



# SEB Hybrid Capital Bond Fund

## Information Brochure

This document is a translation of the Swedish original which is the sole authentic version. In the event of discrepancies, the Swedish version prevails.

Historical returns are no guarantee of future returns. The value of fund units and other financial instruments can rise and fall, and there is no certainty that you will recoup your invested capital.

This Information Brochure has been prepared in accordance with the Swedish Securities Funds Act (2004:46) and the Swedish Financial Supervisory Authority's Regulations regarding Securities Funds (2013:9).



SEB

# 1. General information

This Information Brochure concerns SEB Hybrid Capital Bond Fund (the "Fund"). The Fund is a UCITS fund, as defined in the Swedish Investment Funds Act (2004:46). Within the framework of its fund activities, SEB Funds AB (the "Company") manages both UCITS and alternative investment funds. The Information Brochure comprises the following:

1. General information
2. Investment policy and risk information
3. Performance fees
4. Past performance
5. Information about the Company
6. Fund Regulations

**Information on the Fund's Environmental and/or social characteristics are in the Appendix to the Information Brochure.**

## Legal nature of the Fund

A fund is constituted through capital contributions from the general public, or a limited group of investors, and the Fund's assets are jointly owned by the unit holders. The Fund is managed by a fund management company that represents the unit holders in all issues related to the Fund. The assets are held in custody by a depositary.

The Fund is not a legal entity, which among other things implies that it may not acquire rights or assume obligations. Assets included in a Fund may not be seized.

A fund unit is a right to a share of the fund equivalent to its net assets divided by the number of outstanding units. A fund unit may be redeemed, transferred and pledged.

All unitholders are treated equally and no preferential treatment of unitholders is applied by the Company.

## Unit classes

The Fund includes nineteen unit classes and the units in each unit class carry an equal right to the assets contained in the Fund.

The Fund has the following share classes denominated in Swedish kronor (SEK), and all the share classes are hedged against the Fund's base currency, which is EUR (euro).

- A) Non-distributing share class; minimum initial deposit SEK 100
- B) Non-distributing share class, minimum initial deposit SEK 100
- S) Non-distributing share class, minimum initial deposit SEK 100
- C) Ikke utdelande andelsklass, med villkor för distribution, minimum initial deposit SEK 100
- D) Non-distributing share class, with conditions for distribution, minimum initial deposit SEK 1,000,000
- E) Non-distributing share class, with conditions for distribution, minimum initial deposit SEK 10,000,000

F) Non-distributing share class, with conditions for distribution, minimum initial deposit SEK 50,000,000

G) Non-distributing share class, minimum initial deposit SEK 1,000,000

H) Distributing share class, minimum initial deposit SEK 1,000,000

I) Non-distributing share class, minimum initial deposit SEK 10,000,000

J) Distributing share class, minimum initial deposit SEK 10,000,000

K) Non-distributing share class, minimum initial deposit SEK 50,000,000

L) Distributing share class, minimum initial deposit SEK 50,000,000

The following share classes are denominated in Norwegian kroner (NOK). All share classes are hedged against the fund's base currency, which is EUR:

M) Non-distributing share class, minimum initial deposit NOK 100

N) Non-distributing share class, minimum initial deposit NOK 1,000,000

The following share classes are denominated in the Funds base currency, EUR:

O) Non-distributing share class, minimum initial deposit EUR 10

P) Distributing share class, minimum initial deposit EUR 10

Q) Non-distributing share class, minimum initial deposit EUR 100,000

R) Non-distributing share class, minimum initial deposit EUR 1,000,000

Share classes B, H, J, L and P are distributing. Once a year, the Company may decide on the distribution of dividends to unit holders. Dividends to the fund's unit holders are paid in May of the year following the financial year. The dividend is calculated in accordance with the Company's general distribution method and is calculated, for example, according to the value over the last three years in order to distribute a more even amount. The objective is for the Fund to distribute dividend of between 3 and 5% of this value annually. Full information about the distribution of dividend from the Fund can be found in section 12 of the Fund Regulations.

Share classes A, B, F, G, H, I, J, K, L, M, N, O, P, Q, R and S are open to the general public.

Share classes C, D, E, and F are open only to investors who, within the framework of portfolio management agreements and/or investment advisory services in accordance with Chapter 2, Section 1(4) and Chapter 2, Section 1(5) of the Swedish Securities Market Act (2007:528), or equivalent Swedish or foreign regulations, invest in the Fund, and where no remuneration is paid by the Fund Management Company.

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The share classes are also open to life insurance companies where the customer (policyholder) has entered into an agreement with the life insurance company, and where no distribution compensation is issued by the fund management company to the life insurance company.

### Unit holder register

Bank of New York Mellon, hereinafter referred to as "BNYM", maintains a register of all unit holders and pledgees. Unit-linked insurance companies and pension savings institutes maintain their own registers of how insurance holders' and pension savers' premiums are invested in various funds.

### Sale and redemption of fund units

The fund is normally open for sale and redemption of fund units on every Swedish banking day, but not on any banking days on which the fund's assets cannot be valued while ensuring the equal rights of fund unit holders. This could be, for example, as a consequence of how one or more of the markets in which the fund trades is/are fully or partly closed.

The Company has the right to postpone the sale and redemption of units in the fund if particular circumstances exist and such action is justifiable with regard to the unit holders' interests. Sale or redemption requests received by the Company during this time shall be executed in the order in which they are received, and at the price determined on the first banking day after such circumstances no longer prevail.

Fund units are traded via a fund account or custody account with SEB, or as specified on the Company's website [www.seb.se/fondbolaget](http://www.seb.se/fondbolaget). The terms for fund accounts and custody account terms and conditions can be obtained from all SEB offices.

Requests for sale (purchase orders) and redemption (sales orders) of fund units can be made via SEB or as specified on the Company's website, [www.seb.se/fondbolaget](http://www.seb.se/fondbolaget). Sale and redemption of fund units are normally executed four banking days after the banking day on which the request is made, provided that the request can be registered before 3.30 pm.

Please note that registration of any sale or redemption orders via SEB AB must take place before 1.30 pm, and via SEB Pension & Försäkring before 1.00 pm, for an order to be received by the fund management company before 3.30 pm. If the sale takes place through another distributor, there may be a different cut-off time. If the request is submitted later than 3.30 pm, the execution and pricing will be deferred by one banking day.

On certain public holidays, SEB's system will close earlier, so that the request and registration must be completed by a specific earlier time. Information about this is available at the bank's offices and Internet office on the relevant day. If the request cannot be registered by the specified time, sale and redemption will normally be executed on the next banking day, subject to the aforementioned conditions.

If, upon a redemption request, the Fund does not have sufficient liquidity available, such liquidity shall be acquired

through the sale of assets in the Fund, and the redemption shall be executed as soon as this is possible.

It is not possible to limit a request for sale and redemption of fund units. Requests for sale or redemption of fund units may only be revoked with the consent of the Company.

The sale and redemption of fund units will always take place at a price that is unknown to the unit holder. The price disclosed to the mass media is solely an indicative price and will not necessarily correspond to the day's trading price. The indicative price solely indicates the current price when the Company sent the price compilation to the mass media. The correct, fixed trading price is notified on the following day.

The Company has limited opportunities to offer services to customers who are permanently or temporarily resident in certain countries, e.g. the USA. The Company therefore reserves the right to refrain from selling fund units to persons resident in certain countries, and to legal entities domiciled in certain countries, e.g. if this might be in conflict with current regulatory provisions in such countries. This is described in further detail in Section 17 of the Fund Regulations, and further information can be obtained from SEB.

