

**SEB Investment Management AB**  
SE-106 40 Stockholm  
Sweden  
Registration number - 556197-3719  
  
(the "**Management Company**")

**NOTICE TO THE UNITHOLDERS OF  
SEB Fund 2 - SEB Nordic Focus Fund**

**Merger**

Unitholders of SEB Fund 2 - SEB Nordic Focus Fund are hereby informed that the board of directors of the Management Company (the "**Board**") acting for and on behalf of SEB Fund 2 (the "**Fund**") has decided to merge the Fund's sub-fund SEB Fund 2 - SEB Nordic Focus Fund (the "**Merging Sub-Fund**") into the SEB Fund 1's sub-fund SEB Fund 1 - SEB Nordic Fund, to be renamed "SEB Fund 1 - SEB Sustainability Nordic Fund" (the "**Receiving Sub-Fund**") by way of absorption (the "**Merger**").

The Merger will thus lead to the dissolution of the Merging Sub-Fund on the Date of Merger, as described hereafter.

This Merger will be done in accordance with article 1, (20) a) as well as Chapter 8 of the law dated December 17, 2010 on undertakings for collective investment (the "**2010 Law**").

This notice describes the Merger between SEB Fund 2 - SEB Nordic Focus Fund as the merging sub-fund into SEB Fund 1 - SEB Nordic Fund, to be renamed "SEB Fund 1 – SEB Sustainability Nordic Fund as the receiving sub-fund. The Merging Sub-Fund and the Receiving Sub-Fund shall together be referred to as the "**Sub-Funds**".

We strongly recommend unitholders to read carefully this notice in order to be aware of the implications of the Merger.

**1. BACKGROUND AND RATIONALE OF THE PROPOSED MERGER**

The Board intends to merge the Sub-Funds in order to realize synergetic effects and a more efficient portfolio management, thus reduce costs for investors.

The following factors have been taken into consideration in support of the decision to merge the Sub-Funds. Investment interest in the Merging Sub-Fund has dwindled in the past year with more or less unchanged volumes at 45-50 MEUR.

SEB has currently four Nordic Equity funds in the product offering. Considering the relatively small investment universe, the Nordic market, and the fact that the Sub-Funds have similar strategies (aside from the portfolio concentration) there is no compelling reason to retain both of them. Merging the Sub-Funds will facilitate efficient portfolio management and is deemed to be in the best interest of investors. The merger is also in line with the management company's ongoing efforts to modernise and streamline our selection of funds.

The re-design of the Receiving Sub-Fund to a sustainable strategy is driven by client demand and is also in line with SEB's strategy to provide sustainable investment products. It consists of the following:

*SEB Sustainability Nordic Fund aims to create long-term capital growth taking into account the risk level of the Sub-Fund as well as specific sustainability criteria.*

*This Sub-Fund is focused on the Nordic region which includes the following countries: Denmark, Finland, Iceland, Norway and Sweden. The portfolio will mainly include equities and equity related transferable securities issued by Nordic companies or traded on Nordic markets without being restricted to a specific industrial sector.*

*The Sub-Fund makes active investment decisions, based on analysis and selection of companies fulfilling specific sustainability criteria.*

*The Sub-Fund's investment process is based on fundamental analysis. Moreover, the investment process aims to identify companies that actively work with sustainability and have a proven capability to integrate their sustainability activities in their business model.*

*In addition the Sub-Fund does not invest in, for example, companies:*

- That manufacture or sell weapons that violate international conventions such as cluster bombs, landmines, chemical and biological weapons;*
- That participate in the development of nuclear weapon programmes or produce nuclear weapons;*
- That verifiably breach international norms and conventions regarding labour legislation, anti-corruption, the environment or human rights;*
- With more than five percent of the company's turnover derived from alcohol, tobacco, weapons, commercial gambling or pornography;*
- That extract coal, gas or oil.*

*The Sub-Fund follows the Management Company's sustainability policy, which is based on international commitments that provide guidelines for the Management Company to follow. The Management Company is committed to principles, including:*

- UN Global Compact*
- OECD Guidelines for Multinational Enterprises*
- UN Supported Principles for Responsible Investments (PRI)*

*The Sub-Fund follows the Management Company's sustainability policy which is available on [sebgroupl.lu/asset-management](http://sebgroupl.lu/asset-management).*

