

**SEB Fund 5 – SEB Flexible Bond Fund SEK**

*Fonds commun de placement*

R.C.S. Luxembourg K54

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**Unitholder Notice**

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Luxembourg, 8 December 2022

**SEB Fund 5 – SEB Flexible Bond Fund SEK to merge with SEB Obligationsfond Flexibel SEK**

Dear unitholders,

We plan to merge the Luxembourg-domiciled SEB Fund 5 – SEB Flexible Bond Fund SEK, the merging sub-fund, with Sweden-domiciled SEB Obligationsfond Flexibel SEK, the receiving fund, as of 13 February 2023 (the “Effective Date”).

**1 Background and Rationale of the Merger**

- 1.1 The merging sub-fund and the receiving fund are two (2) twin products with very similar investment objectives and policies, they are managed by the same investment team of the Management Company. The merger aims to provide the benefit of greater fund size in the future and offer more attractive overall fees.
- 1.2 When the investors move from the merging sub-fund to the receiving fund, they will have lower on-going charges due to the Luxembourg *taxe d'abonnement* and hence this will enable the receiving fund to achieve a higher performance.
- 1.3 The receiving fund is an SFDR article 8 product, which promotes environmental or social characteristics among other factors, while the merging sub-fund is an SFDR article 6 product that does not promote environmental or social characteristics. The merger will provide the investors of the merging sub-fund with exposure to a more sustainable fund within the same product category, but to a lower fee.
- 1.4 Due to the reasons mentioned above the board of directors of the Management Company have considered the merger to be in the best interest of the merging sub-fund's unitholders.
- 1.5 The terms of merger, and its appendices, have been approved by the Luxembourg financial regulator *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) and the Swedish financial regulator *Finansinspektionen* (“**FI**”).

**2 Type of the Merger**

- 2.1 This is a merger by absorption pursuant to article 1 (20) a) and Chapter 8 of the Luxembourg law of December 17, 2010 on undertakings for collective investment, as amended (the

“2010 Law”) and Chapter 8 Section 22 of the Swedish UCITS Act, whereby the merging sub-fund's holdings will be transferred to the receiving fund and SEB Fund 5 – SEB Flexible Bond Fund SEK will cease to exist. For the avoidance of doubt, the receiving fund is in a structure equivalent to the Luxembourg *fonds commune de placement* (“FCP”) under the 2010 Law.

2.2 In accordance with Article 76(1) of the 2010 Law, the merger will have the following consequences:

- (a) All the assets and liabilities of the merging sub-fund will be transferred to the receiving fund;
- (b) the unitholders of the merging sub-fund will become unitholders of the receiving fund; and
- (c) the merging sub-fund and all its units will cease to exist.

### **3 Summary of the Merger**

- 3.1 The Board of Directors of the Management Company considers that the merger is in the best interests of the merging sub-fund's unitholders. The background and rationale for the merger is set out above.
- 3.2 By the Effective Date, as indicated above, all assets and liabilities of the merging sub-fund will have been transferred to the receiving fund. The merging sub-fund will cease to exist as a result of the merger.
- 3.3 Please refer to Section 5.2 of this notice for a description of unitholder's options in relation to the merger, including, in particular, your right to redeem your shares free of charge, within the thirty (30) day period.
- 3.4 Dealing in the merging sub-fund will continue as usual up until the Cut-Off Time as defined below. As from the Effective Date, unitholders in the merging sub-fund will become unitholders of the receiving fund according to the respective classes as indicated in the table set out below in Section 7.
- 3.5 The procedural aspects of the merger are set out in detail in Sections **Error! Reference source not found.** to 10 below.
- 3.6 Some minor, immaterial rebalancing of the merging sub-fund's portfolio may be undertaken before the Effective Date.
- 3.7 Some minor, immaterial rebalancing of the receiving fund's portfolio may be undertaken after the Effective Date.
- 3.8 The merger has been approved by the Luxembourg financial regulator - *Commission de Surveillance du Secteur Financier* (the “CSSF”) and the Swedish financial regulator - *Finansinspektionen*

### **4 Timetable of the merger**

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

<b>Step</b>	<b>Date</b>
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Date of unitholder notice sent	2 January 2023 at the latest
Redemption free of charge of existing units for a period of thirty (30) days prior to the Cut-Off Time (as defined below)	3 January 2023 to 3 February 2023 (inclusive) before 15:30 (CET)
Latest time for dealing in existing units (including redemption) (the “ <b>Cut-Off Time</b> ”)	Until 15:30 (CET) on 3 February 2023
Period of suspension of dealing in existing units	As from 15:30 (CET) on 3 February 2023 to 10 February 2023 (inclusive)
Date of exchange ratio calculation (the “ <b>Date for Calculating the Exchange Ratio</b> ”) if applicable <sup>1</sup>	10 February 2023
Effective date of merger	13 February 2023

## 5 Expected impact on unitholders and unitholders’ rights in relation to the merger

### 5.1 Expected impact on unitholders

For the unitholders of the merging sub-fund, the merger will result in such unitholders being, from the Effective Date, unitholders of the receiving fund.

