

Inducements

The activities of SEB Investment Management AB (the "Fund Company") can be divided into three areas:

1. Management of own security funds and special funds
2. Management of funds on assignment of other fund companies
3. Discretionary portfolio management on assignment of institutions and other fund companies.

Remuneration arises for each management assignment. The rules for how a fund company's fees, commissions or benefits-in-kind (inducements) may be charged are regulated by the Swedish Financial Supervisory Authority. These regulations are based on EU directives, and say that fund companies within their management activities may only pay or receive a fee or commission, or grant or receive a benefit-in-kind, under certain preconditions.

Should an incentive be paid or granted to or by a third party, the fee/commission or the benefit-in-kind must be formulated in order to improve the quality of the related fund activity/service. It may not prevent or impede the fund company from acting in the interest of unit holders or customers.

Information about the forms of incentive that prevail in the Fund Company's activities is set forth below. More detailed information may be obtained free of charge on request by a unit holder or a customer who has a discretionarily managed assignment. In such cases, you should contact the Fund Company's complaints manager Martin Carell by telephone at +46 (0)8-676 91 13 or by email to martin.carell@seb.se.

Remuneration within the framework of fund activities

The Fund Company receives remuneration from funds for the costs that arise for the Fund Company in order to carry out fund activities. This remuneration embraces costs related to management, administration, audit, bookkeeping and record maintenance, as well as for costs related to custody and the supervisory activities of the Swedish Financial Supervisory Authority. The remuneration is normally composed of a fixed management fee, although remuneration can also be variable. The fee is set forth in the Fund Rules of each respective fund.

In addition to the above examples of remuneration, the funds also pay any potential tax, settlement and trading fees (brokerage) and equivalent transaction-related fees to third parties.

Remuneration upon investment in other fund companies' funds

When the Fund Company's funds trade in other fund companies' funds, the Fund Company's funds may be granted a discount on the other fund's management fee, known as a kickback. Such a discount is calculated as a percentage of the other fund company's fund's management fee, and goes in its entirety to the fund.

Should funds managed by the Fund Company trade in funds managed by a fund company within the SEB Group, the fund will be granted a discount on the entire management fee. Should the fund company within the SEB Group choose to outsource all or part of the administration to a third party, the fee charged by the third party concerned will not always be discounted.

Within discretionary management assignments, investments may also be made in funds managed by fund companies within the SEB Group, and discounts on the management fee in the fund company's funds may also be granted. The discount is determined as a percentage of the management fee of each respective fund. Such discounts are reinvested in new fund units within the framework of the management assignment.

Remuneration to distributors

The Fund Company has entered into agreements with Skandinaviska Enskilda Banken AB (publ), SEB Trygg Liv, and the Swedish Pensions Agency with regard to brokerage of the Fund Company's funds. As distributor, they receive remuneration based on the management fee that the Fund Company collects from the capital that the distributor has brokered or in the form of a percentage of the managed capital. Remuneration to the Swedish Pensions Agency takes place in accordance with an agreement. The distributors are also offered cost-free training or other sales support.

Remuneration to the distributors does not imply any additional cost for unit holders. Each unit holder will only pay a management fee to the Fund Company as per the percentage set forth in the Fund Rules of each respective fund.

Remuneration to third parties

In cases where the Fund Company has outsourced certain activities, such as for example the management of certain funds, the Fund Company will pay remuneration for the related services.

Remuneration from third parties

The Fund Company may not receive remuneration in the form of goods or services in conjunction with transactions on behalf of the funds that are not included in the framework of the ordinary activities of the trading counterparty (broker), known as 'soft commission'.

The Fund Company always endeavours to achieve the best possible result with all portfolio transactions. Traditional equity trading is done through the portfolio manager placing an order with a stockbroker – who then ensures that the transaction be carried out at the best possible price based on the instructions provided by the manager, which means finding a purchaser or vendor of the shares. Upon such trading with shares and securities, the fund will be debited with a transaction cost, known as brokerage.

Apart from the brokerage service, the broker also assists in certain cases – as well as other players within the market including with services in the form of investment analysis. Since 1 February 2015, such investment analysis is financed from a specific budget allocated within the fund and calculated on a daily basis. The traditional model of financing the investment analysis as a non-disclosed part of the brokerage no longer exists except in exceptional cases when it is deemed to be beneficial for the unit holders.

When trading in the fixed-income market, the spread (difference between the vendor's and the purchaser's price) indirectly pays for the investment analysis. In view of that an investment analysis is not priced separately, no exact economic value can be determined for it.

The Fund Company also has access to certain services via the broker's website. In view of that these services are not priced separately, no exact economic value can be determined for them.