



Prospectus

SEB TrendSystem Renten

R.C.S Luxembourg K86

January 2020

Important information

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

SEB Investment Management AB 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 Cashes 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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Glossary of terms

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

Base Currency	the currency of denomination of the Fund being the euro (EUR)
Central Administration	The Bank of New York Mellon SA/NV, Luxembourg Branch
Class / Unit Class	the Management Company may decide to issue separate classes of units which 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
Collateral Policy	The collateral policy for OTC derivatives & efficient portfolio management techniques for SEB Investment Management AB..
CSSF	the Luxembourg Financial Supervisory Authority " <i>Commission de Surveillance du Secteur Financier</i> "
Depository	Skandinaviska Enskilda Banken S.A. On or after 2 January 2020: Skandinaviska Enskilda Banken (publ), AB Luxembourg Branch
Directive 2009/65/EC	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, as amended from time to time
EU	European Union
ESMA	European Securities and Markets Authority, previously the Committee of European Securities Regulators
FATCA	US Foreign Account Tax Compliance Act
FATF	Financial Action Task Force
Finansinspektionen	the Swedish Financial Supervisory Authority
Fund	SEB TrendSystem Renten is organised under the Law as a common fund (<i>FCP – fonds commun de placement</i>).
Institutional Investor	An undertaking or organisation, within the meaning of Article 174 of the Law such as credit institutions, professionals of the financial sector – including investment in their own name but on behalf of third parties who are also investors within the meaning of this definition or pursuant to a discretionary management agreement - insurance and reinsurance companies, pension funds, Luxembourg and foreign investment schemes and qualified holding companies, regional and local authorities.
KIID	key investor information document of a Unit Class
Law	the Luxembourg law of 17 December 2010 on undertakings for

	collective investment, as amended from time to time
Management Company	SEB Investment Management AB, acting directly or through the Branch, as the case may be
Management Regulations	the management regulations of the Fund as amended from time to time
Member State	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.
NAV - Net Asset Value per Unit	the value per Unit of any Class determined in accordance with the relevant provisions described in this Prospectus and the Management Regulations
OECD	Organisation for Economic Co-operation and Development
Prospectus	the currently applicable prospectus of the Fund, as amended and updated from time to time
RCS	Luxembourg Trade and Companies Register, <i>Registre de Commerce et des Sociétés</i>
Reference Currency	the currency of denomination of the relevant Unit Class
RESA	« Recueil Electronique des Sociétés et Associations » - Luxembourg official registration platform.
SEB Group	Skandinaviska Enskilda Banken AB (publ) and all its subsidiaries
UCI	Undertaking for Collective Investment
UCITS	Undertaking for Collective Investment in Transferable Securities
Unitholder	the holder of Units in the Fund
Units	units of the Fund
Value at Risk or VaR	<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>Absolute VaR : estimate of the maximum potential loss the Fund could experience over a specific time period (20 days) at a given confidence level (99%).</p> <p>Relative: Estimate of the maximum potential loss the Fund could experience beyond the estimated maximum loss of a benchmark, over a specific time period (20 days), at a given confidence level (99%).</p>
Valuation Day	the day on which the NAV per Unit is calculated This day is defined as any bank business day in Luxembourg except 24 December and 31 December ("Bank Business Day").

The Fund

1. General Information

SEB TrendSystem Renten (hereinafter the “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 August 3, 2000, for an undetermined duration.

The Fund is registered at the Luxembourg Trade and Companies Register under the number K 86.

The Management Regulations lastly modified with effect from 20 September 2017 have been published in the *Recueil Electronique des Sociétés et Associations (RESA)* on 2 November 2017.

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

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.

2. Involved parties

2.1. Presentation of involved parties

Management Company	SEB Investment Management AB SE-106 40 Stockholm <u>Visiting address</u> : Stjärntorget 4 169 79 Solna Sweden
Branch of the Management Company	SEB Investment Management AB, Luxembourg Branch 4, rue Peternelchen L-2370 Howald
Board of Directors of the Management Company	
Chairperson	Johan Wigh Partner Advokatfirman Törngren Magnell Västra Trädgårdsgatan 8 111 53 Stockholm Sweden
Members	Karin Thorburn Professor of Finance Norwegian School of Economics, Department of Finance 5045 Bergen Norway Mikael Huldt Head of Alternative Investments AFA Försäkring Klara Södra Kyrkogata 18 111 52. Stockholm Sweden Martin Gärtner Former Head of Private Banking, Skandinaviska Enskilda Banken AB (publ.) Bergkantstigen 3 131 46 Nacka Sweden Viveka Hirdman-Ryrberg Head of Corporate Communication & Sustainability Investor AB Arsenalgatan 8c 111 47 Stockholm Sweden

Central Administration (including Administration, Registrar and Transfer Agent) and Paying Agent in Luxembourg	The Bank of New York Mellon SA/NV Luxembourg Branch(Luxembourg) S.A. 2-4, rue Eugène Ruppert L-2453 Luxembourg
Global Distributor	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE – 106 40 Stockholm
Representatives and Paying Agents outside Luxembourg	The full list of representatives and paying agents outside Luxembourg is available free of charge at the address of the Management Company and on the website www.sebgroup.lu .
Depository	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald On or after 2 January 2020: Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch 4, rue Peternelchen, L-2370 Howald
Approved Statutory Auditor of the Fund (hereinafter the "Auditor")	Ernst & Young S.A. 35E, avenue John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg

2.2. Description of involved parties

2.2.1 The Management Company

The Fund is managed on behalf of the Unitholders by the Management Company, SEB Investment Management AB. The Management Company was established on 19 May 1978 in the form of a Swedish limited liability company (AB). The Management Company is authorized by Finansinspektionen for the management of UCITS and for the discretionary management of financial instruments and investment portfolios under the Swedish UCITS Act (SFS 2004:46). The Management Company is also authorised as an alternative investment fund manager to manage alternative investment funds under the Swedish AIFM Act (SFS 2013:561). It has its registered office in Solna. Its subscribed and paid-in capital is SEK 1,500,000.

The objective of the Management Company is the creation, administration, management and distribution of undertakings for collective investment in transferable securities (UCITS) and alternative investment funds (AIF) and ancillary services, as well as discretionary management of financial instruments and investment portfolios.

With regard to the Fund, the Management Company is responsible for the following functions: investment management, administration and marketing. The Management Company may (under its own responsibility, control and coordination) delegate some of its functions to third parties for the purpose of efficient management.

The Management Company conducts its business mainly in Sweden and has established a branch in Luxembourg. Risk management and central administration activities are performed through the Branch. The Management Company may act either directly or through the Branch. The Management Company may be represented either by the board of directors of the Management Company or by the manager of the Branch.

The Management Company acts as management company for other funds. The names of such other funds can be found on the Website of the Branch.

2.2.2 The Central Administration

The Management Company has delegated parts of 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 SA/NV, Luxembourg Branch., 2-4 rue Eugène Ruppert, L-2453 Luxembourg.

The Bank of New York Mellon SA/NV was incorporated in Belgium as a “*société anonyme/naamloze vennootschap*” on 30 September 2008, and its Luxembourg branch is registered with the Luxembourg Trade and Companies Register under Corporate Identity Number B 105 087(the “**Administrative Agent**” or “**Registrar and Transfer Agent**”).