## **2. SUMMARY OF THE PROPOSED MERGER**

- (i) The Merger shall become effective and final on or about 21 September 2018 (the "**Date of Merger**").
- (ii) The Board considers that the Merger is in the best interests of the unitholders of the Merging Sub-Fund.
- (iii) The Merger has been approved by the *Commission de Surveillance du Secteur Financier*.
- (iv) Orders for issue of and conversion into units of the Merging Sub-Fund will be accepted, if received by the Registrar and Transfer Agent of the Fund before 3.30 p.m. (Luxembourg time) on 14 September 2018
- (v) Orders for redemption of units and conversions out of the Merging Sub-Fund will be accepted, if received by the Registrar and Transfer Agent of the Fund before 3.30 p.m. (Luxembourg time) on 14 September 2018
- (vi) The last Net Asset Value of the Merging Sub-Fund will be calculated on 21 September 2018 as of 20 September 2018.
- (vii) After the Date of Merger, unitholders of a given share class in the Merging Sub-Fund will hold units of the corresponding share class in the Receiving Sub-Fund, as per clause 4.2 below.

- Unitholders in the Merging Sub-Fund will acquire rights as unitholders of the Receiving Sub-Fund from the Date of Merger.
- (viii) In view of the Merger, the portfolio of the Merging Sub-Fund will not be disinvested. The Merging Sub-Fund's portfolio will be transferred with all positions held and as composed on the Date of Merger.
  - (ix) The Merger will lead to the termination and closure of the Merging Sub-Fund.

The procedural aspects of the Merger are set out in detail in Section 5 of this notice. Please refer to Section 5.2 of this notice for a description of your options in relation to the Merger, including, in particular, your right to redeem your units before the Date of Merger without charges.

### 3. TIMETABLE FOR THE PROPOSED MERGER

The Merger shall become effective and final between the Sub-Funds the Date of Merger.

The Merger will take place in accordance with the timetable detailed below:

(i)	Publication of investor documentation	14 August 2018
(ii)	Ultimate order for issue of and conversion into units of the Merging Sub-Fund	14 September 2018
(iii)	Last dealing date in the Merging Sub-Fund	14 September 2018
(iv)	Dealings closed in the Merging Sub-Fund	14 September 2018
(v)	Calculation of the exchange ratio (as further described hereafter)	21 September 2018
(vi)	Date of Merger	21 September 2018
(vii)	End of current accounting period of the Fund	31 December 2018

### 4. KEY INFORMATION WITH RESPECT TO THE PROPOSED MERGER

#### 4.1. Main differences between the Sub-Funds

A table summarising the main differences between the Merging Sub-Fund and the Receiving Sub-Fund can be found under Annex 1.

#### 4.2. Rules applicable to the transfer of assets and the exchange of units

The assets and the liabilities of the Merging Sub-Fund and of the Receiving Sub-Fund will be evaluated on the date for calculating the exchange ratio, in compliance with the terms of the latest version of the prospectus of the Fund.

The assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund on the Date of Merger.

On such date, the Merging Sub-Fund will cease to exist.

The unitholders of the Merging Sub-Fund will on the Date of Merger receive, in exchange for their units in the Merging Sub-Fund, a number of units of the Receiving Sub-Fund equivalent to the number of units held in the relevant class of the Merging Sub-Fund, as set out in the table below, multiplied by the relevant exchange ratio. The unitholders of the Merging Sub-Fund will participate in the respective results of the Receiving Sub-Fund.

<b>Merging Sub-Fund</b>	<b>Receiving Sub-Fund</b>
<b>C-(EUR) - LU0324984854</b>	<b>C-(EUR) - LU0030165871</b>

<b>C-(SEK) - LU0324985315</b>	<b>C-(SEK) - LU1807523151</b>
<b>C-(NOK) - LU0324986040</b>	<b>C-(NOK) - LU1807522930</b>

The exchange ratio may only be calculated five (5) business days after the expiry of the thirty-day (30) period mentioned here below under section 5.2. During this five (5) business day period, i.e. up to 21 September 2018 at 3.30 p.m. CET, all subscription and redemption orders will be suspended.

The exchange ratio between units of the Merging Sub-Fund and units of the Receiving Sub-Fund will be calculated on the basis of the net asset values of the Merging Sub-Fund and of the Receiving Sub-Fund on 21 September 2018.

