



# Prospectus

# SEB Strategy Fund

with its current Sub-Funds

SEB Strategy Defensive  
SEB Strategy Balanced  
SEB Strategy Opportunity  
SEB Strategy Growth

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

November 2012

## **Important information**

It is not permitted to supply information or explanation that differs from the Prospectus or the Management Regulations.

SEB Asset Management S.A. is not 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 practice.

This Prospectus is only valid, when used in connection with the applicable KIID, the Management Regulations 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 Unit 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 Units 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 Units 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 Units 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.

## Glossary of terms

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

<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 Management Company
<b>Central Administration</b>	The Bank of New York Mellon (Luxembourg) S.A.
<b>Class/ Unit Class</b>	the Management Company may decide to issue, within each Sub-Fund, separate classes of Units 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 Swedish krona
<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 Strategy Fund is organised under the Law as a common fund ( <i>FCP – fonds commun de placement</i> ). It comprises several Sub-Funds.
<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>Management Regulations</b>	the management regulations of the Fund as amended from time to time
<b>Member State</b>	a member state/states 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><i>Mémorial C</i></b>	Luxembourg official gazette, <i>Mémorial C, Recueil des Sociétés et Associations</i>
<b>NAV - Net Asset Value per Unit</b>	the value per Unit of any Class determined in accordance with the relevant provisions described in this Prospectus and the Management Regulations
<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>Sub-Fund</b>	<p>a separate portfolio of assets established for one or more Unit 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>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
<b>Unitholder</b>	the holder of Units in any Sub-Funds
<b>Units</b>	units of any Sub-Funds
<b>Value at Risk or VaR</b>	<p>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%.</p> <p>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%.</p>
<b>Valuation Day</b>	<p>the day on which the NAV per Unit is calculated</p> <p>Any day on which banks are open for business in Luxembourg except 24 December.</p>

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## **I. The Fund**

### **1. General information**

SEB Strategy Fund is an open-ended common fund ("FCP" – "*Fonds commun de placement*") registered under Part I of the Law. The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS).

The Fund was set up on 17 November 2008 for an undetermined duration.

The money in the Fund is invested by the Management Company, or where applicable, the appointed investment manager, acting in its own name on behalf of the joint account of the Unitholders in securities, money market instruments and other eligible assets (the "Eligible Assets"), based on the principle of risk-spreading.

Unitholders as joint owners have an interest in the assets of the Fund in proportion to the number of Units they hold. All Fund's Units have the same right. In accordance with the Law, a subscription of Units constitutes acceptance of all terms and provisions of the Prospectus and the Management Regulations.

The Fund has several Sub-Funds, the assets of which are invested in accordance with the particular investment features applicable to each Sub-Fund. The rights of the Unitholders and creditors regarding a Sub-Fund are limited to the assets of the Sub-Fund. The assets of a Sub-Fund will be answerable exclusively for the rights of the Unitholders relating to this Sub-Fund. Each Sub-Fund will be deemed to be a separate entity.

At the date of the Prospectus, four Sub-Funds are at the Unitholders' disposal. In the event of creation of further Sub-Funds, the Prospectus will be updated accordingly.

The Management Regulations lastly modified with effect from 11 November 2011, have been deposited with the Luxembourg Trade Register and the relating notice has been published in the *Mémorial C* on 17 November 2011.

## 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</b> <sup>1</sup>	SEB Asset Management S.A. 4, rue Peternelchen L-2370 Howald
<b>Board of Directors of 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 Managing Director SEB Asset Management S.A. Luxembourg  Marie Winberg Global Head of Product Management SEB Investment Management AB Stockholm  Anders Johnsson Head of Wealth Management Skandinaviska Enskilda Banken AB (publ) 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 II, SEB deLuxe, SEB EuropaRent Spezial, SEB European Equity Small Caps, SEB Euroland Gratis, 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 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 and SEB SICAV 3

<b>Conducting officers</b>	Rudolf Kömen, Managing Director Matthias Müller, General Manager
<b>Central Administration (including the administrative, registrar and transfer agent function) and Paying Agent in Luxembourg</b>	The Bank of New York Mellon (Luxembourg) S.A. 2-4, rue Eugène Ruppert L-2453 Luxembourg
<b>Investment Managers of</b>	SEB Investment Management AB Sveavägen 8 SE-106 40 Stockholm
SEB Strategy Defensive SEB Strategy Balanced SEB Strategy Opportunity SEB Strategy Growth	
<b>Global Distributor</b>	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm
<b>Representatives and paying agents outside Luxembourg</b>	The full list of representatives and paying agents outside Luxembourg can be obtained, free of any charge, at the registered office of the Management Company and on the website <a href="http://www.sebgroup.lu">www.sebgroup.lu</a>
<b>Custodian Bank</b>	Skandinaviska Enskilda Banken S.A. 4, rue Peternechen L-2370 Howald
<b>Approved Statutory Auditor of the Fund and the Management Company (hereafter the “Auditor”)</b>	PricewaterhouseCoopers, <i>Société Coopérative</i> 400, route d’Esch L-1014 Luxembourg



## 2.2. Description of involved parties

### 2.2.1. The Management Company

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 19 March 2012 with subsequent publication on 10 April 2012 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.