In its capacity of Administration Agent, it will carry out certain administrative duties related to the administration of the Fund,, including the calculation of the Net Asset Value of the Units and accounting services for the Fund.

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

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The Bank of New York Mellon SA/NV, Luxembourg Branch may, subject to the approval 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.

The Bank of New York Mellon SA/NV Luxembourg Branch. has been also delegated the function of paying agent of the Fund. In such capacity The Bank of New York Mellon SA/NV Luxembourg branch shall be responsible for the collection of subscription amounts in relation to the issue of Units as well as for making payments in relation to the redemption of Units and payment of dividends.

2.2.3 The Investment Manager

The Management Company may delegate the investment management function to different investment managers.

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

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

2.2.4 The Global Distributor

Skandinaviska Enskilda Banken AB (publ) has been appointed as the global distributor of the Fund by the Management Company.

2.2.5 Depositary

Pursuant to a depositary agreement dated 27 April 2016 (the “Depositary Agreement”), Skandinaviska Enskilda Banken S.A. has been appointed as depositary of the Fund (the “Depositary”).

Skandinaviska Enskilda Banken S.A. is a public limited company (société anonyme) under the laws of Luxembourg incorporated for an unlimited duration. Its registered and administrative offices are at 4, rue Peternelchen, L-2370 Howald, Luxembourg. It is licensed to engage in all banking operations under Luxembourg law.

With effect on the 2 January 2020, Skandinaviska Enskilda Banken S.A. will merge with its parent company Skandinaviska Enskilda Banken AB (publ), a credit institution incorporated in Sweden and registered with the Swedish Companies Registration Office number 502032-9081 with registered office at 106 40 Stockholm, Sweden (“SEB AB”). As from the 2 January 2020, depositary duties undertaken pursuant to the Depositary Agreement will be taken over in full by SEB AB acting through the Luxembourg Branch, Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch, having its registered office located at 4, rue Peternelchen, L-2370 Howald and registered with the RCS under number B39819. SEB AB is subject to the prudential supervision of the Swedish Financial Supervisory Authority, Finansinspektionen. Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch is furthermore supervised by the CSSF, in its role as host member state authority.

The Depositary has been appointed for the safe-keeping of the assets of the Fund which comprises the custody of financial instruments, the record keeping and verification of ownership of other assets of the Fund as well as the **effective and proper monitoring of the Fund's cash flows** in accordance with the provisions of the Law, as amended from time to time, and the Depositary Agreement.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with Luxembourg law and the Management Regulations; (ii) the value of the Units is calculated in accordance with Luxembourg law and the Management Regulations; (iii) the instructions of the Management Company are carried out, unless they conflict with applicable Luxembourg law and/or the Management Regulations; (iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual **time limits**; and (v) the Fund's incomes are applied in accordance with Luxembourg law and the Management Regulations.

In carrying out its functions the Depositary acts honestly, fairly, professionally and independently and solely in the interest of the investors. The Depositary is on an ongoing basis analyzing, based on applicable laws and regulations as well as its conflict of interest policy potential conflicts of interests that may arise while carrying out its functions. It has to be taken into account that the Management Company and the Depositary are members of the same SEB Group. Thus, both have put in place policies and procedures ensuring that they (i) identify all conflicts of interests arising from that link and (ii) take all reasonable steps to avoid those conflicts of interest. Where a conflict of interest arising out of the group link between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of the investors.

When performing its activities, the Depositary obtains information relating to funds which could theoretically be misused (and thus raise potential conflict of interests issues) in relation to e.g. the interests of other clients of the SEB Group, whether engaging in trading in the same securities or seeking other services, particularly in the area of offering services competing with the interests of other counterparties used by the funds/fund managers, and the interests of the Depositary's employees in personal account dealings. Potential conflicts of interests in the SEB Group can be further exemplified as **not market equivalent pricing of the depositories' services and the undue influence in the management and board of directors of the funds/fund managers by the Depositary, and vice versa.**

Consequently, to mitigate the potential conflicts of interest, it has been ensured that the activities of a depositary function are physically, hierarchically and systematically separated from other functions of the Depositary in order to establish information firewalls. Moreover, the depositary function has a mandate and a veto to approve or decline fund clients independent of other functions and has its own committees for escalation of matters connected to its role as a depositary, where other functions with potentially conflicting interests are not represented.

For further details on management, monitoring and disclosure of potential conflicts of interest please refer to Instruction for Handling of Conflicts of Interest in Skandinaviska Enskilda Banken AB (publ) which can be found on the following webpage:
http://sebgroupl.lu/siteassets/about-seb/policies/sebsa_conflict_of_interest.pdf

In compliance with the provisions of the Depositary Agreement and the Law, as amended from time to time, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more delegate(s), as they are appointed by the Depositary from time to time.

In order to avoid any potential conflicts of interest, irrespective of whether a given delegate is part of the SEB Group or not, the Depositary exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant delegate. Furthermore, the conditions of any appointment of a delegate that is member of the SEB Group will be **negotiated at arm's length in order to ensure the interests of the investors**. Should a conflict of interest occur and in case such conflict of interest cannot be neutralized, such conflict of interest as well as the decisions taken will be disclosed to the investors and the Prospectus revised accordingly. An up-to-date list of these delegates can be found on the following webpage:
<http://sebgroup.lu/siteassets/corporations-and-institutions/global-custody-network.pdf>

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements.

In order to ensure that its tasks are only delegated to delegates providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the Law in the selection and the appointment of any delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any delegate to which it has delegated parts of its tasks as well as of any arrangements of the delegate in respect of the matters delegated to it. In particular, any delegation is only possible when the delegate at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the **Depositary's own assets and from assets belonging to the delegate in accordance with the Law. The Depositary's liability shall not be affected by** any such delegation unless otherwise stipulated in the Law and/or the Depositary Agreement.

An up-to-date information regarding the Depositary, its duties and the conflicts of interest that may arise, any safekeeping functions delegated by the Depositary, the list of delegates and any conflicts of interests that may arise from such delegation, is available to the investors upon request at the address of the Management Company.

The Depositary is liable to the Fund or its investors for the loss of a financial instrument held in custody by the Depositary and/or a delegate. In case of loss of such financial instrument, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the Law, the Depositary will not be liable for the loss of a financial instrument, if such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Fund and to the investors for all other losses suffered by them as a result of **the Depositary's negligent or intentional failure to properly fulfil its duties in** accordance with applicable law, in particular the Law and/or the Depositary Agreement.

The Management Company and the Depositary may terminate the Depositary Agreement at any **time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal** of the Depositary or of its removal by the Management Company, the Depositary must be replaced at the latest within two (2) months after the expiry of the aforementioned termination notice by a **successor depositary to whom the Fund's assets are to be delivered** and who will take over the functions and responsibilities of the Depositary. If the Management Company does not name such successor depositary in time the Depositary may notify the CSSF of the situation. The Management Company will take the necessary steps, if any, to initiate the liquidation of the Fund, if no successor depositary bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

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.