In case the application of the exchange ratio will not lead to the issuance of full units, the unitholders of the Merging Sub-Fund will receive fractions of units up to three decimal points within each share class in the Receiving Sub-Fund.

#### 4.3. Costs of the Merger

The costs triggered by the Merger including the costs of the dissolution of the Merging Sub-Fund will be borne by the Management Company.

### **5. RIGHTS OF THE UNITHOLDERS IN RELATION TO THE PROPOSED MERGER**

#### 5.1. Expected impacts of the proposed Merger on the unitholders of the Merging Sub-Fund

For the unitholders of the Merging Sub-Fund, the Merger will result in such unitholders being, from the Date of Merger, unitholders of the Receiving Sub-Fund.

The Merger will be binding on all the unitholders of the Merging Sub-Fund who have not exercised their right to request the redemption of their units, free of charge, within the timeframe set out in section 5.2.

The unitholders of the Merging Sub-Fund are strongly recommended to read carefully the key investor information documents (KIID) of the Receiving Sub-Fund for information about the features and the manner of operation of the Receiving Sub-Fund – see enclosed under Annex 2.

#### 5.2. Right to redeem without charge

Any unitholders of the Merging Sub-Fund not agreeing with the Merger will be entitled to request, free of charge (except for any disinvestment costs incurred by the Merging Sub-Fund in effecting redemptions or conversions), the redemption of their units during a period of thirty (30) days as from the date of the publication of the present notice on the Management Company's website.

The attention of unitholders of the Merging Sub-Fund is hereby drawn to the fact that the Merger is further detailed in the Terms of Merger elaborated by the Management Company acting on behalf of the Merging Sub-Fund and the Receiving Sub-Fund (please refer to Section 5.4).

In accordance with article 75 (2) of the 2010 Law, the Date of Merger will be published on the *Recueil Electronique des Societes et Associations*.

#### 5.3. Merger report

The merger report which will be prepared by PricewaterhouseCoopers, *société coopérative*, the approved statutory auditor of the Fund, in respect of the Merger, will include a validation of the following items:

- (i) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the exchange ratio;
- (ii) the calculation method for determining the exchange ratio; and
- (iii) the final exchange ratio.

In accordance with article 71 (3) of the 2010 Law, a merger report shall be made available on request and free of charge to the unitholders of the Merging Sub-Fund, the unitholders of the Receiving Sub-Fund and the *Commission de Surveillance du Secteur Financier* at the registered office of the Management Company.

#### 5.4. Documents available

A copy of:

- (i) the Terms of Merger;
- (ii) a statement of the custodian bank of the Fund (including the Merging Sub-Fund and the Receiving Sub-Fund) confirming that, in accordance with article 70 of the 2010 Law, it has verified compliance of the particulars set out in article 69, paragraph 1, points a), f) and g) with the requirements of the 2010 Law and the management regulations of the Fund;
- (iii) the last version of the prospectus of the Fund dated August 2018 as well as the last version of the key investor information documents of the Receiving Sub-Fund dated September 2018 are available on request and free of charge to unitholders of the Merging Sub-Fund at the registered office of the Management Company.

#### 5.5. Taxation

The Merger of the Merging Sub-Fund into the Receiving Sub-Fund may create tax consequences for unitholders. Unitholders should consult their professional advisers about the consequences of this Merger on their individual tax position.

#### **6. OTHER**

Further information concerning the Merger is available at the registered office of the Management Company.

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**Howald, 14 August 2018**

**Yours sincerely,**

**The Board of Directors**

## Annex 1

The following table illustrates the main differences between the Merging Sub-Fund and the Receiving Sub-Fund:

