minimum initial subscription amount or holding, if any, for a Sub-Fund or a Unit Class due to redemption or conversion, the Management Company may at its sole discretion compulsorily redeem / repurchase, as the case may be, all Units held by the relevant Unitholder in this Sub-Fund or Unit Class.

The minimum initial subscription amounts and holdings, if any, for a Sub-Fund or a Unit Class are mentioned in part II of the Prospectus "The Sub-Funds".

Any person who becomes aware that he is holding Units in contravention of any of the provisions set out in the section "Restriction on issue" or the present section and who fails to transfer or redeem his Units pursuant to such provisions shall indemnify and hold harmless the Management Company, its directors, the Fund, the Depositary, the Central Administration, the investment manager, if any, and the Unitholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

In case of a compulsory redemption in accordance with this section, the Management Company shall notify the respective investor by a written notice about the compulsory redemption, specifying the Units to be redeemed, the date of the redemption and the price applicable to such Units concerned as well as the place at which the redemption price in respect of such Units is payable. Such notice shall be addressed to the respective investor at his last address known to or appearing in the Fund's register. The Units concerned by such a redemption shall be cancelled immediately after the date specified in the redemption notice.

### 5.4. Conversion of Units

Unless otherwise provided for in part II of the Prospectus "The Sub-Funds", a Unitholder may convert all or part of the Units he holds in a Sub-Fund into Units of another Sub-Fund or Units of one Class into Units of another Class of the same or another Sub-Fund.

Requests for conversions must be expressed either in number of Units or in amount.

Conversions are executed free of commission.

In case of the conversion, the number of Units allotted in a new Sub-Fund or in the new Class is determined by means of the following formula:

$$N = \frac{(A \times B \times C)}{D}$$

where:

A is the number of Units presented for conversion,

B is the NAV per Unit in that Sub-Fund/Unit Class of which the Units are presented for conversion, on the day the conversion is executed,

C is the conversion factor between the Base Currencies of the two Sub-Funds or Unit Classes, as applicable, on the day of execution. If the Sub-Funds or Unit Classes have the same Base Currency, this factor is one,

D is the NAV per Unit of the new Sub-Fund/Unit Class on the day of execution,

N is the number of Units allotted in the new Sub-Fund/Unit Class.

### 5.5. Cut-off time

All subscription, redemption and conversion orders are made on the basis of an unknown NAV per Unit. Unless otherwise specified in part II of the Prospectus "The Sub-Funds", or unless a suspension of NAV calculation is in effect, orders received by the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day are processed at the NAV per Unit on that Valuation Day. Orders received after 15:30 (CET), are processed at the NAV per Unit on the next Valuation Day.

In order to ensure a placement of orders in due time, earlier cut-off times may be applicable for orders placed with distributors (or/and any of their agents) in Luxembourg or abroad. The corresponding information may be obtained from the respective distributor (or/and any of its agents).

## 6. Charges

Each Sub-Fund will, in principle, bear the following charges:

1. Management fee, payable to the Management Company

   The applicable amount and the way it is calculated are laid down in part II of the Prospectus "The Sub-Funds" under the applicable Sub-Fund. This fee shall in particular serve as compensation for the Central Administration, the Investment Managers, if any, and the Global Distributor as well as for the services of the Depositary.

2. Performance fee, if any, payable to the Management Company

   The applicable amount and the way it is calculated are laid down in part II of the Prospectus "The Sub-Funds" under the applicable Sub-Fund.

3. Transaction related fees

   - Execution fees for brokerage
   - Settlement fees incurred by the Sub-Fund´s business transactions
   - Collateral fees

4. Other expenses

   - A fee for research costs. The research costs, if applicable, amount to a maximum of 0,20 % p.a. of the net assets of the relevant Sub-Fund.
   - All taxes and duties owed on the Sub-Fund's assets and income
   - Audit fees
   - Fees for country specific tax reporting and / or the audit thereof, depending on the countries of distribution
   - Expenses connected with publications and supply of information to investors, specifically for the disclosure of the NAV, for the provision of the Prospectus as well as for the production and provision of the KIIDs
   - CSSF fees

All specific fees and expenses of each Sub-Fund are payable by that Sub-Fund. All other fees and expenses shall be shared by the Sub-Funds in proportion to their net assets at that time.

Investment in target funds may lead to duplicate costs, in particular to double management fees (excluding SEB labelled target funds), since fees are incurred both on the side of the Sub-Fund as well on the side of the target fund.

## 7. NAV calculation

In order to calculate the NAV per Unit, the value of the assets belonging to each Sub-Fund less its liabilities is calculated on each day that constitutes a Valuation Day, and the result is divided by the number of the Units issued.

Particulars on the calculation of the NAV per Unit and on asset valuation are provided in the Fund's Management Regulations.