Funds may invest in instruments issued in another currency than the Base Currency of the Fund. The currency exposure of such instruments may be hedged. In case the currency hedging is applicable, it will be specified in the Prospectus Considering the practical challenges of doing so, the Management Company does not guarantee how successful such hedging will be. For more details, see Section 4.2. "Risk Factors" and in particular the paragraph "Hedging risk".

The Management Company ensures that the Fund managed by it comply with the ethical and/or sustainability principles that the Management Company follows. Investors should note that the criteria for ethical and sustainable funds are subject to change. Investors can read more about the sustainability principles the Management Company follows on the Website of the Branch.

- 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 – which 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).

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, G20, Singapore or Hong Kong 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.

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

The Fund may, for the purpose of generating additional capital or income or for reducing its costs or risks, engage in securities lending transactions and/or enter into repurchase or reverse repurchase agreements, (as defined below).

Such transactions are strictly regulated and shall comply with the rules and 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 concerning rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments; (iii) ESMA guidelines on ETFs and other UCITS issues 2014/937, as amended or **replaced from time to time ("ESMA/2014/937")**; (iv) **any other applicable** laws, regulations, circulars or CSSF positions.

3.1.1. Securities Lending

Securities lending transactions are, in addition to the aforementioned provisions, subject to the main restrictions described below, it being understood that this list is not exhaustive:

- Transactions may be terminated or the return of the securities lent may be requested at any time at the initiative of the Fund;
- Securities Lending Transactions may not exceed 50% of the net assets of the Fund;
- A transaction shall be limited to a period of maximum 30 calendar days;
- The borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Union law;
- The counterparty exposure vis-à-vis a single counterparty arising from such transactions shall not exceed 10% of **the Fund's net assets when the counterparty is a financial institution** and 5% of its net assets in all other cases, as set out in section 3.2. (9).
- The Fund must receive collateral, the value of which shall be equal to at least 90% of the global valuation of the securities lent (interests, dividends and other eventual rights included);
- Collateral received shall meet a range of standards and comply with the collateral policy of the Management Company, as further described in the section 3.5. Collateral Management.
- The Company may lend securities through a standardised system organised by a recognised securities clearing institution or by financial institutions subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in European Union law and specialised in this type of transactions;

Any income generated by securities lending transactions (reduced by any applicable direct or indirect operational costs and fees arising there from and paid to a securities lending agent, as appointed from time to time) will be payable to the Fund.

Securities lending aims to generate additional income with an acceptable level of risk. However, there can be no assurance that the objective sought to be obtained from such use will be achieved. Additionally, such transactions give rise to certain risks, including but not limited to, valuation and operational risks and market and counterparty risks. For further information, please refer to the section 4.2 Risk Factors

The Fund has currently not entered into any securities lending transactions. The Prospectus will be updated in accordance with the SFTR prior to entering into such transaction.

3.1.2. Repurchase and reverse repurchase transactions

“Repurchase Agreement” shall mean a repurchase agreement or reverse repurchase agreement as well as a documented buy-sell-back or sell-buy-back transaction.

Repurchase agreements consist of transactions governed by an agreement whereby a party sells transferable securities or money market instruments to a counterparty, subject to a commitment to repurchase them or substituted transferable securities or money market instruments of the same description from the counterparty at a set price and date. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, or reverse repurchase agreements for the counterparty buying them. For any avoidance of doubt, a documented buy-sell-back or sell-buy-back transactions shall be seen as a repurchase transaction:

Repurchase agreement and sell-buy-back transactions are subject to the following, although non-exhaustive, rules:

- At the maturity, the Fund must have sufficient assets to enable it to settle the amount agreed with the counterparty and continue to comply with the investment policy and restrictions;
- The Fund must ensure that the level of repurchase agreement or sell-buy-back transactions is kept at a level to enable it to meet all redemption obligations;
- The Fund may only enter into repurchase agreement or sell-buy-back transactions provided that it is able at any time (a) to recall the full amount of cash in any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Reverse repurchase and buy-sell-back transactions are subject to the following, although non-exhaustive, rules:

- The UCITS may not sell or pledge as security the securities purchased as part of the contract, unless it has other means of coverage;
- The value of the reverse repurchase or buy-sell-back transactions is kept at a level that allows the UCITS to meet its redemption obligations at all times;
- The securities purchased must, when combined **with the rest of the Fund's portfolio** comply with **the Fund's investment policy and restrictions**;
- Securities acquired under a reverse repurchase agreement or buy-sell-back transaction must be
 - Short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;
 - Bonds issued or guaranteed by an OECD Member State, by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
 - Shares or units issued by money market UCIs calculating a daily NAV and being assigned a rating of AAA or its equivalent
 - Bonds issued by non-governmental issuers offering adequate liquidity
 - Shares quoted or negotiated on a regulated market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.
- The Fund may only enter into reverse repurchase agreement or buy-sell-back transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse

repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All revenues arising from Repurchase Agreement transactions, net of direct and indirect operational costs, will be returned to the Fund.

Direct and indirect costs and fees may be paid to banks, investment firms, broker-dealers or other financial institutions or intermediaries who may be related parties to the Management Company and/or the Depositary.

The Fund has currently not entered into any Repurchase Agreements. The Prospectus will be updated in accordance with the SFTR prior to entering into such transaction.

3.2 Counterparty selection

The counterparties to OTC financial derivatives and efficient portfolio management techniques will be selected among first class financial institutions specialized in the relevant type of transactions, subject to prudential supervision and belonging to the categories of counterparties approved by the CSSF, having their registered office in one of the OECD countries and with a minimum credit rating of investment grade.

The Fund may enter into TRS and/or Repurchase Agreement with a counterparty belonging to the same group as the Management Company or Investment Manager.

3.3. Collateral management

While entering into OTC financial derivatives, the Fund shall, at all times, comply with the Management Company's collateral policy, Acceptable collateral ("**Eligible Collateral Assets**") shall meet the requirements provided by applicable laws, regulations, CSSF Circulars and in particular, but not limited to the ESMA/2014/937 and the Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty ("**EMIR 2016/2251**").

The collateral policy includes, but is not limited to:

- (1) The eligible type of collateral

Eligible Collateral Assets consists of the following liquid assets:

- Cash in an OECD country currency in accordance with Article 4(1)(a) of the EMIR 2016/2251;
- Debt securities, regardless of their maturities, issued or guaranteed by an EU Member States or its local authorities or central banks in accordance with Article 4(1)(c) of EMIR 2016/2251;
- Debt securities, regardless of their maturities, issued by multilateral development banks as listed in Article 117(2) of Regulation (EU) 575/2013 in accordance with Article 4(1)(h) of EMIR 2016/2251;

- Debt securities, regardless of their maturities, issued by international organisations listed in Article 118 of Regulation (EU) 575/2013 in line with Article 4(1)(i) of EMIR 2016/2251; and/or
- Debt securities, regardless of their maturities, issued by third countries (i.e. non- EU countries) **governments or central banks in accordance** with Article 4(1)(j) of EMIR 2016/2251.

