



# Prospectus

# SEB SICAV 2

with its current Sub-Funds

SEB Asia Small Caps ex. Japan Fund

SEB Eastern Europe Small Cap Fund

SEB Europe Chance/Risk Fund

SEB Listed Private Equity Fund

SEB Nordic Small Cap Fund

Undertaking for Collective Investment in Transferable Securities under the Luxembourg law of 17 December 2010 on Undertaking for Collective Investment

December 2011

## Important information

It is not permitted to supply information or explanation that differs from the Prospectus or the Articles of Incorporation.

Neither the board of directors of SEB SICAV 2 nor the Management Company, SEB Asset Management S.A., are liable if and to the extent that such divergent information or explanations are supplied.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes in those laws or practices.

This Prospectus is only valid, when used in connection with the applicable KIID, the Articles of Incorporation of the Fund and the audited annual report of the Fund, the report date of which must not be older than 16 months. This report should be accompanied by the un-audited semi-annual report of the Fund, if the annual report date is older than eight months.

The distribution of the Prospectus and the offering of the Sub-Funds and their Share Classes may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to subscribe to Shares pursuant to this Prospectus to inform themselves of, and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and consequences of applying for, holding, converting and disposing of Shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

**This Prospectus does not constitute an offer or solicitation to subscribe to the Shares by anyone in any country in which such offer or solicitation is unlawful or unauthorized, or to any person to whom it is unlawful to make such offer or solicitation.**

The distribution of this Prospectus in certain countries may require it to be translated into languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English versions of this Prospectus, the English version shall always prevail.

## Important information relating to the forthcoming change of the Central Administration

As of the Transfer Date, i.e. the date when The Bank of New York Mellon (Luxembourg) S.A. will become Central Administration, as indicated in part I Chapter 2 “Involved parties”, a Valuation Day will be any bank business day in Luxembourg except 24 December (“Bank Business Day”). Prior to the Transfer Date, the Valuation Day is being defined as a bank business day, both in Luxembourg and in Sweden.

## Glossary of terms

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

<b>Articles of Incorporation</b>	the articles of incorporation of SEB SICAV 2
<b>Base Currency</b>	the currency of denomination of the different Sub-Funds as defined under each Sub-Fund in part II “The Sub-Funds” of the Prospectus
<b>Board of Directors</b>	The board of directors of the Fund
<b>Central Administration</b>	Skandinaviska Enskilda Banken S.A. until the Transfer Date  The Bank of New York Mellon (Luxembourg) S.A. on and after the Transfer Date
<b>Class / Share Class</b>	the Fund may decide to issue, within each Sub-Fund, separate classes of Shares whose assets will be commonly invested but where a specific entry or exit charge structure, minimum investment amount, distribution policy or any other feature may be applied
<b>Consolidation Currency</b>	the consolidation currency of the Fund being the U.S. dollar
<b>CSSF</b>	the Luxembourg Financial Supervisory Authority “ <i>Commission de Surveillance du Secteur Financier</i> ”
<b>Custodian Bank</b>	Skandinaviska Enskilda Banken S.A.
<b>Directive 2009/65/EC</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities
<b>EU</b>	European Union
<b>ESMA</b>	European Securities and Markets Authority, previously the Committee of European Securities Regulators
<b>Fund</b>	SEB SICAV 2 is organised under the Law as an investment company with variable capital which comprises several Sub-Funds ( <i>SICAV – Société d’Investissement à Capital Variable à compartiments multiples</i> )
<b>KIID</b>	key investor information document(s) of the Class
<b>Law</b>	The Luxembourg law of 17 December 2010 on undertakings for collective investment
<b>Management Company</b>	SEB Asset Management S.A.
<b>Member State</b>	A member state of the EU. The states that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the EU, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the EU

<b>Mémorial C</b>	Luxembourg official gazette, <i>Mémorial C, Recueil des Sociétés et Associations</i>
<b>NAV - Net Asset Value per Share</b>	the value per Share of any Class determined in accordance with the relevant provisions described in this Prospectus and the Articles of Incorporation
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>Prospectus</b>	the currently applicable prospectus of the Fund, as amended and updated from time to time
<b>Reference Currency</b>	the currency of denomination of the relevant Class in the Sub-Funds
<b>Share</b>	Share of any Sub-Fund
<b>Shareholders</b>	Holder of Shares in any Sub-Fund
<b>Sub-Fund</b>	<p>a separate portfolio of assets established for one or more Share Classes of the Fund which is invested in accordance with a specific investment objective.</p> <p>The Sub-Funds are distinguished mainly by their specific investment policy, their Base Currency and/or any other specific feature. The particulars of each Sub-Fund are described in part II “The Sub-Funds” of this Prospectus.</p> <p>The Board of Directors may, at any time, decide on the creation of further Sub-Funds and in such case, the part II of this Prospectus will be updated. Each Sub-Fund may have one or more Classes.</p>
<b>Transfer Date</b>	the date when The Bank of New York Mellon (Luxembourg) S.A. will become Central Administration of the Fund, as indicated in part I Chapter 2. “Involved parties”
<b>UCI</b>	Undertaking for collective investment
<b>UCITS</b>	Undertaking for collective investment in transferable securities subject to Directive 2009/65/EC, as further defined in article 2 (2) of the Law

**Value at Risk or VaR**

The Value at Risk methodology provides an estimate of the maximum potential loss over a specific time period and at a given confidence level, i.e. probability level. Usually for UCITS, the time period is 1 month/20 business days and the confidence level is 99%.

For example, a VaR estimate of 3% on a 20-days' time period with a 99% confidence level means that, with 99% certainty, the percentage the Sub-Fund can expect to lose over the next 20 days' period should be maximum 3%.

**Valuation Day**

the day on which the NAV per Share is determined or calculated

This day is, until the Transfer Date, as indicated under "*Important information relating to the forthcoming change in the Central Administration*" any bank business day in Luxembourg and Sweden. After the Transfer Date it will be defined as any day on which banks are open for business in Luxembourg except 24 December.

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# **I. The Fund**

## **1. General information**

SEB SICAV 2 is a Luxembourg open-ended investment company with variable share capital governed by Part I of the Law and of by the law of August 10, 1915 on commercial companies, as amended.

The Fund was incorporated on August 8, 1989 for an unlimited duration as a public limited company (“société anonyme”).

The Articles of Incorporation were published in the Mémorial C, Recueil Spécial des Sociétés et Associations (hereafter “Mémorial C”) on October 5, 1989. The articles were amended several times and the last amendment took place on 29 December 2011 which will be published in the Mémorial C on 23 January 2012.

The Fund is registered at the Luxembourg Register of Commerce under the number B 31.136, with its registered office located at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, Grand Duchy of Luxembourg until 31 March 2012 and at 4, rue Peternelchen, L-2370 Howald, Grand Duchy of Luxembourg from 1 April 2012.

The last version of the articles relating to the issue of the Fund’s shares have been deposited with the Luxembourg Trade Register where they are available for inspection and where copies thereof can be obtained.

The Fund works as an umbrella structure which means that it is comprised of Sub-Funds, each of which represents a specific class of assets and liabilities and has a distinct investment policy or any other specific feature, as further described in the part II “The Sub-Funds” of the Prospectus.

The Fund constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

At the date of the Prospectus, 3 Sub-Funds are at the Shareholders’ disposal. In the event of creation of further Sub-Funds, the Prospectus will be updated accordingly.

## 2. Involved parties

### 2.1. Presentation of involved parties

<b>Promoter</b>	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm
<b>Management Company<sup>1</sup> and Domiciliation Agent</b>	SEB Asset Management S.A. 6a, Circuit de la Foire Internationale L-1347 Luxembourg
<b>Board of Directors of the Fund and the Management Company</b>	
<b>Chairperson</b>	Peter Kubicki Managing Director Skandinaviska Enskilda Banken S.A. Luxembourg
<b>Members</b>	Alexander Klein Managing Director SEB Investment GmbH Frankfurt  Rudolf Kömen Head of SEB Asset Management S.A. Luxembourg  Marie Winberg Global Head of Product Management SEB Investment Management AB Stockholm

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#### <sup>1</sup> Common funds for which SEB Asset Management S.A. is acting as Management Company:

Elite Fund, Gamla Liv International Real Estate Fund, IOR, SEB Absolute, SEB Alternative Investment, SEB Concept Biotechnology, SEB Credit Opportunity Fund, SEB Credit Opportunity II, SEB deLuxe, SEB EuropaRent Spezial, SEB European Equity Small Caps, SEB Fund 1, SEB Fund 2, SEB Fund 3, SEB Fund 4, SEB Fund 5, SEB HighYield, SEB Lux Fund Extra, SEB Micro Cap Fund, SEB Multi-Manager Currency Defensive, SEB ÖkoLux, SEB ÖkoRent, SEB Optimix, SEB Private Banking Fund, SEB Private Equity Fund, SEB Real Estate Portfolio, SEB Strategy Aggressive Fund, SEB Strategy Fund and SEB TrendSystem Renten

#### SEB Asset Management S.A. is also appointed as Management Company for the following investment companies:

SEB SICAV 1, SEB SICAV 2, SEB SICAV 3, SEB SICAV 4 and SEB Optimus



**Central Administration**

Until end of February 2012  
Skandinaviska Enskilda Banken S.A.  
6a, Circuit de la Foire Internationale  
L-1347 Luxembourg

From March 2012 (the “Transfer Date”)<sup>2</sup>  
The Bank of New York Mellon (Luxembourg) S.A.  
2-4, rue Eugène Ruppert  
L-2453 Luxembourg

**Registrar and Transfer Agent  
Paying Agent in Luxembourg  
(since 16 May 2011)**

The Bank of New York Mellon (Luxembourg) S.A.  
2-4, rue Eugène Ruppert  
L-2453 Luxembourg

**Investment Managers of**

SEB Asia Small Caps ex. Japan Fund

Schroder Investment Management Limited  
Gresham Street 31  
UK – London EC2V 7QA

SEB Eastern Europe Small Cap Fund

AS SEB Varahaldus  
Tornimäe 2  
15010 Tallinn  
Estonia

SEB Europe Chance / Risk Fund  
SEB Nordic Small Cap Fund

SEB Investment Management AB  
Sveavägen 8  
SE-106 40 Stockholm

SEB Listed Private Equity Fund

Skandinaviska Enskilda Banken AB (publ)  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Sweden

**Global Distributor**

Skandinaviska Enskilda Banken AB (publ)  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm

**Custodian Bank**

Skandinaviska Enskilda Banken S.A.  
6a, Circuit de la Foire Internationale  
L-1347 Luxembourg

**Approved Statutory Auditor of the  
Fund and the Management  
Company (hereafter the “Auditor”)**

PricewaterhouseCoopers S.à r.l.  
400, route d'Esch  
L-1471 Luxembourg

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<sup>2</sup> Information on the precise Transfer Date will be available at [www.sebgroup.lu](http://www.sebgroup.lu)

## 2.2. Description of involved parties

### 2.2.1. Board of Directors

The Board of Directors has overall responsibility for the management and administration of the Fund, its Sub-Funds, for authorising the creation of further Sub-Funds and for establishing and monitoring their investment policies and restrictions.

