

SEB Investment Management AB
SE-106 40 Stockholm
Sweden
Registration number - 556197-3719

(the "Management Company")

**NOTICE TO THE UNITHOLDERS OF
SEB Fund 1 - SEB Nordic Fund,
Sub-fund of SEB Fund 1 (the "Fund")**

I. Change of name and of investment policy

We wish to inform unitholders of SEB Fund 1 - SEB Nordic Fund, that several changes will be implemented as of 21 September 2018. Unitholders are not required to take any action but may wish to do so as described below.

The following changes are valid as of the implementation date:

1. SEB Fund 1 - SEB Nordic Fund will follow the ethical and sustainability principles as set by the Management Company. To achieve this goal, SEB Fund 1 - SEB Nordic Fund will use both positive and negative screening. Positive screening aims to identify companies that contribute to a sustainable environmental development. Negative screening means SEB Fund 1 - SEB Nordic Fund will not invest in companies that do not meet the sustainability and ethical standards which are described below:

- SEB Fund 1 - SEB Nordic Fund will not invest in companies that produce or sell weapons that breach international conventions regarding weapons such as cluster bombs, landmines, chemical and biological weapons, which are all controversial weapons. Additionally, SEB Fund 1 - SEB Nordic Fund will not invest in companies that participate in the development of nuclear weapon programmes or produce nuclear weapons.
- SEB Fund 1 - SEB Nordic Fund will not invest in companies where more than five percent of the company's turnover comes from the production of alcoholic beverages and/or tobacco products, the production and/or active distribution of pornography, the production and/or sales of weapons or from commercial gambling.
- SEB Fund 1 - SEB Nordic Fund will not invest in companies that have verifiably breached international norms regarding labour legislation, anti-corruption, the environment and human rights.
- The Fund will not invest in companies that are involved in coal, gas, and/or oil exploration and extraction.

2. SEB Fund 1 - SEB Nordic Fund's name will change to SEB Fund 1 - SEB Sustainability Nordic Fund to reflect the abovementioned investment strategy.

Additional information

If you do not wish to remain invested in SEB Fund 1 - SEB Nordic Fund (to be renamed "SEB Fund 1 - SEB Sustainability Nordic Fund" on the Date of Merger as defined hereafter) due to the changes described in this notice under the point 1 and 2 above you may redeem your units in the Fund, free of charge, but you must do this until 14 September 2018 by 3.30 (CET).

Product documentation of SEB Fund 1 - SEB Sustainability Nordic Fund, including the changes described here, will be available on 14 August 2018 at www.sebgroup.lu and, on request, at the registered office of the Management Company.

II. Merger

Unitholders of SEB Fund 1 - SEB Nordic Fund are hereby informed that the board of directors of the Management Company (the “**Board**”) acting for and on behalf of the Fund has decided to merge the SEB Fund 2’s sub-fund SEB Fund 2 - SEB Nordic Focus Fund (the “**Merging Sub-Fund**”) into the Fund’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**”).

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**”.

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

The intention of the Merger is 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.

GENERAL INFORMATION

The Fund is set up as a common fund pursuant to part I of the 2010 Law. The Fund is set up in the form of an umbrella structure with currently ten (10) sub-funds.

SEB Fund 2 is a common fund set up in the form of an umbrella structure with currently four (4) sub-funds.

TIMETABLE AND DATE OF THE MERGER

The Merger shall become effective and final between the Sub-Funds on 21 September 2018 (the “**Date of the 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, redemption of and conversion into units of the Merging Sub-Fund	14 September 2018
(iii)	Last date for free redemptions in the Receiving Sub-Fund	14 September 2018
(iv)	Redemptions closed in the Receiving Sub-Fund	14 September 2018

(v)	Calculation of the exchange ratio (as further described hereafter)	21 September 2018
(vi)	Date of the Merger	21 September 2018
(vii)	End of current accounting period of the Fund	31 December 2018

IMPACT ON THE UNITHOLDERS

The Merger will not have any foreseeable impact for the unitholders of the Receiving Sub-Fund. No rebalancing of the Receiving Sub-Fund's portfolio will be undertaken in relation to the Merger before or after the Date of the Merger.

