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 Europe 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 Europe Fund, class C (EUR) that several changes will be implemented as of 21 November 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 Europe Fund will follow the ethical and sustainability principles as set by the Management Company. To achieve this goal, SEB Fund 1 - SEB Europe 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 Europe Fund will not invest in companies that do not meet the sustainability and ethical standards which are described below:

- SEB Fund 1 - SEB Europe 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 Europe Fund will not invest in companies that participate in the development of nuclear weapon programmes or produce nuclear weapons.
- SEB Fund 1 - SEB Europe 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 Europe 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 Europe Fund's name will change to SEB Fund 1 - SEB Sustainability Fund Europe to reflect the abovementioned investment strategy.

3. The management fee in SEB Fund 1 – SEB Sustainability Fund Europe will amount to a maximum of 1.50% per annum of the sub-fund's net assets instead of 1.75% per annum of the sub-fund's net assets.

<u>Additional information</u>

If you do not wish to remain invested in SEB Fund 1 - SEB Europe Fund (to be renamed "SEB Fund 1 - SEB Sustainability Fund Europe" 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 by 14 November 2018 at 3.30 p.m. (CET).

Product documentation of SEB Fund 1 - SEB Sustainability Fund Europe, including the changes described here, will be available on 12 October 2018 at www.sebgroup.lu and, on request, at the registered office of the Management Company.

II. Merger

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

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 eleven (11) sub-funds.

TIMETABLE AND DATE OF THE MERGER

The Merger shall become effective and final between the Sub-Funds on 21 November 2018 (the "**Date of the 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 date for free redemptions in the Receiving Sub-Fund	14 November 2018

(iv)	Calculation of the exchange ratio (as further described hereafter)	21 November 2018
(v)	Date of the Merger	21 November 2018
(vi)	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.

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 as of 20 November on 21 November 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 C (EUR) class in the Receiving Fund.

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.

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Howald, October 2018

Yours sincerely,

The Board of Directors

Annex 1

(insert amended supplement)

Annex 2

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:	
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.	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. 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. The negative screening means that the Sub-Fund will not invest in companies: - 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. The Sub-Fund follows the Management Company Sustainability Policy based on

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

	international commitments that enable to operate in more sustainable way. The Management Company is committed to: • UN Global Compact • OECD Guidelines for Multinational Enterprises • UN Supported Principles for Responsible Investments (“PRI”) Investors can read more about the sustainability principles the Management Company follows on the Website of the Branch.
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.	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.
Unit classes:	
a) Unit class affected by the merger: C(EUR) - LU0030166333 **b) Other unit classes available:** n.a.	**a) Unit class affected by the merger:** C (EUR) LU0030166507 **b) Other unit classes available:** D (EUR) LU0427863906 IC P (SEK) LU1032627470
Charges:	
Ongoing charges (based on expenses for the last financial year*): 1.51 % p.a.	Ongoing charges (based on expenses for the last financial year*): 1.46 % p.a.
**1 January 2017 to 31 December 2017*	