The Board of Directors is sole responsible for the determination, execution and control of the Fund's investment policies which are applied to the management of all the Sub-Funds.

### 2.2.2. The Management Company

The Fund has designated SEB Asset Management S.A. as its management company in accordance with article 27 of the Law. SEB Asset Management S.A. acts also as domiciliation agent of the Fund.

The Management Company, SEB Asset Management S.A., was established on 15 July 1988 with subsequent publication of the articles of incorporation in the Mémorial C on 16 August 1988. The articles of incorporation were amended for the last time on 2 December 2005 with subsequent publication on 13 December 2005 in the Mémorial C.

The Management Company is governed by Chapter 15 of the Law and performs the duties necessary to manage and administer the Fund as required by Law.

Its subscribed and paid-in capital is EUR 2,000,000.

The Management Company may, under its own responsibility, control and coordination, transfer some of its tasks to third parties for the purpose of efficient management.

### 2.2.3. The Central Administration

The Management Company has or will delegated the Central Administration, including the administrative, registrar and transfer agent functions - under its continued responsibility and control – at its own expenses to The Bank of New York Mellon (Luxembourg) S.A., 2-4, rue Eugène Ruppert, L-2453 Luxembourg.

This company was incorporated in Luxembourg as a “société anonyme” on 15 December 1998 and is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation. It is registered with the Luxembourg Trade and Companies' Register under Corporate Identity Number B 67654 (the “Administrative Agent” respectively “Registrar and Transfer Agent”).

In the capacity of Administrative Agent, as of the Transfer Date, it will carry out certain administrative duties related to the administration of the Fund, including the calculation of the NAV of the Shares and the provision of accounting services to the Fund.

In the capacity of Registrar and Transfer Agent, since 16 May 2011, it processes all subscriptions, redemptions, transfers and conversions of Shares and will register these transactions in the Shareholders' register of the Fund.

The Bank of New York Mellon (Luxembourg) S.A. may, subject to the approval of the Board of Directors of the Management Company and the subsequent update of the Prospectus, as required, sub-delegate parts of its functions to entities all in accordance with Luxembourg laws and regulations.

#### 2.2.4. The Investment Managers

The Management Company has delegated the investment management function for each Sub-Fund to different investment managers.

Each investment manager implements the investment policy of the applicable Sub-Fund, makes investment decisions and continuously adapts them to market developments as appropriate, taking into account the interest of the applicable Sub-Fund.

The investment manager may, for its part, in agreement with the Management Company and subject to prior approval by the supervisory authority, at its own expense and under its own responsibility, entrust sub-managers wholly or in part with the management of each Sub-Fund.

Further details to the investment managers are laid down under each Sub-Fund in part II "The Sub-Funds".

#### 2.2.5. The Global Distributor

Skandinaviska Enskilda Banken AB (publ) has been appointed Global Distributor by the Management Company.

#### 2.2.6. The Custodian Bank

The Custodian Bank is Skandinaviska Enskilda Banken S.A. The Custodian Bank holds the assets of the Fund and discharges all other obligations imposed on the Custodian Bank pursuant to Law.

### **3. Investment Objective and Policy of the Fund**

Unless otherwise provided hereafter, references to "Fund" in this section should be read as references to a "Sub-Fund". The main objective of the each Sub-Fund will be to invest in transferable securities and other Eligible Assets, as described under 3.1. here below, with the purpose of spreading investment risks. The investment objectives of the Sub-Funds will be carried out in compliance with the investment restrictions set forth hereafter.

The Board of Directors shall, based upon the principle of risk spreading have power to determine the investment policy for the investments of each Sub-Fund and the course of conduct of the management and business affairs of the Fund.

The provisions of this section apply only insofar to each specific Sub-Fund as they are compatible with its specific investment policy, as disclosed in part II "The Sub-Funds" of the Prospectus.

Where a UCITS comprises more than one sub-fund, each sub-fund shall be regarded as a separate UCITS for the purposes of this section.

#### 3.1. Eligible Assets

The Fund may only invest in

##### **Transferable securities and money market instruments, as defined in the Law**

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

- b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the EU or dealt in on another market in a non-Member State of the EU which is regulated, operates regularly and is recognised and open to the public;
- d) recently issued transferable securities and money market instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public;
  - the admission is secured within one year of issue;

Transferable securities and money market instruments mentioned under c) and d) are listed on a stock exchange or dealt in on a regulated market in North America, Central America, South America, Australia (incl. Oceania), Africa, Asia and/or Europe.

#### **Units of undertakings for collective investment**

- e) units of UCITS and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of the Directive 2009/65/EC, as may be amended from time to time, whether or not established in a Member State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and, in particular, that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 2009/65/EC;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the net assets of the UCITS or the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs;

#### **Deposits with a credit institution**

- f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

#### **Financial derivative instruments**

- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market mentioned above in sub-paragraphs a), b) and c), and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments described in sub-paragraphs a) to h), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest, in accordance with the investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Where the financial derivative instrument is cash-settled automatically or at the Fund's discretion, the Fund will be allowed not to hold the specific underlying instrument as cover. As acceptable cover are considered:

- cash
- liquid debt instruments with appropriate safeguards
- other highly liquid assets

which are recognised by the competent authorities considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards.

Within the limits under g) here above, the Fund may make use of all financial derivative instruments authorised by the Law and/or by circulars issued by the CSSF.

Particular rules apply to the following derivative:

#### **Credit default swaps**

Credit default swaps may be used, among other things, to hedge credit risks arising from debt securities acquired by the Fund. In this case, the interest rates collected by the Fund from a bond with a comparatively high creditworthiness risk may be swapped for interest rates from a bond having a lower credit risk, for example. At the same time, the contractual partner may be obliged to buy the bond at an agreed price or pay a cash settlement when a previously defined event, such as the insolvency of the issuer, occurs.

The Fund shall also be authorised to use such transactions the objectives of which are other than hedging. The contracting partner must be a top-rated financial institution which specialises in such transactions. The credit default swaps must be sufficiently liquid. Both the debt securities underlying the credit default swap and the respective issuer must be taken into account with regard to the investment limits set out here below.

Credit default swaps shall be valued on a regular basis using clear and transparent methods. The Management Company and the Auditor shall monitor the clarity and transparency of the valuation methods and their application. If, within the framework of monitoring activities, differences are detected, the Management Company shall arrange to remedy the situation.

If the Fund makes use of credit default swaps the risk inherent to this use must not exceed 20% of the NAV of the Fund and the total risk of derivative instruments including the risk inherent to CDS shall not, at any moment, exceed the NAV of the Fund.

#### **Money market instruments other than those dealt in on a regulated market**

h) money market instruments other than those dealt in on a regulated market and which fall under article 1 of the Law, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:

- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non Member-State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in sub-paragraphs a), b) or c) or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

The Fund may hold cash and cash equivalent on an ancillary basis, in order to maintain liquidity, all in the best interest of the Shareholders.

In addition, the Fund's assets may be invested in all other Eligible Assets within the scope of legal possibilities and the provisions laid down in the Articles of Incorporation.

However, the Fund shall not invest more than 10% of its net assets in transferable securities or money market instruments other than those referred to under this section above

### 3.2. Investment restrictions applicable to Eligible Assets

#### **Transferable securities and money market instruments as defined in the Law**

- 1) The Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body.
- 2) Moreover, the total value of the transferable securities and money market instruments held by the Fund in the issuing bodies in each of which it invests more than 5% of its net assets, shall not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in point (1), point 8) and point 9) the Fund shall not combine, where this would lead to investing more than 20% of its net assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,
- deposits made with that body, or
- exposures arising from OTC derivative transactions undertaken with that body

- 3) The limit of 10% laid down in point 1) may be raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies of which one or more Member States belong.

4) The limit of 10% laid down in point 1) may be raised to a maximum of 25% for certain bonds where they are issued by a credit institution whose registered office is situated in a Member State and which is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested, in conformity with the law, in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If the Fund invests more than 5% of its net assets in the bonds referred to in this point and issued by a single issuer, the total value of such investments may not exceed 80% of the value of the net assets of the Fund.

The transferable securities and money market instruments referred to in points 3) and 4) are not included in the calculation of the limit of 40% stated above in point 2).

The limits set out in points 1), 2) 3) and 4) shall not be combined; thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with points 1), 2), 3) and 4) shall not exceed in total 35% of the net assets of the Fund.

**5) Notwithstanding the above limits, the Fund may invest, in accordance with the principle of risk-spreading, up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, by a member state of the OECD or public international body to which one or more Member States of the EU belong, provided that (i) such securities and money market instruments are part of at least six different issues and (ii) the securities and money market instruments from any single issue do not account for more than 30% of the total net assets of the Fund.**

6) Without prejudice to the limits laid down here below the limits of 10% laid down in point 1) above is raised to maximum 20% for investment in units and/or debt securities issued by the same body when the aim of the investment policy of the Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

This limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

Securities mentioned in point 6) need not to (?) be included in the calculation of the 40% limit mentioned in point 2).

#### **Units of undertakings for collective investment**

7) The Fund may acquire units of UCITS and/or other UCIs referred to under 3.1 e), provided that no more than 20% of its net assets are invested in the units of a single UCITS or other UCI.

For the purpose of applying this investment limit, each sub-fund of a UCITS or UCI with multiple sub-funds shall be considered as a separate issuer, provided that the principle of segregation of the obligations of the different sub-funds is ensured in relation to third parties.

Investments in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the Fund.

When the Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in this section 3.2.

When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge entry or exit charges on account of the Fund's investment in the units of such other UCITS and/or other UCIs.

### **Specific rules applicable to**

#### **1. Cross Sub-Fund investments**

Each Sub-Fund may subscribe to, acquire and/or hold Shares of another Sub-Fund ("Target Sub-Fund") provided that:

- 1.1. the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund; and
- 1.2. no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated may be, according to its investment policy, invested in aggregate in units of other UCITS and/or UCIs; and
- 1.3. voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the concerned Sub-Fund and without prejudice to the appropriate processing in the accounts and periodic reports; and
- 1.4. in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law; and
- 1.5. there is no duplication of management fee/entry or exit charges between those at the level of the Sub-Fund having invested in the Target Sub-Fund, and this Target Sub-Fund.

#### **2. Master and feeder structures for Sub-Funds**

By way of derogation to the above and in accordance with the provisions of the Law, the Fund may, at its discretion (i) create any Sub-Fund qualifying either as a feeder Sub-Fund or as a master or (ii) convert any existing Sub-Fund into a feeder or a master Sub-Fund.

In case applicable, part II "The Sub-Funds" will be updated accordingly under the respective Sub-Fund.

