



Prospectus

SEB TrendSystem Renten

**November 2013**

## 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 Key Investor Information Document, 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 unaudited semi-annual report of the Fund, if the annual report date is older than eight months

The distribution of the Prospectus and the offering for sale of unit classes of this Fund 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.

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# **The Fund**

## **1. General Information**

SEB TrendSystem Renten (hereinafter the “Fund”) is an undertaking for collective investment in transferable securities (“UCITS”) that is set up in the form of a mutual investment fund (“fonds commun de placement”) and is subject to the provisions of Part I of the law of December 17, 2010 (“the Law”).

The Fund was set up on August 3, 2000, for an indefinite period.

The Fund's assets composed of transferable securities and other eligible assets, are managed by the Management Company SEB Asset Management S.A.

The Management Company invests the money placed in the Fund in its own name for the joint account of the investors (“Unitholders”), according to the principle of risk spreading, in securities, money market instruments and other eligible assets. The proceeds received from the issue of units and the assets acquired constitute the net assets of the Fund. Such assets will be held separately from the assets of the Management Company.

As joint owners, Unitholders share the Fund's net assets in proportion to the number of units they hold. All Fund units have the same rights.

The current Management Regulations were filed with the Trade and Companies Register in Luxembourg and the notice of filing was published in *Mémorial C, Recueil des Sociétés et Associations* (hereinafter “Mémorial C”) on 4<sup>th</sup> July 2013 .

## 2. Involved Parties

### 2.1. Presentation of involved parties

<b>Promoter</b>	SEB Asset Management S.A. 4, rue Peternelchen L-2370 Howald
<b>Management Company<sup>1</sup></b>	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  Ralf Ferner Managing Director SEB Asset Management S.A. Luxembourg  Marie Winberg Global Head of Product Management SEB Investment Management AB Stockholm
<b>Managing Director</b>	Ralf Ferner, Managing Director Matthias Ewald, Deputy Managing Director
<b>Central Administration (including Administration, Registrar and Transfer Agent) and Paying Agent in Luxembourg</b>	The Bank of New York Mellon (Luxembourg) S.A. 2-4, rue Eugène Ruppert L-2453 Luxemburg

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<sup>1</sup> **Investment Funds that are managed by SEB Asset Management S.A.:**

Elite Fund, Gamla Liv International Real Estate Fund, IOR, SEB Alternative Investment, SEB Concept Biotechnology, SEB Credit Opportunity III, SEB Credit Opportunity III, SEB deLuxe, SEB Euroland Gratis, SEB EuropaRent Spezial, SEB European Equity Small Caps, SEB Fund 1, SEB Fund 2, SEB Fund 3, SEB Fund 4, SEB Fund 5, SEB HighYield, SEB 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, SEB TrendSystem Renten and SEB Trygg Pension

**SEB Asset Management S.A. also acts as management company for the following investment companies:**

SEB SICAV 1, SEB SICAV 2 and SEB SICAV 3,

<b>Investment Manager</b>	SEB Investment Management AB Sveavägen 8 SE – 106 40 Stockholm
<b>Global Distributor</b>	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE – 106 40 Stockholm
<b>Representatives and Paying Agents outside Luxembourg</b>	A full list of Representatives and Paying Agents outside Luxembourg is available free of 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 Peternelchen L-2370 Howald
<b>Approved Statutory Auditor of the Fund and the Management Company (hereinafter the "Auditor")</b>	PricewaterhouseCoopers, Société coopérative 400, route d'Esch L-1014 Luxemburg

## 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 August 16, 1988. The articles of incorporation were last amended on March 6, 2013, and published on April 9, 2013 in the *Mémorial C*.

The Management Company, governed by Chapter 15 of the Law of December 17, 2010, performs the duties necessary to manage and administer the Fund as required by Luxembourg law.

The subscribed and paid-in capital of the Management Company amounts to EUR 2,000,000.

The Management Company may, under its own responsibility, control and coordination, transfer some of its duties to third parties to ensure 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 and at its own expense - 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 December 15, 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.

In its capacity as Administration Agent, The Bank of New York Mellon (Luxembourg) S.A. takes over certain administrative duties which are necessary within the framework of managing the Fund, including the calculation of the Net Asset Value of the units and accounting services for the Fund.

In its capacity as Registrar and Transfer Agent, it is responsible for the execution of subscriptions, and redemptions of units as well as for maintaining the unitholders' register.

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 Manager

The Management Company has delegated the investment management function to SEB Investment Management AB, which has its registered office in Stockholm (Sweden).

SEB Investment Management AB is supervised by the Swedish financial supervisory authority.

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 this Fund. In addition, the Investment Manager may seek third-party advice at its own expense and under its own responsibility.