When substantial sums flow in or out of a Sub-Fund, the Investment Manager, if any, has to make adjustments, such as trading on the market, in order to maintain the desired asset allocation for the Sub-Fund. Trading can incur costs that affect the Unit price of the Sub-Fund and the value of existing Unitholders' investments. Swing pricing is designed to protect Unitholders' investments in this kind of situation.

The Unit price of the Sub-Fund may thus be adjusted upwards in case of large inflows and downwards in case of large outflows on a certain Business Day. The thresholds that trigger swing pricing as well as the size of the adjustments ("swing factor") are set by the board of directors of the Management Company or by a swing price committee appointed by the board of directors of the Management Company. The board of directors of the Management Company or swing price committee may also decide a maximum swing factor to apply to a specific Sub-Fund. None of the Sub-Funds will have a higher maximum swing factor than 1%. The list of Sub-Funds that currently apply swing pricing, including the size of a maximum swing factor of the respective Sub-Funds, is available on the Website of the Branch. Investors may also request this information, free of charge.

### 7.1 Suspension of the calculation of the NAV

The Management Company is entitled to suspend the calculation of the Fund's net asset value, if and for as long as there are circumstances which make this suspension necessary and if the suspension is justifiable, taking into account the interests of the Unitholders, in particular:

1. during the time in which a stock exchange or another market, where a considerable part of the Fund's assets is officially quoted or traded, is closed (except at the usual weekends or on bank holidays) or the trading on this stock exchange or corresponding market ceases or is limited;

2. where a major part of the securities and instruments in the Fund are not listed or otherwise not subject to orderly pricing entailing that the net asset value cannot be satisfactorily determined in a manner that safeguards the equal right of the Unitholders;

3. in periods, where the political, economic, military, monetary or social circumstances or any case of force majeure, beyond the responsibility or power of the Management Company, make it impossible to dispose of the Fund's assets by reasonable and normal means, without causing serious prejudice to its Unitholders;

4. during the time in which the exchange market(s) forming the basis of the valuation of a major part of the Fund's assets is (are) closed for legal holidays;

5. in an emergency, when the Management Company may not dispose of the Fund's investments or it is impossible for it to freely transfer the transaction value resulting from purchases and sales of investment, or to carry out the calculation of the net asset value in an orderly manner.

In case of a suspension for reasons as stated above, Unitholders will be informed accordingly.

Investors who have applied for redemption of Units will be informed promptly of the suspension and will then be notified immediately once the calculation of the net asset value per Unit is resumed. After resumption, investors will receive the then current redemption price.

## 8. Mergers

For the purposes of this section, the term UCITS also refers to a sub-fund of a UCITS.

Any merger between Sub-Funds or between a Sub-Fund of the Fund and another UCITS and the effective date shall be decided by the board of directors of the Management Company.

In the case required by the Law, the Management Company shall entrust either an authorised auditor or, as the case may be, an independent auditor to perform the necessary validations prescribed by the Law.

Practical terms of mergers will be performed and will have the effect in accordance with Chapter 8 of the Law.

Information on the merger shall be made available to the Unitholders of the merging and/or receiving UCITS on the Website of the Branch and, as the case may be, in all other forms prescribed by laws or related regulations of the countries, where the relevant Units are sold.

## 9. Duration and liquidation of Sub-Funds and of the Fund

### 9.1. Duration and liquidation of Sub-Funds

Unless otherwise stipulated in part II of the Prospectus "The Sub-Funds", each Sub-Fund is created for an unlimited period. The Management Company may at any time decide upon the liquidation of one or more Sub-Funds by compulsory redemption of the Units of the respective Sub-Fund(s), particularly in situations of a notable modification of the economic and/or political prevailing circumstances, or if the net assets of a Sub-Fund fall under a certain level to be determined by the Management Company which will not allow an efficient and rational management or in any other cases which will be in the Unitholders' interest.

The decision of the Management Company to liquidate a Sub-Fund, the reason and the procedure of the liquidation will be announced to Unitholders on the Website of the Branch and, as the case may be, in all other forms prescribed by relevant laws or regulations of the countries where the Units of the Sub-Fund are sold.

No application for subscription or conversion of Units into the Sub-Fund to be liquidated will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Sub-Fund. If the equal treatment between Unitholders is ensured, redemption requests may be treated.

Following the liquidation of the assets of the relevant Sub-Fund in the best interests of the Unitholders, the Management Company will instruct the Paying Agent to distribute the proceeds of the liquidation, after deduction of liquidation costs, amongst the Unitholders of the relevant Sub-Fund in proportion to their respective holdings.

The closure of the liquidation of a Sub-Fund and the deposit of any unclaimed amounts with the *Caisse de Consignation* in Luxembourg shall in principal take place within a period of time not exceeding nine months from board of directors of the Management Company decision to liquidate the relevant Sub-Fund.