### The Fund's target group

The Fund is primarily suitable for investors with an investment horizon of at least three years and who understand the specific risks and characteristics of the product's investments. Investors must therefore be prepared to accept the possibility of significant price fluctuations. The risk in the Fund is reduced by saving for the longer term. The fund is suitable as part of a well-balanced savings portfolio. For more information, see the section on Investment policy and risk information.

### Base currency

The Fund's base currency is euro. Share classes issued in other currencies are hedged.

### Fees

Remuneration will be paid to the Company from the Fund's assets for the management of the Fund. Such remuneration will include costs of custody, supervision and auditors ("Management Fee"). This fee is set in advance as a percentage per annum.

Details of the size of the Management Fee paid by the Fund for preceding years are provided in the Fund's annual reports. Details of the unit holder's share of the total costs are provided in the annual statement.

The Fund's key investor information document uses the concept of ongoing costs, which consist of two elements.

- Management fees and other administrative or operating costs.
- Transaction costs.

Management fees and other administrative or operational costs are the sum of the actual costs incurred by the Fund

## General information, forts

over the past year, both one-off and ongoing costs. This includes the ongoing costs of the underlying funds, their possible performance-related fees and transaction costs.

Transaction costs are an estimate of the costs incurred by the Company when buying and selling the Fund's underlying investments. This includes both the Fund's direct transaction costs, such as brokerage fees and taxes, but also the Fund's indirect transaction costs, such as spread costs, i.e. the difference between the estimated market value of financial instruments and the price at which someone can buy/sell them during a trade.

The Fund's key investor information document also details the Fund's performance fees.

### Management fee in underlying funds

If the fund invests in other funds, the fund is charged with the fixed management fee in the underlying fund, however this does not include fixed management fees in funds managed by companies within the SEB Group. Any discount received on the fixed management fee accrues to the fund and thus to its unit holders. The fund is also charged any performance fee.

### Other expenses

Any tax costs arising, such as the distribution of dividends on the Funds holdings, must be charged to the Fund.

The Fund's published price and performance are shown after deduction of both the Management Fee and other expenses.

## Highest and current fees

The deduction of fees is governed by the Fund Regulations, which state which fees may be charged in the Fund, and the maximum amounts allowed.

### Current fees

Below is a summary of the current fees for the Fund.

*Entry charge: 0 %*

*Exit charge: 0 %*

*Annual management fee:*

- Fixed management fee for unit class A: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class B: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class S: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class C: 0,50 % per annum of the Fund's net asset value.
- Fixed management fee for unit class D: 0,40 % per annum of the Fund's net asset value.
- Fixed management fee for unit class E: 0,30 % per annum of the Fund's net asset value.
- Fixed management fee for unit class F: 0,20 % per annum of the Fund's net asset value.

- Fixed management fee for unit class G: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class H: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class I: 0,60 % per annum of the Fund's net asset value.
- Fixed management fee for unit class J: 0,60 % per annum of the Fund's net asset value.
- Fixed management fee for unit class K: 0,40 % per annum of the Fund's net asset value.
- Fixed management fee for unit class L: 0,40 % per annum of the Fund's net asset value.
- Fixed management fee for unit class M: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class N: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class O: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class P: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class Q: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class R: 0,60 % per annum of the Fund's net asset value.

### Performance fees

*In addition to the fixed management fee, for the share class, S, a performance-based fee may be charged. The remuneration, which is based on the Fund's performance, may not exceed 10% of the Fund's return that exceeds the risk-free interest rate + 2.5 percentage points.*

### Highest fees

Below is a summary of the maximum permitted fixed fees for the Fund.

*Entry charge: 0%*

*Exit charge: 0 %*

*Annual management fee:*

- Fixed management fee for unit class A: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class B: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class S: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class C: 0,50 % per annum of the Fund's net asset value.
- Fixed management fee for unit class D: 0,40 % per annum of the Fund's net asset value.
- Fixed management fee for unit class E: 0,30 % per annum of the Fund's net asset value.
- Fixed management fee for unit class F: 0,20 % per annum of the Fund's net asset value.

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- Fixed management fee for unit class G: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class H: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class I: 0,60 % per annum of the Fund's net asset value.
- Fixed management fee for unit class J: 0,60 % per annum of the Fund's net asset value.
- Fixed management fee for unit class K: 0,40 % per annum of the Fund's net asset value..
- Fixed management fee for unit class L: 0,40 % per annum of the Fund's net asset value.
- Fixed management fee for unit class M: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class N: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class O: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class P: 1,00 % per annum of the Fund's net asset value.
- Fixed management fee for unit class Q: 0,80 % per annum of the Fund's net asset value.
- Fixed management fee for unit class R: 0,60 % per annum of the Fund's net asset value.

### Performance fees

*In addition to the fixed management fee, for the share class, S, a performance-based fee may be charged. The remuneration, which is based on the Fund's performance, may not exceed 10% of the Fund's return that exceeds the risk-free interest rate + 2.5 percentage points.*

## The Fund's objective, investment strategy and benchmark index

The Fund's objective is to increase the value of your investment over time by providing an annual return of the risk-free rate plus 2.5 percentage points over a normal business cycle.

The Fund is actively managed and invests primarily in fixed income securities with a focus on so-called hybrid capital, mainly contingent convertible bonds (CoCos). The Fund may also invest in transferable securities, money market instruments, derivative instruments and shares in funds.

The main category of debt securities in the Fund is hybrid capital and at least 90% shall be instruments that can be considered as hybrid capital, mainly CoCos. CoCos are interest-bearing transferable subordinated securities with no maturity date that can be converted into shares or written down in value under certain predetermined circumstances. The Fund will mainly invest in CoCos issued by European banks but will also invest in such instruments issued by, for example, insurance companies and other non-financial companies. The fixed income securities in which the Fund invests have a high credit rating, at least a B- rating according to Standard & Poor's or equivalent credit rating. The portfolio's average remaining fixed interest period can amount to a maximum of 10 years.

Investments denominated in currencies other than the Fund's base currency, euro, will be hedged into euro. Credit risk and sustainability analysis is part of the investment process.

With regard to the Fund's specialised investment universe, there is no relevant benchmark that provides an accurate risk and return profile.

## Service agreement

The Company has commissioned SEB with market surveillance, internal audit and certain fund administration tasks. In addition, SEB provides the Company with a complaint handling function. The Company has commissioned SEB Asset Management Holding AB ("SEB AM Holding") to handle parts of the Company's fund administration, compliance function, risk and limit monitoring and parts of the work to combat money laundering. The Company has also outsourced functions for legal matters, financial monitoring and product development. The Company also has a service agreement with BNYM under which BNYM manages parts of the Company's fund administration as well as maintaining the unit holder register.

Furthermore, the Company has a distribution agreement with SEB Asset Management AB ("SEB AM") as the Company's global distributor.

SEB Asset Management AB also maintains the Fund's portfolio.

## Depository

The Fund's depository (the "Depository") is Skandinaviska Enskilda Banken AB (publ) ("SEB"), and its legal form is a banking institution (a limited liability company that is licensed to conduct banking activities). SEB core business comprises banking and financial activities, and it is domiciled in Stockholm.

The Depository's primary activity is to hold the Fund's assets and implement the Company's decisions concerning the Fund. The Depository must also ensure that the Company's instructions concerning management decisions for the funds are not in conflict with statutory or regulatory provisions, or the Fund Regulations. The Depository must conduct itself honourably, fairly, independently and professionally, and solely in the common interest of the Fund and the unit holders.