The Investment Manager implements the investment policy, makes investment decisions and continually adjusts them inline with market developments, taking into account the interests of the 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 Luxembourg law.

### **3. Investment Objective and Policy**

The main objective of SEB TrendSystem Renten's investment policy is to generate an adequate return above the level attainable in the euro member states while minimising political and geographical risks and eliminating foreign exchange risk. The duration of the portfolio may vary from 2 to 7 years.

- a) The pool of assets are invested primarily in fixed-income bonds (including zero-coupon bonds) from public-sector issuers from the European Monetary Union member states with a minimum credit rating of BBB- (on the Standard & Poor's scale ) or the equivalent in accordance with the principle of risk diversification.

By managing the investment level according to the entry and exit signals of a mathematical model applied to certain bond market indexes (different terms of the Barclays Euro Treasury 1-10 Year Total Return Index Value Unhedged EUR), the aim is to use a high investment level to take advantage of rising price trends on the bond market and use a low investment ratio to counter the risk of a falling price trend.

- b) The Fund also invests in:

- debt securities and securities that securitise other creditor rights from issuers domiciled in a member state of the European Union, provided that redemption of the instrument is state-guaranteed or provided that a deposit insurance fund operated by the banking industry assumes responsibility for the redemption of the instrument, or provided that a special cover pool has been established by law;
- public-sector debt register claims from the European Economic Area. The signatories to the Agreement on the European Economic Area and Switzerland are considered on a par with the European Union member states.

In addition, bonds issued by issuers domiciled in a European Monetary Union member state and denominated in euro, provided these bonds are admitted to trading on a stock exchange in European Economic Area ("EEA") member state or Switzerland or are included in an organised market in a member state of the EEA or Switzerland that is recognised, open to the public and operates regularly, or whose admission to official listing on a stock exchange in a member state of the EEA or Switzerland or whose inclusion in the organised market in a member state of the EEA or Switzerland is to be applied for under the terms and conditions of issue, provided that the admission or inclusion takes place within one year after their issue, may be held in the Fund portfolio until maturity unless it is possible to sell them at an earlier date without incurring a loss;

c) Under the statutory provisions and restrictions, the derivative financial instruments – whose underlying is securities, currencies or interest rates – stated in the Management Regulations may only be used for hedging purposes for the Fund.

d) In addition, the Fund may invest in regularly traded money market instruments if they meet the criteria stated in a) and b) above or hold liquid assets (cash at bank). These liquid assets must be held by a credit institution domiciled in a European Union member state or in another signatory of the Agreement on the European Economic Area or in Switzerland; an additional requirement is that a guarantee also includes a deposit guarantee scheme.

e) The Fund may not acquire units of other undertakings for collective investment in transferable securities (UCITS) or undertakings for collective investment (UCI).

**In accordance with the principle of risk spreading, the Management Company may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a member state of the European Union, as defined in law, one or more of its local authorities, or by the European Coal and Steel Community, EURATOM, European Economic Communities 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 one issue do not account for more than 30% of the net assets of the Fund.**

Considering the foregoing, the Management Company shall only acquire assets for the Fund that are denominated in Euro or a currency of a Member State of the European Union, or another signatory state to the Agreement on the European Economic Area. Assets that are not denominated in euro shall only be acquired in connection with a hedge transaction.

Only for hedging purposes and in the interest of the unitholders, the Fund may use:

- future contracts
- options or warrants if there is a linear relationship between the value of the option and the positive or negative difference between the exercise price and the market value of the underlying at the time the option is exercised, and the value of the option becomes zero if the plus/minus sign for the difference is reversed;
- swaps such as interest rate swaps, foreign currency swaps or cross-currency swaps and credit default swaps.

The underlying assets of the above mentioned derivatives consist of instruments financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest, in accordance with the investment objectives

### 3.1. Efficient portfolio management techniques

Securities lending, sale with right of repurchase transactions as well as repurchase and reverse repurchase agreements may be used by the Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the maximum extent allowed by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law, (ii) CSSF Circular 08/356 relating to the rules applicable to UCIs when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time and (iii) any other applicable laws, regulations or CSSF circulars.

All the revenues arising from efficient portfolio management techniques, net of external direct costs (such as fees paid to the securities lending agent) and indirect operational costs, are returned to the Fund.

When using these efficient portfolio management techniques, the Fund will at any time comply with the collateral management policy as described under Section 3.2. below.

Transferable securities contained in the Fund can be lent for a period of maximum 30 days. The conditions are that (1) 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 and (2) that the Fund has the right to terminate the securities lending contract at any time and to demand the return of the lent securities.