### 2.2.2. The Central Administration

The Management Company has 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” or “Registrar and Transfer Agent”).

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

In the capacity of Registrar and Transfer Agent it will process all subscriptions, redemptions, transfers and conversions of Units and will register these transactions in the Unitholders’ 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.

### 2.2.3. 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.

Further details on the investment managers are laid down under each Sub-Fund in part II “The Sub-Funds”.

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.

#### 2.2.4. The Global Distributor

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

#### 2.2.5. 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**

Unless otherwise provided hereafter, references to “Fund” in this section should be read as references to a “Sub-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.

The main objective of each Sub-Fund will be to invest directly and/or indirectly in transferable securities and other Eligible Assets, as described under 3.1. here below, with the purpose of spreading investment risks and achieving long-term capital growth.

The investment objectives of the Sub-Funds will be carried out in compliance with the investment restrictions set forth hereafter. However, contrary to Chapter 3.4. “Techniques and instruments” here below, the Sub-Fund may invest collateral received in cash under the condition that such investments are made in line with the current investment policy and comply with the provisions of the applicable CSSF Circular, as amended from time to time.

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 derivatives:

### **Volatility index futures**

If the Fund makes use of volatility index futures the following criteria must be met:

- the volatility index futures must be dealt on a regulated market;
- the underlying stock indices must comply with the diversification rules as set out in 3.2. here below;
- the Fund must employ a risk-management process which enables it to adequately take into account the incurred risks.

### **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 Management Company 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 subparagraphs 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 Unitholders.

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 Management Regulations.

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 Units 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 Management Company 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 financial derivative instruments are not combined to the investment limits laid down under the points mentioned here before under the condition that the index complies with the criteria which are explained more in detail in the article 4) of the Management Regulations. 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 restrictions in this section.

### **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 Management Company acting in connection with all the common funds it manages and which fall within the scope of Part I of the Law or of Directive 2009/65/EC, 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*.

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 Unitholders.

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 Management Company may from time to time, upon approval by the Custodian Bank, impose further investment restrictions in order to meet the requirements in such countries, where the Units 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 as a temporary measure. 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 provide 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 Units.

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 Units involves financial risks. These can involve risk associated with equity markets, bond markets, commodity (including precious metal) markets, foreign exchange markets such as changes in prices, interest rates and credit worthiness. Any of these risks may also occur along with other risks. Some of these risk factors are addressed briefly below.

A fund normally consists of investments in or has exposure towards the asset classes equities, bonds, currencies and/or commodities. Equities and commodities are generally inherent with a higher risk than bonds or currencies. Higher risk investments may or may not offer a possibility of better returns than lower risk investments. A combination of several asset classes can often give the individual investor a more suitable diversification of risk.

Investors should have a clear picture of the Fund, of the risks involved in investing in Units 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 Unit Classes receive a similar performance in local currency terms. Deviations in performance between different currency hedged Unit 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.

Besides the above mentioned risks with regard to derivatives the following risks apply to the underlying of a Volatility Index Future.

A volatility index future is designed to measure the implied or predicted volatility of a specified “reference” index over a specified future time period. The term volatility is typically defined as the standard deviation of the daily returns of the reference index measured over the specified future time period.

Economic, political, social and other events affecting the level of the reference index may also affect the volatility of the reference index. Volatility indexes have historically tended to move inversely to their reference indexes, since volatility tends to be associated with turmoil in the stock markets and turmoil tends to be associated with downward moves in the stock market. But this relationship does not always hold true and, indeed, a volatility index may be rising at a time when its reference index is also rising. It bears emphasizing that a volatility index on which options are traded reflects only predictions about the future volatility of the reference index as those predictions are implied by reported current premium values for options on the reference index. The actual volatility of the reference index may not conform to those predictions.

### **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.

### 4.3. Risk management process

The Fund employs a risk management process, which enables the Management Company 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. Units**

### 5.1. Unit Classes

The Sub-Funds may offer several Unit 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.

#### 5.1.1. Dividend policy

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

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

#### 5.1.2. Hedging policy

The Management Company may issue Unit 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 Unit Class, an “H-“ will precede the currency denomination of this Unit Class. For example “(H-SEK)” means that the Reference Currency of the Unit Class (SEK) is hedged against fluctuation of the Base Currency of the Sub-Fund. Hedging costs will be borne by the respective Unit 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 Unit Class against a decrease in the value of the Sub-Fund’s

Base Currency relative to the Reference Currency of the Unit Class, but it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's currency.

#### 5.1.3 Target investors

The Management Company may issue Units taking into account the target investors. The Unit Classes in the Sub-Funds may therefore be:

- Units which may be acquired by all kinds of investors; or
- Units which may only be acquired by institutional investors as defined by article 174 paragraph. (2) c) of the Law; ("I" Unit Class), or
- Units which may only be acquired by high net worth clients ("HNW" Unit Class); or
- Units which may only be acquired by a limited number of authorised investors ("LTD" Unit Class).

#### 5.1.4. Registered / bearer Units

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

#### 5.2. Issue of Units

The Management Company is authorized to issue Units continuously. However, the Management Company reserves the right to reject, at its discretion and in the Fund's and the Unitholders' 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.