### **Deposits with credit institutions**

- 8) The Fund may not invest more than 20% of its net assets in deposits made with the same body.

### **Financial derivative instruments**

- 9) The risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution as mentioned here before, or 5% of its net assets in the other cases.

The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio.



The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The global exposure to the underlying assets shall not exceed in aggregate the investment limits laid down under article 43 of the Law.

The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs mentioned here before, under the condition that the index complies with the following criteria:

(i) The index is sufficiently diversified.

That implies that:

- the index should be composed in a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

If the index is composed of eligible assets, it should be sufficiently diversified, otherwise its underlying assets have to be combined with the other assets of the Sub-Fund for the monitoring of the restrictions in this section 3.2.

If the index is composed of non-eligible assets, it should be sufficiently diversified, in case the derivatives on indices are used to track such an index or to gain high exposure in such an index, in order to avoid undue concentration.

If derivatives on these indices are used for risk diversification purposes this diversification does not apply provided the exposure on the individual indices complies with the 5/10/40 ratios.

(ii) The index represents an adequate benchmark for the market to which it refers.

(iii) The index is published in an appropriate manner.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above mentioned restrictions.

### **Maximum exposure to a single body**

10) The Fund may not combine:

- i) investments in transferable securities or money market instruments issued by a single body and subject to the 10% limit by body mentioned in point 1), and/or
- ii) deposits made with a single body and subject to the 20% limit mentioned in point 8), and/or
- iii) a risk exposure to a counterparty of the Fund in an OTC derivative transactions undertaken with a single body and subject to the 10% or 5% limits by body mentioned in point 9) in excess of 20% of its net assets.

The Fund may not combine:

- i) investments in transferable securities or money market instruments issued by the same body and subject to the 35% limit by body mentioned under point 3) above, and/or
- ii) investments in certain debt securities issued by the same body and subject to the 25% limit by body mentioned in point 4), and/or
- iii) deposits made with the same body and subject to the 20% limit mentioned in point 8), and/or

- iv) a risk exposure to a counterparty of the Fund in an OTC derivative transactions with the same body and subject to the 10% or 5% limits by body mentioned in point 9) in excess of 35% of its net assets.

#### **Eligible Assets issued by the same group**

- 11) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with the Directive 83/349/EEC or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits described under the article 43 of the Law.
- 12) The Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

#### **Acquisition limits by issuer of Eligible Assets**

- 13) The Fund may not acquire any units carrying voting rights, which would enable it to exercise significant influence over the management of an issuing body.

The Fund may not acquire:

- i) more than 10% of the non-voting units of the same issuer;
- ii) more than 10% of the debt securities of the same issuer;
- iii) more than 10% of the money market instruments of any single issuer;
- iv) more than 25% of the units of a same UCITS or other UCI.

. The limits laid down in the second, third and fourth indents above may be disregarded at the time of acquisition if at that time the gross amount of debt securities or of money market instruments, or of UCITS/UCIs or the net amount of the securities in issue, cannot be calculated.

The ceilings as set forth above are waived in respect of:

- a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- b) transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU;
- c) transferable securities and money market instruments issued by public international bodies of which one or more Member States of the EU are members;
- d) shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the EU complies with the limits laid down in articles 43 and 46 of the Law and article 48, paragraphs 1) and 2) of the Law. Where the limits set in articles 43 and 46 of the Law are exceeded, article 49 of the Law shall apply mutatis mutandis.
- e) shares held by one or more investment companies in the capital of subsidiary companies which, carry on the business of management, advice or marketing in the country where the

subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.

If the limits referred to under this section 3.2. are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

While ensuring observance of the principle of risk-spreading, newly created Sub-Funds may derogate from the limits laid down in this section 3.2. for a period of six months following the date of its authorisation.

The Board of Directors may, from time to time, impose further investment restrictions in order to meet the requirements in such countries, where the Shares are distributed or will be distributed.

### **3.3. Unauthorized investments**

The Fund may not:

- i) acquire either precious metals or certificates representing them;
- ii) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in article 41 § 1 sub-paragraphs e), g) and h) of the Law; provided that this restriction shall not prevent the Fund from making deposits or carrying out other accounts in connection with financial derivative instruments, permitted within the limits referred to above;
- iii) grant loans or act as a guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial instruments which are not fully paid and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan;
- iv) borrow amounts in excess of 10% of its total net assets., Any borrowing is to be effected only (i) as a temporary measure or (ii) to enable the acquisition of immovable property essential for the direct pursuit of its business. Where the Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. However, it may acquire foreign currency by means of a back-to-back loan.

### **3.4. Techniques and instruments**

#### **Securities lending and repurchase agreements**

- a) Within the limits of a standardised securities lending system, up to 50% of the transferable securities contained in the Fund can be lent for a period of maximum 30 days. The condition is that this securities lending system is organised by a recognised securities clearing institution or by a highly rated financial institution which specialises in that type of transactions.

The securities lending may comprise more than 50% of the security holdings or last for a period longer than 30 days, in as far as the Fund has the right to terminate the securities lending contract at any time and to demand the return of the lent securities.

In relation to its lending transactions, the Fund must in principle receive a guarantee, the value of which, at the conclusion of the lending agreement, must be at least equal to the value of the global valuation of the securities lent. The guarantee can consist of cash or of securities which are issued or guaranteed by Member States of the OECD, their local authorities or international organizations and blocked in favour of the Fund until termination of the lending agreement.

A guarantee is not necessary, as long as the securities lending takes place within the limits of recognised clearinghouses, which provides security in favour of the lender of the lent securities by means of a guarantee or by other means.

- b) From time to time the Fund may purchase or sell transferable securities in the form of repurchase agreements. For this, the counterpart of such transaction must be a highly rated financial institution specialized in this type of transaction.

During the lifetime of a repurchase agreement, the Fund may not sell the securities which are the object of the agreement. The importance of purchased securities subject to a repurchase obligation has to be maintained at a level such that it is able, at all times, to meet its obligations to redeem its Shares.

When using certain techniques and instruments relating to transferable securities and money market instruments, such as securities lending and repurchase or reverse repurchase agreements, the Fund will at any time comply with the provisions of the applicable CSSF Circular, as amended from time to time. The Management Company will employ a risk management, which enables it to measure at any time the risk related to these transactions.

The counterparties to such transactions must be subject to prudential supervision rules which are considered by the CSSF as equivalent to Community law.

The Fund will not deviate from its investment policy and objective when using such techniques and instruments. Collateral provided in cash will not be reinvested.

## **4. Information on risk**

### **4.1. General information**

Investing in the Fund Shares involves financial risks. These can involve amongst others risk associated with equity markets, bond markets, and foreign exchange markets such as changes in prices, interest rates, exchange rates and credit worthiness. Any of these risks may also occur along with other risks. Some of these risk factors are addressed briefly below.

Investors should have a clear picture of the Fund, of the risks involved in investing in Shares of the Fund and they should not make a decision to invest until they have obtained financial and tax expert advice.

**Investors assume the risk of receiving a lesser amount than they originally invested.**

### **4.2. Risk factors**

#### **Commodity risk**

Investments with exposure to commodities and precious metals can involve risks caused by changes in the overall market movements, changes in interest rates, or factors affecting a particular industry, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

#### **Counterparty and settlement risk**

When the Fund conducts over-the-counter (OTC) transactions, it may be exposed to risks relating to the credit standing of its counterparties and to their ability to fulfil the conditions of the contracts it enters into with them. Therefore, while entering into forwards, options and swap transactions or using other derivative instruments, the Fund will be subject to the risk of a counterparty which might not fulfil its obligations under a particular contract.

Settlement risk is the risk that a settlement in a transfer system may not take place as expected.

### **Country risk / Geographical risk**

Investments in a limited geographical market may be subject to a higher than average risk due to a higher degree of concentration, less market liquidity, or greater sensitivity to changes in market conditions.

Investments in developing markets are often more volatile than investments in mature markets. Some of these economies and financial markets may from time to time be extremely volatile. Many of the countries in such regions may be developing, both politically and economically.

### **Credit risk**

The creditworthiness (solvency and willingness to pay) of an issuer of a security held by the Fund may change substantially over time. Debt instruments involve a credit risk with regard to the issuers, for which the issuers' credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuers than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero).

### **Currency risk**

If the Fund holds assets denominated in foreign currencies, it is subject to currency risk. Any depreciation of the foreign currency against the Base Currency of the Sub-Fund would cause the value of the assets denominated in the foreign currency to fall.

Some Sub-Funds may have the ambition to fully hedge the currency risk so that the Share Classes receive a similar performance in local currency terms. Deviations in performance between different currency hedged Share Classes may occur.

### **Derivatives**

"Derivatives" is a generic name for instruments getting their return from underlying assets. The instruments are agreements on the purchase or sale of the underlying assets on a future date at a pre-set price. The return of the agreement depends on the return of the underlying asset. Common derivatives are futures, options and swaps.

Specific risks associated with derivatives

- a) Derivatives are time limited and will expire.
- b) The low margin amount required to establish a derivative position permits a high degree of leverage. As a result, a relatively small movement in the price of a futures contract or a swap may result in a profit or a loss which is high in proportion to the amount of assets actually placed as margin (collateral) and may result in losses exceeding any margin deposited.

### **Interest rates**

To the extent that the Fund or the Sub-Funds invest in debt instruments, they are exposed to risk of interest rate changes. These risks may be incurred in the event of interest-rate fluctuations in the denomination currency of the securities of the Fund or the Sub-Funds.

If the market interest rate increases, the price of the interest bearing securities included in the Sub-Funds may drop. This applies to a greater degree, if the Sub-Funds should also hold interest bearing securities with a longer time to maturity and a lower nominal interest return.

### **Investments in UCIs and UCITS**

The investors shall be aware of the fact that the fees charged by the target UCI or UCITS will have to be borne on a pro rata basis by the investing Sub-Fund and that in consequence the NAV of the investing Sub-Fund will be affected. This might lead in respect of the Fund to a duplication of fees.

### **Liquidity risk**

Liquidity risks arise when a particular security is difficult to dispose of. In principle, the Fund may only acquire securities that can be unwound promptly. Nevertheless, it may be difficult to sell particular securities at certain points in time during certain phases or in certain markets.

### **Market risk**

This risk is of general nature and exists in all forms of investment. The principal factor affecting the price performance of securities is the performance of capital markets and the economic performance of individual issuers, which in turn are influenced by the general situation of the world economy, as well as the basic economic and political conditions in the particular countries or sectors.

### **Risk of default**

In addition to the general trends on capital markets the particular performance of each individual issuer also affects the price of an investment. The risk of a decline in the assets of issuers, for example, cannot be entirely eliminated even by the most careful selection of securities.

### **Emerging Market Risk**

In emerging and less developed markets, in which one or more of the Sub-Funds will invest, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio.

Countries with emerging and less developed markets include, but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change.