The exercise of securities lending transactions is centralized in the SEB Group within a specialized securities lending desk at SEB AB. The transactions are carried out on the basis of a written agreement between the management company and SEB AB. As intra-group agreement the conditions applied have to be at market conditions following the SEB Group Instruction for Handling of Conflicts of Interest. Adherence to that policy is controlled by independent internal control by Group Compliance and Group Internal Audit in order to avoid transactions to the disadvantage of the investor in the Fund.

### 3.2. Collateral management

While engaging into OTC financial derivatives and efficient portfolio management techniques, the Fund shall, at all times, comply with the Management Company's collateral policy, all in accordance with the ESMA guidelines on ETFs and other UCITS issues (ESMA/2012/832).

Eligible collateral consist of high credit quality, diversified and liquid assets, valued on a daily basis.

These eligible assets are defined in the Collateral Policy. An appropriate haircut is assigned to each asset type depending on the quality and the volatility of the asset, to ensure that the counterparty exposure is properly collateralized, taking into account the potential risk of fluctuation in the market value of the collateral.

Non cash collateral received is not sold, re-invested/re-used or pledged and its market value, after applied haircuts, is at least 100% of the counterparty exposure value. The Fund is capable of enforcing the collateral at any time without reference to or approval from the counterparty.

## **4. Information on risk**

### **4.1. General information**

Investing in the Fund Units involves financial risks. The risks may include or be associated with general market, interest rate, credit and volatility risks as well as political risks. All of these risks may also appear in conjunction with other risks. Some of these risk factors are briefly discussed below. Potential investors should have experience in investing in instruments in line with the proposed investment policy. Investors should also be aware of the risks associated with an investment in the units, and should only make an investment decision after detailed consultation with their legal, tax and financial advisors, certified accountants or other advisors about (a) the suitability of an investment in units of the Fund in consideration of their personal financial or tax situation and other circumstances, (b) the information contained in this Prospectus, (c) the investment policy of the Fund.

Investors should bear in mind that while investments in a fund may increase in value they are also associated with risks. Units of the Fund are securities whose value is determined by the fluctuations in price of the assets it contains. The value of the units may increase or decrease in value in relation to the purchase price.

**Therefore, no guarantee can be given that the objectives of the investment policy will be achieved.**

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

### **4.2. Risk factors**

#### **Default Risk**

In addition to the general trends in the capital markets, the individual performance of a specific issuer also has an effect on the price of an investment. Even with the most painstaking selection of securities, the possibility of losses caused by a decline in issuers' assets, for example, cannot be ruled out.

#### **Sector Risk**

Insofar as a fund focuses on certain sectors within the scope of its investments, this will narrow the spread of risk, and as a result the fund may be dependent on the general performance or the performance of company profits in individual sectors or sectors connected with each other.

#### **Counterparty Risk**

When concluding over-the-counter (OTC) transactions, the Fund may be subject to risks connected with the creditworthiness of its counterparties and their ability to fulfil the terms of such agreements. For example, the Fund may enter into futures, options or swap transactions or make use of other derivative instruments that expose the Fund to the risk that its counterparty may be unable to fulfil its obligations arising from such a contract.

**Credit Risk**

Investors should be aware that an investment may pose credit risks. Bonds or debt instruments pose a credit risk in connection with issuers; the credit rating of the issuer can serve as a measure of this risk.

Bonds or debt instruments floated by issuers with a lower rating are generally deemed to have a higher credit risk and greater risk of default on the part of the issuers than instruments floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect both the value of the bonds or debt instruments (i.e. this value could fall to zero) and the payments made on the basis of these bonds or debt instruments (which could also fall to zero).

**Liquidity Risk**

Liquidity risks arise when a given security is difficult to sell. As a general rule, only securities which can be sold at any time are to be purchased for a fund. Nevertheless, at certain times or in certain sections of the stock market, it may become difficult to sell particular securities at the desired point in time. In addition, there is a danger that securities which are traded in a relatively narrow section of the market may be subject to considerable price volatility.

**Market Risk**

This risk is of a general nature and exists for all types of investment. The performance of securities depends in particular on the performance of the capital markets and the economic performance of the issuers, which, in turn, are affected by the global economic environment and the economic and political situation in the respective countries.

**Operational risk**

The Fund may suffer losses due to system failures, human error or other events.

**Risk arising from the use of derivatives**

The following risks may be associated with derivatives:

- a) the rights acquired are temporary and may lapse or decline in value;
- b) the risk of loss cannot be determined and may exceed any collateral provided;
- c) it may not be possible to carry out transactions in which the risks are excluded or limited, or such transactions may only be possible at loss-making market prices;
- d) the risk of loss may be increased if the liabilities or returns arising from or relating to these transactions are denominated in a foreign currency.
- e) slight changes in the value of the underlying may cause significant fluctuations in the value of the derivative.