Units are issued on each Valuation Day at their NAV 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 Units, but not the charges taken by intervening correspondent banks for the execution of electronic transfers. Where Units are issued in countries where stamp duties or other charges apply, the issue price increases accordingly.

Payment for subscriptions must be made in the Reference Currency of the respective Class, euro and/or Swedish krona. The Management Company may however accept payments in other major currencies. Any cost relating to the foreign exchange transaction will have to be borne by the Unitholder.

The payment made by electronic transfer must reach the Registrar and Transfer Agent within five Bank Business Days following the applicable Valuation Day.

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

Confirmation of the execution of a subscription will be made by the dispatch of a contract note to the Unitholder indicating the name of the Fund, the Sub-Fund, the number and Class of Units subscribed to, the applicable NAV, the trade date, the settlement date, the currency and the exchange rate, if any.



By subscribing to a Unit, the Unitholder accepts the Management Regulations.

#### 5.2.1. Restriction on issue

Units 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 Management Company, as being not entitled to subscribe to or hold Units,

1. if in the opinion of the Management Company such holding may be harmful/damaging to the Fund,
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 or the Management Company 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 Units (e.g. in relation to "U.S. Persons" as described below).

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or of any other jurisdiction, and the Units (or beneficial interests therein) may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The Fund has not been and does not intend to be registered under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). Units will not be offered or sold within the United States or to or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act ("Regulation S") and within the interpretations of the Investment Company Act, "U.S. Persons"). Each initial purchaser of Units shall make a representation to the Fund that it is not a U.S. Person and that it has acquired the Units in an offshore transaction pursuant to Regulation S. Any subsequent transfer of Units and any beneficial interests therein may be made only to a non-US Person in an offshore transaction outside the United States that qualifies for the exemption pursuant to Regulation S.

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

Unitholders 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 Units of in order to determine their status as non U.S. Persons and as non-Prohibited Persons.

The Management Company may refuse to issue Units to Prohibited Persons or to register any transfer of Units to any Prohibited Person. Moreover the Fund's Management Company may at any time forcibly redeem / repurchase the Units held by a Prohibited Person.

The Management Company can furthermore reject an application for subscription at any time at its discretion, or temporarily limit, suspend or completely discontinue the issue of Units, in as far as this is

deemed to be necessary in the interests of the existing Unitholders as an entirety, to protect the Management Company, to protect the Fund, in the interests of the investment policy or in the case of endangering specific investment objectives of the Fund.

#### 5.2.2. Anti-money laundering procedures

The applicants wanting to subscribe to Units 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 to Units 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 companies 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 acting 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 commits that it will notify the Registrar and Transfer Agent prior to the occurrence of any change in the identity of any such beneficial owner.

#### 5.2.3. Late trading and market timing

The Management Company does not permit late trading, market timing or related excessive, short-term trading practices. In order to protect the best interests of the Unitholders, the Management Company reserves the right to reject any application to subscribe to Units 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 exit charge, as laid down hereafter.

#### 5.3. Redemption of Units

Units 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 Units. Where Units 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 Management Company, according to the choice of the Unitholder. 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 transaction will have to be borne by the Unitholder. Confirmation of execution of redemption will be made by dispatching a contract note to the Unitholder.

Furthermore, in relation to suspected market timing practices, the Management Company may charge an additional exit charge of up to 2% of the NAV of the Units redeemed within six months of their issue. Such exit charge will be payable to the relevant Sub-Fund or Unit Class. The same exit charge 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 Management Company reserves the right to redeem Units at the applicable NAV, only after it has sold the corresponding assets promptly, yet always acting in the best interests of the Unitholders.

#### 5.3.1. Compulsory redemption of Units

The Fund's Management Company may at any time forcibly redeem / repurchase the Units held by a Prohibited Person, as defined under the section "Restriction on issue".

If a Unitholder's holding falls below the minimum initial subscription amount or holding, if any, for a Sub-Fund or a Unit Class due to redemption or conversion, the Management Company may at its sole discretion compulsorily redeem / repurchase, as the case may be, all Units held by the relevant Unitholder in this Sub-Fund or Unit Class.

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

#### 5.4. Conversion of Units

Unless otherwise provided for in part II "The Sub-Funds", a Unitholder may convert all or part of the Units he holds in a Sub-Fund into Units of another Sub-Fund or Units of one Class into Units of another Class of the same or another Sub-Fund.

Conversions are executed free of commission.

In case of the conversion, the number of Units 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 Units presented for conversion,

B is the NAV per Unit in that Sub-Fund/Unit Class of which the Units 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 Unit Classes, as applicable, on the day of execution. If the Sub-Funds or Unit Classes have the same Base Currency, this factor is one,

D is the NAV per Unit of the new Sub-Fund/Unit Class on the day of execution,

N is the number of Units allotted in the new Sub-Fund/Unit Class.

### 5.5. Cut-off time

All subscription, redemption and conversion orders are made on the basis of the unknown NAV per Unit. Unless otherwise specified 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 Unit on that Valuation Day. Orders received after 15:30 (CET), are processed on the basis of the NAV per Unit 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, but is limited in any case to a maximum of 2.00% per annum of the net assets of the relevant 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 Unit, 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 Fund’s Management Regulations.