The following statements are intended to summarise some of the risks present in investing in emerging and less developed markets instruments, but are not exhaustive, nor do they offer advice on the suitability of investments.

#### **A) Political and economic risks**

— Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal / fiscal / regulatory / market reforms. Assets could be compulsorily re-acquired without adequate compensation.

— A country's external debt position could lead to sudden imposition of taxes or exchange controls.

— High interest and inflation rates can mean that businesses have difficulty in obtaining working capital.

— Local management may be inexperienced in operating companies in free market conditions.

— A country may be heavily dependent on its commodity and natural resource exports and is therefore vulnerable to weaknesses in world prices for these products.

#### B) Legal environment

— The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.

— Legislation could be imposed retrospectively or may be issued in the form of internal regulations not generally available to the public.

— Judicial independence and political neutrality cannot be guaranteed.

— State bodies and judges may not adhere to the requirements of the law and the relevant contract. There is no certainty that investors will be compensated in full or at all for any damage incurred.

— Recourse through the legal system may be lengthy and protracted.

#### C) Accounting Practices

— The accounting, auditing and financial reporting system may not accord with international standards.

— Even when reports have been brought into line with international standards, they may not always contain correct information.

— Obligations on companies to publish financial information may also be limited.

#### D) Shareholder Risk

— Existing legislation may not yet be adequately developed to protect the rights of minority shareholders.

— There is generally no concept of any fiduciary duty to shareholders on the part of management.

— Liability for violation of what shareholder rights there are, may be limited.

#### E) Market and Settlement Risks

— The securities markets in some countries lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.

— Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by the Fund may make it difficult to assess reliably the market value of assets.

— The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.

— Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

— The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.

— Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

— Limitations may exist with respect to the Fund's ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign investors. The Fund can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

#### F) Price Movement and Performance

— Factors affecting the value of securities in some markets cannot easily be determined.

— Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

#### G) Currency Risk

Beside the aforementioned currency risks the following risks may occur with regard to investment in emerging markets:

— Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.

#### H) Taxation

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Fund invests or may invest in the future (in particular Russia and other emerging markets) is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result, the Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

#### I) Execution and Counterparty Risk

In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

#### J) Nomineeship

The legislative framework in some markets is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. Consequently the courts in such markets may consider that any nominee or custodian as registered holder of securities would have full ownership thereof and that a beneficial owner may have no rights whatsoever in respect thereof.



## **Operational risk**

Operational risk is the risk of loss resulting from e.g. system breakdowns, human errors or from external events.

## **Small Cap Risk**

The Fund may invest primarily in small-cap companies. Investing in the securities of smaller, less-known companies involves greater risk and the possibility of greater price volatility due to the less certain growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks and the greater sensitivity of smaller companies to changing market conditions.

### **4.3. Risk management process**

The Fund employs a risk management process, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

Specific Information on

- global exposure determination methodology
- the expected level of leverage, as well as the possibility of higher leverage levels and
- the reference portfolio, in case applicable

are laid down under each Sub-Fund in part II “The Sub-Funds”.

## **5. Share Capital**

### **5.1 General**

The capital of the Fund shall, at all times, be equal to the net asset value of all the Sub-Funds. The Fund shall establish segregated opposable accounts, each constituting a Sub-Fund within the meaning of article 181 of the Law, the assets of which are invested in accordance with the particular investment features applicable to the Sub-Fund and which is represented by specific class or classes of shares.

Pursuant to article 181 (5) of the Law, the rights of investors and creditors regarding a Sub-Fund or raised by the incorporation, daily operation and liquidation of a Sub-Fund are limited to the assets of this Sub-Fund.

In the relation between investors, each Sub-Fund will be deemed to be a separate entity.

The capital of the Fund is represented by shares issued with no face value and fully paid-up. Variations in the capital shall be effected ipso jure and there are no provisions requesting publication and entry of such in the Trade Register.

The Fund may provide for the issuance of fractional shares. Fractional shares may be issued up to three decimal places.

The Fund’s capital is expressed in Swedish Krona (“SEK”).

The minimum capital of the Fund is the countervalue in SEK of EUR 1,250,000 (one million two hundred and fifty thousand euro).

## 5.2. Share Classes

The Sub-Funds may offer several Share Classes, which differ in their charges, dividend policy, persons authorised to invest, minimum investment amount, minimum holding, eligibility requirements, reference currency or other characteristics. Some types of Classes are described more in detail here below.

### 5.2.1. Dividend policy

Unless otherwise laid down in part II ‘The Sub-Funds’, the Fund may decide to issue, for each Sub-Fund, capitalisation Shares (“C” Shares) and distribution Shares (“D” Shares).

The “C” Shares will reinvest their income, if any. The “D” shares may pay a dividend to its Shareholders, upon decision of the Fund. Dividends are paid annually, except for those Sub-Funds where the Fund would decide on a monthly, quarterly or semi-annual dividend payment.

### 5.2.2. Hedging policy

The Fund may issue Share Classes whose Reference Currency is not the Base Currency of the respective Sub-Fund, but where the currency exposure of the Reference Currency against the Base Currency will be hedged. In case of a currency hedge in favour of the Reference Currency of a respective Share Class, an “H-“ will precede the currency denomination of this Share Class. For example “(H-SEK)” means that the Reference Currency of the Share Class (SEK) is hedged against fluctuation of the Base Currency of the Sub-Fund. Hedging costs will be borne by the respective Share Class.

Classes with specific currency hedges serve the purpose of achieving similar performance numbers in local currency terms between the different Classes.

Hedging transactions may be entered into whether the reference currency is declining or increasing in value relative to the relevant Sub-Fund’s Base Currency. Where such hedging is undertaken it may substantially protect investors in the relevant Share Class against a decrease in the value of the Sub-Fund’s Base Currency relative to the reference currency of the Share Class, but it may also preclude investors from benefiting from an increase in the value of the Sub-Fund’s currency.

### 5.2.3. Target investors

The Fund may issue Shares taking into account the target investors. The Share Classes in the Sub-Funds may therefore be:

- Shares which may be acquired by all kinds of investors; or
- Shares which may only be acquired by institutional investors as defined by Article 174 paragraph. (2) c) of the Law; (“I” Share Class).

### 5.2.4. Registered / bearer Shares

Shares may be issued as registered or as bearer Shares. Registered Shares will be recorded in a nominal account, whereas bearer Shares will be vested in as a global certificate with no claim of issue of individual physical certificates.

## 5.3 Issue of Shares

Shares are issued on each Valuation Day at their net asset value plus an entry charge as indicated in part II “The Sub-Funds”. This issue price includes all commissions payable to banks and financial institutions taking part in the placement of shares, but not the charges taken by intervening correspondent banks for the execution of electronic transfers. Where shares are

issued in countries where stamp duties or other charges apply, the issue price increases accordingly.

The Board of Directors is authorized to issue new shares continuously. Nevertheless, the Board of Directors reserves the right to reject, at its discretion, in the Fund's and the Shareholders' interest, any subscription application. Any payments already made shall in such instances be immediately refunded without interest and at the risks and costs of the applicant. The Custodian Bank shall immediately pay back incoming payments for applications for subscriptions which are not carried out.

At its discretion, the Fund may, upon application from a Shareholder, issue shares in return for contribution in kind of securities, provided that such securities comply with the investment objectives and investment policy of the Fund. The Auditor of the Fund shall generate a valuation report, which shall be available for inspection to all investors at the registered office of the Fund. The costs of such contribution in kind shall be borne by the investor in question.

Unless otherwise provided for in the respective Sub-Fund's Particulars, payment for subscriptions must be made by electronic transfer and must reach the Registrar and Transfer Agent within 5 Bank Business Days following the applicable Valuation Day. The payment must be made in the Reference Currency of the respective Class, Euro or Swedish Krona. The Board of Directors may however accept payments in other major currencies. Any cost relating to the foreign exchange transaction will have to be borne by the Shareholder. Investors must note, that the Fund reserves the right to postpone subscriptions where there is no certainty that payment will reach the account by due date.

In order to avoid the repayment to subscribers of small surplus amounts, the Company will round up at its own expense each subscription to the next immediately higher whole number of shares or issue fractions to the nearest 1000<sup>th</sup> of a share.

Confirmation of the execution of a subscription will be made by the dispatch of an advice to the shareholder indicating the name of the Sub-Fund, the number and class of shares subscribed for, and the relevant net asset value.

#### 5.3.1. Restriction on issue

Shares of the Fund may not be offered, sold or otherwise distributed to Prohibited Persons (the "Prohibited Persons").

Prohibited Persons means any person, firm or corporate entity, determined in the sole discretion of the Fund's board of directors, as being not entitled to subscribe for or hold shares of the Fund or, as the case may be, in the Sub-Fund,

1. if in the opinion of the Board of Directors such holding may be harmful/damaging to the Fund and its Shareholders,
2. if it may result in a breach of any law or regulation, whether Luxembourg or foreign,
3. if as a result thereof the Fund may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or
4. if such person would not comply with the eligibility criteria for Shares (e.g. in relation to "U.S. persons" as described below).

The Shares are not registered under the United States Securities Act of 1933 (the "1933 Act") or the Investment Company Act of 1940 (the "1940 Act") or any other applicable legislation in the United States.

Accordingly, Shares may not be offered, sold, resold, transferred or delivered directly or indirectly, in the United States, its territories or possessions or any area subject to its jurisdiction (collectively the "United States" or the "U.S.") or to, or for the account of, or benefit of, any "US Person" as defined in the 1933 Act or any applicable United States regulation except to certain qualified purchasers under exemptions from registration requirements of the 1940 Act.

Applicants for the subscription to Shares will be required to certify that they are not U.S. Persons and might be requested to proof that they are not "Prohibited" Persons.

Shareholders are required to notify the Registrar and Transfer Agent of any change in their domiciliation status.

Prospective investors are advised to consult their legal counsel prior to investing in Shares in order to determine their status as non U.S. Persons and as non-prohibited Persons.

The Board of Directors may refuse to issue shares to Prohibited Persons or to register any transfer of shares to any Prohibited Person.

Moreover the Board of Directors may at any time forcibly redeem / repurchase the shares held by a Prohibited Person.

The Board of Directors can furthermore reject an application for subscription at any time at its discretion, or temporarily limit, suspend or completely discontinue the issue of shares, in as far as this is deemed to be necessary in the interests of the shareholders as an entirety, to protect the Fund, in the interests of the investment policy or in the case of endangering specific investment objectives of the Fund.

#### 5.3.2. Anti-Money Laundering Procedures

The applicants wanting to subscribe Shares must provide the Registrar and Transfer Agent with all necessary information, which the Registrar and Transfer Agent may reasonably require to verify the identity of the applicant. Failure to do so may result in the Registrar and Transfer Agent refusing to accept the subscription for Shares in the Fund.