**Efficient portfolio management techniques**

Specific risks associated with securities lending and repurchase transactions

- a) In relation to securities lending transactions, if the other party to the transaction cannot complete the transaction, the Fund may be left holding the collateral delivered by the other party to secure the transaction. There is a risk that the collateral received may be realized at a value lower than the value of the securities lent out, whether due to inaccurate pricing, adverse

Delays in the return of securities lent may restrict the ability of a Fund to meet delivery obligations under security sales or payment obligations arising from redemption requests.

- b) In relation to repurchase transactions, in the event of the failure of the counterparty with which cash of a Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded.

Locking cash in transactions of excessive size or duration delays in recovering cash placed out. Difficulty in realizing collateral may restrict the ability of the Fund to meet redemption requests or security purchases.

### **Company-Specific Risk**

The price trend of the securities held by the Fund is also dependent on company-specific factors, for example, the issuer's business situation. If these company-specific factors turn negative, the price of the relevant instrument may experience a significant and lasting reduction, irrespective of an otherwise generally positive performance on the stock market.

## **Interest Rates**

Investors should be aware that an investment in units may be associated with interest rate risks which may arise due to fluctuations in interest rates in the currency of the securities or the Fund.

If the market interest rate increases, the value of the interest-bearing securities held by the Fund may drop significantly. This applies to a greater extent if the Fund also holds interest-bearing securities with a longer residual term to maturity and a lower nominal interest return.

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

The Fund uses a risk management process that allows the Management Company to monitor and assess the risk associated with the investment positions and its contribution to the overall risk profile of the portfolio at any time.

#### **a) Overall risk**

The overall risk of this Fund is measured using the relative VaR (Value at Risk) approach.

In accordance with the applicable rules, the VaR of the Fund may not be more than double the VaR of its reference portfolio. This Fund uses the 100% Barclays Euro Treasury 1-10 Year Total Return Index Value Unhedged EUR as the reference portfolio for the purposes of calculating the relative VaR.

#### **b) Leverage**

Leverage is gained by using derivative financial instruments and collateral for efficient portfolio management transactions (i.e. securities lending and repurchase agreements). Over time, it is expected that the average leverage level will not exceed the simple net asset value of the Fund. However, the leverage level can fluctuate substantially over long periods and thus come in above or below this expected average.

Leverage is the sum of the absolute positions (often referred to as “gross position”) of derivative financial instruments (i.e. the absolute sum of all long-term and short-term derivative positions compared to the net asset value of the Fund) and the re-investment of collateral for securities lending and repurchase agreements utilised by the Fund.

The above-stated, expected leverage level is not intended to constitute an additional exposure limit for this Fund. This information is meant only as additional information for investors.

#### 4.4. Investor Profile

The Fund is suitable for investors who wish to exploit profit potential offered by the euro bond market and who seek an attractive return in the long-term. To achieve this aim, they accept only slight fluctuations in value.

The target investment period should be at least three years.

### **5. Units**

#### 5.1. Issue of Units

Units are issued either in registered form and recorded in a nominal account or as bearer units on each Valuation Day. Bearer units will be vested in as global certificates which will be deposited with the Custodian Bank. There is no claim on issue of individual physical securities.

The Management Company issues units of classes B I and B II.

The Management Company is permitted to issue additional unit classes at any time. Class B I and B II units entitle the unitholder to distributions.

The minimum investment sum for class B I units is EUR 200,000.00. There is no minimum investment sum for class B II units.

The issue price is the net asset value per unit plus a subscription fee of up to 0.5% of the net asset value per unit for unit class B I and of up to 3.5% of the net asset value per unit for unit class B II.

The payments made by electronic transfer must reach the Registrar and Transfer Agent in Luxembourg within five (5) bank business days following the applicable valuation day.

The issue price is payable in the reference currency of the Fund. However, the Management Company may also accept payments in other major currencies. Any costs connected with the foreign exchange transactions will have to be borne by the Unitholder.

The subscription fee is charged on behalf of the Fund's Distributors. Fees and other costs incurred in the countries where the Fund is distributed may be added to the subscription price.

At its discretion, the Management Company may, upon application from a Unitholder, issue units in return for a contribution in kind of securities and other assets. It is assumed that these securities and other assets are in keeping with the investment objectives and policy as well as the provisions of the Management Regulations. The Independent Auditor of the Fund shall generate a valuation report, which shall be available for inspection to all investors at the registered office of the Management Company. The costs of such contribution in kind shall be borne by the investor in question. Units are issued at the corresponding subscription price in the amount of the value of the contribution in kind as determined by the Independent Auditor.