Any unclaimed liquidation proceeds not distributed to Unitholders after closure of the liquidation procedure shall be deposited by the Depositary on behalf of entitled Unitholders with the Luxembourg *Caisse de Consignation* in accordance with applicable laws and regulations. The liquidation proceeds deposited with the *Caisse de Consignation* in Luxembourg will be available to the persons entitled thereto for the period established by law. At the end of such period unclaimed amounts will revert to the Luxembourg State.

Liquidation and distribution of a Sub-Fund cannot be requested by a Unitholder, his heirs or beneficiaries.

In case the net assets of a Sub-Fund drop down to zero due to redemption, the Management Company may decide that this Sub-Fund is closed without the need to entail the liquidation procedure.

### 9.2. Duration and liquidation of the Fund

The Fund is created for an unlimited period and can be dissolved at any time by decision of the Management Company if such dissolution appears necessary or expedient in consideration of the interests of the Unitholders, in order to protect the interests of the Management Company.

Dissolution of the Fund is mandatory in the cases provided for by the Law.

The Management Company shall announce to investors any such dissolution of the Fund on the Website of the Branch and, as the case may be, in all other forms prescribed by laws or related regulations of the countries, where Units are sold.

No application for subscription or conversion of Units will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Fund. If the equal treatment between Unitholders is ensured, redemption requests may be treated.

The closure of the liquidation of the Fund and the deposit of any unclaimed amounts with the *Caisse de Consignation* in Luxembourg shall in principal take place within a period of time not exceeding nine months from the decision of the board of director of the Management Company to liquidate the Fund.

Any unclaimed liquidation proceeds not distributed to Unitholders after closure of the liquidation procedure shall be deposited by the Depositary on behalf of entitled Unitholders with the Luxembourg Caisse de Consignation in accordance with applicable laws and regulations. The liquidation proceeds deposited with the *Caisse de Consignation* in Luxembourg will be available to the persons entitled thereto for the period established by law. At the end of such period unclaimed amounts will revert to the Luxembourg State.

Dissolution and distribution of the Fund cannot be requested by a Unitholder, his heirs or beneficiaries.

## 10. Taxation of the Fund and the Unitholders

The following summary is based on the laws and practices currently in force and is subject to any future changes. The following information is not exhaustive and does not constitute legal or tax advice.

It is expected that Unitholders in the Fund will be resident in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Units in the Fund. These consequences will vary in accordance with the law and practice currently in force in a Unitholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances

Taxation in Luxembourg

The Fund is subject to Luxembourg legislation. Buyers of the Fund's units should inform themselves about the legislation and rules applicable to the purchase, holding and possible sale of Units with regard to their residence or nationality.

In accordance with current legislation in Luxembourg, neither the Fund nor the Unitholders, except those whose domicile, residence or permanent establishment is Luxembourg, are subject to any tax on income or capital gains in Luxembourg. The Fund's income may however be subject to withholding tax in the countries where the Fund's assets are invested.

The net assets of the Fund are subject to a Luxembourg tax ("taxe d'abonnement") at an annual rate of 0.05% payable at the end of that quarter. Units of institutional classes, if applicable, as defined in Article

174 (2) (c) of the Law are subject to a "taxe d'abonnement" of 0.01% per annum. The Management Company ensures that such institutional unit classes are only acquired by investors complying with rules set out in the afore-mentioned article. The value of the assets represented by the shares/units held in other Luxembourg undertakings for collective investment already subject to a "taxe d'abonnement" is exempt from the payment of such tax.

Common Reporting Standard

The Fund is subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*) (the "CRS Law").

The CRS Law is based on the European Directive 2014/107/EU of 9 December 2014 amending provisions of Directive 2011/16/EU on administrative cooperation in the field of taxation and the OECD's multilateral agreements. Consequently, to eliminate the overlap of reporting obligations created between the EU Savings Directive (the "EUSD") and the Directive 2014/107/EU, the EUSD directive has been repealed with effect from 31 December 2015 and the last reporting in accordance with the EUSD directive, will be effected in 2016 for the calendar year 2015. Further, the first reporting to the Luxembourg tax authority (the "LTA") under the CRS Law, will be applied in 2017 for the calendar year 2016. The LTA will onward report to participating foreign tax authorities by 30 September 2017.

The intention of CRS is to safeguard against tax evasion. Accordingly, under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. Consequently, the fund is required to collect personal and financial information as described in Annex I of the CRS Law with effect from 1 January 2016 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report this information to the LTA as from 2017.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, the Fund will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform the fund or the fund management company, if applicable, of the processing of their Information by the Fund.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law.

The investors undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA.

If investors are in doubt, they should consult their tax advisor, stockbroker, bank manager, solicitor, account or other financial advisor regarding the possible implications of CRS on an investment in the Fund.

## Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes special provisions laid down in the Foreign Account Tax Compliance Act, generally known as "FATCA". The intention of FATCA is that details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service (IRS), as a safeguard against US tax evasion.

This regime will become effective in phases between 1 July 2014 and 15 March 2018. Based on the Treasury Regulations §1.1471-§1.1474 issued on 17 January 2013 (the "Treasury Regulations") the Fund is a "Financial Institution". As a result of the Hire Act, and to discourage non-US Financial Institutions from staying outside this regime, on or after 1 July 2014, a Financial Institution that does not enter and comply with the regime will be subject to a US withholding tax of 30% on gross proceeds as well as on income from the US and, on or after 1 January 2017, also potentially on non-US investments.

Luxembourg has entered into a Model I Intergovernmental Agreement ("IGA") with the United States. Under the terms of the IGA, the Fund will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legis lation implementing the IGA (the "Luxembourg IGA legislation"), rather than under the US Treasury Regulations implementing FATCA.

In order to protect Unitholders from the effect of any penalty withholding, it is the intention of the Fund to be compliant with the requirements of the FATCA regime and hence, qualify as a so- called "participating financial institution" as defined in the IGA.

The Fund qualifies as a so-called "sponsored financial institution" as defined in the IGA. The Branch of the Management Company qualifies as a so- called "sponsoring financial institution". The Branch of the Management Company agrees to sponsor the Fund for the purpose and within the meaning of the IGA. The Fund intends not to register with the IRS and intends to be so-called "non-reporting sponsored financial institutions" within the meaning of the IGA. In case the Fund would be subject to reporting obligations under the FATCA regulation, the Branch will register the Fund as its sponsoring entity with the IRS and hence, the Branch of the Management Company will comply as set out in article 2 and 4 as well as Annex II, Chapter IV, section A. 3 of the IGA in due time (i.e. not later than 90 (ninety) days after the reportable event has first been identified) with all due diligence, withholding, registration and reporting obligations on behalf of the Fund regarding certain holdings by and payments made to (a) certain US investors, (b) certain US controlled foreign entity investors and (c) non-US financial institution investors that do not comply with the terms of the Luxembourg IGA legislation. Further, the Branch of the Management Company will perform any requirements that the Fund would have been required to perform if it were a reporting Luxembourg financial institution as defined in the IGA. Under the Luxembourg IGA, such information will be onward reported by the Luxembourg tax authorities to the IRS under the general information exchange provisions of the US-Luxembourg Income Tax Treaty. The Branch of the Management Company is required to monitor its own and the Fund's status as being a participating financial institution and a non-reporting entity on an ongoing basis and has to ensure that the Branch of the Management Company and the Fund meet the conditions for such status over the time.

In cases where investors invest in the Fund through an intermediary, investors are reminded to check whether such intermediary is FATCA compliant and hence, qualifies as a participating financial institution as defined in the IGA. In case any of the Fund's distributor should change its status as participating financial institution, such distributor will notify the Branch of the Management Company within ninety (90) days from the change in status of such change and the Branch of the Management Company is entitled a) to redeem all Units held through such distributor, b) to convert such Units into direct holdings of the Fund, or c) to transfer such Units to another nominee within six (6) months of the change in status. Further, any agreement with a distributor can be terminated in case of such change in status of the distributor within ninety (90) days of notification of the distributor's change in status.

Although the Fund and the Branch of the Management Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the US withholding tax, no assurance can be given that the Fund and the Branch of the Management Company will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by the Unitholders may suffer material losses.

Other jurisdictions currently are in the process of adopting tax legislation concerning the reporting of information. The Fund also intends to comply with such other similar tax legislation that may apply to the Fund, although the precise requirements are not fully known yet. As a result, the Fund may need to seek information about the tax status of investors under the laws of such jurisdictions for disclosure to the relevant governmental authorities.

If you are in any doubt, you should consult your tax advisor, stockbroker, bank manager, solicitor, accountant or other financial adviser regarding the possible implications of FATCA on an investment in the Fund.

## 11. Information to Unitholders

### 11.1. Prospectus, Management Regulations and KIID

Copies of the Prospectus, the Management Regulations and the KIID are available, free of charge, at the address of the Management Company, at the address of its Branch and on the Website of the Branch.

### 11.2. Reports and financial statements

The financial year of the Fund starts on 1 January and ends on 31 December each year. The audited annual and unaudited semi-annual reports of the Fund may be obtained, free of charge at the address of the Management Company, at the address of its Branch and on the Website of the Branch.

### 11.3. Issue and redemption prices

The last known issue and redemption prices may be downloaded from the Website of the Branch and/or requested at any time, free of charge, at the address of the Management Company, at the address of its Branch and at the registered office of the Depositary and the paying agents.