## Handling of conflicts of interest

SEB has procedures to identify, manage, monitor and report any conflicts of interest. Since the Depository is part of SEB, conflicts of interest may arise between the Depository's activities and other activities within SEB. To ensure that potential conflicts of interest do not negatively affect the funds and their unit holders, the Depository and other activities within SEB, and the Company's activities, are functionally and organisationally separated. The Depository acts independently of the funds and the Company, and solely in the interests of the unit holders. Areas in which conflicts of interest may arise include between the service for trading in financial instruments for its own and customers' account, and investment



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advisory services, as well as between the customers for these activities. Since the Company and the Depositary are part of the same Group, this can also lead to conflicts of interest, such as concerning management and prioritisation within the Group. Updated information concerning the Depositary and a description of its tasks and the conflicts of interest that may arise can be obtained from the Company.

The Depositary may delegate elements of the activities to one or more external companies, including other custodian banks designated by the Depositary from time to time. The tasks that may be delegated in accordance with the UCITS directive and applicable Swedish regulation are custody services and listing.

The Depositary must act with due diligence, care and attention in its selection, continued involvement in and supervision of the party to which the depositary functions have been delegated. A list of providers and providers to which further delegation has taken place, and any conflicts of interest that may arise as a consequence of such delegation, can be obtained from the Company.

### Annual reports and interim reports

The Company compiles fund reports, i.e. annual reports and interim reports. These are available on the Company's website: [www.seb.se/fondbolaget](http://www.seb.se/fondbolaget). Unit holders may receive such reports on request.

### Auditors

The auditors have the task of auditing the accounts on which the Fund's annual report is based. Details of the firm of auditors and designated auditors can be found in the Information about the Company section.

### Changes to the Fund Regulations

The Company may change the Fund Regulations by application to the Swedish Financial Supervisory Authority (FSA). The changes may affect the Fund's characteristics, such as its investment policy, fees and risk profile. Once the change has been approved, the decision must be made available at the Company and Depositary and be announced as prescribed by the Swedish FSA.

### Tax rules

#### Taxation of the Fund:

Since 1 January 2012, Swedish UCITS and special funds have not been liable for tax on the income in the Fund. Taxation in the Fund has been replaced by a standard tax rate paid by the unit holders.

**Fund investor tax** (natural persons and estates that are tax liable in Sweden):

Since 1 January 2012, Swedish unit holders in investment funds have been subject to a standard taxation rate on their fund holdings each year. The basis for the standard taxation rate is the value of the unit holder's fund holdings at the start of the tax year. Standard income is calculated on the value of fund units at 0.4 % of the tax base. The standard income is

then included as income from capital and taxed at 30%. This corresponds to taxation at 0.12 % of the value of the fund units. The annual standard income is reported in the statement of earnings the unit holder submits to the Swedish Tax Agency, but without any deduction for preliminary tax.

If the Fund distributes a dividend, the unit holder is taxed at 30 % on the dividend distributed. On distribution, preliminary tax is deducted at 30 %, and the dividend amount is reported in the statement of earnings submitted to the Swedish Tax Agency. Section 12 of the Fund Regulations states whether the Fund distributes dividends.

On divestment/redemption of fund units, any capital gain is taxed at a rate of 30 %, while a capital loss may be offset. The gain or loss must be reported as income from capital. Capital gains and capital losses on the redemption/divestment of fund units are reported in the statement of earnings submitted to the Swedish Tax Agency, but no tax is deducted.

If the Fund is linked to an investment savings account, unit linked insurance, IPS or premium pensions, special tax rules will apply. Special rules also apply to legal entities and fund unit holder's resident abroad.

The taxation may be affected by individual circumstances. Investors who are uncertain about possible tax consequences should seek expert advice.

### Indemnification liability

In accordance with the Investment Funds Act, the fund management company and Depositary hold certain liability for any damage or loss they have inflicted on the Fund or fund unit holders. The below mentioned will not limit unit holders' right to damages in accordance with Chapter 2, Section 21 of the Investment Funds Act, and Chapter 3, Sections 14 -16 of the same Act. The Company or the Depositary is not liable for any loss or damage due to circumstances beyond the control of the Company or Depositary, e.g. extraordinary circumstances such as strikes or acts of war. Any indirect loss or damage otherwise arising will only be indemnified in the event of gross negligence, or if the loss or damage is a consequence of a lack of due care on the part of the Company or Depositary. The limit to the liability of the Company or the Depositary is described in more detail in Section 16 of the Fund Regulations.

### Discontinuation of the Fund or transfer of the Fund's activities

The Company may decide that the Fund is to be discontinued, or merged with another fund, or that the Fund's management, as approved by the Swedish FSA, is to be transferred to another fund management company. A transfer may take place at the earliest three months after the changes are announced, unless the Swedish FSA grants permission for the Fund to be transferred at an earlier time.

If the Company decides to discontinue its management, the management of the Fund will be taken over by the Depositary. The same will apply if the Swedish FSA revokes the

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Company's authorisation, or if the Company goes into liquidation or petitions for bankruptcy.

The Company may merge or split funds, if so authorised by the Swedish FSA. Funds may be merged or split at the earliest three months after the Swedish FSA has made its decision.

Unless exemption is granted by the Swedish FSA, changes of this type must be announced in "Post - och Inrikes Tidningar" (the Swedish government gazette), and information concerning the changes must be available from both the Company and the Depositary and be announced as stipulated by the Swedish FSA.

### **Marketing of Fund units in other EEA countries**

Units in the Fund are also marketed in Luxembourg, Switzerland, Spain and Portugal. The Company has therefore entrusted a representative in the country/countries in which the Fund is registered to make payments to fund unit holders, redeem units and provide information.

## 2. Investment policy and risk information

### Investment policy

The fund is a fixed-income fund with a focus on so-called hybrid capital, primarily contingent convertible bonds (CoCos). A characteristic of CoCos is that they are interest-bearing transferable subordinated securities with no end date, but with the characteristic that under certain predetermined circumstances, they can be converted into shares or written down. The fund will mainly invest in such instruments issued by European banks with good credit ratings.

In addition, the fund will invest in such instruments issued by, for example, insurance companies, and other, non-financial companies that also have good credit ratings. The Fund's objective is to create a return in the long run, at least equivalent to the risk-free interest rate + 2.5 percentage points

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units or fund companies, and as deposits with credit institutions. The fund may also include the cash and cash equivalents required for management of the fund. For investments in derivative instruments, the underlying assets shall constitute or relate to such assets as referred to in Chapter 5, Section 12 of Swedish Investment Funds Act (2004:46).

Of the fund's investments, a minimum of 90% shall be in instruments that can be considered hybrid capital.

The fund will not invest in hybrid capital instruments with a credit rating lower than B- from S&P or B3 from Moody's or an equivalent rating from another approved credit rating agency. However, the fund may invest in hybrid capital instruments where the instrument lacks a credit rating, as long as the issuer has an investment grade rating from S&P or from Moody's or an equivalent rating from another approved credit rating agency.

The fund's investments must be in companies with headquarters or main operations within the OECD.

The fund may invest no more than ten percent of its value in other funds or fund companies.

Derivative instruments may be used as part of the investment policy. The commitment method is used to calculate the Fund's total exposure. The Fund may also use "Over-The-Counter" (OTC) derivatives. For investments in derivative instruments, the underlying assets shall constitute or relate to assets as referred to in Chapter 5, Section 12 of the Swedish Investment Funds Act (2004:46).