The Management Company may provide for the issuance of fractional units, which may be issued up to three decimal places.



The Management Company is authorised to issue new units at any time. However, the Management Company reserves the right to suspend the issue of units temporarily or permanently. Payments already made will be reimbursed immediately if this should happen. Unitholders will be informed immediately of the suspension and resumption of the issue of units.

#### 5.1.1 Restrictions on issue

The units of SEB TrendSystem Renten have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the "Investment Company Act of 1940" (the "Investment Company Act") or any other applicable legislation in the United States of America or any of its federal states. In addition, the units (or economic interest in same) are not offered for sale or sold in the United States of America, even if the transaction is exempt from registration under the "Securities Act" and other securities laws or the transaction falls outside the scope of the "Securities Act" or any other securities law.

The Fund was not registered under the "Investment Company Act" as amended, nor is such registration intended.

The units of SEB TrendSystem Renten are not offered for sale or sold in the United States of America. Furthermore, the units are not offered for sale or sold to US persons or for account of or for the economic benefit of US persons (in accordance with the definition in Regulation S of the "Securities Act" ("Regulation S")) and within the interpretations of the "Investment Company Act", "US person".

Every investor in units must give the Management Company an assurance that he is not a US person and that he acquired the units in an offshore transaction in accordance with "Regulation S".

Any other transfer of units and any economic interest therein may only be acquired by non-US persons in an offshore transaction outside the United States of America, in accordance with the exception provided by "Regulation S".

Those wishing to acquire units in SEB TrendSystem Renten will be required to certify that they are not US persons. Unitholders are required to notify the Management Company of any change in their status.

The Management Company is authorised to reject the issue of units for such persons or to have the units transferred to non-US persons.

The Management Company may at any time forcibly redeem/repurchase the units held by a prohibited person.

#### 5.1.2 Anti-Money laundering procedures

The distributor has the obligation towards the Registrar and Transfer Agent to comply with all regulations to combat money laundering and all ethical obligations to do so that currently apply or will in future apply in Luxembourg. As a consequence of these regulations, the distributors are required to identify the subscriber prior to transmitting the application form to the Registrar and Transfer Agent, unless the subscription application has been accepted by regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg. Within the scope of the measures to combat money laundering that are applicable in the Grand Duchy of Luxembourg, Unitholders are required to disclose their identity and that of any potential economic beneficiaries to the Registrar and Transfer

Agent. The Registrar and Transfer Agent and the distributors are required to set up control measures to 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). Therefore applications for subscription shall only be accepted if subscribers can prove that they are exempt from these requirements or if they provide the documentation requested by the Registrar and Transfer Agent, it being at the absolute discretion of the Registrar and Transfer Agent to request additional supporting documents or to reject applications for subscription even if all supporting documents and applications for subscription are made available.

#### 5.1.3 Late trading and market timing

The Management Company does not permit any practices associated with market timing and late trading and reserves the right to reject applications for subscription from an investor who the Management Company suspects of engaging in such practices. The Management Company will take whatever action is necessary to protect the other investors in the Fund .

### 5.2. Redemption of Units

Units are redeemed on each Valuation Day at their Net Asset Value. If stamp duties or other charges are payable in a country in which the units are being redeemed, the redemption price will be reduced accordingly.

Payments are made by the Custodian Bank or the Paying Agents in the base currency of the Fund (or, if requested by the unitholder, in any other major currency that is accepted by the Management Company). Payments are made by electronic transfer with a value date within ten (10) bank business days following the relevant valuation day. Any costs connected with the foreign exchange transactions will have to be borne by the Unitholder.

In the event of massive demand for redemptions, the Management Company reserves the right to redeem the units at the valid redemption price only after it has sold appropriate assets without delay, while safeguarding the interests of the unitholders.

The units may be redeemed at the Management Company, the Registrar and Transfer Agent as well as the relevant Paying Agents and Distributors. Any other payments to Unitholders are also made through these offices.

If the Management Company suspects market timing, it is authorised to charge a redemption fee of up to 2% of the net asset value of the units, provided the units were issued no more than six (6) months previously. This redemption fee accrues to the Fund or to the relevant unit class. The same redemption fee is charged for all redemptions carried out on the same Valuation Day that involve market timing.

#### 5.2.1 Redemption of Units Held by US Persons

The Management Company is further authorised to redeem units held by US persons (as defined above) at any time.

### 5.3. Conversion of Units

Unitholders may convert all or some of their units into units of another class, provided that the minimum investment amount for the unit class to be acquired is met. The units will be converted on the basis of the nearest Net Asset Value per unit of the corresponding unit class.