### 11.4. Notice to Unitholders

All notices to Unitholders may be downloaded from the Website of the Branch and/or, as the case may be, is made available to investors in any other form required by laws or related regulations of the countries, where Units are sold, and/or may be requested at any time, free of charge, at the address of the Management Company and at the address of its Branch.

### 11.5. Unitholders' rights against the Fund

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund if the investor is registered himself and in his own name in the unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

## 11.6. Policies

Conflicts of interest

The Board of Directors, the Management Company, the investment manager(s), the Depositary, and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

The Board of Directors has adopted and implemented a conflicts of interest policy in accordance with its Code of Conduct.

The Management Company, the Fund, the investment manager(s), and the Depositary have adopted and implemented a conflicts of interest policy and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund's investors are treated fairly.

The Management Company, the Depositary and certain distributors are part of the SEB Group (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.

Entities of the Affiliated Person act as counterparty and in respect of financial derivative contracts entered into by the Fund.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Fund. The Affiliated Person could hold a relatively large proportion of Units in the Fund. Furthermore, a potential conflict may arise because the Depositary is related to a legal entity of the Affiliated Person which provides other products or services to the Fund.

In the conduct of its business the Management Company and the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Fund or its investors. The Affiliated Person, as well as the Management Company strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, both have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Fund or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Details can be found on the following webpages:
http://sebgroup.lu/siteassets/about-seb/policies/sebsa_conflict_of_interest.pdf for the Depositary; and http://sebgroup.lu/siteassets/asset-management/information-for-investors/policies/english/2015_04_01_sebam_conflicts_of_interest.pdf for the Management Company.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Fund or its Unitholders will be prevented. In such case these non-neutralized conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner (e.g. in the notes to the financial statements of the Fund). Respective information will also be available free of charge at the address of the Management Company.

Exercise of voting rights

A summary of the strategy for determining when and how voting rights attached to the Fund's investments are to be exercised shall be made available to investors. The information related to the actions taken on the basis of this strategy in relation to the Fund shall be made available to investors upon request at the registered office of the Fund.

Information on the Organization and exercise of voting rights' policy is available, free of charge, upon request at the address of the Management Company, at the address of the Branch and on the Website of the Branch.

Preferential treatment of investors

Unitholders are being given a fair treatment by ensuring that they are subject to the same rights and, as the case may be, the same obligations vis-à-vis the Fund (as such rights are obligations notably result from the Management Regulations and this Prospectus) as those to which other Unitholders, having invested in, and equally or similarly contributed to, the same class of Units, are subject to. Notwithstanding the foregoing paragraph, it cannot be excluded that a Unitholder be given a preferential treatment in the meaning of, and to the widest extent, allowed by, the Management Regulations. Whenever a Unitholder obtains preferential treatment or the right to obtain a preferential treatment, a description of that preferential treatment, the type of Unitholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the Management Company will be made available at the address of the Management Company and the address of the Branch within the same limits required by the Law.

Best execution

The Management Company acts in the best interest of the Fund when executing investment decisions, For that purpose, the Management Company shall monitor that the Investment Manager, if any, takes all reasonable steps to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution and settlement of the order in accordance with its Instructions for Ensuring a Proper Execution, Handling and Transmission of orders in Financial Instruments. Information on the Instructions for Ensuring a Proper Execution, Handling and Transmission of orders in Financial Instruments is available, free of charge, upon request at the address of the Management Company and at the address of the Branch as well as on the Website of the Branch.

Inducements

Third parties, including Affiliated Person, may be remunerated or compensated by the Management Company in monetary/non-monetary form in relation to the provision of a covered service as defined in the Instruction relating to Inducements in SEB Investment Management AB. The Management Company strives to ensure that in providing services to its investors, it acts at all times in a honest, fair and professional manner, and in the best interests of the investors. The Instruction relating to Inducements in SEB Investment Management AB is available, free of charge, upon request at the address of the Management Company and at the address of the Branch.

## Complaints' handling

Information relating to the complaints' handling procedure will be made available to investors, free of charge, upon request at the address of the Management Company, at the address of its Branch and on the Website of the Branch.

Remuneration Policy

The Management Company has implemented a remuneration policy, which is reviewed at least annually, that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with Unitholders' expectations.

In SEB Group, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and is also related to the individual's performance.

SEB Group provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

Details of the up-to-date remuneration policy are available to investors, free of charge, upon request at the address of the Management Company, and on the Website of the Management Company.

The policy shall secure that remuneration is in line with the business strategy, objectives, values and long term interest of the Unitholders, and includes measures to avoid conflicts of interests.

The assessment process of performance is based on the longer term performance of the Fund and its investment risks and the actual payment of performance-based components of remuneration is spread over the same period.