Currency derivatives are used to hedge the fund's currency at any time holdings against euros.

For unit classes that are denominated in a currency other than the fund, currency derivatives will, at all times, be used for the purpose of fully hedging the fund's holdings against the currency of the unit class. The costs associated with currency hedging will only be charged to the share class in which the currency hedging is made.

The Fund does currently not use securities financing transactions within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of November 25,

2015. If the Fund enters into such transactions, the Fund's information brochure will be updated.

### Handling of security

If the Fund undertakes transactions with financial OTC derivatives and uses techniques to streamline securities management, in each case the Fund must adhere to the Company's collateral policy, pursuant to the ESMA guidelines (ESMA/2014/937).

In accordance with the Company's collateral policy, if eligible collateral does not comprise cash and cash equivalents, it must be highly liquid, subject to daily valuation, be issued by an issuer with a high credit rating and be diversified.

For each type of asset, an appropriate haircut policy is applied, depending on the asset's credit rating, volatility and maturity.

Collateral that does not comprise cash and cash equivalents may not be sold, reinvested or pledged. According to the haircut policy applied, its market value must be at least 100% of the counterparty's exposure value.

The Fund may realise the collateral received at any time, without the consent of the counterparty.

### General risk information

Investing in funds involves risk. Risk in the context of investment refers to uncertain returns. What is usually referred to as a fund's risk is how much the fund has changed in value over time. Investments in funds can include, among other things risks associated with stock, bond and currency markets such as changes in prices, interest rates, creditworthiness, etc. etc. Some of these risk factors are briefly presented below.

A fund often contains investments in or exposure to the following asset classes equities, bonds and currencies. Equities are generally associated with higher risk than bonds and currencies. Risk and the potential for higher returns are linked. A saver needs to take some form of risk in order to be able to be rewarded in the form of higher returns. Often a combination of investments in different types of assets can offer the individual saver the desired risk diversification.

The value of a fund is determined by the changes in value of the assets in which the fund has invested. This means that the fund can both increase and decrease in value, and it is not certain that you will be return all the capital invested.

### Specific risks related to hybrid capital instruments

#### General

AT1s are a subordinated bond type that banks issue to cover their capital needs as an alternative to issuing ordinary shares. There are specific risks that make AT1s special.



## Investment policy and risk information, forts

The bond is converted into shares or written down if the bank's capital adequacy falls below a predetermined trigger level. This can also happen if the authorities consider the bank to be beyond rescue ("point of non-viability").

In principle, the issuer can choose not to pay coupons (interest) on the AT1s and they are forced to suspend coupon payments if the bank does not have sufficient buffer capital.

AT1s are essentially perpetual, i.e. there is no due date. However, the issuing bank has the option to buy back the bond at predetermined dates. When the bond is issued, there are usually between five and ten years left until the first repurchase date. In a stable market, investors normally expect banks to buy back the bonds, but in regards to the uncertainty about the actual maturity of AT1s also poses a risk.

These characteristics make AT1s higher risk than regular senior bonds issued by the same bank. The relative advantage of AT1s is that they offer a higher interest rate.

### Different types of risk

#### Market risk

Market risk concerns the macroeconomic price risks in the market, such as changes in the prices of fixed income instruments, equities, currencies and commodities. Investments have different sensitivities to different market risks, so that their prices vary to different degrees. Market risk has a significant impact on the value of an investment.

#### Interest-rate risk

Interest-rate risk describes the sensitivity of a fixed income instrument to changing market interest rates and is usually expressed as a percentage. The risk in fixed income funds is affected by such factors as the duration, i.e. average maturity adjusted for interest payments, of the fund's holdings, and the prevailing situation in the fixed income market. Falling interest rates increase the value of a fund's holdings of fixed income instruments, while rising interest rates decrease the value of the holdings. Fixed income funds investing in fixed income instruments with long maturities are exposed to higher risk, since there is a risk of the market value being more affected by changes in interest rates

#### Country risk/geographical risk

Investments in a limited geographical market, such as a single country or a small number of countries/markets, can entail a higher risk than more broadly diversified investments, due to greater concentration, lower market liquidity or greater sensitivity to changes in market conditions. A fund that invests all or some of its assets in equities, and in a limited geographical market, will usually be subject to market-related limitations. Opportunities to invest the fund's assets in a way that deviates significantly from the market in which the fund invests may therefore be limited to varying degrees. Investments in emerging markets often show greater variation in asset prices than investments in more mature markets. Investments in emerging markets may also be affected by such factors as low liquidity in local markets, economic and political instability, and significant currency fluctuations, etc. Many emerging markets are relatively young and often have a higher political risk than more developed markets. Therefore, they can be

sensitive to external and internal influences of various types, and there are risks of military, social, ethnic and religious conflicts that can impact both political and economic developments in these countries. There can also be deficiencies in their legislation or custody of financial instruments.

#### Concentration risk

Funds which invest in a limited segment or a particular sector, or a small number of issuers, normally face a higher concentration risk than funds which spread their risks by investing on a more diversified basis. By law, funds must spread risk by investing in instruments issued by several different issuers. The concentration risk can be significant for a fund that invests all or some of its assets in equities and in a specific segment of a market. Opportunities to invest the Fund's assets in a way that deviates significantly from the market in which the Fund invests may therefore be limited to varying degrees.

#### Correlation and covariance

For funds that invest in several asset classes, such as mixed funds, where changes in the value of the different unit classes are affected by market movements in different ways, the asset classes in total will normally have low internal correlation/covariance. This entails a lower total risk for this type of fund, since the value changes in the different asset classes will offset each other to a certain extent. For the same reason, a fund in which the various asset classes' value changes are affected in the same way by market movements will have high internal correlation/covariance, and the fund's total risk will therefore normally be higher.

#### Credit risk

Bonds or other fixed income instruments issued by issuers with a lower credit rating are usually deemed to be securities with a higher credit risk and greater risk of default, compared with securities issued by issuers with a higher credit rating. The credit rating (solvency and WTP) of an issuer can change significantly over time. If an issuer cannot make due payment of interest and nominal amounts, the bond may lose much or all of its value. Credit risk can be reduced by investing in several different companies.

#### Currency risk

Currency risk may arise if a fund invests in financial instruments that are denominated in currencies other than the fund's base currency. This means the fund is exposed to currency risk due to fluctuating exchange rates. This can affect the value of the investments both positively and negatively.

#### Liquidity risk

Liquidity risk is the risk that a security becomes difficult to value and cannot be sold at a particular time at a reasonable price. The Fund invests in corporate bonds, where liquidity is periodically low, which may indicate that the assets may be difficult to sell at a particular time and at a reasonable price and, in exceptional cases, that withdrawals cannot be made immediately upon request.

#### Counterparty and settlement risks

Counterparty risk arises if a counterparty fails to fulfil its obligations, e.g. by defaulting on fixed payments or failing to

## Investment policy and risk information, forts

dever securities as agreed. If the fund undertakes "Over-The-Counter" (OTC) transactions, it may be exposed to risks related to these counterparties' credit rating. If the fund undertakes OTC transactions which include forward contracts, options and swap agreements, or uses other derivative techniques, this may expose the fund to the risk of non-performance by a counterparty. Settlement risk is the risk that settlement in a payment transfer system cannot be executed as expected.