The merging sub-fund and the receiving fund operate under the respective investment objective and policy specified in Appendix I. The merging sub-fund and the receiving fund have very similar strategies. The fees for the receiving fund differ from those of the merging sub-fund, as set out in Appendix II.

By participating in the merger, unitholders are deemed to agree that all representations, warranties, indemnities, confirmations and declarations provided by unitholders in existing subscription agreements shall be deemed to be provided to the receiving fund as if the subscription agreements had been addressed directly to the receiving fund and provided by the unitholders as such at the Effective Date.

Unitholders of the merging sub-fund will be advised to consult their own professional advisers as to the legal, financial and tax implications of the merger under the laws of their nationality, residence, domicile or incorporation.

### 5.2 Unitholder’s right in relation to the merger

With specific regard to the unitholders of the merging sub-fund’s rights, each unitholder will be entitled to, among other things:

- a) Request the repurchase, redemption or the conversion of his/her/its units without charge other than those retained by the merging sub-fund to meet disinvestment costs;

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<sup>1</sup> Please refer to section 7 for more details relating to different unit class.

- b) Obtain additional information on the merger as well as a copy of the report of the Auditor (as defined below) and the Depositaries, as defined below under section 9. "Merger Documentation".

In relation to the redemption rights, unitholders of the merging sub-fund are offered the possibility to redeem their units free of charge based on the latest Net Asset Value of the units, for a period of at least 30 days from the date the unitholders are informed on the merger up to the Cut-Off Time.

In order to optimise the operational implementation of the merger, subscriptions, conversions and/or redemption orders will be accepted up to Cut-Off Time. Orders received after the Cut-Off Time will be rejected.

For the avoidance of doubt, the merger will be binding for all the unitholders of the merging sub-fund who have not exercised their right or requested the redemption of their units, free of charge by Cut-Off Time. On the Effective Date, unitholders of the merging sub-fund will, therefore, become unitholders of the receiving fund.

## **6 Principal features and differences**

- 6.1 The comparison of the principal features between the merging sub-fund and the receiving fund, including their investment objectives, investment strategy, investment policy, their fees, service providers and etc are set forth in Appendices I to IV.
- 6.2 A copy of the key investor information document (the "KIID") of the receiving fund is attached with this notice under Appendix V. Unitholders are encouraged to read the relevant KIID, which contains information on the essential features of the unit classes of the receiving fund.

## **7 Rules applicable to the transfer of assets and the exchange of units**

- 7.1 Units in the merging sub-fund will be cancelled, and unitholders will automatically receive units in the receiving fund that correspond to the relevant class of units they are holding in the merging sub-fund (as further illustrated in the table below), which will be issued without charge, without par value and in registered form (the "New Units") together with a written confirmation informing unitholders of the merging sub-fund of the number of new units that have been issued to them pursuant to the merger thereon.

<b>Merging Sub-Fund</b>		<b>Receiving Fund</b>	
<b>Unit class</b>	<b>ISIN Code</b>	<b>Unit class</b>	<b>ISIN Code</b>
C (SEK)	LU0053967609	A	SE0000577454
D (SEK)	LU0053968599	B	SE0019019225
UC (SEK)	LU1895565437	C	SE0019019233

- 7.2 In respect of class C (SEK) of the merging sub-fund merging into class A of the receiving fund, the calculation of the exchange ratio shall be based on the price as of the Date for Calculating the Exchange Ratio. The exchange ratio will be calculated by dividing the Net Asset Value per

unit of class C (SEK) of the merging sub-fund by the Net Asset Value per unit of class A of the receiving fund.

- 7.3 Like class C (SEK), for unitholders merging into the newly created classes B and C of the receiving fund, they will receive New Units in the receiving fund that are calculated based on the price as of the Calculation Date. On the Calculation Date, the exchange ratio will be calculated by dividing the Net Asset Value per unit of class D (SEK) and/or UC (SEK) of the merging sub-fund by the Net Asset Value per unit of class B and/or C of the receiving fund.
- 7.4 The rules laid down in the Management Regulations and the Prospectus of the Merging Fund for the calculation of the Net Asset Value will apply to determine the value of the assets and liabilities of the merging sub-fund.
- 7.5 No cash payment is due.

