

Before you buy the insurance, we have an obligation to make sure that you have knowledge and experience to understand the characteristics and risks of the insurance. Below you will find information regarding the most important characteristics and risks of the type of insurance in which you have expressed an interest. If you do not have knowledge and experience, we recommend that you do not purchase the insurance.

## How the insurance works

Portfolio Bond is a cross-border, whole-of-life capital insurance which is offered and administered from SEB's Irish insurance company. The invested premium is paid in to a SEB custody account owned by the insurance company, where the policyholder is flexible to decide on the different investment alternatives. The insurance is suited for private individuals and legal entities, with an interest to through either professional asset management or by themselves actively manage the invested premium. SEB Life offers investments in a wide range of different investment alternatives; through either SEB's own funds or individual investment through a custody account with SEB as depository bank. The characteristic of the insurance makes it suitable for long-term investments, with a minimum of 5 years and with a medium to high risk investment profile.

## The insurance agreement

The insurance is activated from the day after the receipt of the application form, when the application has been registered and approved by SEB Life, and is terminated when the policy assets have been fully paid out.

## Policyholder

Policyholder may be an individual or a legal entity. This may however be restricted based on the type of Portfolio Bond insurance.

## Wealth protector benefit

On optional basis there is a possibility to connect a wealth protector to the insurance. This means that under certain circumstances there is an additional benefit paid out in addition to the policy value, in the event of death of the insured person. The size of the benefit amount depends on several factors, such as the highest achieved policy value, the selected percentage and maximum amount of the protection as well as the age of the insured person.

## Beneficiary nomination

If the policyholder is a private individual there is a possibility to make a beneficiary nomination. The beneficiary nomination defines who receives the benefits of the insurance. A beneficiary only gets access to the insurance policy upon the time when the policyholder is deceased. Depending on the tax category of the insurance policy the beneficiary clause may be legally defined or free.

## Investment alternatives

The policyholder decides by him/herself or together with the appointed investment advisor how the insurance assets should be invested.

## Funds

Investments may be done in a selection of funds offered by SEB Life. The investment assets can be invested in a maximum of ten different funds at a time. No fee is taken out for fund switches.

## Custody

In the application form the policyholder is asked to request to connect an SEB deposit account to the insurance.

SEB Life has the following offering, in addition to its own funds:

- Traded equity on the main stock-exchanges as well as Aktietorget, First North and NGM Equity
- Structured Products
- Corporate certificates and Bonds
- UCITS-, ETF and Hedge funds
- Certain listed Derivatives, for example Warrants, purchase of buy- and sell options, as well as Covered Calls.

## Repayment

Repayment of the insurance is made according with the agreed re-payment plan or upon request of the policyholder. Repaid amount is equal to the value of the investments which at any time belongs to the insurance, with deduction of accrued not yet charged fees. Repayment is performed through the redemption of the existing investments, if there is none or not enough liquidity on the deposit account and then the liquidity is transferred out. During the first year it is not permitted to terminate or move the insurance, thereafter the policyholder has full flexibility to terminate the policy. The possibility to transfer the insurance premium including the investments depends on the insurance type together with the individual situation of the policyholder. This therefore requires investigation and permission on individual basis by the insurance company.

## Fees

Within each Portfolio Bond insurance there is both a fixed and a flexible annual fee, and fees depending on which investment services selected.

The insurance fees are calculated from the day when the insurance is activated and are withdrawn quarterly in arrears from the insurance. The nominated investment manager is responsible to ensure that there is enough liquidity on the insurance account in time for each withdrawal of the fees. If there is none or not enough liquidity on the insurance account there may be a debt on the liquidity account. SEB has at all times the right to sell off investments within the insurance to cover the fees.

## Tax

During the insurance running period the insurance is charged with a fictitious gains tax based on the value of the insurance January 1 yearly, and 100 percent of paid premiums until June 30. Of premiums paid in between July 1 and December 31, the tax is payable at a 50 percent rate. Possible paid withholding tax on Swedish or foreign equity may be deducted from the fictitious gains tax. SEB Life will give information concerning this. The repayments are free from income tax.

## Risk

To make investments always involves a certain risk, which means that the investment can both increase or decline in value over time. Depending on the selected investments/investment strategy of the policyholder and/or the nominated investment manager the investment risk may be described with a five graded scale, where one stands for the lowest risk and five for the highest risk. However category one does not mean that the selected investment has no risk.



### Things to remember:

- Historic return on assets is no guarantee for future returns. The value of investments may both increase and decline and it is not guaranteed that you will receive the full invested amount back.
- You are fully responsible to take adequate measures in order to reduce the risk for losses.

### Experience question

Have you previously invested in a Portfolio Bond?

Yes

No

### Knowledge questions

1. What signifies a Portfolio Bond insurance?

- A)  The policyholder decides how the invested premium shall be managed
- B)  The insurance company takes care of the management of the invested premium
- C)  The capital from a Portfolio Bond insurance is partly guaranteed

2. How much can be lost upon investing into different types of investments?

- A)  Nothing, you are always guaranteed the invested amount
- B)  More than invested
- C)  All of the invested amount

3. When is it suitable to save within a Portfolio Bond insurance?

- A)  For buffer savings
- B)  For long-time savings, for both private individuals and legal entities
- C)  When I need quick access to the invested amount

4. At what point do the beneficiaries get access to the insurance?

- A)  Upon the death of the insured person
- B)  Upon the death of the policyholder
- C)  Upon termination by the policyholder

5. Which investments are permitted within a Portfolio Bond insurance?

- A)  Investments are limited to the SEB fund offering
- B)  For example funds, equities, structured products and ETF's from many different markets
- C)  Investments are limited to equities from Nordic stock-markets