Applicants must indicate whether they invest on their own account or on behalf of a third party. Except for applicants applying through juridical persons who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, any applicant applying in its own name or applying through companies established in non GAFI countries, is obliged to submit to the Registrar and Transfer Agent in Luxembourg all necessary information, which the Registrar and Transfer Agent may reasonably require to verify.

The Registrar and Transfer Agent must verify the identity of the applicant. In the case of an applicant on behalf of a third party, the Registrar and Transfer Agent must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Registrar and Transfer Agent prior to the occurrence of any change in the identity of any such beneficial owner.

#### 5.3.3. Late trading and market timing

The Fund does not permit late trading, market timing or related excessive, short-term trading practices. In order to protect the best interests of the Shareholders, the Board of Directors reserves the right to reject any application to subscribe for Shares from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it, in its discretion, may deem appropriate or necessary, such as the charge of higher redemption fee, as laid down hereafter.

## 5.4. Redemption of Shares

Shares are redeemed, on each Valuation Day at their NAV, decreased by an exit charge, as indicated in part II “The Sub-Funds” which is payable to banks and financial institutions taking part in the redemption of shares. Where shares are redeemed in countries where stamp duties or other charges apply, the redemption price decreases accordingly.

Payment will be made by the Custodian Bank or the paying agents in the Reference Currency of the respective Class, Euro or Swedish Krona, or any other major currencies as accepted by the Board of Directors, according to the choice of the Shareholder. Electronic transfer will be made with a value date within ten Bank Business Days following the corresponding Valuation Day. Any cost relating to the foreign exchange will have to be borne by the Shareholder. Confirmation of execution of redemption will be made by dispatching a contract note to the Shareholder.

Furthermore, in relation to suspected market timing practices, the Fund may charge an additional exit charge of up to 2% of the NAV on the Shares redeemed within 6 months of their issue. Such exit charge will be payable to the relevant Sub-Fund or share class. The same redemption fee for every redemption request executed on the same Valuation Day will be applicable if the redemption is based on market timing in order to ensure the equal treatment of investors.

In the event of large-scale applications for redemption, the Fund reserves the right to redeem shares at the applicable net asset value, only after it has sold the corresponding assets promptly, yet always acting in the best interests of the shareholders.

### 5.4.1. Compulsory redemption of Shares

The Fund may at any time forcibly redeem / repurchase the shares held by a Prohibited Person, as defined under the section “Restriction on issue”.

If a Shareholder’s holding falls below the minimum initial subscription amount or holding for a Sub-Fund or Share Class due to redemption or conversion, the Board of Directors may at its sole discretion compulsorily redeem / repurchase or convert, as the case may be, all Shares held by the relevant Shareholder in this Sub-Fund or Share Class.

The minimum initial subscription amounts and holdings, if any, for a Sub-Fund or a Share Class are mentioned in the part II “The Sub-Funds”.

## 5.5. Conversion of Shares

Unless otherwise provided for in the part “The Sub-Funds”, a Shareholder may convert all or part of the Shares he holds in a Sub-Fund into Shares in another Sub-Fund or Shares of one Class into Shares of another Class of the same or another Sub-Fund.

Conversions are executed free of commission.

In case of the conversion, the number of Shares allotted in a new Sub-Fund or in the new Class is determined by means of the following formula:

$$\frac{A \times B \times C}{D} = N$$

where:

A is the number of Shares presented for conversion,

B is the NAV per Share in that Sub-Fund/Share Class of which the Shares are presented for conversion, on the day the conversion is executed,

C is the conversion factor between the base currencies of the two Sub-Funds or Share Classes, as applicable, on the day of execution. If the Sub-Funds or Share Classes have the same base currency, this factor is one,

D is the NAV per share of the new Sub-Fund/Share class on the day of execution,

N is the number of Shares allotted in the new Sub-Fund and/or class.

## 5.6. Cut-off time

All subscription, redemption and conversion orders are made on the basis of the unknown NAV per Share. Unless otherwise provided in part II "The Sub-Funds", orders received by the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day are processed on the basis of the NAV per share on that Valuation Day. Orders received after 15:30 (CET), are processed on the basis of the NAV per share on the next Valuation Day.

In order to ensure a placement of orders in due time, earlier cut-off times may be applicable for orders placed with distributors (or/and any of their agents) in Luxembourg or abroad. The corresponding information may be obtained from the respective distributor (or/and any of its agents).

## **6. Charges**

Each Sub-Fund will, in principle, bear the following charges:

1. a management fee, payable to the Management Company

The applicable amount and the way it is calculated are laid down in part II "The Sub-Funds" under the applicable Sub-Fund. This fee shall in particular serve as compensation for the Central Administration, the Investment Managers and the Global Distributor as well as for the services of the Custodian Bank.

2. the performance fee, if any, payable to the Management Company

The applicable amount and the way it is calculated are laid down in part II "The Sub-Funds" of the Prospectus under the applicable Sub-Fund.

3. all taxes and duties owed on the Sub-Fund's assets and income
4. standard brokerage and bank charges incurred by the Sub-Fund's business transactions
5. audit and legal fees charged to the Sub-Fund
6. all expenses connected with publications and supply of information to investors, in particular the cost of printing, the distribution of the annual and semi-annual reports as well as for the Prospectus or KIID
7. all expenses involved in registering and maintaining the registration of the Sub-Fund with all supervisory bodies and stock exchanges

All specific fees and expenses of each Sub-Fund are payable by that Sub-Fund. All other fees and expenses shall be shared by the Sub-Funds in proportion to their net assets at that time.

Investment in target funds can lead to duplicate costs, in particular to double management fees, since fees are incurred both on the side of the Fund as well on the side of the target fund.

## **7. NAV calculation**

In order to calculate the NAV per Share, the value of the assets belonging to each Sub-Fund less its liabilities is calculated on each day that constitutes a Valuation Day, as defined under “Important Information relating to the forthcoming change of the Central Administration” here before and the result is divided by the number of the Units issued.

Particulars on the calculation of the NAV per Unit and on asset valuation are provided in the Articles of Incorporation.

In cases of larger flows in and out of the Sub-Funds, the investment manager needs to perform trades in order to uphold the desired asset allocation. While doing so brokerage and transaction costs will occur. Acting in the Shareholders’ interest, the NAV may be adjusted if on any Valuation Day the aggregate transactions in all Classes of a Sub-Fund result in a net increase or decrease which exceeds a threshold set by the Board of Directors from time to time (relating to the cost of market dealing for the Sub-Fund). The NAV per Share of the relevant Sub-Fund may be adjusted which reflects both the estimated fiscal charges and dealing costs (brokerage and transaction costs) that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the respective Sub-Fund invests following the net movement in the Sub-Fund. The adjustment, if any, will be an addition when the net movement results in an increase of the NAV of the Sub-Fund and a deduction when it results in a decrease.

### **7.1 Suspension of the calculation of the NAV**

The Board of Directors is entitled to suspend the calculation of a respective Sub-Fund’s net asset value, if and for as long as there are circumstances which make this suspension necessary and if the suspension is justifiable, taking into account the interests of the shareholders, in particular:

1. during the time in which a stock exchange or another market, where a considerable part of a respective Sub-Fund’s assets is officially quoted or traded, is closed (except at the usual weekends or on bank holidays) or the trading on this stock exchange or corresponding market ceases or is limited;
2. where a major part of the securities and instruments in the Sub-Fund are not listed or otherwise not subject to orderly pricing entailing that the net asset value cannot be satisfactorily determined in a manner that safeguards the equal right of the shareholders;
3. in periods, where the political, economic, military, monetary or social circumstances or any case of force majeure, beyond the responsibility or power of the Board of Directors, make it impossible to dispose of a respective Sub-Fund’s assets by reasonable and normal means, without causing serious prejudice to its shareholders;
4. during the time in which the exchange market(s) forming the basis of the valuation of a major part of the Sub-Fund’s assets is (are) closed for legal holidays;
5. in an emergency, when the Board of Directors may not dispose of a respective Sub-Fund’s investments or it is impossible for it to freely transfer the transaction value resulting from purchases and sales of investment, or to carry out the calculation of the net asset value in an orderly manner.

In case of a suspension for reasons as stated above, shareholders will be informed accordingly.

Investors who have applied for redemption of shares will be informed promptly of the suspension and will then be notified immediately once the calculation of the net asset value per share is resumed. After resumption, investors will receive the then current redemption price.

## **8. Mergers**

For the purposes of this section, the term UCITS also refers to a sub-fund of a UCITS.

Any merger between Sub-Funds or between a Sub-Fund or the Fund and another UCITS and the effective date shall be decided by the Board of Directors except for any merger where the Fund would cease to exist, in the later case the effective date of the merger must be decided by a meeting of Shareholders of the Fund deciding in accordance with the quorum and majority requirements provided in the Articles of incorporation.

In the case required by the Law, the Fund shall entrust either an authorised auditor or, as the case may be, an independent auditor to perform the necessary validations prescribed by the Law.

Practical terms of mergers will be performed and will have the effect in accordance with the Articles of Incorporation and Chapter 8 of the Law.

Information on the merger shall be made available to the investors of the merging and/or receiving UCITS on the website [www.sebgroup.lu](http://www.sebgroup.lu) and, as the case may be, in all other forms prescribed by laws or related regulations of the countries, where the relevant Shares are sold.

## **9. Duration and liquidation of the Sub-Funds and of the Fund**

### **9.1. Duration and liquidation of Fund**

The Fund is created for an unlimited period. Should the capital of the Fund fall below two thirds of the minimum capital, an extraordinary general meeting of Shareholders must be convened to consider the dissolution of the Fund. Any decision to liquidate the Fund must be taken by a majority of the shares present or represented at the meeting. Where the Share capital falls below one quarter of the minimum capital, the Board of Directors must convene an extraordinary general meeting of Shareholders to decide upon the liquidation of the Fund. At that meeting, the decision to liquidate the Fund may be taken by Shareholders holding together one quarter of the shares present or represented.

The Fund may be dissolved by the general meeting of Shareholders in the conditions that are required by law to amend the Articles of Incorporation. Any decision to wind up the Fund will be published in accordance with the legal requirements.

As soon as the decision to wind up the Fund is taken, the issue of Shares in all Sub-Funds is prohibited and shall be deemed void; the redemption of Shares remains possible, if the equal treatment of the shareholders is ensured.

In the case of dissolution of the Fund, the liquidation will be conducted by one or more liquidators, who may be individuals or legal entities and who will be appointed by a meeting of Shareholders. This meeting will determine their powers and compensation.

The liquidation will be carried out in accordance with the Law specifying how the net proceeds of the liquidation, less related costs and expenses, are to be distributed; such net proceeds will be distributed to the shareholders in proportion to their entitlements.

The closure of the liquidation of the Fund and the deposit of any unclaimed amounts with the *Caisse de Consignation* in Luxembourg must take place within a period of time not exceeding nine months from the Shareholders' decision to liquidate the Fund. The liquidation proceeds deposited with the



*Caisse de Consignation* in Luxembourg will be available to the persons entitled thereto for the period established by law. At the end of such period unclaimed amounts will revert to the Luxembourg State.