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 Unitholders’ 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 Management Company from time to time (relating to the cost of market dealing for the Sub-Fund). The NAV per Unit 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.

## **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 of the Fund and another UCITS and the effective date shall be decided by the Board of Directors.

In the case required by the Law, the Management Company 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 Chapter 8 of the Law.

Information on the merger shall be made available to the Unitholders 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 Units are sold.

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

### 9.1. Duration and liquidation of Sub-Funds

Unless otherwise stipulated in part II “The Sub-Funds”, each Sub-Fund is created for an unlimited period. The Management Company may at any time decide upon the liquidation of one or more Sub-Funds, particularly in situations of a notable modification of the economic and/or political prevailing circumstances, or if the net assets of a Sub-Fund fall under a certain level to be determined by the Management Company which will not allow an efficient and rational management or in any other cases which will be in the Unitholders’ interest.

The decision of the Management Company to liquidate a Sub-Fund will be announced to Unitholders on the website [www.sebgroup.lu](http://www.sebgroup.lu) and, as the case may be, in all other forms prescribed by relevant laws or regulations of the countries where the Units of the Sub-Fund are sold.

No application for subscription or conversion of Units into the Sub-Fund to be liquidated will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Sub-Fund. If the equal treatment between Unitholders is ensured, redemption requests may be treated.

Following the liquidation of the assets of the relevant Sub-Fund in the best interests of the Unitholders, the Management Company will instruct the paying agent to distribute the proceeds of the liquidation, after deduction of liquidation costs, amongst the Unitholders of the relevant Sub-Fund in proportion to their respective holdings.

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.

Liquidation and distribution of a Sub-Fund cannot be requested by a Unitholder, his heirs or beneficiaries.

In case the net assets of a Sub-Fund drop down to zero due to redemption, the Management Company may decide that this Sub-Fund is closed without the need to entail the liquidation procedure.

## 9.2. Duration and liquidation of the Fund

The Fund is created for an unlimited period and can be dissolved at any time by decision of the Management Company if such dissolution appears necessary or expedient in consideration of the interests of the Unitholders, in order to protect the interests of the Management Company.

Dissolution of the Fund is mandatory in the cases provided for by the Law.

The Management Company shall announce to investors any such dissolution of the Fund 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 Units are sold.

No application for subscription or conversion of Units will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Fund. If the equal treatment between Unitholders is ensured, redemption requests may be treated.

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 Board of Directors' 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.

Dissolution and distribution of the Fund cannot be requested by a Unitholder, his heirs or beneficiaries.

## **10. Taxation of the Fund and the Unitholders**

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

It is expected that Unitholders in 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 Units in the Fund. These consequences will vary in accordance with the law and practice currently in force in a Unitholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

### 10.1. Taxation of the Fund

The Fund is subject to Luxembourg legislation. Investors should inform themselves of the legislation and rules applicable to the purchase, holding and possible sale of Units having regard to their residence or nationality.

The Fund is currently subject to the following taxes:

#### 1) Subscription tax

The Fund is as a rule liable in Luxembourg to a subscription tax (taxe d'abonnement) at a rate of 0.01% or 0.05% per annum of its net assets attributable to the Units of the Fund. Such tax is payable quarterly and calculated on the net asset value of the relevant Class at the valuation date.

Some exemptions from subscription tax are however provided under current Luxembourg legislation.

#### 2) Withholding tax

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the Fund to its Unitholders. There is also no withholding tax on the distribution of liquidation proceeds to the Unitholders.

Non-resident Unitholders should note however that under the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("EU Savings Directive"), interest payments made by the Fund or its Luxembourg paying agent to individuals and residual entities (i.e. entities (i) without legal personality or (ii) whose profits are not taxed under the general arrangements for the business taxation or (iii) that are not, or have not opted to be considered as, UCITS recognized in accordance with Council Directive 2009/65 EC – a "Residual Entity") resident or established in another EU Member State as Luxembourg or individuals or Residual Entities resident or established in certain associated territories of the European Union, are subject to a withholding tax in Luxembourg unless the beneficiary elects for an exchange of information whereby the tax authorities of the state of residence are informed of the payment thereof. The withholding tax rate amounts to 35%.

#### 3) Income tax

The Fund is not liable to any Luxembourg income tax in Luxembourg.

#### 4) Value added tax

The Fund respectively the Management Company is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund respectively the Management Company could potentially trigger VAT. No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Unitholders, as such payments are linked to their subscription to the Fund's Units and do therefore not constitute the consideration received for taxable services supplied.

The above information is based on the law in force and current practice and is subject to change. In particular, a pending case law before the European Court of Justice might impact the VAT treatment of the investment advisory services (C-275/11).

#### 5) Other taxes

No stamp duty or other tax is payable in Luxembourg on the issue of Units in the Fund against cash.

The Fund may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, may not be refundable in Luxembourg.