### Risks with derivative instruments

Derivative instrument is a generic term for instruments where returns are derived from the underlying assets. The instrument is an agreement to buy or sell the underlying asset on a future predetermined date at a predetermined price. The change in value of the agreement is determined to a great extent by the change in the value of the underlying asset. Standard derivative instruments are forward contracts, options and swap agreements. One characteristic of a derivative instrument is that it gives the holder access to the entire value change in the underlying instrument, without paying its full price. The risk with e.g. options transactions is that the market price falls below the price fixed in the agreement, which leaves the agreement without any value, or results in a liability. For certain derivative instruments, even small price changes in the underlying asset can lead to large price changes for derivative instruments.

### Operative risk

Operative risk is the risk of losses from causes including system failure, human error, errors in business processes, or external events.

### Sustainability risk

An environmental, social, or governance-related event or circumstance that, if it were to occur, would have an actual or potential material adverse effect on the value of the investment.

## The Fund's risk assessment method

Derivative instruments are used to achieve the investment objective and to streamline the fund management. The commitment method is used to calculate the Fund's total exposure.

## The Fund's risk/return profile

The fund is risk-categorised according to a seven- point scale, where 1 represents the lowest risk, and 7 the highest risk. Category 1 does not imply that the Fund is risk-free. Calculation of the risk indicator is based on a common method for all EU member states. The risk/return indicator shows the relationship between risk and potential return on an investment in the fund.

A fund's categorisation is based on volatility, which is a measure of the variation in the return over time. The categorisation can be based on calculations using returns from the fund's trading cycle over the last five years. If there is no historical data, information concerning the fund's benchmark index or other calculation methods can be used. For certain

types of funds, other methods can be used to determine the risk category, such as the maximum risk level permitted by the fund, or the risk level for the Fund's reference portfolio. The Key Investor Information document shows how the Fund's categorisation has been determined. The risk categorisation must thus solely be viewed as an indication of the fund's future categorisation. This also means that a fund's risk category may change over time

Risk category	Volatility (%)
1	0 - 0,5
2	0,5 - 5
3	5 - 12
4	12 - 20
5	20 - 30
6	30 - 80
7	80 -

The risks to which the Fund is exposed that are not captured by the risk/return indicator described above are described in the Fund's Key Investor Information document under "Risk indicator". This also shows the Fund's current risk categorisation, which can change over time.

## Regular information on risk and financial leverage

The Company provides regular information on risk and financial leverage as follows:

Information regarding the current risk profile and the risk management systems applied is provided in the Fund's Information Brochure, which is updated annually. The annual report of the Fund also provides information on the maximum and minimum level of the total amount of financial leverage.

Information on changes in the maximum level of leverage that may be used on behalf of the Fund and the right to dispose of collateral or other guarantees provided under the leverage regime is disclosed in the fund's prospectus.

Information on changes in the conditions for redemption of fund units and information if there is a postponement of the redemption of fund units pursuant to chapter 4, section 13 a of the Swedish Investment Funds Act or if the fund is closed for redemption of fund units.

## The Fund's risk profile

The Fund's objective is to be well diversified, given the limitations of the Fund's investment universe. The fund will focus on issues from large, well-known companies. At least 90% of the Fund's investments will be in instruments that can be considered as hybrid capital, the majority of which will be AT1 bonds, mainly contingent convertible bonds (CoCos). AT1s have higher risk than ordinary senior bonds issued by the same bank. This means that the Fund will have significant exposure to the financial sector. The Fund is expected to have higher market risk than a typical corporate bond fund but lower than a typical equity fund.

The Fund's credit risk is limited by the fact that the Fund will not invest in hybrid capital instruments with a credit rating

## Investment policy and risk information, forts

lower than B- from S&P or B3 from Moody's, or an equivalent rating from another recognized credit rating agency.

The Fund is entitled to use derivative instruments, both standardised and OTC derivatives, as part of its investment policy. Derivatives have a so-called leverage effect, which means that the Fund's sensitivity to market changes is increased or decreased (market risk). According to the Swedish Investment Funds Act (2004:46), the Fund may use a leverage effect corresponding to that of the Funds market value. Currency derivatives are used to hedge all investments.

### The Fund's sustainability risk

Sustainability risks are integrated into investment decisions in the following ways:

SIMS-S is the Fund Management Company's proprietary sustainability model that scores all companies in our investment universe on multiple aspects of sustainability to create a comprehensive and unbiased view. The fund manager primarily uses the tool to screen for risks and opportunities as well as to get an unbiased view and to compare companies' sustainability performance in a systematic way. The model consists of two main components: sustainability risks and sustainability opportunities. The model uses data from multiple vendors and is continuously modified as new data and new insights become available. The sustainability rating includes both a present value and a forward-looking perspective for each individual company. The rating provides fund managers the opportunity to assess current and future sustainability factors that can affect risk and return in the longer term.

SIMS-S uses metrics such as the existence and ambition of carbon reduction targets (so-called Science Based Targets, or equivalent), physical climate risks, carbon footprint, gender diversity, compliance with the EU taxonomy, and revenues in line with the UN Sustainable Development Goals (UN SDGs).

Through the data points represented in SIMS-S, examples of the types of sustainability-related risks assessed are:

1. Transition risk - the risk to a company's economic value that may arise, for example, due to increased taxation, fines from regulators or increased prices on fossil fuels in a combination with a relative inefficiency in the use of coal as a resource.
2. Physical risk - the risk to a company's economic value that may arise, for example, from a changing physical climate, in the form of heat waves, floods, rising sea levels, and so on, which in turn could damage physical assets or negatively affect key supply chains or other critical functions associated with a company's business.
3. Reputational/controversy risk - the risk to a company's economic value that may arise, for example, from investors' perception of the company, the risk of fines and penalties imposed by regulators, and the risk of difficulties in attracting suitable counterparties and business partners.
4. Relevance risk - the risk to a company's economic value that may arise because a company's products or services become irrelevant in terms of environmental or social aspects.

5. Risk from alternative technology - the risk of underinvestment in future green technologies that will solve or partially mitigate climate change.

### Exclusions

The fund also makes exclusions. Certain business models are considered unethical or associated with a level of sustainability risk that is not acceptable within the fund. These are excluded from investment, and therefore the fund does not invest in companies that:

- Do not adhere to international norms and standards.
- Operate in controversial sectors or areas of business, such as tobacco, non/medical cannabis, pornography, commercial gambling, civilian weapons and alcohol.
- Have facilities/operations located in or near biodiversity-sensitive areas where the activities of these companies negatively impact these areas or whose operations negatively affect endangered species.
- Have exposure to fossil fuels, or other activities with negative climate impact.

The fund may make certain exceptions to these exclusions by investing in companies that are considered to be in a transition process, in accordance with the Fund Management Company's sustainability policy.

### Active ownership

The third tool used to integrate sustainability risks into investment decisions is active ownership. This is a way to address potential sustainability risks or further strengthen existing sustainability-related comparative advantages, by actively seeking to influence companies in a more sustainable direction. This may include adopting new business models, reducing company emissions, or improving social requirements in the value chain. Active ownership can be done through direct company dialogues, in cooperation with other asset managers or partners, or through collaborative initiatives. It can also be done by voting at shareholder meetings, in support of or against specific shareholder or management proposals.

### Fundamental process

Sustainability risks are also integrated into investment decisions through the fundamental process used in the management of the fund. The fundamental process includes an assessment of whether a company's business model is adaptable and resilient from a sustainability perspective. It is important that the business model is sustainable in order for the company to remain competitive in the future. The process is based on the fund manager's knowledge of the company's business model and the industry in which the company operates, as well as dialogues with company management, industry experts and sustainability experts.