(2) Collateral diversification

Collateral diversification will be as follows:

- The basket of collateral shall not lead to an exposure to a single issuer greater than 20% of the total net assets of the Fund (not of the value of the collateral). For the purpose of this limit, collateral issued by a local authority of a member state of the OECD shall be treated as exposure to that member state.
- The basket of collateral can however be fully composed of transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country to EU, or a public international body (referred hereafter as **“Government or government-related issuer”**) **provided that the** Fund receives at least 6 different issues, none of them representing more than 30% of the total net assets of the Fund. For the avoidance of doubt, the Fund may also be fully collateralised by a single Government or government-related issuer.

(3) Collateral correlation policy

Collateral received shall be issued by an entity that is independent from the collateral provider

(4) The level of collateral required

The counterparty exposure is limited to 10% of the total net assets with regard to OTC derivative instruments and/or efficient portfolio management techniques. As a result, the collateral received, after haircuts, shall be equal to at least 90% of the value of the counterparty exposure.

(5) The haircut policy

The below constitutes the minimum applicable haircut:

Table 1 – Haircut applicable to Cash

Asset class	Haircut
I. Cash in a OECD country currency and defined as an eligible currency in the relevant governing master agreement or credit support annex	0%
II. Cash in other currencies than define above in (I.) or adjustment for currency mismatch other than those referred to in (I.)	8%

Table 2 – Haircut applicable to debt securities

Haircut will vary within the range set out below depending on the credit quality of the issuer.

Asset Type	Maturity		
	< 1 yr	1 – 5 year(s)	5 – 30 years
All debt securities defined as Eligible Collateral Assets above in section (1) “The eligible type of collateral”	0.5%-1%	2%-3%	4%-6%

(6) Collateral valuation

Collateral received shall be marked to market on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Management Company for each asset class based on its haircut policy disclosed above in section **“The haircut policy”**.

(7) Safekeeping of collateral

As long as collateral received is owned by the Fund (i.e. that there has been a transfer of title), it will be held by the Depositary or its appointed sub-custodian. In all other cases, the collateral shall be held by a third party custodian that is subject to prudential supervision and which is fully independent from the collateral provider.

(8) Restriction on reuse of collateral/ collateral reinvestment policy

For collateral received in OTC transactions

Collateral received under an OTC transaction, including TRS, shall not be sold, re-invested or pledged.

For collateral received in the use of efficient portfolio management techniques

Non cash-collateral shall not be reused, reinvested or pledged.

Cash collateral received under efficient portfolio management techniques may not be pledged or given as a guarantee.

However, up to 100% of the cash collateral received may be reinvested in the following:

- shares or units issued by short term money market undertakings for collective investment as defined in the CESR guidelines on a Common Definition of European Money Market Funds (CESR/10-049);
- deposits with credit institutional having its registered office in an EU Member State or with a credit institution situated in a non EU Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- high quality government bonds; and
- reverse repurchase agreement transactions provided the transactions are with credit institutions subject to the prudential supervision and the Fund may recall at any time the full amount of cash on accrued basis.

4. Information on risk

4.1. General information

Investing in the Fund Units involves financial risks. These can involve risks 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.

4.2. Risk factors

Collateral management risk

Counterparty risk may be mitigated by transfer or pledge of collateral. There is however a risk that the collateral **received, when realised, will not raise sufficient cash to settle the counterparty's** default. This may be due to factors including inaccurate pricing or improper monitoring of collateral, adverse market movements, deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded where the collateral takes the form of securities (liquidity risk). Besides, collateral accepted by the Fund, with no title transfer (for example a pledge), will not be held by the Depositary. In the latter case there may be a risk of loss resulting from events such as the insolvency or negligence of such third party custodian or entity holding the collateral. Furthermore, collateral arrangements are entered into on the basis of complex legal document which may be difficult to enforce or may be subject to dispute.

Counterparty risk

When the Fund conducts over-the-counter (OTC) transactions or enters into the efficient portfolio management instruments, it may be exposed to risks relating to the credit standing of its counterparties and to their ability to fulfil the conditions and obligations of the contracts it enters into with them.

Concentration risk

The Fund may concentrate its investment in a limited number of issuers, countries, sectors or **instruments. It may result in the Fund's assets being more sensitive** to adverse movement in a particular economy, sector, and company or instrument type.

Credit risk

The creditworthiness (solvency and willingness to pay) of an issuer 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 (greater risk of default) 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).

Hedging risk

The Management Company may have an ambition to hedge the currency risk. Considering the practical challenges of doing so, however, the Management Company does not guarantee how successful such currency hedging will be. For example, in case of hedging of instruments, unsuccessful hedging means that the value of the portfolio may rise or fall in response to fluctuations in the exchange rate between the Base Currency and the currency of the instruments.

Risks relating to the investment in financial derivative instruments (“derivative risk”)

Financial derivative instrument is a generic name for instruments getting their return from underlying assets. The return of the financial derivative instrument depends on the return of the underlying asset.

- Specific risks related to OTC Derivatives

OTC derivatives are private agreements between a fund and one or more counterparties. In general, those transactions are less subject to governmental regulation and supervision, compared to exchange traded derivatives. OTC derivatives carry greater counterparty and liquidity risks. Additionally, the Fund may not be able to find a comparable derivative to be able to offset a certain position.

- Specific risks related to exchange traded derivatives

Although exchange traded derivatives are generally considered as less risky than OTC derivatives, there is still the risk that the securities exchange or commodities contract market suspend or limit the trading in derivatives or in their underlying assets.

- Specific risks related to Credit Default Swaps (“CDS”)

The price at which a CDS trades may differ from the price of the CDS’ referenced security. In adverse market conditions, the basis (the difference between the spread on bond and the spread of a CDS) can be significantly more volatile than the CDS’ referenced security.

Risks relating to efficient portfolio management techniques

- Securities lending

Securities lending involves counterparty risk:

- (i) Although the Fund shall receive sufficient collateral to reduce its counterparty exposure, there is no requirement to have such counterparty exposure fully covered by collateral. Therefore, the Fund may bear losses in case of default of the relevant counterparty;
- (ii) If the borrower of securities fails to return securities lent by a Fund, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent out, whether due to inaccurate pricing of the collateral, adverse market movements, a

deterioration in the credit rating of the issuer of the collateral or the illiquidity of the market in which the collateral is traded.

Additionally, delays in the return of securities lent may restrict the ability of the Fund to meet delivery obligations or payment obligations arising from redemption requests

- Repurchase and reverse repurchase agreement

The principal risk when engaging in Repurchase Agreement transactions is the counterparty risk. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described above under the heading "Counterparty risk".

Repurchase Agreement transactions also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. Such risk may be higher for buy-sell-back or sell-buy-back transactions which cannot, in contrast to repurchase and reverse repurchase agreements, be closed at any time. The Fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

Finally investors shall note that there is no margin maintenance under Repurchase Agreement transactions. To align the values of cash and collateral, the transaction shall be terminated and simultaneously, a new creation shall be created for the remaining term of maturity. While it may reduce the legal difficulties associated with collateral management, it may also entail higher operational risk.

Interest rate risk

To the extent that the Fund invests in debt instruments, it is exposed to risk of interest rate changes. These risks may be incurred in the event of interest-rate fluctuations in the denomination currency of such debt instruments.