The remuneration policy is available on
http://sebgroup.lu/siteassets/asset-management/information-for-investors/policies/english/remuneration_policy.pdf.

## 12. Data Protection

The Management Company may collect information from a Unitholder or prospective Unitholder from time to time in order to develop and process the business relationship between the Unitholder or prospective Unitholder and the Management Company and for other related activities.

Any and all information concerning the Unitholder as an individual or any other data subject (the "Personal Data"), contained in the application form or further collected in the course of the business relationship with the Fund will be processed by the Management Company, on behalf of the Fund, acting as data controller (the "Controller") in compliance with the Regulation (EU) 2016/679 of 27 April 2016 (the "General Data Protection Regulation") as well as any applicable law or regulation relating to the protection of personal data (collectively the "Data Protection Law").

Unitholders acknowledge that their Personal Data provided or collected in connection with an investment in the Fund may be processed by the Investment Manager, if any, the Depositary, the Central Administration, the Global Distributor, the Paying Agents, the Paying and Information Agent, the Auditor, legal and financial advisers and other service providers of the Fund (including its information technology providers) and, any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns (the "Processors").

Personal Data will in principle not be transferred outside the European Economic Area (the "EEA"). If Personal Data were ever to be transferred outside the EEA, the Management Company is required to ensure

that the processing of Unitholders' Personal Data is in compliance with the Data Protection Law and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is "Privacy Shield" certified, if appropriate. Data subjects should refer to the privacy notice of the Controller and/or Processors for more information.

Insofar as Personal Data provided by the Unitholder concerns individuals other than itself, the Unitholder represents that it has authority to provide such Personal Data to the Controller. If the Unitholder is not a natural person, it must undertake to (i) inform any other data subject about the processing of its Personal Data and their related rights and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of such Personal Data.

Unitholders should note that the Processors may also act as independent data controllers for their own purposes. In this case Unitholders should consult the data privacy policies of the service providers acting as independent data controllers.

Such Personal Data will be processed for the purposes of offering investment in units and performing the related services. Personal Data will also be processed for the purposes of fraud prevention such as anti-money laundering and counter-terrorist financing identification and reporting, tax identification and reporting (including but not limited to compliance with the CRS Law, FATCA) or similar laws and regulations (e.g. on OECD level).

The Management Company reserves the right to refuse to issue units to Unitholders who do not provide the necessary Personal Data (including records of their transactions) to the Central Administration.

The Management Company and the Depositary shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Units.
Personal Data will not be held for longer than necessary with regard to the purposes for which it is processed, subject to applicable legal minimum retention periods.
Unitholders may also exercise their rights as set out in the General Data Protection Regulation such as: the right to access to or have their Personal Data rectified in cases where such data is incorrect or incomplete, the right to have their Personal Data deleted, the right to ask for a restriction of processing or object thereto, the right to data portability and the right to lodge a complaint with the relevant data protection supervisory authority.

More details regarding the rights described above and how to exercise them, as well as purposes of such processing, the different roles of the recipients of the Unitholder's Personal Data, the affected categories of Personal Data as well as any other information required by the Data Protection Law can also be found in the privacy notice accessible under the following link: https://sebgroup.lu/site-assistance/legal-notice/data-protection-notice-for-seb-investment-management-ab.

## 13. Applicable law, jurisdiction and governing language

Disputes arising between the Unitholders, the Management Company and the Depositary shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided however that the Management Company and the Depositary may subject themselves and the Fund to the jurisdiction of courts of the countries, in which the Units of the Fund are offered and sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by Unitholders resident in such countries, to the laws of such countries.

English shall be the governing language for this Prospectus, provided however that the Management Company and the Depositary may, on behalf of themselves and the Fund, consider as binding the translation in languages of the countries in which the Units of the Fund are offered and sold, with respect to Units sold to investors in such countries.

# II. The Sub-Funds

## SEB Asia ex. Japan Fund

1. Investment objective and policy

This Sub-Fund is focused on Asia, except Japan. The portfolio will mainly include equities and equity related transferable securities issued by companies in Asia, with the exception of Japan, or traded on Asian markets, without being restricted to a specific industrial sector. The Sub-Fund may as well invest in equities and equity related transferable securities issued by companies which carry out a preponderant part of their business or sales activity in Asia, except Japan.

The Sub-Fund may invest up to 10% of the Sub- Fund's total net assets in China A-shares via the Stock Connect programs.

The above transferable securities shall be admitted to official listing on stock exchanges or dealt in on regulated markets or on other markets that are regulated, operate regularly and are recognised and open to the public in Asia, the Pacific area, the European Union or the United States.