## 9.2. Duration and liquidation of the Sub-Fund

Unless otherwise stipulated in part II “The Sub-Funds”, each Sub-Fund is created for an unlimited period. A general meeting of Shareholders of a Sub-Fund, acting under the same majority and quorum requirements as are required to amend the Articles of Incorporation, may decide to cancel shares in a given Sub-Fund and refund shareholders for the value of their shares. As soon as the decision to wind up one of the Fund’s Sub-Fund is taken, the issue of shares in this Sub-Fund and the conversion of shares into this Sub-Fund are prohibited and shall be deemed void; the redemption of shares remains possible, if the equal treatment of the shareholders is ensured.

If the net assets of a Sub-Fund fall below a certain level to be determined by the Board of Directors which will not allow an efficient and rational management or if a change in the economic, political or monetary situation relating to the Sub-Fund concerned would justify the liquidation, or if required in the interest of the shareholders of the relevant Sub-Fund, the Board of Directors may decide on a forced redemption of the remaining shares in the Sub-Fund concerned without approval of the shareholders being necessary. Shareholders will be notified of the decision to liquidate, prior to the effective date of the liquidation, in a form permitted by laws or related regulations of the countries, where shares of the Sub-Fund are sold. This notification will indicate the reasons for, and the procedures of the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge, but the redemption or conversion prices will take into account liquidation expenses.

The closure of the liquidation of a Sub-Fund and the deposit of any unclaimed amounts with the *Caisse de Consignation* in Luxembourg must take place within a period of time not exceeding nine months from the Board of Directors’ decision to liquidate the relevant Sub-Fund. The liquidation proceeds deposited with the *Caisse de Consignation* in Luxembourg will be available to the persons entitled thereto for the period established by law. At the end of such period unclaimed amounts will revert to the Luxembourg State.

Under the same circumstances as described above, the Board of Directors may also decide upon the reorganisation of any Sub-Fund by means of a division into two or more separate Sub-Funds. Such decision will be notified in the same manner as described above and, in addition, the notification will contain information in relation to the two or more separate Sub-Funds resulting from the reorganisation. Such notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable shareholders to request redemption or switch of their shares, free of charge, before the reorganisation becomes effective.

## 10. Taxation of the Fund and its Shareholders

The following summary is based on the law and practice currently in force and is subject to any future changes. The information is not exhaustive and does not constitute legal or tax advice.

It is expected that Shareholders of the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares of the Fund. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

### 10.1. Taxation of the Fund

The Fund is not liable to any Luxembourg tax on profits or income.

The Fund is however liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% or 0.01% per annum (as applicable) of its NAV, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter.. Investments by a Sub-Fund in shares or units of another Luxembourg undertaking for collective investment which are also subject to the *taxe d'abonnement* are excluded from the NAV of the Sub-Fund serving as basis for the calculation of this tax to be paid by the Sub-Fund.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares.

Interest, dividend and other income realised by the Fund on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Fund will pay since the amount of the assets to be invested in various countries and the ability of the Fund to reduce such taxes is not known.

### 10.2. Taxation of the Shareholders

Under current legislation, Shareholders are normally not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg, except for (i) those Shareholders domiciled, resident or having a permanent establishment in Luxembourg or (ii) non-residents of Luxembourg who hold 10% or more of the issued Share capital of the Fund and who dispose of all or part of their holdings within six months from the date of acquisition or (iii) in some limited cases some former residents of Luxembourg, who hold 10% or more of the issued capital of the Fund.

Under the European Savings Directive (Council Directive 2003/48/EC) which was adopted on 3 June 2003 by the Council of the EU, each Member State is required to provide to the tax authorities of another Member State details of payment of interest or other similar income (including in certain circumstances interest accrued in the proceeds of unit redemptions) paid by a paying agent within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States (Luxembourg and Austria) to opt for a withholding tax system for a transitional period in relation to such payments instead of the above mentioned reporting to the tax authorities. The rate of this withholding tax is 35% since 1 July 2011.

## **11. General Shareholders meetings and information to Shareholders**

### 11.1. General Shareholders meetings

The annual general meeting of Shareholders (“AGM”) is held every year on the third Monday of April at 3 p.m. (CET) at the Fund’s registered office, or at any other address in Luxembourg stipulated in the convening notice. If this date is not a Bank Business Day, the AGM shall be held on the following Bank Business Day.

Notices of all general meetings are sent by mail to all registered shareholders, to their address indicated in the register of shareholders, in accordance with legal requirements. If legally required, notices will be published in the *Mémorial C* and in a Luxembourg newspaper and in such other newspapers as the Board of Directors may decide.

These notices shall indicate the time and place of the general meeting, the admission conditions, the agenda and the Luxembourg legal quorum and majority requirements. The shareholders of a specified Sub-Fund may, at any time, hold general meetings with the aim to deliberate on a subject which concerns only their Sub-Fund.

Unless otherwise stipulated by law or in the Articles of Incorporation, the decisions of the general meeting of a specified Sub-Fund will be reached by a simple majority of the shareholders present or represented.

At general meetings, each Shareholder has the right to one vote for each whole Share held.

A Shareholder of any particular Sub-Fund will be entitled at any separate meeting of the Shareholders of that Sub-Fund to one vote for each whole Share of that Sub-Fund held.

The AGM shall decide, on the recommendation of the Board of Directors, on the use of income.

### 11.2. Information to Shareholders

#### 11.2.1. Prospectus, Articles of Incorporation, KIID and other documents

Copies of the Prospectus, the Articles of Incorporation and the Key Investor Information Documents are available, free of charge, at the registered office of the Management Company and on its website [www.sebgroup.lu](http://www.sebgroup.lu).

#### 11.2.2. Reports

The financial year of the Fund starts on 1 January and ends on 31 December each year. The audited annual and unaudited semi-annual reports of the Fund may be obtained, free of charge at the registered office of the Management Company and on its website [www.sebgroup.lu](http://www.sebgroup.lu).

#### 11.2.3. Issue and redemption prices and other information

The last known issue and redemption prices as well as other information for Shareholders may be downloaded from [www.sebgroup.lu](http://www.sebgroup.lu) and/or requested at any time from the registered offices of the Fund, the Management Company, the Custodian Bank and the paying agent.

Furthermore, information is made available to investors in a form permitted by laws or related regulations of the countries, where Shares of the Fund are sold.

#### 11.2.4. Best execution

Information relating to the instructions for ensuring a proper execution, handling and transmission of orders in financial instruments will be made available to Shareholders, free of charge, upon request at the registered office of the Fund.

#### 11.2.5. Voting rights

A summary of the strategy for determining when and how voting rights attached to the Sub-Fund's investments are to be exercised shall be made available to investors. The information related to the actions taken on the basis of this strategy in relation to each Sub-Fund shall be made available to investors upon request at the registered office of the Fund.

#### 11.2.6. Complaints' handling

Information relating to the complaints' handling procedure will be made available to investors, free of charge, upon request at the registered office of the Fund.

#### 11.2.7 Shareholders' rights against the Fund

The Board of Directors of the Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

## **II. The Sub-Funds**

### **SEB SICAV 2 - SEB Asia Small Caps ex. Japan Fund**

#### **1. Investment objective and policy**

This Sub-Fund is focused on Asian smaller companies. The portfolio will mainly include shares and equity related transferable securities issued by companies in Asia, with the exception of Japan, or traded on Asian markets. The transferable securities shall be admitted to official listing on stock exchanges or dealt in on regulated markets or on other markets that are regulated, operate regularly and are recognised and open to the public in Asia, the Pacific area, the European Union or the United States. The Sub-Fund is not restricted to a specific industrial sector. The investments should be concentrated to smaller-sized companies.

The Sub-Fund may use futures contracts, options, swaps and other derivatives as part of the investment strategy. The underlying assets of the above mentioned derivatives consist of instruments as described as described in this Prospectus under Section 3.1. "Eligible Assets" a) to g) as well as financial indices, interest rates, foreign exchange rates.

Under no circumstances will the Sub-Fund be permitted to derogate from its investment policy by using the aforementioned derivatives.

It may also use derivatives to hedge various investments, for risk management and to increase the Sub-Fund's income or gain.

The Sub-Fund will not invest more than 10 % of its net assets in units / shares of other UCITS or UCIs.

**The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued and guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub - Fund's total net assets.**

#### **2. Investment Manager**

Schroder Investment Management Limited, a portfolio manager established under the laws of the United Kingdom and supervised by the Financial Services Authority, the UK financial authority.

#### **3. Risk profile**

##### **3.1. Risk profile**

The Sub-Fund faces the following specific risks:

- Liquidity risk: some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price;
- Counterparty risk: if a counterparty does not fulfill its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed);

- Emerging market risk: The Sub-Fund invests in emerging markets which can be subject to economic and political instability, possibility of large currency fluctuations or low liquidity in local markets;
- Currency risk: The Sub-Fund invests in securities that are issued in currencies other than the base currency of the Sub-Fund. As a result the Sub-Fund is subject to currency risk, which arises from changes in the exchange rates;
- Operational risk: the risk of loss resulting from e.g. system breakdowns, human errors or from external events; and
- Market risk: The value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies.

For further descriptions of risks involved for the Sub-Fund, please refer to Chapter 4. “Information on risk” in part I of the Prospectus.

### **3.2. Risk management process**

#### a) Global exposure

For the determination of the global exposure, this Sub-Fund uses the VaR (Value at Risk) methodology, measured with the **relative** VaR (Value at Risk) approach.

In accordance with applicable regulations, the VaR of the Sub-Fund must not be greater than twice the VaR of its reference portfolio. This Sub-Fund uses the **MSCI All Country Far East ex Japan Net Return** as a reference portfolio for the purpose of the relative VaR measurement.

#### b) Leverage

Leverage will be achieved through the use of financial derivative instruments and the use of collateral in relation to efficient portfolio management transactions (i.e. securities lending or repurchase agreements). The level of leverage is expected to be less than one time of the Sub-Fund’s NAV as an average over time. The leverage may however be subject to fluctuations over extended periods of time, therefore the level of leverage may be under or over the expected average.

Leverage is measured as the sum of the absolute exposures (often referred to as “gross exposure”) of the financial derivative instruments (i.e. the absolute sum of all long and short derivative positions compared to the NAV of the Sub-Fund) and the reinvestment of collateral related to securities lending or repurchase agreement used by the Sub-Fund.

The above disclosed expected level of leverage is not intended to be an additional exposure limit for this Sub-Fund. This indication only serves as additional information for the investor.

## **4. Typical Investor**

The Sub-Fund is intended for investors who seek capital growth over the long-term. This Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

## **5. Base Currency of the Sub-Fund**

The Base Currency of the Sub-Fund is expressed in Swedish Krona (SEK).