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

Unitholders of the Receiving Sub-Fund have the right to request the redemption of their units for a period of thirty (30) days, free of charge (except for any disinvestment costs incurred by the Receiving Sub-Fund in effecting redemptions or conversions). This right becomes effective as from the date of the publication of the present notice on the Management Company's website.

The exchange ratio may only be calculated five (5) business days after the expiry of the thirty (30) day period mentioned here before. 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.

VALUATION OF THE ASSETS AND THE LIABILITIES

The assets and 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 Management Company, acting on behalf of the Merging Sub-Fund, will entrust the approved statutory auditor to validate the criteria adopted for valuation of the assets and the liabilities on the date for calculating the exchange ratio. The approved statutory auditor is PricewaterhouseCoopers, *société coopérative*.

A copy of the report(s) of the approved statutory auditor will be available on request and free of charge at the registered office of the Management Company to the unitholders of the Merging Sub-Fund and of the Receiving Sub-Fund and to the *Commission de Surveillance du Secteur Financier*.

CALCULATION METHOD OF THE EXCHANGE RATIO

The exchange ratio between units of the Merging Sub-Fund and 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.

The Management Company, acting on behalf of the Merging Sub-Fund, will entrust the approved statutory auditor to validate the calculation method of the exchange ratio as well as the actual exchange ratio determined at the date for calculating this ratio.

TRANSFER OF ASSETS AND EXCHANGE OF UNITS

The Merger shall take place by way of absorption meaning that the Merging Sub-Fund transfers all its assets and liabilities to the Receiving Sub-Fund.

The unitholders of the Merging Sub-Fund shall receive newly issued units of the corresponding share class in the Receiving Fund, as per the table below :

Merging Sub-Fund	Receiving Sub-Fund
C-(EUR) - LU0324984854	C-(EUR) – LU0030165871
C-(SEK) - LU0324985315	C-(SEK) - LU1807523151
C-(NOK) - LU0324986040	C-(NOK) - LU1807522930

All units of the Merging Sub-Fund shall, as a result of the Merger, be cancelled and cease to exist and the unitholders of the Merging Sub-Fund will be, after the implementation of the Merger, unitholders of the Receiving Sub-Fund.

OTHER KEY INFORMATION

The fees relating to the preparation and the implementation of the Merger including the costs of the dissolution of the Merging Sub-Fund will be borne by the Management Company and will therefore neither affect the net asset value of the Merging Sub-Fund, nor of the Receiving Sub-Fund.

The comparison between the Merging Sub-Fund and the Receiving Sub-Fund can be found in Annex 2.

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

Howald, August 2018

Sincerely,

The Board of Directors

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

SEB Fund 2 - SEB Nordic Focus Fund	SEB Fund 1 - SEB Nordic Fund (to be renamed "SEB Fund 1 – SEB Sustainability Nordic Fund")
(Merging Sub-Fund)	(Receiving Sub-Fund)
Investment policy	
<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"> - 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. <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"> - UN Global Compact - OECD Guidelines for Multinational Enterprises - UN Supported Principles for Responsible Investments (PRI) <p>The Receiving Sub-Fund follows the Management Company's sustainability policy which is available on sebgroupl.lu/asset-management.</p>	

Portfolio concentration	
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.	
Sub-Investment manager	
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.
Unit classes¹	
C-(EUR) - LU0324984854	C-(EUR) LU0030165871
C-(SEK) - LU0324985315	C-(SEK) LU1807523151
C-(NOK) - LU0324986040	C-(NOK) LU1807522930
Synthetic Risk and Reward Indicators	
5	6
Ongoing charges²	
1.41%	1.38%
Performance fee*	
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.

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

² 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.