The Sub-Fund may also invest in all kinds of Exchange Traded Funds (ETFs), provided that the investment policy of these ETFs corresponds to the Investment Policy of the Sub-Fund. Such ETFs may be managed actively or passively and are at any time in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC. When investing in open-ended ETFs, the Investment Manager,if any, will at any time comply with the limits for investments in other UCITS and UCI here below.

The Sub-Fund may use futures contracts, options, swaps and other derivatives as part of the investment strategy. It may also use derivatives to hedge various investments, for risk management and to increase the Sub-Fund's income or gain. The underlying assets of the above mentioned derivatives consist of instruments as described under Article 4 Section A in the Management Regulations as well as financial indices, interest rates, foreign exchange rates.

Under no circumstances will the Sub-Fund be permitted to derogate from its investment policy by using the aforementioned derivatives.

The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD, G20, Singapore or Hong Kong. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and i f securities and money market instruments from any one issue may not account for more than 30% of the Sub - Fund's total net assets.

The Sub-Fund will not invest more than 10% of its net assets in units / shares of other UCITS or UCIs. Within the limits laid down in article 41 (1) (e) of the Law, and unless expressly stated otherwise, such other UCITS or UCIs might have different investment strategies or restrictions than those set forth in this supplement, to the extent that such investments do not result in a circumvention of the investment strategies or restrictions of the Sub-Fund.

## 2. Risk profile and risk management process

### 2.1. Risk profile

The Sub-Fund faces the following specific risks:

- Counterparty risk
- Country risk - China
- Currency risk
- Emerging market risk
- Liquidity risk
- Market risk
- Operational risk

Detailed information on the aforementioned type of risks is stated in Chapter 4 "Information on risk" in part I of the Prospectus.

### 2.2. Risk management process

For the determination of the global exposure, the Fund uses the commitment method. The commitment method calculates all derivative exposure as if they were direct investments in the underlying positions. The commitment allows for hedging and netting. The overall market exposure from derivative commitments shall not exceed 200% of the total net assets of the Fund (100% from direct investment and 100% from derivatives).

## 3. Typical Investor

This Sub-Fund is intended for investors who seek capital growth over the long-term. This Sub-Fund is suitable for investors who can afford to set aside the capital invested for at least five years.

## 4. Base Currency of the Sub-Fund

The Base Currency of the Sub-Fund is expressed in U.S. dollar (USD).

## 5. Classes available

| Class | ISIN Code | Initial subscription price | Minimum initial investment* | Maximum entry charge | Maximum exit charge |
|---|---|---|---|---|---|
| C (EUR) | LU1526326068 | EUR 100 | none | 1% | 1% |
| C (USD) | LU0011900676 | USD 1 | none | 1% | 1% |
| D (USD) | LU0397043406 | USD 0.6744 | none | 1% | 1% |

| | | | | | |
|---|---|---|---|---|---|
| IC P (SEK) | LU1063552746 | SEK 100 | SEK 100 mio | none | none |
| UC (EUR) | LU1822878226 | EUR 100 | none | none | none |
| C (SEK) | LU2209646558 | SEK 100 | none | none | none |
| UC (USD) | LU2249630091 | USD 100 | none | none | none |

*May be waived at the discretion of the Management Company 6.

Charges

In accordance with Chapter 6. "Charges" in part I of the Prospectus "The Fund", the Sub-Fund will, in principle, bear all the charges mentioned therein.

More details on management fees are provided hereafter.

6.1. Management fee

The management fee will amount to a maximum of 1.75% per annum of the Sub- Fund's net assets. This commission is being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily during the relevant month. See www.sebgroup.lu for details per Class.

7. Cut off Time / Order Processing

Notwithstanding the general rules laid down in the section "Cut off time" in part I of the Prospectus, orders received by the Registrar and Transfer Agent (on behalf of the Management Company or directly from the Unitholder) for this Sub-Fund before 15:30 (CET) on a Valuation Day will be processed on the basis of the NAV per Unit of the following Valuation Day.

Orders received after 15:30 (CET) are processed on the basis of the NAV per Unit of the next but one Valuation Day.

# SEB Russia Fund

1. Investment objective and policy

The Sub-Fund aims to create capital growth in the long term.

The Sub-Fund will mainly invest in:

- equities and equity related transferable securities listed or traded on a Regulated Market issued by companies domiciled in Russia; and/or
- equities and equity related transferable securities listed or traded on a Regulated Market, issued by companies not domiciled in Russia but which exercise a tangible part of their economic activity in Russia.

It may also invest up to one third of its net assets in equities and equity related transferable securities listed or traded on a Regulated Market in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Ukraine and Uzbekistan.

The Sub-Fund will continuously invest at least 51% of its net assets in equity assets as defined in sec. 2 para 8 German Investment Tax Act (2018) and therefore ensure eligibility for the partial tax exemption for equity funds for German resident investors. The Sub-Fund may therefore invest up to 49% of its assets in different other transferable securities, subject to complying with the investment restrictions provided for under the Law.