## 6. Classes available

<b>Class</b>	<b>ISIN Code</b>	<b>Initial subscription price</b>	<b>Maximum entry charge</b>	<b>Maximum exit charge</b>
C (SEK)	LU0086813762	SEK 10	1%	1%

## 7. Charges

In accordance with Chapter 6 “Charges” in part I “The Fund” of the Prospectus, the Sub-Fund will, in principle, bear all the charges mentioned therein. More details on management fee are provided hereafter.

### 7.1. Management fee

#### Management Fee

The management fee will amount to a maximum of 1.75% per annum of the Sub-Fund’s net assets. This fee is being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily during the relevant month.

## 8. Cut off Time / Order Processing

Notwithstanding the general rules laid down in the sections “Issue of shares” and “Cut off Time” here before, orders received by the Registrar and Transfer Agent (on behalf of the Management Company or directly from the shareholder) for this Sub-Fund before 15.30 hrs (CET) on a Valuation Day are processed on the basis of the net asset value per share of the following Valuation Day. Orders received after 15.30 hrs (CET), are processed on the basis of the net asset value per share of the next but one Valuation Day.

# SEB SICAV 2 - SEB Eastern Europe Small Cap Fund

## 1. Investment objective and policy

This Sub-Fund is focused on Eastern Europe including Russia. The portfolio will mainly invest in equities and equity related transferable securities issued by smaller companies (being defined as those with a market capitalization of up to USD 500 Mio at the time of purchase) which have their registered office in an Eastern European Country including Russia or issued by companies which carry out a preponderant part of their activity in Eastern Europe including Russia and which will be listed or traded on a regulated market.

The Sub-Fund's investments in securities traded on a local Russian stock exchange are only allowed if the Sub-Fund invests in securities which are listed on the "Russian Trading System Stock Exchange" (RTS Stock Exchange) or the "Moscow Interbank Currency Exchange" (MICEX).

The Sub-Fund may invest up to 10% of its net assets in non listed securities and in securities issued by the above mentioned companies which are listed on a stock exchange but where the stock exchange is not being considered as a regulated market by the Luxembourg Financial Authority.

The Sub-Fund will not invest more than 10 % of its net assets in units / shares of other UCITS or UCIs.

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 in the Prospectus under Section 3.1. "Eligible Assets" a) to g) as well as financial indices, interest rates, foreign exchange rates.

Under no circumstances will the Sub-Fund be permitted to derogate from its investment policy by using the aforementioned derivatives.

**The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund's total net assets.**

## 2. Investment Manager

AS SEB Varahaldus, a fund management company established under the laws of Estonia and supervised by Finantsinspektsioon, the Estonian Financial Authority.

### Risk profile

#### 3.1. Risk profile

The Sub-Fund faces the following specific risks:

- Liquidity risk: some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price;
- Counterparty risk: if a counterparty does not fulfill its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed);



- Currency risk: The Sub-Fund invests in securities that are issued in currencies other than the base currency of the Sub-Fund. As a result the Sub-Fund is subject to currency risk, which arises from changes in the exchange rates;
- Emerging market risk: The Sub-Fund invests in emerging markets which can be subject to economic and political instability, possibility of large currency fluctuations or low liquidity in local markets;
- Operational risk: the risk of loss resulting from e.g. system breakdowns, human errors or from external events; and
- Market risk: The value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies.

For further descriptions of risks involved for the Sub-Fund, please refer to Chapter 4. “Information on risk” in part I of the Prospectus.

### **3.2. Risk management process**

#### a) Global exposure

For the determination of the global exposure, this Sub-Fund uses the VaR (Value at Risk) methodology, measured with the **absolute** VaR (Value at Risk) approach.

In accordance with applicable regulations, the absolute VaR must not be greater than 20% based on a 99% confidence level and a holding period of 1 month / 20 business days..

#### b) Leverage

Leverage will be achieved through the use of financial derivative instruments and the use of collateral in relation to efficient portfolio management transactions (i.e. securities lending or repurchase agreements). The level of leverage is expected to be less than one time of the Sub-Fund’s NAV as an average over time. The leverage may however be subject to fluctuations over extended periods of time, therefore the level of leverage may be under or over the expected average.

Leverage is measured as the sum of the absolute exposures (often referred to as “gross exposure”) of the financial derivative instruments (i.e. the absolute sum of all long and short derivative positions compared to the NAV of the Sub-Fund) and the reinvestment of collateral related to securities lending or repurchase agreement used by the Sub-Fund.

The above disclosed expected level of leverage is not intended to be an additional exposure limit for this Sub-Fund. This indication only serves as additional information for the investor.

## **4. Typical Investor**

The Sub-Fund is intended for investors who seek capital growth over the long-term. This Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

## **5. Base Currency of the Sub-Fund**

The Base Currency of the Sub-Fund is expressed in euro (EUR).

## 6. Classes available

<b>Class</b>	<b>ISIN Code</b>	<b>Initial subscription price</b>	<b>Maximum entry charge</b>	<b>Maximum exit charge</b>
C (EUR)	LU0086828794	EUR 10	1%	1%

## 7. Charges

In accordance with Chapter 6 “Charges” in part I “The Fund” of the Prospectus, the Sub-Fund will, in principle, bear all the charges mentioned therein. More details on management fee are provided hereafter.

### 7.1. Management fee

The management fee will amount to a maximum of 1.75% per annum of the Sub-Fund’s net assets. This commission is being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily for the relevant month.

# SEB SICAV 2 - SEB Europe Chance / Risk Fund

## 1. Investment objective and policy

This Sub-Fund is focused on Europe. The portfolio will mainly include shares and equity related transferable securities issued by European companies or traded on European markets, without being restricted to a specific industrial sector. The Sub-Fund's portfolio should be concentrated to a limited number of companies.

The Sub-Fund may use futures 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 in this Prospectus under Section A "Eligible Assets" a) to g) as well as financial indices, interest rates, foreign exchange rates.

Under no circumstances will the Sub-Fund be permitted to derogate from its investment policy by using the aforementioned derivatives.

**The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund's total net assets.**

The Sub-Fund will not invest more than 10 % of its net assets in units / shares of other UCITS or UCIs.

## 2. Investment Manager

SEB Investment Management AB, a portfolio manager established under the laws of the Kingdom of Sweden and supervised by Finansinspektionen, the Swedish Financial Authority.

## 3. Risk profile and risk management process

### 3.1. Risk profile

The Sub-Fund faces the following specific risks:

- Liquidity risk: some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price.
- Counterparty risk: if a counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed).
- Currency risk: The Sub-Fund invests in securities that are issued in currencies other than the base currency of the Sub-Fund. As a result the Sub-Fund is subject to currency risk, which arises from changes in the exchange rates;
- Operational risk: it is the risk of loss resulting from e.g. system breakdowns, human errors or from external events.

- Market risk: the value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies.

For further descriptions of risks involved for the Sub-Fund, please refer to Chapter 4 “Information on risk” in part I of the Prospectus.

### 3.2. Risk management process

#### a) Global exposure

For the determination of the global exposure, this Sub-Fund uses the VaR (Value at Risk) methodology, measured with the **relative** VaR (Value at Risk) approach.

In accordance with applicable regulations, the VaR of the Sub-Fund must not be greater than twice the VaR of its reference portfolio. This Sub-Fund uses the **MSCI Europe Net Return Index** as a reference portfolio for the purpose of the relative VaR measurement.

#### b) Leverage

Leverage will be achieved through the use of financial derivative instruments and the use of collateral in relation to efficient portfolio management transactions (i.e. securities lending or repurchase agreements). The level of leverage is expected to be less than one time of the Sub-Fund’s NAV as an average over time. The leverage may however be subject to fluctuations over extended periods of time, therefore the level of leverage may be under or over the expected average.

Leverage is measured as the sum of the absolute exposures (often referred to as “gross exposure”) of the financial derivative instruments (i.e. the absolute sum of all long and short derivative positions compared to the NAV of the Sub-Fund) and the reinvestment of collateral related to securities lending or repurchase agreement used by the Sub-Fund.

The above disclosed expected level of leverage is not intended to be an additional exposure limit for this Sub-Fund. This indication only serves as additional information for the investor.

## 4. Typical Investor

The Sub-Fund is intended for investors who seek capital growth over the long-term. This Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

## 5. Base Currency of the Sub-Fund

The Base Currency of the Sub-Fund is expressed in euro (EUR).

## 6. Classes available

Class	ISIN Code	Initial subscription price	Maximum entry charge	Maximum exit charge
C (EUR)	LU0086811550	EUR 1000	1%	1%

\* At the discretion of the Management Company, this minimum initial investment and holding may be waived.

## **7. Charges**

In accordance with Chapter 6 “Charges” in part I “The Fund” of the Prospectus, the Sub-Fund will, in principle, bear all the charges mentioned therein. More details on management fee are provided hereafter.

### **7.1. Management fee**

The management fee will amount to a maximum of 1.4 % per annum of the Sub-Fund's net assets.

This commission is being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily for the relevant month.

# SEB SICAV 2 - SEB Listed Private Equity Fund

## 1. Investment objective and policy

This Sub-Fund will mainly invest in companies which are active in private equity business. The portfolio will mainly include equities and equity related transferable securities issued by companies with a private equity angle, without being restricted to a specific geography or a certain industrial focus. The Sub-Fund may also use closed-ended Exchange Traded Funds (ETFs). Such ETFs may be managed actively or passively and are at any time in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC, as amended.

The Sub-Fund may use futures contracts, options, swaps and other derivatives for hedging purposes and/or as part of the investment strategy. The underlying assets of the above mentioned derivatives consist of instruments as described in this Prospectus under Section 3.1. "Eligible Assets" a) to g) as well as financial indices, interest rates, foreign exchange rates.

Under no circumstances will the Sub-Fund be permitted to derogate from its investment policy by using the aforementioned derivatives.

**The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund's total net assets.**

The Sub-Fund will not invest more than 10 % of its net assets in units / shares of other UCITS or UCIs.

## 2. Investment Manager

Skandinaviska Enskilda Banken AB (publ), a company established under the laws of the Kingdom of Sweden and supervised by Finansinspektionen, the Swedish Financial Authority.

### Risk profile

#### 3.1. Risk profile

The Sub-Fund faces the following specific risks:

- Liquidity risk: some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price;
- Counterparty risk: if a counterparty does not fulfill its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed);
- Currency risk: The Sub-Fund invests in securities that are issued in currencies other than the base currency of the Sub-Fund. As a result the Sub-Fund is subject to currency risk, which arises from changes in the exchange rates;
- Operational risk: the risk of loss resulting from e.g. system breakdowns, human errors or from external events; and
- Market risk: The value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies.

For further descriptions of risks involved for the Sub-Fund, please refer to Chapter 4. “Information on risk” in part I of the Prospectus.

### 3.2. Risk management process

#### a) Global exposure

For the determination of the global exposure, this Sub-Fund uses the VaR (Value at Risk) methodology, measured with the **relative** VaR (Value at Risk) approach.