## **8 Auditor's merger report**

- 8.1 For the purpose of carrying out the merger and in accordance with Article 71 (1) of the 2010 Law, the approved statutory auditor of the merging sub-fund, i.e. Ernst & Young S.A. (the "Auditor") will provide report to validate the following:
  - (a) the criteria adopted for the valuation of assets and liabilities on the Date for Calculating the Exchanged Ratio;
  - (b) the calculation method of the Exchange Ratio and the actual Exchange Ratio.

## **9 Merger Documentation:**

- 9.1 The following documents will be made available upon request and free of charge to the unitholders of the merging sub-fund at the Management Company's registered office as well as to the CSSF and FI:
  - (a) Terms of merger;
  - (b) Latest Prospectuses of the merging fund and of the receiving fund;
  - (c) Latest Management Regulations of the merging fund;
  - (d) Latest KIIDs of the merging sub-fund and of the receiving fund;
  - (e) Copy of the report of the Auditor; and
  - (f) Copy of the statements defined in Article 67 (2) item C of the 2010 Law related to the merger issued by each of the Funds' Depositaries.

- 9.2 An electronic copy of the documents listed a to d above is also made available at the following web address: [www.sebgroup.lu](http://www.sebgroup.lu).

## **10 Costs of the merger**

- 10.1 The legal, advisory and administrative costs incurred in connection with the merger and its preparation will be borne by the Management Company.
- 10.2 No subscription fee will be levied in respect of the New Units to be issued.

## **11 Risk of dilution in the performance**

- 11.1 This merger may involve a risk of performance dilution of the Merging Fund during the days preceding the exchange ratio calculation day.
- 11.2 The merger will not lead to any dilution effects of the receiving fund's performance.

## **12 Taxation**

- 12.1 The merger of the merging sub-fund into the receiving fund may have tax consequences, which may vary depending on the law and regulations of each unitholder's country of residence, citizenship or domicile, or that of any intermediary through which an investment is made.
- 12.2 For existing unitholders of the receiving fund who are liable for tax in Sweden, the merger has no tax consequences.
- 12.3 Prospective investors in the receiving fund should consult their own tax advisors as to the applicable tax consequences of the ownership of the units based on their particular circumstances.

## **13 Additional information**

- 13.1 Product documentation for the funds is available on [www.sebgroup.lu](http://www.sebgroup.lu). The depositary statement and the auditor report will be available, free of charge, on request from our registered office, SEB Investment Management AB, Luxembourg branch.
- 13.2 Past performance does not guarantee future performance. The value of investment funds and other financial instruments may rise as well as fall and there is no guarantee you will recover your original investment. KIIDs and prospectuses are available on [www.sebgroup.lu/funds](http://www.sebgroup.lu/funds).

Yours faithfully,

SEB Investment Management AB

## Appendix I

### Comparison of the Investment Objective, Investment Policy and Investment Process

	<b>SEB Fund 5 – SEB Flexible Bond Fund SEK (the “Merging Sub-Fund”)</b>	<b>SEB Obligationsfond Flexibel SEK (the “Receiving Fund”)</b>
<b>Investment Objective</b>	To increase the value of your investment over time.	To create long-term value growth, taking into account the fund's risk level.
<b>Investment Policy</b>	<p>The sub-fund invests mainly in government, mortgage and corporate bonds that are investment grade and denominated in SEK.</p> <p>Specifically, the sub-fund invests in bonds and debt-related securities, including money market instruments, of any credit quality. Most of these investments are from issuers that are rated at least BBB- or judged equivalent. Some of these securities may be unrated. Portfolio duration may vary from 0 to 3 years.</p> <p>These investments may be denominated in any currency but most exposure to non-SEK is hedged to SEK.</p>	<p>The fund invests mainly in bonds and other interest rate related transferable securities and money market instrument issued in SEK by the Swedish State, municipalities, housing institutions and companies with a high credit rating. The issuers of the financial instruments in which the fund invests have a minimum credit rating of</p> <p>BBB-. The fund's average duration may vary between 0 and</p> <p>3 years, depending on the current interest rate environment. The fund's holdings should have an average remaining duration of no more than 8 years.</p>
<b>Investment Process</b>	<p>In actively managing the sub-fund's holdings, the investment team uses a macroeconomic, market and issuer analysis to select securities that appear to offer a favourable risk-adjusted return. The sub-fund is designed without reference to a benchmark.</p> <p>Sustainability approach The investment team assesses ESG risks and opportunities of potential investments. These investments may include bonds</p>	<p>The fund is actively managed and focuses mainly on the Swedish bond market. The fund has a very flexible investment strategy and no representative index has been identified. Prior to each investment, the fund manager carries out a credit risk assessment. The fund follows the fund company's sustainability policy in its investments.</p>