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

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, at a reasonable price, 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.

Operational risk

Operational risk refers to the potential losses resulting from unforeseen events, business disruption, inadequate controls and control or system failure.

Risk relating to the reuse of collateral

The Fund may incur losses when reinvesting cash collateral received. Such a loss would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. In such a case, the Fund would need to cover the shortfall.

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.

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.

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.

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, including derivatives positions, and their contribution to the overall risk profile of the portfolio.

a) Global exposure

The VaR approach is used for the purpose of the global exposure calculation. The VaR is a means of measuring the potential loss of the Fund due to market risk and is expressed as the maximum potential loss measured at a 99% confidence level over a one month time horizon. 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.

In accordance with the applicable rules, the VaR of the Fund may not be more than twice the VaR of its reference portfolio.

b) Gross Leverage

The Fund's expected level of gross leverage is 100% of the Fund's Net Asset Value. In this context, the gross leverage is a measure of the aggregate derivative usage and is calculated as the sum of the absolute notional value of the financial derivative instruments used, without the use of netting or hedging arrangements. The amount of reinvestment of collateral related to efficient portfolio management techniques, if any, is included in the gross leverage calculation.

Under certain circumstances, the actual level of gross leverage might exceed the expected gross leverage from time to time, however the use of financial derivative instruments will remain consistent with the **Fund's investment objective and risk profile**. The above-stated level of gross leverage is not intended to constitute additional exposure limit for the Fund. The gross leverage information only serves the purpose of increasing investors' understanding of the Fund.

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. Unit Classes

The Funds may create and 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.

5.1.1. Investor groups

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

(No class letter, suffixes only)	Units which may be acquired by all kinds of investors;
"HNW" Unit Class	Units which may only be acquired by high net worth individuals who can afford the more elevated minimum initial investment amount
"U" Unit Class	Units which are available to all kinds of investors at the discretion of the Management Company but only offered (i) through distributors, financial intermediaries, distribution partners or similar (ii) appointed by the Global Distributor, or an authorised affiliate, that (iii) are investing on behalf of their customers and are charging the latter advisory, or alike, fees. The Management Company does not remit any commission-based payments for these units.
"I" Unit Class	Units which are available to Institutional Investors as defined in the Glossary of terms
"Z" Unit Class	Units which are available to Institutional Investors at the discretion of the Management Company. The Management Company does not remit any commission-based payments for these units.

"X" Unit Class	Units which are available to Institutional Investors, directly or through the Global Distributor or any of its subsidiaries, where such intermediary or the Institutional Investor, have concluded a written agreement with the Management Company or the Global Distributor in which the relevant fees and charging procedure are agreed prior to the investor's initial subscription. All or part of the fees that are normally charged to a Unit Class will not be charged to the Unit Class for these units. Instead, these units will accommodate a separate charging structure whereby all or part of the fees are charged separately and/or collected directly from the investor.
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In order to distinguish between fee levels and minimum investment requirements, the base Unit Class may be followed by a number, such as Z1, Z2.

5.1.2. Available currencies

The Unit Class can be issued in any of the following currencies: SEK, NOK, DKK, EUR, USD, SGD, JPY, CHF and GBP.

5.1.3 Dividend policy

The Management Company decides whether to issue capitalising (C Units) and/or distributing units (D Units).

Class B I and B II Units entitle the Unitholder to distributions.

The C units will reinvest their income, if any. The D units may pay a dividend to unitholders, as decided by the Management Company. Dividends are generally paid annually. The exception is when the Management Company decides to pay dividends for a specific Unit Class either monthly, quarterly or semi-annually.

5.1.4 Hedging policy

The Management Company may issue Unit Classes which Reference Currency is not the Base Currency of the Fund. With regard to such Unit Classes, the Management Company aims to hedge the currency exposure from the Base Currency into the currency exposure of the Reference Currency. Considering the practical challenges of doing so, the Management Company cannot guarantee the level of success of such currency hedging. For details, see Section 4.2. "Risk factors" particularly the paragraph "Hedging risk".

For Unit Classes where the Management Company aims to currency-hedge the Unit Class, an "H-" precedes the currency denomination of the Unit Class. For example "(H-SEK)" indicates that the Management Company aims to hedge the currency exposure from a Base Currency to SEK-exposure for the Unit Class. The hedging activity aims to limit performance impact as related to fluctuations in the exchange rate between the Base Currency and the Reference Currency of the Unit Class. The effects of profit and loss, as related to currency hedging of a particular Unit Class, are allocated to the relevant Unit Class.

Hedging transactions may be executed when the Reference Currency declines or increases in value relative to the Fund's Base Currency. This type of hedging can provide substantial protection for investors in the affected unit class against a decrease in the value of the Fund's Base Currency in relation to the Reference Currency of the Unit Class. However, it can also minimise or hinder an increase in the value of the Fund's currency.

The letters “PH” preceding the currency denomination of a unit class, for example IC(PH-EUR), indicate the Management Company aims to partially hedge the currency exposure from a Base Currency of the Fund to a euro exposure for the Unit Class. It can also indicate partial hedging to another specific currency in the sub **fund's portfolio to a euro exposure for the Unit Class**. This may be done for any currency.

5.1.5 Available classes

The information above describes all currently existing base Unit Classes and prefixes. The prefixes are added to the Unit Class name to indicate possible target group, currency of the Unit Class, the **Unit Class' dividend policy and whether** the Unit Class is hedged or not.

A unit class is opened at the discretion of the Management Company. See www.sebgroup.lu for current information on available unit classes. You may also, free of charge, request a list from the Management Company.

5.1.6. Registered Units

Units may be issued as registered Units which will be recorded in a nominal account. Units that are not issued as registered units will be made available through securities settlement systems

5.2. Issue of Units

Units are issued in registered form and recorded in a nominal account. Units that are not issued as registered units will be made available through securities settlement systems.

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 issue price is payable in the reference currency of the respective class. 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.

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.

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 up to three decimal places per Unit.

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

5.2.1 Restrictions 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, or if any contractual or statutory condition or condition provided in the Prospectus is no longer met by such person to participate in the Fund, or if such person fails to provide information or documentation as requested by the Management Company,
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
4. if the participation of the investors in the Fund is such that it could have a significant detrimental impact on the economic interests of the investors, in particular in cases where individual investors seek by way of systematic subscriptions and immediate redemptions to realise a pecuniary benefit by exploiting the time differences between the setting of the **closing prices and the valuation of the Fund's assets (market timing)**, or
5. if such person would not comply with the eligibility criteria for Units (e.g. in relation to "U.S. Persons" as described below).

US Securities Act 1933 / US Investment Company Act 1940

The Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Units of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the US and such Units may be offered, sold or otherwise transferred only in compliance with the Securities Act of 1933 and such state or other securities laws. The Units of the Fund may not be offered or sold within the US or to or for the account, of any US Person. For these purposes, US Person is as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term "US Person" also means any entity organised principally for passive investment (such as a commodity pool, Investment Company or other similar entity) that was formed:

- (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations

promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or

- (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

Applicants for the subscription to units will be required to certify that they are not US 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 the Fund in order to determine their status as non US 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 Management Company may at any time forcibly redeem/repurchase the Units held by a Prohibited Person and may take any other required action (e.g. such as blocking the accounts within the Fund of such Prohibited Person) in accordance with laws and regulation and in the best interest of the Fund and its investors.