If the subscription fee levied for the new unit class is higher than that levied for the old unit class, then the Management Company has the right to levy the difference as a conversion fee; otherwise, no conversion fee is incurred.

If, after the redemption or conversion of units, the total holding of a unitholder falls below the minimum investment amount defined for a certain unit class, the Management Company may, where applicable and at its sole discretion, compulsorily redeem or convert all units held by this unitholder in this unit class.

#### 5.4. Cut-off Time

All subscription, conversion and redemption requests are made on the basis of an unknown net asset value per unit. Orders that are received by the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day are processed on the basis of the Net Asset Value per unit of the next Valuation Day. Orders received after 15:30 p.m. (CET) will be processed on the basis of the Net Asset Value per unit of the next but one Valuation Day.

This ensures that subscription, conversion and redemption requests can only be submitted on the basis of an as yet unknown net asset value per unit, plus any subscription fee or less any redemption fee.

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

### **6. Charges**

**1.** In remuneration of its services, the Management Company receives a commission at an annual rate of up to 0.50% p.a., based on the average net assets calculated daily. The fee is paid at the end of each month.

In addition to this fixed management fee, the Management Company also receives an annual performance-related commission ("performance fee") amounting to 25% of the value by which the annual growth in the net asset value per unit exceeds the yield of the "Barclays Euro Treasury 1-10 Year Total Return Index Value Unhedged EUR" index. All costs incurred by the Fund, including the fixed management fee of 0.50% p.a., are included in determining the performance of the net asset value per unit. The performance fee is therefore only charged when the performance of the unit price after the deduction of all costs is above the performance of the above-mentioned index at the end of the financial year. In this case, the performance fee can be calculated and taken from the Investment Fund. The performance of the Net Asset Value per unit against the index is compared each time the price is calculated and deferred on a pro-rata basis. The basis for this calculation is the average Fund volume for the period in question. If, at the end of the Fund's financial year, the unit price, after deduction of all costs, is below that of the above-mentioned index, this decline in value is not taken into account when calculating the performance fee for the following financial year.

Investors should note that even in the event of negative unit price performance, a performance fee may be paid if the performance of the net asset value per unit exceeds the performance of the benchmark index.

**2.** The Custodian Bank receives from the net assets:

- a) a commission of 0.05% calculated daily based on the securities assets held in custody;
- b) a processing fee in line with standard banking practice for transactions on account of the Fund;
- c) costs and expenses incurred by the Custodian Bank on the basis of the permitted commissioning of third-party banks and/or securities depositories with the custody of the net assets of the Fund, in line with standard market practice.

These fees are paid to the Custodian Bank at the end of each month.

**3.** Other costs incurred in accordance with Article 15 of the Management Regulations may be charged to the Fund.

## **7. NAV calculation**

The Fund's Net Asset Value is expressed in EUR.

The net asset value per unit is calculated on each bank business day in Luxembourg with the exception of 24 December and 31 December, (hereinafter "Valuation Day") by subtracting the value of the Fund's liabilities from the value of the Fund's assets, divided by the number of outstanding units.

Details on the net asset value per unit calculation and on the valuation of assets are set out in the Management Regulations.

## **8. Mergers**

For the purposes of this Chapter the term "UCITS" includes the sub-funds of a UCITS.

The merger of the Fund with another UCITS and the merger date are decided by the Board of Directors of the Management Company.

In the case provided by law, the Management Company entrusts either a chartered or certified accountant or, if necessary, an independent auditor with the audit measures required by law.

Mergers are effected and effective in accordance with applicable law.

Unitholders of the merging and/or host UCITS are given access to the information about the merger on the website of the Management Company and, if necessary, in any other form required by law or by the relevant regulations in the countries in which the units concerned are sold.

## **9. Liquidation of the Fund**

The Management Company can liquidate the Fund at any time in accordance with the details given in the Management Regulations.

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

The following summary is based on the current laws and practices and applies subject to future amendments. This 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. As a result, this Prospectus does not attempt 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 applicable legislation and the applicable rules for the purchase, holding and possible sale of units taking into account their residence or their nationality.

The Fund is subject to the following taxes at present:

a) Subscription tax

The Fund is subject to a subscription tax ("taxe d'abonnement") in Luxembourg of 0.05% or 0.01% per annum (whichever applies) of the net assets attributable to the units of the Fund. This tax is due quarterly on the basis of the overall net assets of the Fund as at the end of the calendar quarter in question. Fund investments in shares or units of other Luxembourg undertakings for collective investment also subject to the "taxe d'abonnement" are deducted from the net asset value of the Fund used to calculate the tax payable by the Fund.

