

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 Ethical Europe Fund

Merger

Unitholders of SEB Fund 1 - SEB Ethical Europe Fund are hereby informed that the board of directors of the Management Company (the "**Board**") acting for and on behalf of SEB Fund 1 ("**Fund**") has decided to merge the Fund's sub-fund SEB Fund 1 - SEB Ethical Europe Fund (the "**Merging Sub-Fund**") into the Fund's sub-fund SEB Fund 1 - SEB Europe Fund (the "**Receiving Sub-Fund**") by way of absorption (the "**Merger**"). The Receiving Sub-Fund will be renamed "SEB Fund 1 - SEB Sustainability Fund Europe" on the Date of Merger. Consequent changes to the Receiving Sub-Fund's investment policy and objective, such as following ethical and sustainability guidelines, are described in detail under Appendix I.

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 1 - SEB Ethical Europe Fund as the merging sub-fund into SEB Fund 1 - SEB Europe Fund (to be renamed "SEB Fund 1 - SEB Sustainability Fund Europe" on the Date of Merger as defined hereafter) 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 proceed to an economic rationalization and realise synergetic effects, thus reducing costs for investors.

The decreasing investment interest and overall performance of the Merging Sub-Fund have been taken into consideration in support of the decision to merge the Sub-Funds.

Merging the Sub-Funds will facilitate efficient portfolio management and is deemed to be in the best interest of investors. Considering the small size of the Merging Sub-Fund (MSEK 294), merging the latter into a larger fund with similar strategy and investment universe 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.

2. SUMMARY OF THE PROPOSED MERGER

- (i) The Merger shall become effective and final on or about 21 November 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 November 2018 (dealings in the Receiving Sub-Fund will continue as usual).
- (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 November 2018 (dealings in the Receiving Sub-Fund will continue as usual).
- (vi) The last Net Asset Value of the Merging Sub-Fund will be calculated on 21 November 2018, as of 20 November 2018.
- (vii) After the Date of Merger, unitholders of the C (EUR) class in the Merging Sub-Fund will hold units of the C (EUR) class in the Receiving Sub-Fund. Unitholders in the Merging Sub-Fund will acquire rights as unitholders of the C (EUR) class in 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	12 October 2018
(ii)	Ultimate order for issue of and conversion into units of the Merging Sub-Fund	14 November 2018
(iii)	Last dealing date in the Merging Sub-Fund	14 November 2018
(iv)	Dealings closed in the Merging Sub-Fund	14 November 2018
(v)	Calculation of the exchange ratio (as further described hereafter)	21 November 2018
(vi)	Date of Merger	21 November 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 C (EUR) class of the Receiving Sub-Fund equivalent to the number of units held in the relevant class of the Merging Sub-Fund multiplied by the relevant exchange ratio. The unitholders of the Merging Sub-Fund will participate in the respective results of the Receiving Sub-Fund.

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 November 2018 at 3.30 p.m. CET, all subscription and redemption orders will be suspended in the Merging Sub-Fund (dealings in the Receiving Sub-Fund will continue as usual).

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 as of 20 November 2018 on 21 November 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 the C (EUR) 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 November 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.

Howald, October 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 1 - SEB Ethical Europe Fund	SEB Fund 1 - SEB Europe Fund (to be renamed "SEB Fund 1 - SEB Sustainability Fund Europe" on the Date of Merger)
(Merging Sub-Fund)	(Receiving Sub-Fund) ¹
Investment policy:	
<p>The portfolio of this Sub-Fund will mainly include equities and equity related transferable securities issued by European companies or traded on European markets, complying with the ethical and / or environmental requirements that the Management Company at any time decides.</p>	<p>The portfolio of this Sub-Fund will mainly include equities and equity related transferable securities issued by European companies or traded on European markets fulfilling specific sustainability criteria.</p> <p>To this end the Sub-Fund employs both a positive and a negative screening. The positive screening process aims to identify companies that contribute to a sustainable environmental development for instance within carbon emissions, water consumption and toxic emissions area.</p> <p>The negative screening means that the Sub-Fund will not invest in companies:</p> <ul style="list-style-type: none"> - that produce or sell controversial weapons, companies which breach international conventions regarding weapons such as cluster bombs, landmines, chemical and biological weapons, - 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, - that have verifiably breached international norms regarding labour legislation, anti-corruption, the environment and human rights, - that are involved in coal, gas, and/or oil exploration and extraction. <p>The Sub-Fund follows the Management Company Sustainability Policy based on</p>

¹ As reshaped in conjunction to the change of name. Changes to be effective on the Date of Merger.

	<p>international commitments that enable to operate in more sustainable way. The Management Company is committed to:</p> <ul style="list-style-type: none"> • UN Global Compact • OECD Guidelines for Multinational Enterprises • UN Supported Principles for Responsible Investments ("PRI") <p>Investors can read more about the sustainability principles the Management Company follows on the Website of the Branch.</p>
<p>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. The underlying assets of the above mentioned derivatives consist of instruments as described under article 4 of the Management Regulations as well as financial indices, interest rates, foreign exchange rates.</p>	<p>The Sub-Fund may also invest in interest-bearing securities (including zero coupon bonds), and in regularly traded money market instruments, including liquid assets, as provided for in the Management Regulations. Furthermore, the Management Company may use derivative financial instruments, as provided for hereafter, to ensure efficient portfolio management (including carrying out transactions for hedging purposes) and to a very low extent to achieve the investment objective. The Sub-Fund may under no circumstances deviate from the stipulated investment objectives when making use of derivatives.</p>
Unit classes:	
<p>a) Unit class affected by the merger: C(EUR) - LU0030166333</p> <p>b) Other unit classes available: n.a.</p>	<p>a) Unit class affected by the merger: C (EUR) LU0030166507</p> <p>b) Other unit classes available: D (EUR) LU0427863906 IC P (SEK) LU1032627470</p>
Charges²:	
<p>Ongoing charges (based on expenses for the last financial year*): 1.51 % p.a.</p>	<p>Ongoing charges (based on expenses for the last financial year*): 1.46 % p.a.</p>
<p>*1 January 2017 to 31 December 2017</p>	

² For the avoidance of doubt, management fees remain identical in both Sub-Funds, following the decrease in the Receiving Sub-Fund of the management fee from 1.75% per annum of the Receiving Sub-Fund's net assets to 1.50% per annum of the Receiving Sub-Fund's net assets.

Key Investor Information Document of the Receiving Sub-Fund