### 10.2. Taxation of the Unitholders

Under current legislation, Unitholders are normally not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg, except for (i) those Unitholders domiciled, resident or having a permanent establishment in Luxembourg or (ii) non-residents of Luxembourg who hold 10% or more of the issued Unit 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 Unit 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. Information to Unitholders**

### 11.1. Prospectus, Management Regulations and KIID

Copies of the Prospectus, the Management Regulations and the KIID 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. Reports and financial statements

The financial year of the Fund starts on 1 November and ends on 31 October 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).

## 11.3. Issue and redemption prices and other information to Unitholders

The last known issue and redemption prices as well as all other information to Unitholders, may be downloaded from [www.sebgroup.lu](http://www.sebgroup.lu) and/or requested at any time, free of charge, at the registered office of the Management Company, the Custodian Bank and the paying agents.

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

## 11.4. 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 investors, free of charge, upon request at the registered office of the Management Company.

## 11.5. 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 Management Company.

## 11.6. 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 Management Company.

## 11.7. Unitholders' rights against the Fund

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund if the investor is registered himself and in his own name in the unitholders' 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 unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

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

### **SEB Strategy Defensive**

The Sub-fund seeks to provide capital growth while observing the risk level specified under the heading "Risk profile".

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

The Sub-Fund will invest directly or indirectly via other UCITS, UCIs and/or Exchange Traded Funds (ETFs), in interest bearing securities or in equities and equity related transferable securities without being restricted to a specific geographical area. The Sub-Fund may invest within the limits of the Law up to 100% of its net assets in other UCITS, UCIs and/or ETFs, provided that there is no conflict with the investment policy.

The Sub-Fund may also invest parts of its assets in UCITS and/or other UCIs as well as in ETFs, which have an exposure to commodities or precious metals. Investments in other UCIs, which have an exposure to commodities or precious metals, will at any time comply with the corresponding provisions of article 41 of the Law. ETFs shall at any time be in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC and must not leverage their exposure to commodities and/or precious metals by using derivative instruments.

The Sub-Fund may use futures contracts, options, swaps, credit default swaps and other derivatives as part of the investment strategy. It may also use derivatives to hedge various investments, for risk management and to increase the Sub-Fund's income or gain. The underlying assets of the above mentioned derivatives consist of instruments as described under article 4 section A in the Management Regulations as well as financial indices, interest rates, foreign exchange rates and commodity indices.

A commodity index may regroup different financial sub-indices representing one specific sector. The exposure to a financial sub-index representing one specific commodity sector may not exceed 15% of the Sub-Fund's net asset value.

While investing in such instruments, the Sub-Fund will at any time comply with the provisions of the CSSF Circular 08/339 as amended by CSSF Circular 08/380 relating to guidelines of the European Securities and Markets Authority (ESMA) concerning eligible assets for investment by UCITS and the relevant grand-ducal regulation of 8 February 2008, as may be amended from time to time.

The Sub-Fund is not allowed to enter into commitments to take over or to deliver physical commodities or precious metals, nor will the Sub-Fund be allowed to acquire commodities or precious metals or certificates representing them. All investments having an exposure to commodity or precious metal must be cash settled.

Within the limits laid down in article 41 (2) a) of the Law, the Sub-Fund may also invest in open-ended Real Estate Funds, provided that these Funds are authorized under laws which provide that they are subject to supervision considered by the Luxembourg Financial Supervisory Authority to be equivalent to Community Law, and that the cooperation between authorities is sufficiently ensured.

The Investment Manager may employ a strategy where active decisions on currency exposures are included.

The Sub-Fund may invest up to 100% of its assets in different transferable securities 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 from at least six different issues, and if securities from any one issue may not account for more than 30% of the Sub-Fund's total net assets.

## **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:

- 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)
- Credit risk, the Sub-Fund invests directly or indirectly in bonds or other fixed income related instruments. If an issuer of a bond fails to pay the interest and principal amount on time, the bond could lose up to its entire value.
- 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.
- Derivative risk, the Sub-Fund uses derivatives, these are financial instruments whose value depends on the value of an underlying asset. Small price changes in the underlying asset can result in large price changes of the derivative.
- Interest risk, the Sub-Fund invests in directly or indirectly in bonds or other fixed income related instruments, whose value is affected by changes in the interest rates.
- Liquidity risk, some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price
- Market risk, the value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies
- Operational risk, it is the risk of loss resulting from e.g. system breakdowns, human errors or from external events

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.

Since the assets of the Sub-Fund are risk exposed to one, several or all of the above asset types, the risk level in the Sub-Fund will be varying over time. The volatility in the Sub-Fund is measured with the VaR (Value at Risk) methodology and the risk in the Sub-Fund should stay below 3% on a 20-day time period with a 99% confidence interval. This means that, with 99% certainty, the percentage the Sub-Fund can expect to lose over the next 20 day period will be maximum 3%.

#### 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 five times of the Sub-Fund's NAV as an average over time. The level of 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 three years.

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

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

### 6. Classes available

Class	ISIN Code	Initial subscription price	Maximum entry charge	Maximum exit charge
C (EUR)	LU0486618746	EUR 100	1%	none
C (SEK)	LU0486619397	SEK 100	none	none

## **7. Charges**

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

### **7.1. Management Fee**

The management fee for the unit classes C (EUR) and C (SEK) will amount to a maximum of 1% 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 during the relevant month.