Exemptions from subscription tax are set out in the current Luxembourg legislation.

b) Withholding tax

According to current Luxembourg tax law, no withholding tax is levied on distributions, unit redemptions or payments of the Fund to its unitholders. Nor is withholding tax levied on the distribution of liquidation proceeds to the unitholders.

Unitholders who are non-resident in Luxembourg should note that, according to the European Union Savings Directive (Council Directive 2003/48/EC), interest paid by the Fund or its Luxembourg Paying Agent to individuals or other entities (e.g. organisations (i) without a legal identity or (ii) whose profits are not taxed under the general rules of trade taxation or (iii) which are not or have decided not to be recognised as a UCITS in accordance with Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) ("other entity")) domiciled in Luxembourg or in an EU member state other than Luxembourg or individuals or other entities domiciled or established in certain associated countries of the European Union are liable for withholding tax in Luxembourg, unless the beneficiary opts to share information, in which case the tax authorities of the country of residence are informed of the payment. The withholding tax rate is 35%.

c) Taxes on earnings

The Fund is not subject to any Luxembourg capital gains or income tax.

d) Value Added Tax

The Fund or the Management Company are subject to value added tax in Luxembourg, excluding the right to deduct input tax. There is an exemption from value added tax for services that qualify as fund management services. Other services availed of by the Fund or by the Management Company for the Fund may be subject to value added tax. In Luxembourg there is no value added tax liability for payments made by the Fund to its unitholders, as such payments are connected with the subscription of Fund units and are therefore not considered taxable services rendered.

e) Other taxes

In Luxembourg neither stamp duties nor other taxes are payable on the issue of Fund units.

Dividends, interest or other earnings of the Fund may be subject to withholding tax or capital gains tax in the jurisdictions in which the earnings arise. Since the Fund itself pays no taxes on earnings, any withholding tax paid in Luxembourg cannot be reimbursed.

## 10.2. Taxation of the unitholders

As the law currently stands, the unitholders are not liable in Luxembourg for capital gains, income, withholding, property, inheritance or any other form of tax. This does not apply (i) to the unitholders who are resident or domiciled or have a permanent establishment in Luxembourg, (ii) to persons not domiciled in Luxembourg who hold 10% or more of the issued share capital of the Fund and who sell all or some of their units within six (6) months after purchase, or (iii) in a few limited cases to persons formerly domiciled in Luxembourg who hold 10% or more of the issued share capital of the Fund.

Pursuant to the European Savings Directive (Council Directive 2003/48/EC), adopted by the Council of the European Union on June 3, 2003, a member state must provide the tax authorities of another member state with details of interest payments or payments of similar investment income (possibly including the interest arising on the proceeds of unit redemptions) made by a Paying Agent in its territory to a person domiciled in the other member state, although it must be noted that for a transition period some member states (Luxembourg and Austria) are entitled to opt for a withholding tax system instead of the above-mentioned provision of information to the tax authorities with respect to such payments.

The rate of this withholding tax has been 35% since July 1, 2011.

## **11. Information to Unitholders**

### **11.1. Prospectus, Management Regulations and Key Investor Information**

Copies of the Prospectus, Management Regulations and Key Investor Information 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 begins on January 1 of the year and ends on December 31 of the same year. The audited annual reports and the unaudited semi-annual reports of the Fund are available free of charge at the registered office of the Management Company and on its website [www.sebgroup.lu](http://www.sebgroup.lu).

### **11.3. Issue and Redemption Prices and Other Information for Unitholders**

The latest known issue and redemption prices as well as all other information for unitholders may be downloaded from the website [www.sebgroup.lu](http://www.sebgroup.lu) and/or requested free of charge at the registered offices of the Management Company, the Custodian Bank and the Paying Agents at any time.

In addition, the investors are informed in a form permitted by the laws or relevant regulations of the countries in which the Fund units are sold.

### **11.4. Stock Exchange Listing**

There are no plans to list units of the Fund on a stock exchange.

### **11.5. Calculation and Use of Income**

The Management Company decides each year when and in what amount a distribution will be made.

A distribution is paid out on the units of distribution unit classes B I and B II outstanding on the date of distribution.

### **11.6. Best Execution**

Information on the instructions to ensure proper execution, processing and transmission of orders in financial instruments are available to the investors on request and free of charge at the registered office of the Management Company.

### **11.7. Voting Rights**

Investors are given access to a strategy overview to describe what, when and how the voting rights associated with the Fund investments are to be exercised. Information about the measures taken with respect to the Fund on the basis of this strategy is available to investors on request at the registered office of the Management Company.

#### 11.8. 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.

#### 11.9. Conflict of interest

Information relating to the conflict of interest's policy will be made available to investors, free of charge, upon request, at the registered office of the Management Company.