	<p>issued by companies whose activities contribute to the well-being of society and companies aiming to reduce their negative impact on climate by changing the way they operate (transition companies). The investment team also favours investments in bonds from companies whose business is compatible with sustainable development as well as bonds that finance climate-related, environmental or sustainable development projects such as green and sustainability bonds.</p> <p>The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable investments as defined by the Taxonomy Regulation. However, it cannot be excluded that among a sub-fund's holdings certain investments are aligned with the Taxonomy Regulation criteria for environmentally sustainable economic activities.</p>	
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**\*Unitholders of the Merging Sub-Fund are strongly advised to refer to the KIIDs of the Receiving Fund for additional information.**

## Appendix II

### Comparison of fees and other key features of the Merging Sub-Fund and Receiving Fund

PRODUCT FEATURES	SEB Fund 5 – SEB Flexible Bond Fund SEK (the “Merging Sub-Fund”)	SEB Obligationsfond Flexibel SEK (the “Receiving Fund”)
<b>Regulatory Status</b>	Authorised as UCITS by the CSSF	Authorised as UCITS by FI
<b>Legal Status</b>	Established as a FCP – “ <i>Fonds commun de placement</i> ”	The Receiving Fund is a UCITS, as defined in the Swedish Investment Funds Act (2004:46) (“LVF”).  For the avoidance of doubt, the Receiving Fund’s structure is equivalent to an FCP.
<b>Business Day</b>	Any day on which a sub-fund calculates a NAV, accepts requests for processing in units and processes such requests	Any Swedish banking day
<b>Valuation Day</b>	The day on which the NAV per Unit is calculated, which is also any Business Day, as defined above.	The day on which the NAV per Unit is calculated, which is on any Swedish banking day
<b>Risk management method</b>	Absolute VaR	Absolute VaR
<b>Base Currency</b>	SEK	SEK
<b>Synthetic risk and reward profile (SRRI) set out in the KIID</b>	2	2
<b>SFDR category</b>	Article 6 product	Article 8 product
<b>Benchmark</b>	No	No
<b>Unit Classes</b>	C(SEK)  D(SEK)  UC (SEK)	A  B  C
<b>Initial min. subscription amount</b>	No	No

<b>PRODUCT FEATURES</b>	<b>SEB Fund 5 – SEB Flexible Bond Fund SEK (the “Merging Sub-Fund”)</b>	<b>SEB Obligationsfond Flexibel SEK (the “Receiving Fund”)</b>
<b>Cut off time for the receipt of subscription, redemption and conversion requests</b>	15:30 CET on any business day	15:30 CET on any banking day
<b>Eligible investors</b>	Retail and institutional investor	Retail and institutional investor

**Appendix III**  
**Comparison of Service Providers**

	<b>SEB Fund 5 – SEB Flexible Bond Fund SEK (the “Merging Sub-Fund”)</b>	<b>SEB Obligationsfond Flexibel SEK (the “Receiving Fund”)</b>
<b>Management Company</b>	SEB Investment Management AB	same
<b>Depository</b>	Skandinaviska Enskilda Banken AB (publ), Luxembourg branch	Skandinaviska Enskilda Banken AB (publ), Stockholm
<b>Administrator</b>	The Bank of New York Mellon SA/NV (Luxembourg branch)	same
<b>Auditor</b>	EY Luxembourg S.A.	Ernst & Young AB
<b>Global Distributor and Collateral Manager</b>	Skandinaviska Enskilda Banken AB (publ)	same

**Appendix IV**  
**Comparison of relevant fees**

	Merging Sub-Fund	Receiving Fund
<b>Unit class</b>	UC (SEK) C(SEK) D(SEK)	A B C
<b>Max. management fee (p.a.)</b>	C(SEK) Max. 0.50% D(SEK) Max. 0.50% UC(SEK) Max. 0.25%	A: Max. 0.50% B: Max 0.50% C: Max 0.25%
<b>Max. ongoing charges as per the KIID</b>	C(SEK): 0.55% D(SEK): 0.55% UC (SEK): 0.30%	A: 0.50% B: 0.50% C: 0.25%
<b>Performance fee</b>	N/A	N/A
<b>Max. subscription fee</b>	No	No
<b>Redemption fee</b>	No	No
<b>Conversion fee</b>	No	No
<b>Taxe d'abonnement (subscription tax) (p.a.)</b>	Unit classes reserved for institutional investors: 0.01%. All other unit classes: 0.05%.	NA

## **Appendix V KIID**