The total investment management fee that can be charged at the level of the investing Sub-Fund and the target fund must in aggregate not exceed 5%.

When a Sub-Fund invests in 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 to 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 apply entry and exit charges on account of the Sub-Fund's investment in the units of these UCITS and/or other UCI.

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

Orders for subscriptions, redemptions and conversions placed at the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day will be processed on the basis of the net asset value calculated thereafter on the next but one Valuation Day. Orders received after 15:30 (CET) on a Valuation Day will be considered as orders being placed on the next Valuation Day before 15:30 (CET).

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).

## **SEB Strategy Balanced**

The Sub-fund seeks to provide capital growth while observing the risk level specified under the heading "Risk profile".

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

The Sub-Fund will invest directly or indirectly via other UCITS, UCIs and/or Exchange Traded Funds (ETFs) in interest bearing securities or in equities and equity related transferable securities without being restricted to a specific geographical area. The Sub-Fund may invest within the limits of the Law up to 100% of its net assets in other UCITS, UCIs and/or ETFs, provided that there is no conflict with the investment policy.

The Sub-Fund may also invest parts of its assets in UCITS and/or other UCIs, as well as in ETFs, which may have an exposure to commodities or precious metals.

Investments in other UCIs, which have an exposure to commodities or precious metals, will at any time comply with the corresponding provisions of article 41 of the Law. ETFs shall at any time be in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC and must not leverage their exposure to commodities and/or precious metals by using derivative instruments.

The Sub-Fund may use futures contracts, options, swaps, credit default swaps and other derivatives as part of the investment strategy. It may also use derivatives to hedge various investments, for risk management and to increase the Sub-Fund's income or gain. The underlying assets of the above mentioned derivatives consist of instruments as described under article 4 section A in the Management Regulations as well as financial indices, interest rates, foreign exchange rates and commodity indices.

A commodity index may regroup different financial sub-indices representing one specific sector. The exposure to a financial sub-index representing one specific commodity sector may not exceed 15% of the Sub-Fund's net asset value.

While investing in such instruments, the Sub-Fund will at any time comply with the provisions of the CSSF Circular 08/339 as amended by CSSF Circular 08/380 relating to guidelines of the European Securities and Markets Authority (ESMA) concerning eligible assets for investment by UCITS and the relevant grand-ducal regulation of 8 February 2008, as may be amended from time to time.

The Sub-Fund is not allowed to enter into commitments to take over or to deliver physical commodities or precious metals, nor will the Sub-Fund be allowed to acquire commodities or precious metals or certificates representing them. All investments having an exposure to commodity or precious metal must be cash settled.

Within the limits laid down in article 41 (2) a) of the Law, the Sub-Fund may also invest in open-ended Real Estate Funds, provided that these Funds are authorized under laws which provide that they are subject to supervision considered by the Luxembourg Financial Supervisory Authority to be equivalent to Community Law, and that the cooperation between authorities is sufficiently ensured.

The Investment Manager may employ a strategy where active decisions on currency exposures are included.

The Sub-Fund may invest up to 100% of its assets in different transferable securities 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 from at least six different issues, and if securities from any one issue may not account for more than 30% of the Sub-Fund's total net assets.

## **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:

- 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)
- Credit risk, the Sub-Fund invests directly or indirectly in bonds or other fixed income related instruments. If an issuer of a bond fails to pay the interest and principal amount on time, the bond could lose up to its entire value.
- 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.
- Derivative risk, the Sub-Fund uses derivatives, these are financial instruments whose value depends on the value of an underlying asset. Small price changes in the underlying asset can result in large price changes of the derivative.
- Interest risk, the Sub-Fund invests in directly or indirectly in bonds or other fixed income related instruments, whose value is affected by changes in the interest rates.
- Liquidity risk, some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price
- Market risk, the value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies
- Operational risk, it is the risk of loss resulting from e.g. system breakdowns, human errors or from external events

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.

Since the assets of the Sub-Fund are risk exposed to one, several or all of the above asset types, the risk level in the Sub-Fund will be varying over time. The volatility in the Sub-Fund is measured with the VaR (Value at Risk) methodology and the risk in the Sub-Fund should stay below 6% on a 20-day time period with a 99% confidence interval. This means that, with 99% certainty, the percentage the Sub-Fund can expect to lose over the next 20 day period will be maximum 6%.

#### 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 ten times of the Sub-Fund's NAV as an average over time. The level of 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 three years.

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

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



## 6. Classes available

Class	ISIN Code	Initial subscription price	Maximum entry charge	Maximum exit charge
C (EUR)	LU0660786715	EUR 100	1%	none
C (SEK)	LU0394669880	SEK 100	none	none

The Management Company may, at its discretion, decide to launch the C (EUR) class.

## 7. Charges

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

### 7.1. Management Fee

The management fee will amount to a maximum of 1.65% 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 during the relevant month.

The total investment management fee that can be charged at the level of the investing Sub-Fund and the target fund must in aggregate not exceed 5%.