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 and may take any other required action (e.g. such as blocking the accounts within the Fund of such Prohibited Person) in accordance with laws and regulation and in the best interest of the Fund and its investors.

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 FATF 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.

Unitholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations. Failure to provide such additional or updated documents may result in the respective Unitholder to qualify as a Prohibited Person as defined in the section "**Restriction on issue**" hereof.

5.2.3 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 at its own discretion to protect the other investors in the Fund, such as higher exit charge as laid down hereafter.

5.3. 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.

Request for redemptions must be expressed in number of Units or in amount. Payment will be made by the Depositary, respectively the Paying Agents in the Reference currency of the respective Class. 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.

If redemption requests for more than 10% of the NAV of the Fund are received, then the Fund shall have the right to limit redemptions so they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all Unitholders seeking to redeem Units as of a same Valuation Day so that each such Unitholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests

5.3.1. Compulsory redemption of Units

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

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 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. The minimum initial subscription amounts and holdings, if any, are mentioned in the Prospectus.

Any person who becomes aware that he is holding Units in contravention of any of the provisions **set out in the section "Restriction on issue" or the present section** and who fails to transfer or redeem his Units pursuant to such provisions shall indemnify and hold harmless the Management

Company, its directors, the Fund, the Depositary, the Central Administration, the investment manager, if any, and the Unitholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

In case of a compulsory redemption in accordance with this section, the Management Company shall notify the respective investor by a written notice about the compulsory redemption, specifying the Units to be redeemed, the date of the redemption and the price applicable to such Units concerned as well as the place at which the redemption price in respect of such Units is payable. Such notice shall be addressed to the respective investor at his last address known to or appearing **in the Fund's register. The Units concerned by such a redemption** shall be cancelled immediately after the date specified in the redemption notice.

5.4. 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.

5.5. 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

The Fund will, in principle, bear the following charges:

1. Management fee, payable to the Management Company

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.

This fee shall in particular serve as compensation for the Central Administration, the investment managers (if any), the Global Distributor as well as for the services of the Depositary.

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

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.

Regulation (EU) 2016/1011 (also known as the "**EU Benchmark Regulation**") requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Management Company shall comply with this obligation. Further information on the plan is available on request and free of charge at the registered office of the Management Company.

Unless otherwise disclosed in this Prospectus, **the "Barclays Euro Treasury 1-10 Year Total Return Index Value Unhedged EUR" index used by the Fund for the purpose of performance fee calculation** is, as at the date of this Prospectus, provided by a benchmark administrator who benefits from the transitional arrangements afforded under the EU Benchmark Regulation and accordingly may not appear yet on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the EU Benchmark Regulation. Benchmark administrators have to apply for authorisation or registration as an administrator under the EU Benchmark Regulation by the end of such grandfathering period, i.e. before 1 January 2020. The inclusion of the administrator of the **"Barclays Euro Treasury 1-10 Year Total Return Index Value Unhedged EUR" index** used by the Fund within the meaning of the EU Benchmark Regulation in the ESMA register of benchmark administrators will be reflected in the Prospectus at its next update. The **"Barclays Euro Treasury 1-**

10 Year Total Return Index Value Unhedged EUR” index used by the Fund is provided by an administrator which is currently not included in the ESMA register of benchmark administrators.

3. Transaction related fees

- Execution fees for brokerage
- Settlement fees incurred by the Fund’s business transactions
- Collateral fees

4. Other expenses

- A fee for research costs. The research costs, if applicable, amount to a maximum of 0,20 % p.a. of the net assets of the Fund.
- **All taxes and duties owed on the Fund’s assets and income**
- Audit fees
- Fees for country specific tax reporting and / or the audit thereof, depending on the countries of distribution
- Expenses connected with publications and supply of information to investors, specifically for the disclosure of the NAV, for the provision of the Prospectus as well as for the production and provision of the KIIDs
- CSSF fees

Investment in target funds may lead to duplicate costs, in particular to double management fees (excluding SEB labelled target funds), since fees are incurred both on the side of the Fund as well on the side of the target fund.

7. NAV calculation

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

In order to calculate the NAV per Unit, the value of the assets belonging to the Fund less its liabilities is calculated on each day that constitutes a Valuation Day and the result is divided by the number of the Units issued.

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

When substantial sums flow in or out of the Fund, the Management Company may have to make adjustments, such as trading on the market, in order to maintain the desired asset allocation for the Fund. Trading can incur costs that affect the Unit price of the Fund and the value of existing Unitholders’ investments. **Swing pricing is designed to protect Unitholders’ investments in this kind of situation.**

The Unit price of the Fund may thus be adjusted upwards in case of large inflows and downwards in case of large outflows on a certain Business Day. The thresholds that trigger swing pricing as well as **the size of the adjustments (“swing factor”)** are set by the board of directors of the Management Company or by a swing price committee appointed by the board of directors of the Management Company. The board of directors of the Management Company or swing price committee may also decide a maximum swing factor to apply to the Fund. In the case the Fund apply the swing pricing it will not apply the swing factor higher than 1%. The application of the swing pricing as well as the

size of a maximum swing factor, as the case may be, will be available on the Website of the Branch. Investors may also request this information, free of charge.

7.1 Suspension of the calculation of the NAV

The Management Company is **entitled to suspend the calculation of the Fund's net asset value**, if and for as long as there are circumstances which make this suspension necessary and if the suspension is justifiable, taking into account the interests of the Unitholders, in particular:

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

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

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

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 authorised auditor, or as the case may be an independent auditor to perform the necessary validations prescribed by the Law.

Mergers are effected and effective in accordance with 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 of the Branch 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 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 of the Branch 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 shall in principal take place within a period of time not exceeding nine months from the decision of the board of director of the Management Company to liquidate the Fund.

Any unclaimed liquidation proceeds not distributed to Unitholders after closure of the liquidation procedure shall be deposited by the Depositary on behalf of entitled Unitholders with the Luxembourg Caisse de Consignation in accordance with applicable laws and regulations. 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 of 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 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.

Taxation in Luxembourg

The Fund is subject to Luxembourg **legislation. Buyers of the Fund's Units should inform** themselves about the legislation and rules applicable to the purchase, holding and possible sale of Units with regard to their residence or nationality.

In accordance with current legislation in Luxembourg, neither the Fund nor the Unitholders, except those whose domicile, residence or permanent establishment is Luxembourg, are subject to any tax

on income or capital gains in Luxembourg. The Fund's income may however be subject to withholding tax in the countries where the Fund's assets are invested.

The net assets of the Fund are subject to a Luxembourg tax ("taxe d'abonnement") at an annual rate of 0.05% payable at the end of that quarter. Units of institutional classes, if applicable, as defined in Article 174 (2) (c) of the Law are subject to a "taxe d'abonnement" of 0.01% per annum. The Management Company ensures that such institutional unit classes are only acquired by investors complying with rules set out in the afore-mentioned article. The value of the assets represented by the shares/units held in other Luxembourg undertakings for collective investment already subject to a "taxe d'abonnement" is exempt from the payment of such tax.