### Likely impact of sustainability risks on the fund's performance

To assess the likely impact of sustainability risks on this fund's performance, the fund company uses a risk rating from an external independent provider of sustainability analysis. The risk rating measures the degree to which a company's economic value is exposed to sustainability risks and the degree to which these risks are unmanaged by the company.

## Investment policy and risk information, forts

Based on the risk rating, companies are grouped into one of five risk categories (negligible, low, medium, high, very high). We have calculated the aggregated risk rating for the fund and the outcome indicates that the sustainability risk within the fund is low and thus the likely impacts of sustainability risks on returns are deemed to be low.

Future sustainability risks are difficult to predict, especially in relation to the environment. There might be risks and scenarios which are nearly impossible for the scientific community to predict or estimate the possibility of occurring. The consequences of these uncertainties might lead to financial outcomes that are very difficult to predict and may affect the valuations and returns for specific companies within this fund. This should be considered when reading the statements in this section.

## 3. Performance fees

### Example of the calculation of the performance fee

Performance fee is calculated according to a collective model. This means that all unit holders pay the same amount per fund unit in any performance fee on a given day.

The performance fee ("PA") amounts to 10% of the fund's excess return. The excess return is defined as the part of the total return that exceeds the 3-month treasury bill plus 2.5 percentage points ("Index"), after deducting the fixed management fee, which is intended to reflect the sum of the risk-free rate and the risk premium of the Fund's investment strategy.

The PA is calculated on a daily basis and paid on the last day of each month. In the event that the Fund's performance has been below the Index, the PA shall be paid only after the relative underperformance has been compensated, after the last PA has been withdrawn (the so-called high water mark principle). If a unitholder redeems his/her units when the unitholder has an accumulated underperformance, any previously paid PA is not refunded.

The example below is based on that a unit holder subscribes for SEK 1,000,000 in the Fund. Furthermore, the example assumes that the fixed management fee has already been deducted:

Period	Returns	Index (3M TB +2.5%) (Ix)	Value before PA <sup>1</sup>	Threshold (HWM) <sup>2</sup>	PA <sup>3</sup>	Output value <sup>4</sup>
Dag 0			1,000,000.00	1,000,000.00	0.00	1,000,000.00
Dag 1	0.10%	0.02%	1,001,000.00	1,000,200.00	80.00	1,000,920.00
Dag 2	-0.05%	0.02%	1,000,419.54	1,001,120.18	0.00	1,000,419.54
Dag 3	0.05%	0.02%	1,000,919.75	1,001,320.41	0.00	1,000,919.75
Dag 4	0.10%	0.02%	1,001,920.67	1,001,520.67	40.00	1,001,880.67

#### Dag 1

The Fund's return is 0.10%. The investment value is increased by the return, i.e. SEK 1,000,000 \* 1.001 = 1,001,000. PA amounts to SEK 80 i.e. 10% on the amount exceeding the so-called "threshold". (SEK 1,001,000 – 1,000,200) \* 0.10. The value of the investment on Day 1 after PA amounts to SEK 1,000,920 (1,001,000 – 80).

#### Dag 2

The value of the fund decreases by 0.05%. No PA is paid as the Fund's unit value of SEK 1,000,419.54 is below the threshold of SEK 1,001,120.18 (which is calculated from HWM \* Ix / Ix(hwm)).

#### Dag 3

The Fund's return is 0.05%. No PA is paid as the fund's unit value of SEK 1,000,919.75 is below the threshold value of SEK 1,001,320.41.

#### Dag 4

The fund's return amounts to 0.10%. PA amounts to SEK 40.00, i.e. 10% on the amount exceeding the so-called threshold value. (SEK 1,001,920.67 – 1,001,520.67) \* 0.10. The value of the investment on Day 4 after PA amounts to SEK 1,001,880.67 (1,001,920.67 – 40.00).

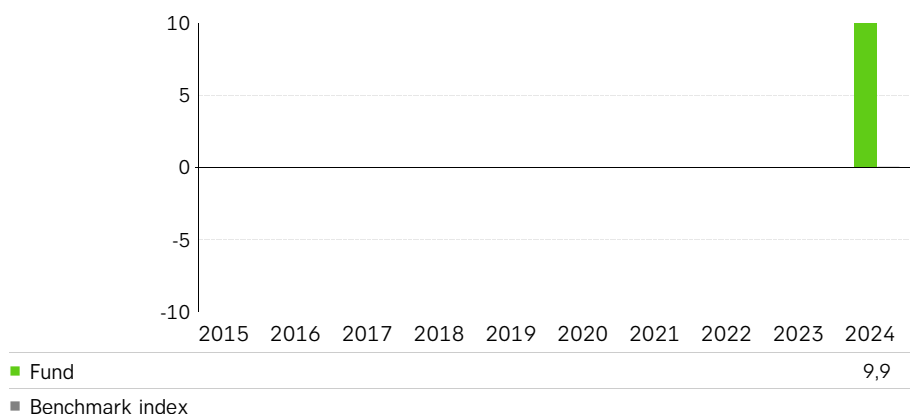
<sup>1</sup> The value of the invested capital before performance fee ("PA") for the respective period.

<sup>2</sup> The threshold is the value the fund must exceed in order for the PA to be paid to the Company.

<sup>3</sup> The PA is calculated on the difference between the fund unit value (in the example, it is the invested capital adjusted by the fund's return for the current period) and the threshold multiplied by the PA (in this case 10%).

<sup>4</sup> Closing value of the amount invested after the period's returns and fees.

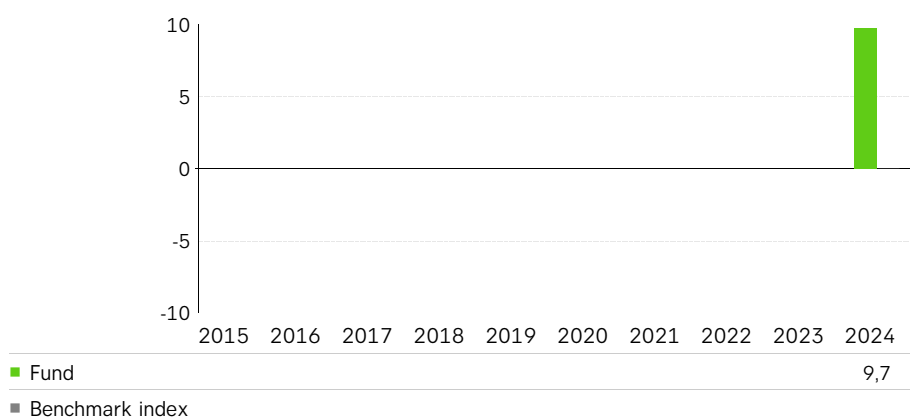
## 4. Past performance



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class A.

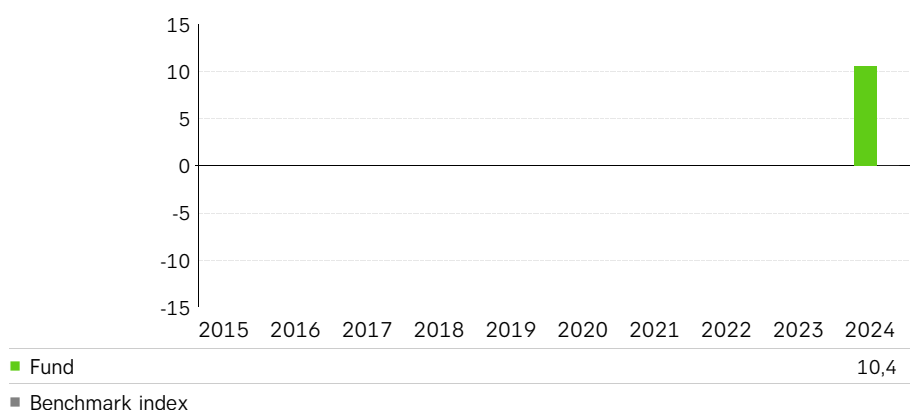
Past performance is no guarantee of future returns.