When a Sub-Fund invests in 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 to 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 apply entry and exit charges on account of the Sub-Fund's investment in the units of these UCITS and/or other UCI.

## 8. Cut-off Time / Order Processing

Orders for subscriptions, redemptions and conversions placed at the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day will be processed on the basis of the net asset value calculated thereafter on the next but one Valuation Day. Orders received after 15:30 (CET) on a Valuation Day will be considered as orders being placed on the next Valuation Day before 15:30 (CET).

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).

## **SEB Strategy Opportunity**

The Sub-fund seeks to provide capital growth while observing the risk level specified under the heading "Risk profile".

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

The Sub-Fund will invest directly or indirectly via other UCITS, UCIs and/or Exchange Traded Funds (ETFs) in interest bearing securities or in equities and equity related transferable securities without being restricted to a specific geographical area. The Sub-Fund may invest within the limits of the Law up to 100% of its net assets in other UCITS, UCIs and/or ETFs, provided that there is no conflict with the investment policy.

The Sub-Fund may also invest parts of its net assets in UCITS and/or UCIs as well as in ETFs, which have an exposure to commodities or precious metals.

Investments in other UCIs, which have an exposure to commodities or precious metals, will at any time comply with the corresponding provisions of article 41 of the Law. ETFs shall at any time be in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC and must not leverage their exposure to commodities and/or precious metals by using derivative instruments.

The Sub-Fund may use futures contracts, options, swaps, credit default swaps and other derivatives as part of the investment strategy. It may also use derivatives to hedge various investments, for risk management and to increase the Sub-Fund's income or gain. The underlying assets of the above mentioned derivatives consist of instruments as described under article 4 section A in the Management Regulations as well as financial indices, interest rates, foreign exchange rates and commodity indices.

A commodity index may regroup different financial sub-indices representing one specific sector. The exposure to a financial sub-index representing one specific commodity sector may not exceed 15% of the Sub-Fund's net asset value.

While investing in such instruments, the Sub-Fund will at any time comply with the provisions of the CSSF Circular 08/339 as amended by CSSF Circular 08/380 relating to guidelines of the European Securities and Markets Authority (ESMA) concerning eligible assets for investment by UCITS and the relevant grand-ducal regulation of 8 February 2008, as may be amended from time to time.

The Sub-Fund is not allowed to enter into commitments to take over or to deliver physical commodities or precious metals, nor will the Sub-Fund be allowed to acquire commodities or precious metals or certificates representing them. All investments having an exposure to commodity or precious metal must be cash settled.

Within the limits laid down in article 41 (2) a) of the Law, the Sub-Fund may also invest in open-ended Real Estate Funds, provided that these Funds are authorized under laws which provide that they are subject to supervision considered by the Luxembourg Financial Supervisory Authority to be equivalent to Community Law, and that the cooperation between authorities is sufficiently ensured.

The Investment Manager may employ a strategy where active decisions on currency exposures are included.

The Sub-Fund may invest up to 100% of its assets in different transferable securities 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 from at least six different issues, and if securities from any one issue may not account for more than 30% of the Sub-Fund's total net assets.

## **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:

- 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)
- Credit risk, the Sub-Fund invests directly or indirectly in bonds or other fixed income related instruments. If an issuer of a bond fails to pay the interest and principal amount on time, the bond could lose up to its entire value.
- 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.
- Derivative risk, the Sub-Fund uses derivatives, these are financial instruments whose value depends on the value of an underlying asset. Small price changes in the underlying asset can result in large price changes of the derivative.
- Interest risk, the Sub-Fund invests in directly or indirectly in bonds or other fixed income related instruments, whose value is affected by changes in the interest rates.
- Liquidity risk, some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price
- Market risk, the value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies
- Operational risk, it is the risk of loss resulting from e.g. system breakdowns, human errors or from external events

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.

Since the assets of the Sub-Fund are risk exposed to one, several or all of the above asset types, the risk level in the Sub-Fund will be varying over time. The volatility in the Sub-Fund is measured with the VaR (Value at Risk) methodology and the risk in the Sub-Fund should stay below 9% on a 20-day time period with a 99% confidence interval. This means that, with 99% certainty, the percentage the Sub-Fund can expect to lose over the next 20 day period will be maximum 9%.

#### 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 15 times of the Sub-Fund's NAV as an average over time. The level of 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 appreciation 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

Class	ISIN Code	Initial subscription price	Maximum entry charge	Maximum exit charge
C (EUR)	LU0660786806	EUR 100	1%	none
C (SEK)	LU0394669963	SEK 100	none	none

The Management Company may, at its discretion, decide to launch the C (EUR) class.

## 7. Charges

In accordance with Chapter 6. "Charges" in part I of the Prospectus, the Sub-Fund will, in principle, bear all the charges mentioned therein. More details on management fees 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 during the relevant month.

The total investment management fee that can be charged at the level of the investing Sub-Fund and the target fund must in aggregate not exceed 5%.

When a Sub-Fund invests in 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 to 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 apply entry and exit charges on account of the Sub-Fund's investment in the units of these UCITS and/or other UCI.