Common Reporting Standard

The Fund is subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale) (the "CRS Law").

The CRS Law is based on the European Directive 2014/107/EU of 9 December 2014 amending provisions of Directive 2011/16/EU on administrative cooperation in the field of taxation and the OECD's multilateral agreements. Consequently, to eliminate the overlap of reporting obligations created between the EU Savings Directive (the "EUSD") and the Directive 2014/107/EU, the EUSD directive has been repealed with effect from 31 December 2015 and the last reporting in accordance with the EUSD directive, will be effected in 2016 for the calendar year 2015. Further, the first reporting to the Luxembourg tax authority (the "LTA") under the CRS Law, will be applied in 2017 for the calendar year 2016. The LTA will onward report to participating foreign tax authorities by 30 September 2017.

The intention of CRS is to safeguard against tax evasion. Accordingly, under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. Consequently, the fund is required to collect personal and financial information as described in Annex I of the CRS Law with effect from 1 January 2016 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report this information to the LTA as from 2017.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, the Fund will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform the fund or the fund management company, if applicable, of the processing of their Information by the Fund.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law.

The investors undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA.

If investors are in doubt, they should consult their tax advisor, stockbroker, bank manager, solicitor, account or other financial advisor regarding the possible implications of CRS on an investment in the Fund.

Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes special provisions laid down in the Foreign Account Tax Compliance Act, generally known as "FATCA". The intention of FATCA is that details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service (IRS), as a safeguard against US tax evasion.

This regime will become effective in phases between 1 July 2014 and 15 March 2018. Based on the Treasury Regulations §1.1471-§1.1474 issued on 17 January 2013 (the "Treasury Regulations") the Fund is a "Financial Institution". As a result of the Hire Act, and to discourage non-US Financial Institutions from staying outside this regime, on or after 1 July 2014, a Financial Institution that does not enter and comply with the regime will be subject to a US withholding tax of 30% on gross proceeds as well as on income from the US and, on or after 1 January 2017, also potentially on non-US investments.

Luxembourg has entered into a Model I Intergovernmental Agreement ("IGA") with the United States. Under the terms of the IGA, the Fund will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the "Luxembourg IGA legislation"), rather than under the US Treasury Regulations implementing FATCA.

In order to protect Unitholders from the effect of any penalty withholding, it is the intention of the Fund to be compliant with the requirements of the FATCA regime and hence, qualify as a so-called "participating financial institution" as defined in the IGA.

The Fund qualifies as a so-called "sponsored financial institution" as defined in the IGA. The Branch of the Management Company qualifies as a so-called "sponsoring financial institution". The Branch of the Management Company agrees to sponsor the Fund for the purpose and within the meaning of the IGA. The Fund intends not to register with the IRS and intends to be so-called "non-reporting sponsored financial institutions" within the meaning of the IGA. In case the Fund would be subject to reporting obligations under the FATCA regulation, the Branch will register the Fund as its sponsoring entity with the IRS and hence, the Branch of the Management Company will comply as set out in article 2 and 4 as well as Annex II, Chapter IV, section A. 3 of the IGA in due time (i.e. not later than 90 (ninety) days after the reportable event has first been identified) with all due diligence, withholding, registration and reporting obligations on behalf of the Fund regarding certain holdings by and payments made to (a) certain US investors, (b) certain US controlled foreign entity investors and (c) non-US financial institution investors that do not comply with the terms of the Luxembourg IGA legislation. Further, the Branch of the Management Company will perform any requirements that the Fund would have been required to perform if it were a reporting Luxembourg financial institution as defined in the IGA. Under the Luxembourg IGA, such information will be onward reported by the Luxembourg tax authorities to the IRS under the general information exchange provisions of the US-Luxembourg Income Tax Treaty. The Branch of the Management Company is required to monitor its own and the Fund's status as being a participating financial

institution and a non-reporting entity on an ongoing basis and has to ensure that the Branch of the Management Company and the Fund meet the conditions for such status over the time.

In cases where investors invest in the Fund through an intermediary, investors are reminded to check whether such intermediary is FATCA compliant and hence, qualifies as a participating financial institution as **defined in the IGA. In case any of the Fund's distributor should change** its status as participating financial institution, such distributor will notify the Branch of the Management Company within ninety (90) days from the change in status of such change and the Branch of the Management Company is entitled a) to redeem all Units held through such distributor, b) to convert such Units into direct holdings of the Fund, or c) to transfer such Units to another nominee within six (6) months of the change in status. Further, any agreement with a distributor can be terminated in case of such change in status of the distributor within ninety (90) days of notification **of the distributor's change in status.**

Although the Fund and the Branch of the Management Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the US withholding tax, no assurance can be given that the Fund and the Branch of the Management Company will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by the Unitholders may suffer material losses.

Other jurisdictions currently are in the process of adopting tax legislation concerning the reporting of information. The Fund also intends to comply with such other similar tax legislation that may apply to the Fund, although the precise requirements are not fully known yet. As a result, the Fund may need to seek information about the tax status of investors under the laws of such jurisdictions for disclosure to the relevant governmental authorities.

If you are in any doubt, you should consult your tax advisor, stockbroker, bank manager, solicitor, accountant or other financial adviser regarding the possible implications of FATCA on an investment in the Fund.

11. Information to Unitholders

11.1. Prospectus, Management Regulations and KIID

Copies of the Prospectus, Management Regulations and the KIID are available free of charge at the address of the Management Company, at the address of its Branch and on the Website of the Branch.

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 address of the Management Company, at the address of its Branch and on the Website of the Branch.

11.3. Issue and Redemption Prices

The latest known issue and redemption prices may be downloaded from the Website of the Branch and/or requested at any time, free of charge, at the address of the Management Company, at the address of its Branch and at the registered office of the Depositary and the paying agents.

11.4. Notices to Unitholders

All notices to Unitholders may be downloaded from the Website of the Branch and/or, as the case may be, is made available to investors in any other form required by laws or related regulations of the countries, where Units are sold, and/or may be requested at any time, free of charge, at the address of the Management Company and at the address of its Branch.

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.

11.5. 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.**

11.6. Policies

Conflicts of interest

The Board of Directors, the Management Company, the investment manager(s), the Depositary, and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

The Board of Directors has adopted and implemented a conflicts of interest policy in accordance with its Code of Conduct.

The Management Company, the Fund, the investment manager(s), and the Depositary have adopted and implemented a conflicts of interest policy and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the **risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund's investors are treated fairly.**

The Management Company, the Depositary and certain distributors are part of the SEB Group (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.

Entities of the Affiliated Person act as counterparty and in respect of financial derivative contracts entered into by the Fund.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Fund. The Affiliated Person could hold a relatively large proportion of Units in the Fund. Furthermore, a potential conflict may arise because the Depositary is related to a legal entity of the Affiliated Person which provides other products or services to the Fund.