The Sub-Fund may invest up to 10% of its net assets in non-listed securities or securities issued by companies from the above mentioned countries which are listed on a stock exchange but where the stock exchange is not being considered as a regulated, recognized and open market by CSSF.

The Sub-Fund will not invest more than 10% of its net assets in units / shares of other UCITS or UCIs. Within the limits laid down in article 41 (1) (e) of the Law, and unless expressly stated otherwise, such other UCITS or UCIs might have different investment strategies or restrictions than those set forth in this supplement, to the extent that such investments do not result in a circumvention of the investment strategies or restrictions of the Sub-Fund.

In pursuit of its investment objective the Sub-Fund may hold equities issued by companies from the above mentioned countries indirectly in the form of Depository Receipts such as ADRs (American Depositary Receipts) and GDRs (Global Depositary Receipts) which are transferable securities or other securities convertible into securities of eligible issuers and issued in registered form. The ADR's/GDR'S conversion rights will only be exercised if the underlying securities are listed and traded on a regulated market. If conversion rights will be exercised and if the underlying securities received by the Sub-Fund are not listed on a regulated market, recognized and open to the public these securities will be imputed on the above mentioned 10% limit of non-quoted securities.

ADRs are designed for use in the US securities markets and GDRs and other similar global instruments in bearer form are designed for use in non-US securities markets. ADRs are denominated in U.S. dollar and represent an interest in the right to receive securities of issuers deposited at US bank or correspondent bank. GDRs are not necessarily denominated in the same currency as the underlying securities which they represent. The Depository Receipts acquired by the Sub-Fund will be listed or traded on a regulated market throughout the world.

The Sub-Fund may use future contracts, options, swaps and other derivatives as part of the investment strategy. It may also use derivatives to hedge various investments for risk management and to increase the Sub-Fund's income or gain. Derivatives will not be used for shorting purposes.

The underlying assets of the above mentioned derivatives consist of instruments as described in Article 4 Section A of the Management Regulations as well as financial indices, interest rates, foreign exchange rates.

Under no circumstances will the Sub-Fund be permitted to derogate from its investment policy by using the aforementioned derivatives.

The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued and guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD, G20, Singapore or Hong Kong. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund's total net assets.

## 2. Risk profile and risk management process

### 2.1. Risk profile

The Sub-Fund faces the following specific risks:

Counterparty risk

Currency risk

Emerging market risk

Liquidity risk

Market risk.

Operational risk Russia risk

The Sub-Fund may invest in securities listed on the Moscow Exchange MICEX-RTS in Russia and any other regulated markets in the countries mentioned above which would further be recognised as such by the CSSF.

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities.

In Russia shareholdings are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Custodian). No certificates representing shareholdings in Russian companies will be held by the Custodian or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, the Fund could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. However, in recognition of such risks, the Russian correspondent of the Custodian is following increased "due diligence" procedures.

The correspondent has entered into agreements with Russian company registrars and will only permit investment in those companies that have adequate registrar procedures in place. In addition, the settlement risk is minimised as the correspondent will not release cash until registrar extracts have been received and checked. In addition, Russian debt securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default.

Detailed information on the aforementioned type of risks is stated in Chapter 4 "Information on risk" in part I of the Prospectus.

### 2.2. Risk management process

For the determination of the global exposure, the Fund uses the commitment method. The commitment method calculates all derivative exposure as if they were direct investments in the underlying positions. The commitment allows for hedging and netting. The overall market exposure from derivative commitments shall not exceed 200% of the total net assets of the Fund (100% from direct investment and 100% from derivatives).

### 3. Typical Investor

The Sub-Fund is intended for investors who seek capital growth over the long-term. This Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

### 4. Base Currency of the Sub-Fund

The Base Currency of the Sub-Fund is expressed in euro (EUR).

### 5. Classes available

| Class | ISIN Code | Initial subscription price | Maximum entry charge | Maximum exit charge |
|---|---|---|---|---|
| C (EUR) | LU0273119544 | EUR 10 | 1% | 1% |
| C (USD) | LU0600309446 | USD 10 | none | none |
| C (SEK) | LU203514173 | SEK 100 | none | none |
| IC (EUR) | LU2158612874 | EUR 100 | none | none |
| UC (EUR) | LU1822878143 | EUR 100 | none | none |

### 6. Charges

In accordance with Chapter 6. "Charges" in part I of the Prospectus "The Fund", the Sub-Fund will, in principle, bear all the charges mentioned therein.

More details on management fees are provided hereafter.

#### 6.1. Management fee

The management fee will amount to a maximum of 2.5% per annum of the Sub-Fund's net assets. This commission is being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily during the relevant month. See www.sebgroup.lu for details per Class.