## 8. Cut-off Time / Order Processing

Orders for subscriptions, redemptions and conversions placed at the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day will be processed on the basis of the net asset value calculated thereafter on the next but one Valuation Day. Orders received after 15:30 (CET) on a Valuation Day will be considered as orders being placed on the next Valuation Day before 15:30 (CET).

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).

## **SEB Strategy Growth**

The Sub-fund seeks to provide capital growth while observing the risk level specified under the heading "Risk profile".

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

The Sub-Fund will invest directly or indirectly via other UCITS, UCIs and/or Exchange Traded Funds (ETFs) in interest bearing securities or in equities and equity related transferable securities without being restricted to a specific geographical area. The Sub-Fund may invest within the limits of the Law up to 100% of its net assets in other UCITS, UCIs and/or ETFs, provided that there is no conflict with the investment policy.

The Sub-Fund may also invest parts of its assets in UCITS and/or other UCIs as well as in ETFs which have an exposure to commodities or precious metals.

Investments in other UCIs, which have an exposure to commodities or precious metals, will at any time comply with the corresponding provisions of article 41 of the Law. ETFs shall at any time be in conformity with the applicable guidelines and provisions in terms of the Directive 2009/65/EC and must not leverage their exposure to commodities and/or precious metals by using derivative instruments.

The Sub-Fund may use future contracts, options, swaps, credit default swaps and other derivatives as part of the investment strategy. It may also use derivatives to hedge various investments, for risk management and to increase the Sub-Fund's income or gain. The underlying assets of the above mentioned derivatives consist of instruments as described under article 4 section A in the Management Regulations as well as financial indices, interest rates, foreign exchange rates and commodity indices.

A commodity index may regroup different financial sub-indices representing one specific sector. The exposure to a financial sub-index representing one specific commodity sector may not exceed 15% of the Sub-Fund's net asset value.

While investing in such instruments, the Sub-Fund will at any time comply with the provisions of the CSSF Circular 08/339 as amended by CSSF Circular 08/380 relating to guidelines of the European Securities and Markets Authority (ESMA) concerning eligible assets for investment by UCITS and the relevant grand-ducal regulation of 8 February 2008, as may be amended from time to time.

The Sub-Fund is not allowed to enter into commitments to take over or to deliver physical commodities or precious metals, nor will the Sub-Fund be allowed to acquire commodities or precious metals or certificates representing them. All investments having an exposure to commodity or precious metal must be cash settled.

Within the limits laid down in article 41 (2) a) of the Law, the Sub-Fund may also invest in open-ended Real Estate Funds, provided that these Funds are authorized under laws which provide that they are subject to supervision considered by the Luxembourg Financial Supervisory Authority to be equivalent to Community Law, and that the cooperation between authorities is sufficiently ensured.

The Investment Manager may employ a strategy where active decisions on currency exposures are included.

The Sub-Fund may invest up to 100% of its assets in different transferable securities 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 from at least six different issues, and if securities from any one issue may not account for more than 30% of the Sub-Fund's total net assets.

## **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:

- 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)
- Credit risk, the Sub-Fund invests directly or indirectly in bonds or other fixed income related instruments. If an issuer of a bond fails to pay the interest and principal amount on time, the bond could lose up to its entire value.
- 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.
- Derivative risk, the Sub-Fund uses derivatives, these are financial instruments whose value depends on the value of an underlying asset. Small price changes in the underlying asset can result in large price changes of the derivative.
- Interest risk, the Sub-Fund invests in directly or indirectly in bonds or other fixed income related instruments, whose value is affected by changes in the interest rates.
- Liquidity risk, some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price
- Market risk, the value of the Sub-Fund is influenced by the general situation in world economy, local markets and individual companies
- Operational risk, it is the risk of loss resulting from e.g. system breakdowns, human errors or from external events

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.

Since the assets of the Sub-Fund are risk exposed to one, several or all of the above asset types, the risk level in the Sub-Fund will be varying over time. The volatility in the Sub-Fund is measured with the VaR (Value at Risk) methodology and the risk in the Sub-Fund should stay below 15% on a 20-day time period with a 99% confidence interval. This means that, with 99% certainty, the percentage the Sub-Fund can expect to lose over the next 20 day period will be maximum 15%.

#### 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 20 times of the Sub-Fund's NAV as an average over time. The level of 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

Class	ISIN Code	Initial subscription price	Maximum entry charge	Maximum exit charge
C (EUR)	LU0660787010	EUR 100	1%	none
C (SEK)	LU0394670037	SEK 100	none	none



The Management Company may, at its discretion, decide to launch the C (EUR) class.

## **7. Charges**

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

### **7.1. Management Fee**

The management fee will amount to a maximum of 1.85% 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 during the relevant month.

The total investment management fee that can be charged at the level of the investing Sub-Fund and the target fund must in aggregate not exceed 5%.

When a Sub-Fund invests in 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 to 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 apply entry and exit charges on account of the Sub-Fund's investment in the units of these UCITS and/or other UCI.

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

Orders for subscriptions, redemptions and conversions placed at the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day will be processed on the basis of the net asset value calculated thereafter on the next but one Valuation Day. Orders received after 15:30 (CET) on a Valuation Day will be considered as orders being placed on the next Valuation Day before 15:30 (CET).

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).