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a distributing unit class B.

Past performance is no guarantee of future returns.



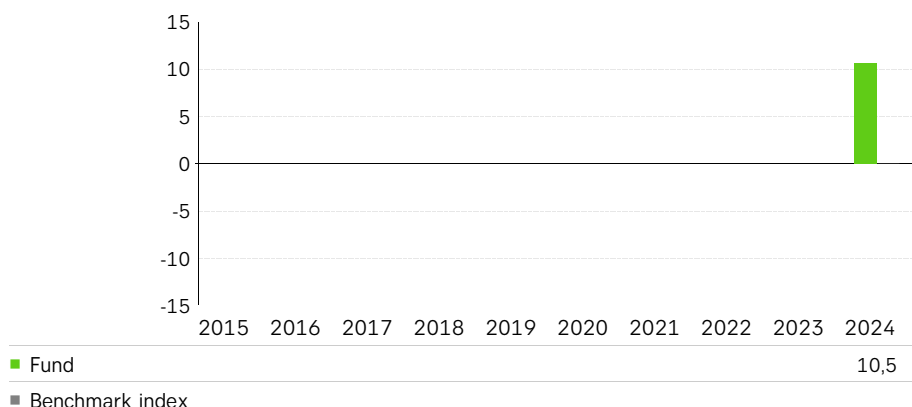
The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class C.

Past performance is no guarantee of future returns.



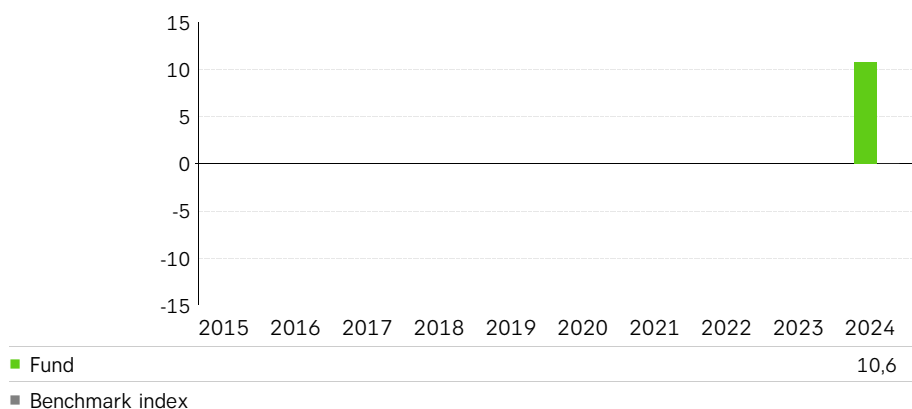
## Past performance, forts



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class D.

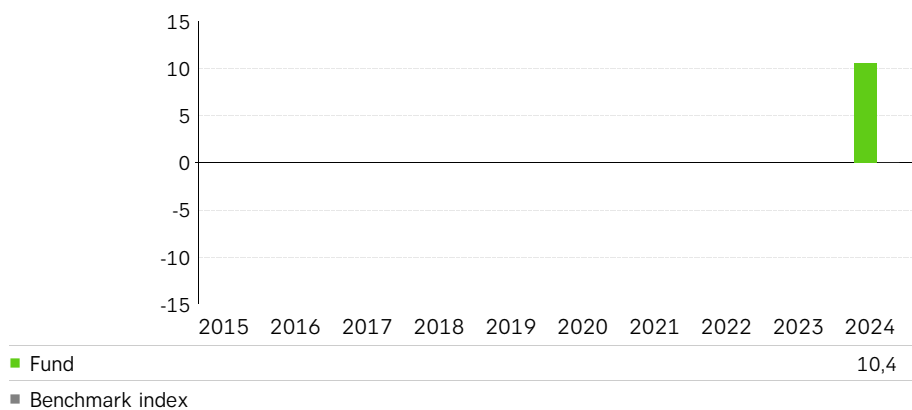
Past performance is no guarantee of future returns.



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class E.

Past performance is no guarantee of future returns.

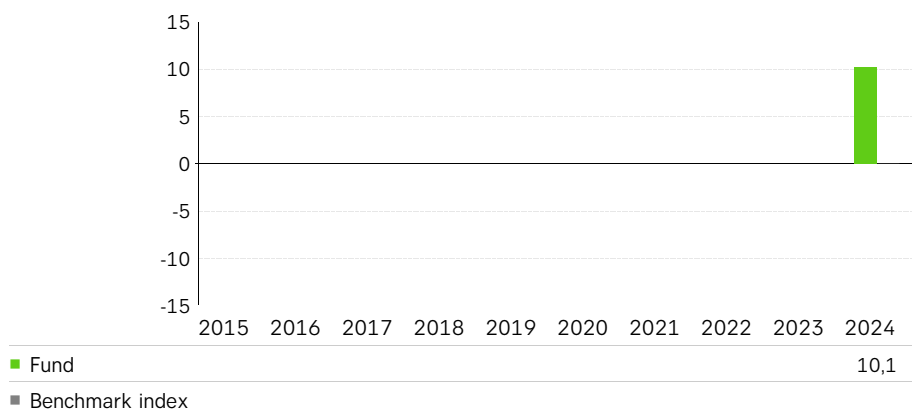


The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class F.

Past performance is no guarantee of future returns.

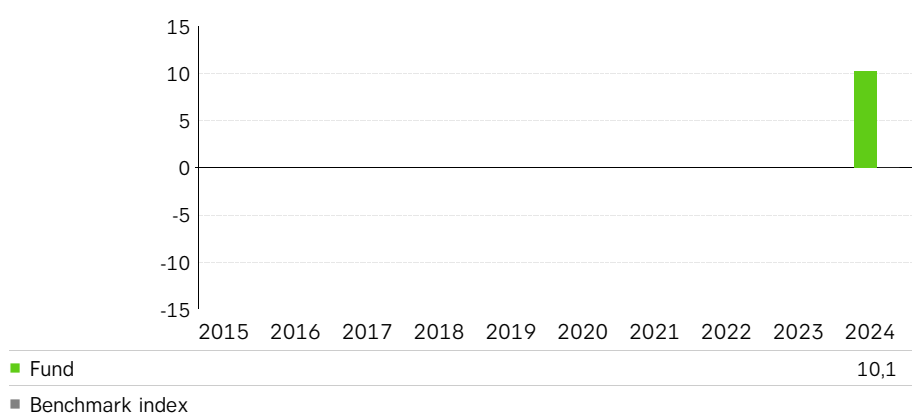
## Past performance, forts



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class G.