SEB Fund 2 - SEB Nordic Focus Fund  (Merging Sub-Fund)	SEB Fund 1 - SEB Nordic Fund  (to be renamed "SEB Fund 1 – SEB Sustainability Nordic Fund")  (Receiving Sub-Fund)
<b>Investment policy</b>	
<p>The Receiving Sub-Fund's, as redesigned as of 21 September 2018, will be implementing the same investment strategy as the Merging Sub-Fund, i.e. with a focus on the Nordic region which includes the following countries: Denmark, Finland, Iceland, Norway and Sweden. Identically to the Merging Sub-Fund, the portfolio will mainly include equities and equity related transferable securities issued by Nordic companies or traded on Nordic markets without being restricted to a specific industrial sector.</p> <p>However, the Receiving Sub-Fund aims to create long-term capital growth taking into account the risk level of the Sub-Fund as well as specific sustainability criteria. The Receiving Sub-Fund makes active investment decisions, based on analysis and selection of companies fulfilling specific sustainability criteria.</p> <p>The Receiving Sub-Fund's investment process is based on fundamental analysis. Moreover, the investment process aims to identify companies that actively work with sustainability and have a proven capability to integrate their sustainability activities in their business model.</p> <p>In addition the Receiving Sub-Fund does not invest in, for example, companies:</p> <ul style="list-style-type: none"> <li>- That manufacture or sell weapons that violate international conventions such as cluster bombs, landmines, chemical and biological weapons;</li> <li>- That participate in the development of nuclear weapon programmes or produce nuclear weapons;</li> <li>- That verifiably breach international norms and conventions regarding labour legislation, anti-corruption, the environment or human rights;</li> <li>- With more than five percent of the company's turnover derived from alcohol, tobacco, weapons, commercial gambling or pornography;</li> <li>- That extract coal, gas or oil.</li> </ul> <p>The Receiving Sub-Fund follows the Management Company's sustainability policy, which is based on international commitments that provide guidelines for the Management Company to follow. The Management Company is committed to principles, including:</p> <ul style="list-style-type: none"> <li>- UN Global Compact</li> <li>- OECD Guidelines for Multinational Enterprises</li> <li>- UN Supported Principles for Responsible Investments (PRI)</li> </ul> <p>The Receiving Sub-Fund follows the Management Company's sustainability policy which is available on <a href="http://sebgroup.lu/asset-management">sebgroup.lu/asset-management</a>.</p>	

<b>Portfolio concentration</b>	
In addition to the newly added sustainability criteria stated above, the attention of unitholders is drawn to the fact that the implementation of the Receiving Sub-Fund's investment strategy results in a less concentrated portfolio than the Merging Sub-Fund's. This does not have any foreseen impact on unitholders.	
<b>Sub-Investment manager</b>	
SEB Wealth Management Finland Ltd supervised by FIN-FSA, the Finnish Financial Authority.  Skandinaviska Enskilda Banken Danmark, a branch of Skandinaviska Enskilda Banken AB (publ), Sverige, supervised by Finansinspektionen, the Swedish Financial Authority.	N.A.
<b>Unit classes<sup>1</sup></b>	
C-(EUR) - LU0324984854	C-(EUR) LU0030165871
C-(SEK) - LU0324985315	C-(SEK) LU1807523151
C-(NOK) - LU0324986040	C-(NOK) LU1807522930
<b>Synthetic Risk and Reward Indicators</b>	
5	6
<b>Ongoing charges<sup>2</sup></b>	
1.41%	1.38%
<b>Performance fee*</b>	
In addition, the Management Company is entitled to receive a performance fee, payable out of the assets attributable to the relevant Unit Class.  The performance fee will be calculated, accrued and crystallised on each Valuation Day in the respective unit classes as described below and will be paid out monthly in arrears.  The performance fee in a particular unit class will be calculated by taking the number of Units in the Unit Class times the performance fee rate, 20%, times any positive excess performance per Unit recorded on that day.	N.A.

<sup>1</sup> C-(SEK) and C-(NOK) classes to be created and launched on 20 September 2018.

<sup>2</sup> For the avoidance of doubt, management fees remain identical in both Sub-Funds.

<p>The Sub-Fund uses the VINX Top 100 as index when calculating excess performance.</p> <p>The definitions and calculations are as follows:</p> <p>The calculation of the performance fee takes place on the basis of the number of Units of the relevant Class as of the relevant Valuation Day calculated before any subscriptions and redemptions with trade date equal to the Valuation Day.</p> <p>Performance fee = 20% x MAX ( 0, BaseNAV(t) - Hurdle Value(t) )</p>	
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\*The performance fee calculation will be suspended simultaneously with the suspension of orders, as the Merging Sub-Fund will no longer be actively managed during this period. The amounts of performance fees being crystallised until the end of each month, it will be in deduction of the amount of transferred assets. The last positive performance of the Merging Sub-Fund having occurred on 12 January 2016, it is not expected that the latter will perform before the Merger.



**Key Investor Information Document of the Receiving Sub-Fund**