#### 11.10. 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 has invested in a Fund through an intermediary investing in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain investor rights directly against the Fund. Investors are advised to inform themselves of their rights.



## ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

In accordance with Section 310 (1) and (2) of the Investment Code (*Kapitalanlagegesetzbuch* – KAGB), the Management Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin: the German Federal Financial Supervisory Authority), Frankfurt am Main, of the distribution of Fund units in Germany.

### Distributor in Germany

SEB Investment GmbH  
Rotfeder-Ring 7  
D-60327 Frankfurt am Main

### Paying and Information Agent in Germany

SEB AG  
Ulmenstrasse 30  
D-60325 Frankfurt am Main

### Right of Revocation pursuant to § 305 KAGB

If a purchase of investment fund units is has been induced by oral negotiations outside of the permanent business premises of the party selling the units or brokering their sale, the purchaser may revoke declaration to purchase said units in a written statement directed to the foreign management company within a period of two weeks (**right of revocation**); the same applies if the party selling the units or brokering their sale has no permanent business premises. If this involves a **distance selling transaction** as defined by § 312b BGB, then a revocation is precluded when purchasing financial services whose price is subject to fluctuations on the financial market (§ 312d para. 4 no. 6 BGB).

Compliance with the deadline requires only that the declaration of revocation be dispatched in a timely manner. The revocation shall be declared in writing to the Management Company, SEB Asset Management S.A., with its registered office at L-2370 Howald, 4, rue Peterelchen, with name and signature of the individual making the declaration; no reason for the revocation is required.

The revocation period shall not commence until the copy of the application for conclusion of a contract has been provided to the purchaser or the purchaser has been sent a bought note containing an instructions as to the right of revocation.

If the parties are in dispute as to the commencement of the revocation period. The seller shall bear the burden of proof.

No right of revocation shall exist if the seller demonstrates that (1) the purchaser acquired the units in the course of its trade or business; or (2) the seller called on the purchaser on the basis of a prior request pursuant to section 55 (1) of the Industrial Code (Gewerbeordnung – GewO) for the negotiations leading to the sale of the units.

If revocation is declared after the purchaser has already effected payment, the foreign asset management company shall reimburse the purchaser, if applicable in return for the retransfer of the acquired units, for the expenses paid and shall also pay out an amount equivalent to the value of the paid units on the day after receipt of the revocation.

The right of revocation cannot be waived.

## **Publications**

As regards the sale of units in Germany, issue and redemption prices of Fund units are published on the website [www.sebgroup.lu](http://www.sebgroup.lu) under “SEB Asset Management S.A.”.

In addition, the investors in Germany will be provided by means of a durable medium in accordance with § 167 KAGB in German or in a language that is customary in the sphere of international finance (§ 298 clause 2 KAGB):

aa) suspension of the redemption of the units of an EU UCITS;

bb) termination of an EU UCITS' management or the winding-up of an EU UCITS;

cc) amendments to the fund rules which are inconsistent with existing investment principles, affect material investor rights, or relate to remuneration or the reimbursement of expenses that may be taken out of the EU UCITS' assets, including the reasons for the amendments and the rights of investors, the information must be communicated in an easily understandable form and manner and must indicate where and how further information may be obtained;

dd) the merger of EU UCITS in the form of information on the proposed merger which must be drawn up in accordance with Article 43 of Directive 2009/65/EC;

ee) the conversion of an EU UCITS into a feeder fund or any change to a master fund in the form of information which must be drawn up in accordance with Article 64 of Directive 2009/65/EC.

## **Information Relating to the German Paying Agent**

All payments to unitholders (sales proceeds, distributions, if applicable, and all other payments) may be effected through the German Paying Agent.

Applications for subscription, redemption and conversion of units of the Fund may be submitted to the German Paying and Information Agent. The current prospectus of the Fund, the key investor information document, the management regulations, the current annual and semi-annual reports are available free of charge from the German Paying and Information Agent. Issue and redemption prices can be obtained or are available for inspection free of charge at the Paying and Information Agent.

## **Specific risks arising from new obligations on the publication of tax data in Germany**

Upon request and at any time, the Management Company of the Fund must provide the German tax authorities with documents which the tax authorities require to permit the verification of the tax information published by the Fund.

The basis for calculating the tax-relevant data can be interpreted in various ways. As a result, there can be no guarantee that the German tax authorities will accept the calculation method of the Fund's Management Company in every respect.

If, as a result of this state of affairs, it should emerge that the tax data published by the Fund are incorrect, the investor must be aware that any corrections made will not have a retroactive effect and will, as a general rule, apply only to the current tax year. Consequently, a correction may have a positive or negative impact on the investor only for the current tax year in which distributions have been received or in which distribution-like income is attributable.