In the conduct of its business the Management Company and the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Fund or its investors. The Affiliated Person, as well as the Management Company strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, both have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Fund or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Details can be found on the following webpages:

http://sebgroupl.lu/siteassets/about-seb/policies/sebsa_conflict_of_interest.pdf for the Depositary;
and

http://sebgroupl.lu/siteassets/asset-management/information-for-investors/policies/english/2015_04_01_sebam_conflicts_of_interest.pdf for the Management Company.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Fund or its Unitholders will be prevented. In such case these non-neutralized conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner (e.g. in the notes to the financial statements of the Fund). Respective information will also be available free of charge at the address of the Management Company.

Exercise of voting rights

A summary of the strategy for determining when and how voting rights attached to the 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 the Fund shall be made available to investors upon request at the registered office of the Fund.

Information on the **Organization and exercise of voting rights' policy is available, free of charge**, upon request at the address of the Management Company, at the address of the Branch and on the Website of the Branch.

Preferential treatment of investors

Unitholders are being given a fair treatment by ensuring that they are subject to the same rights and, as the case may be, the same obligations vis-à-vis the Fund (as such rights are obligations notably result from the Management Regulations and this Prospectus) as those to which other Unitholders, having invested in, and equally or similarly contributed to, the same class of Units, are subject to. Notwithstanding the foregoing paragraph, it cannot be excluded that a Unitholder be given a preferential treatment in the meaning of, and to the widest extent, allowed by, the Management Regulations. Whenever a Unitholder obtains preferential treatment or the right to obtain a preferential treatment, a description of that preferential treatment, the type of Unitholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the Management Company will be made available at the address of the Management Company and the address of the Branch within the same limits required by the Law.

Best execution

The Management Company acts in the best interest of the Fund when executing investment decisions. For that purpose, the Management Company shall monitor that the Investment Manager, as the case may be, takes all reasonable steps to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution and settlement of the order in accordance with its Instructions for Ensuring a Proper Execution, Handling and Transmission of orders in Financial Instruments. Information on the Instructions for Ensuring a Proper Execution, Handling and Transmission of orders in Financial Instruments is available, free of charge, upon request at the address of the Management Company and at the address of the Branch as well as on the Website of the Branch.

Inducements

Third parties, including Affiliated Person, may be remunerated or compensated by the Management Company in monetary/non-monetary form in relation to the provision of a covered service as defined in the Instruction relating to Inducements in SEB Investment Management AB. The Management Company strives to ensure that in providing services to its investors, it acts at all times in a honest, fair and professional manner, and in the best interests of the investors. The Instruction relating to Inducements in SEB Investment Management AB is available, free of charge, upon request at the address of the Management Company and at the address of the Branch.

Complaints' handling

Information relating to the **complaints' handling procedure will be made available to investors, free of charge**, upon request at the address of the Management Company, at the address of its Branch and on the Website of the Branch.

Remuneration Policy

The Management Company has implemented a remuneration policy, which is reviewed at least annually, that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with Unitholders' expectations.

In SEB Group, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and is also related to the individual's performance.

SEB Group provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

Details of the up-to-date remuneration policy are available to investors, free of charge, upon request at the address of the Management Company, and on the Website of the Management Company.

The policy shall secure that remuneration is in line with the business strategy, objectives, values and long term interest of the Unitholders, and includes measures to avoid conflicts of interests.

The assessment process of performance is based on the longer term performance of the Fund and

its investment risks and the actual payment of performance-based components of remuneration is spread over the same period.

The remuneration policy is available on http://sebgroup.lu/siteassets/asset-management/information-for-investors/policies/english/remuneration_policy.pdf.

12. Data Protection

The Fund or the Management Company may collect information from a Shareholder or prospective Shareholder from time to time in order to develop and process the business relationship between the Shareholder or prospective Shareholder and the Fund or the Management Company and for other related activities.

Any and all information concerning the Shareholder as an individual or any other data subject (the **“Personal Data”**), contained in the application form or further collected in the course of the business relationship with the Fund will be processed by the Fund and the Management Company **acting as joint data controllers (the “Controllers”) in compliance with the Regulation (EU) 2016/679 of 27 April 2016 (the “General Data Protection Regulation”) as well as any applicable law or regulation relating to the protection of personal data (collectively the “Data Protection Law”)**.

Shareholders acknowledge that their Personal Data provided or collected in connection with an investment in the Fund may be processed by the Investment Manager, the Depositary, the Central Administration, the Global Distributor, the Paying Agents, the Paying and Information Agent, the Auditor, legal and financial advisers and other service providers of the Fund (including its information technology providers) and, any of the foregoing respective agents, delegates, affiliates, **subcontractors and/or their successors and assigns (the “Processors”)**.

Personal Data will in principle not be transferred outside the **European Economic Area (the “EEA”)**. If Personal Data were ever to be transferred outside the EEA, the Fund and the Management Company are required to ensure that the processing of **Shareholders’ Personal Data is in compliance with the Data Protection Law and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is “Privacy Shield” certified, if appropriate. Data subjects should refer to the privacy notice of the Controller and/or Processors for more information.**

Insofar as Personal Data provided by the Shareholder concerns individuals other than itself, the Shareholder represents that it has authority to provide such Personal Data to the Controllers. If the Shareholder is not a natural person, it must undertake to (i) inform any other data subject about the processing of its Personal Data and their related rights and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of such Personal Data.

Shareholders should note that the Processors may also act as independent data controllers for their own purpose. In this case Shareholders should consult the data privacy policies of the service providers acting as independent data controllers.

Such Personal Data will be processed for the purposes of offering investment in shares and performing the related services. Personal Data will also be processed for the purposes of fraud prevention such as anti-money laundering and counter-terrorist financing identification and reporting, tax identification and reporting (including but not limited to compliance with the CRS Law, FATCA) or similar laws and regulations (e.g. on OECD level).

The Fund reserves the right to refuse to issue shares to Shareholders who do not provide the necessary Personal Data (including records of their transactions) to the Central Administration. The Fund, Management Company and the Depositary shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Units.

Personal Data will not be held for longer than necessary with regard to the purposes for which it is processed, subject to applicable legal minimum retention periods.

Shareholders may also exercise their rights as set out in the General Data Protection Regulation such as: the right to access to or have their Personal Data rectified in cases where such data is incorrect or incomplete, the right to have their Personal Data deleted, the right to ask for a restriction of processing or object thereto, the right to data portability and the right to lodge a complaint with the relevant data protection supervisory authority.

More details regarding the rights described above and how to exercise them, as well as the purposes of such processing, the **different roles of the recipients of the Shareholder's Personal Data**, the affected categories of Personal Data as well as any other information required by the Data Protection Law can also be found in the privacy notice accessible under the following link: <https://sebgroupl.lu/site-assistance/legal-notice/data-protection-notice-for-seb-investment-management-ab>.

13. Applicable law, jurisdiction and governing language

Disputes arising between the Unitholders, the Management Company and the Depositary shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided however that the Management Company and the Depositary may subject themselves and the Fund to the jurisdiction of courts of the countries, in which the Units of the Fund are offered and sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by Unitholders resident in such countries, to the laws of such countries.

English shall be the governing language for this Prospectus, provided however that the Management Company and the Depositary may, on behalf of themselves and the Fund, consider as binding the translation in languages of the countries in which the Units of the Fund are offered and sold, with respect to Units sold to investors in such countries.