In accordance with applicable regulations, the VaR of the Sub-Fund must not be greater than twice the VaR of its reference portfolio. This Sub-Fund uses the S&P Listed Private Equity Index as a reference portfolio for the purpose of the relative VaR measurement.

#### b) Leverage

Leverage will be achieved through the use of financial derivative instruments and the use of collateral in relation to efficient portfolio management transactions (i.e. securities lending or repurchase agreements). The level of leverage is expected to be less than one time of the Sub-Fund’s NAV as an average over time. The leverage may however be subject to fluctuations over extended periods of time, therefore the level of leverage may be under or over the expected average.

Leverage is measured as the sum of the absolute exposures (often referred to as “gross exposure”) of the financial derivative instruments (i.e. the absolute sum of all long and short derivative positions compared to the NAV of the Sub-Fund) and the reinvestment of collateral related to securities lending or repurchase agreement used by the Sub-Fund.

The above disclosed expected level of leverage is not intended to be an additional exposure limit for this Sub-Fund. This indication only serves as additional information for the investor.

## 4. Typical Investor

The Sub-Fund is intended for investors who seek capital growth over the long-term. This Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

## 5. Base Currency of the Sub-Fund

The Base Currency of the Sub-Fund is expressed in euro (EUR).

## 6. Classes available

Class	ISIN Code	Initial subscription price	Maximum entry charge	Maximum exit charge	Minimum initial investment and holding
C (EUR)	LU0385668222	EUR 100	1%	1%	N/A
IC (EUR)	LU0385670988	EUR 100	0%	0%	EUR 25,000,000
ID (EUR)	LU0385672414	EUR 100	0%	0%	EUR 100,000

## 7. Charges

In accordance with Chapter 6 “Charges” in part I “The Fund” of the Prospectus, the Sub-Fund will, in principle, bear all the charges mentioned therein. More details on management and performance fees are provided hereafter.

### 7.1. Management fee

The management fee will amount to a maximum of 1.5 % per annum of the Sub-Fund’s net assets for “C” shares. Such fee will amount to a maximum of 1.0% per annum of the Sub-Fund’s net assets for “I” shares. This fee is being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily during the relevant month.

### 7.2. Performance Fee

In addition, the Management Company is entitled to receive a performance fee, payable out of the assets attributable to the relevant Share Class.

The performance fee will be calculated, accrued and crystallised on each Valuation Day in the respective share classes as described below and will be paid out monthly in arrears.

The performance fee in a particular share class will be calculated by taking the number of shares in the share class times the performance fee rate, 15% for C class and 10% for IC and ID classes, times any positive excess performance per share recorded on that day.

The Sub-Fund uses the principle of High Water Mark and a fixed percentage of 6% p.a. as a hurdle applicable to all classes.

The definitions and calculations are as follows:

The calculation of the performance fee takes place on the basis of the number of shares of the relevant class as of the relevant Valuation Day calculated before any subscriptions and redemptions with trade date equal to the Valuation Day.

$$\text{Performance fee} = 10\% / 15\% \times \text{MAX} [0, \text{Base NAV}(t) - \text{Hurdle Value}(t)]$$

Where

<i>Base NAV(t)</i>	Base Net Asset Value per share of the relevant share class on the Valuation Day(t), is calculated after deduction of the management fee but prior to the deduction of any performance fee and any dividends or corporate actions on the relevant Valuation Day.
<i>Hurdle Value(t)</i>	Hurdle Value is $\text{NAV}(\text{HWM}) * [\text{Index}(t) / \text{Index}(\text{tHWM})]$
<i>NAV(HWM)</i>	The highest Net Asset Value (High Water Mark) per share previously achieved (in the relevant share class) and for which a performance fee was accrued and crystallised; or the Net Asset Value at inception if no performance fee has been accrued and crystallised or, where the Board of Directors of the Company decides to start calculation of performance fee at a later date, the start date for calculation of performance fee. NAV(HWM) is adjusted to reflect dividends and other corporate actions in the share class.
<i>Index(t)</i>	the “6% p.a. Fixed Percentage” Return Index value for the specific share class on the current Valuation Day(t).
<i>Index(tHWM)</i>	the “6% p.a. Fixed Percentage” Return Index value for the specific share class on the Valuation Day when the most recent (current) NAV(HWM) was achieved.

The Management Company will calculate the “6% p.a. Fixed Percentage” Return Index itself.



# SEB SICAV 2 - SEB Nordic Small Cap Fund

## 1. Investment objective and policy

This Sub-Fund is focused on Nordic small and medium capitalization companies. The Sub-Fund may use closed-ended Exchange Traded Funds (ETFs). Such ETFs may be managed actively or passively and are at any time in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC, as amended. The Sub-Fund is not restricted to a specific industrial sector.

The Sub-Fund may use futures contracts, options, swaps and other derivatives for hedging purposes and/or as part of the investment strategy. The underlying assets of the above mentioned derivatives consist of instruments as described in this Prospectus under Section 3.1. "Eligible Assets" a) to g) as well as financial indices, interest rates, foreign exchange rates.

Under no circumstances will the Sub-Fund be permitted to derogate from its investment policy by using the aforementioned derivatives.

**The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund's total net assets.**

The Sub-Fund will not invest more than 10 % of its net assets in units / shares of other UCITS or UCIs.

## 2. Investment Manager

SEB Investment Management AB, a portfolio manager established under the laws of the Kingdom of Sweden and supervised by Finansinspektionen, the Swedish Financial Authority.

## 3. Risk profile and risk management process

### 3.1. Risk profile

The Sub-Fund faces the following specific risks:

- Liquidity risk: some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price.
- Counterparty risk: if a counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed).
- Currency risk: The Sub-Fund invests in securities that are issued in currencies other than the base currency of the Sub-Fund. As a result the Sub-Fund is subject to currency risk, which arises from changes in the exchange rates;
- Operational risk: it is the risk of loss resulting from e.g. system breakdowns, human errors or from external events.
- Market risk: the value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies.

For further descriptions of risks involved for the Sub-Fund, please refer to Chapter 4 “Information on risk” in part I of the Prospectus.

### 3.2. Risk management process

#### a) Global exposure

For the determination of the global exposure, this Sub-Fund uses the VaR (Value at Risk) methodology, measured with the **relative** VaR (Value at Risk) approach.

In accordance with applicable regulations, the VaR of the Sub-Fund must not be greater than twice the VaR of its reference portfolio. This Sub-Fund uses the **VINX Small Cap EUR NI** as a reference portfolio for the purpose of the relative VaR measurement.

#### b) Leverage

Leverage will be achieved through the use of financial derivative instruments and the use of collateral in relation to efficient portfolio management transactions (i.e. securities lending or repurchase agreements). The level of leverage is expected to be less than one time of the Sub-Fund’s NAV as an average over time. The leverage may however be subject to fluctuations over extended periods of time, therefore the level of leverage may be under or over the expected average.

Leverage is measured as the sum of the absolute exposures (often referred to as “gross exposure”) of the financial derivative instruments (i.e. the absolute sum of all long and short derivative positions compared to the NAV of the Sub-Fund) and the reinvestment of collateral related to securities lending or repurchase agreement used by the Sub-Fund.

The above disclosed expected level of leverage is not intended to be an additional exposure limit for this Sub-Fund. This indication only serves as additional information for the investor.

## 4. Typical Investor

The Sub-Fund is intended for investors who seek capital growth over the long-term. This Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

## 5. Base Currency of the Sub-Fund

The Base Currency of the Sub-Fund is expressed in euro (EUR).

## 6. Classes available

Class	ISIN Code	Initial subscription price	Maximum entry charge	Maximum exit charge	Minimum initial investment and holding*
C (EUR)	LU0385664312	EUR 100	1%	1%	N/A
IC (EUR)	LU0385665715	EUR 100	0%	0%	EUR 50,000

\* At the discretion of the Management Company, this minimum initial investment and holding may be waived.

## 7. Charges

In accordance with Chapter 6 “Charges” in part I “The Fund” of the Prospectus, the Sub-Fund will, in principle, bear all the charges mentioned therein. More details on management and performance fees are provided hereafter.

### 7.1. Management fee

The management fee will amount to a maximum of 1.3 % per annum of the Sub-Fund’s net assets for “C” shares. Such fee will amount to a maximum of 0.9% per annum of the Sub-Fund’s net assets for “IC” shares. These fees are being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily during the relevant month.

### 7.2. Performance Fee

In addition, the Management Company is entitled to receive a performance fee, payable out of the assets attributable to the relevant share class.

The performance fee will be calculated, accrued and crystallised on each Valuation Day in the respective share classes as described below and will be paid out monthly in arrears.

The performance fee in a particular share class will be calculated by taking the number of shares in the share class times the performance fee rate, 20% (for C class) // 10% (for IC class), times any positive excess performance per share recorded on that day. The Sub-Fund uses VINX Small Cap EUR NI as index when calculating excess performance.

The definitions and calculations are as follows:

The calculation of the performance fee takes place on the basis of the number of shares of the relevant class as of the relevant Valuation Day calculated before any subscriptions and redemptions with trade date equal to the Valuation Day.

$$\text{Performance fee} = 20\% / 10\% \times \text{MAX} [0, \text{Base NAV}(t) - \text{Hurdle Value}(t)]$$

Where

<i>Base NAV(t)</i>	Base Net Asset Value per share of the relevant share class on the Valuation Day(t), is calculated after deduction of the management fee but prior to the deduction of any performance fee and any dividends or corporate actions on the relevant Valuation Day.
<i>Hurdle Value(t)</i>	Hurdle Value is Hurdle NAV * [ Index(t) / Index(t Hurdle NAV) ]
<b>Hurdle NAV</b>	The Net Asset Value per share previously achieved (in the relevant share class) when a performance fee was accrued and crystallised (Hurdle NAV); or the Net Asset Value at inception if no performance fee has been accrued and crystallised or, where the Board of Directors of the Company decides to start calculation of performance fee at a later date, the start date for calculation of performance fee. The Hurdle NAV is adjusted to reflect dividends and other corporate actions in the share class.
<i>Index(t)</i>	the VINX Small Cap EUR NI Index on the current Valuation Day(t).
<i>Index(tHurdle NAV)</i>	the VINX Small Cap EUR NI Index on the Valuation Day when the most recent (current) Hurdle NAV was achieved.

## **8. Cut off Time / Order Processing**

Notwithstanding the general rules laid down in the sections "Issue of shares" and "Cut off Time" here before, orders received by the Registrar and Transfer Agent (on behalf of the Management Company or directly from the shareholder) for this Sub-Fund before 15.30 hrs (CET) on a Valuation Day are processed on the basis of the net asset value per share calculated for this Valuation Day. Calculation of the net asset value is performed on the immediately following Valuation Day. Orders received after 15.30 hrs (CET) on a Valuation Day will be considered as orders being placed on the next Valuation Day before 15.30 hrs (CET).