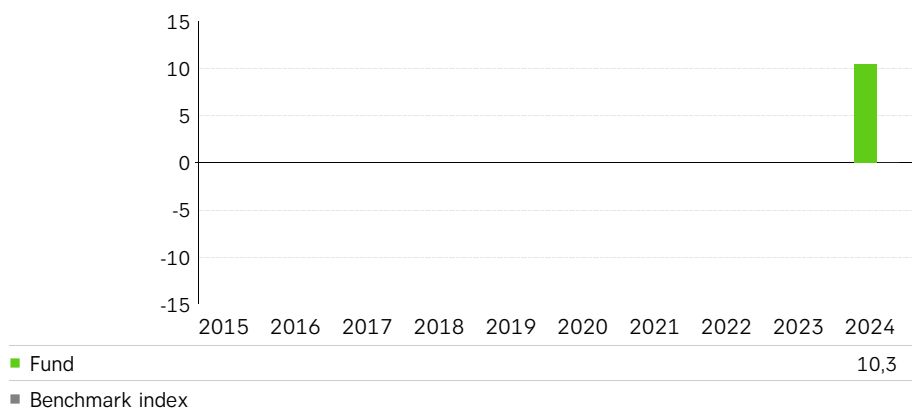
Past performance is no guarantee of future returns.



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a distributing unit class H.

Past performance is no guarantee of future returns.

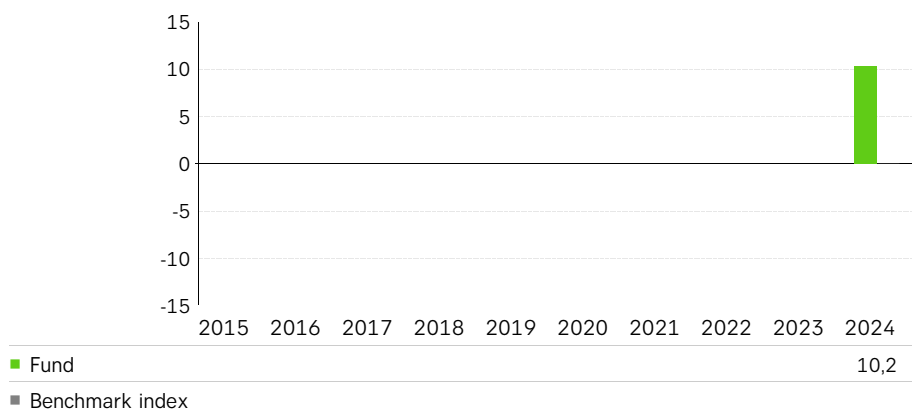


The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class I.

Past performance is no guarantee of future returns.

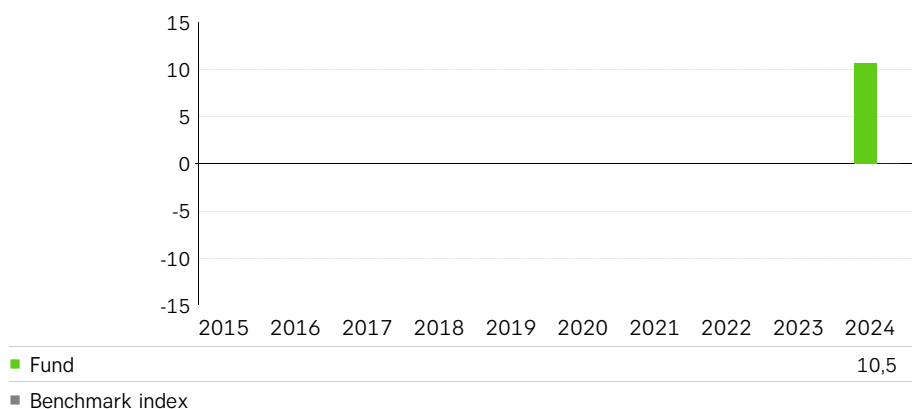
## Past performance, forts



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a distributing unit class J.

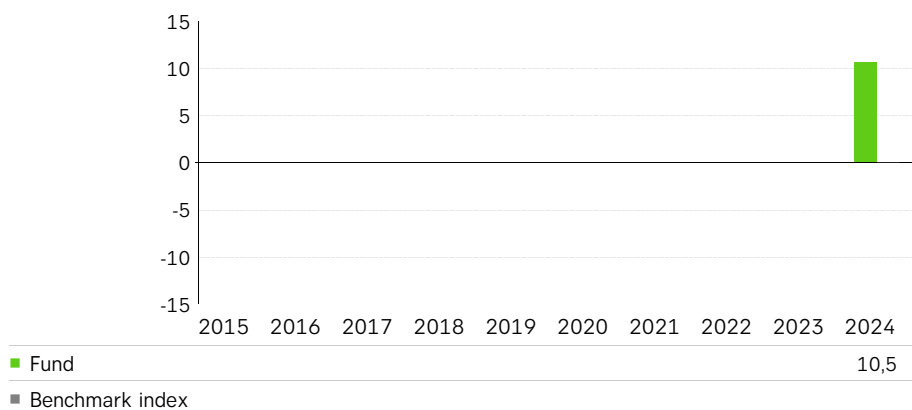
Past performance is no guarantee of future returns.



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class K.

Past performance is no guarantee of future returns.

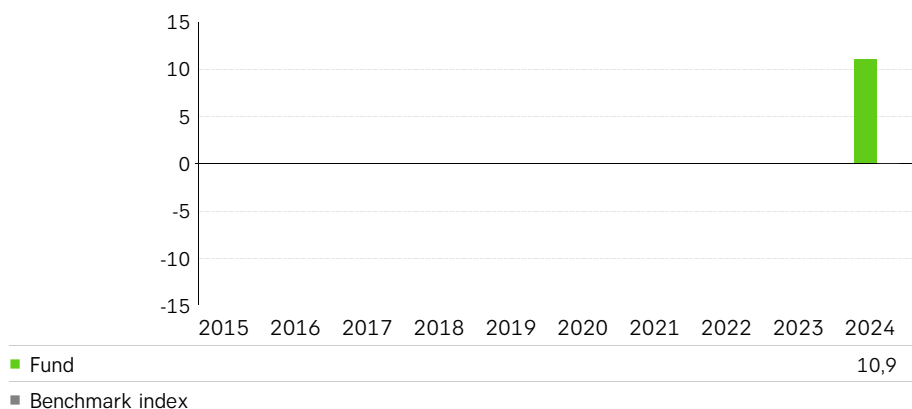


The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a distributing unit class L.

Past performance is no guarantee of future returns.

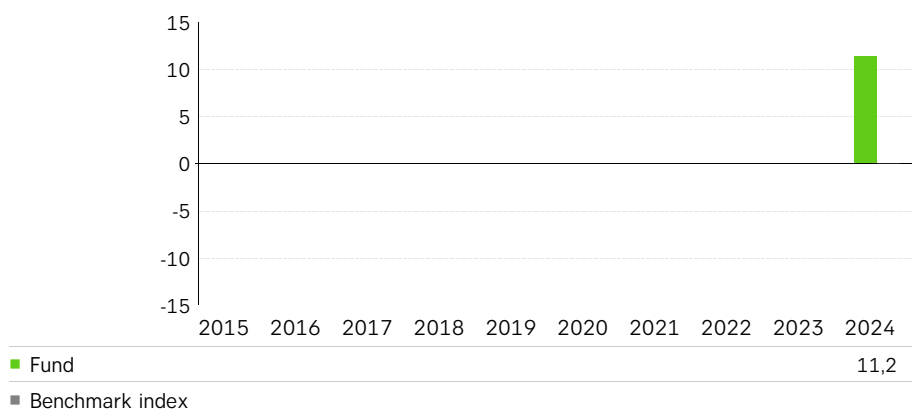
## Past performance, forts



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class M.

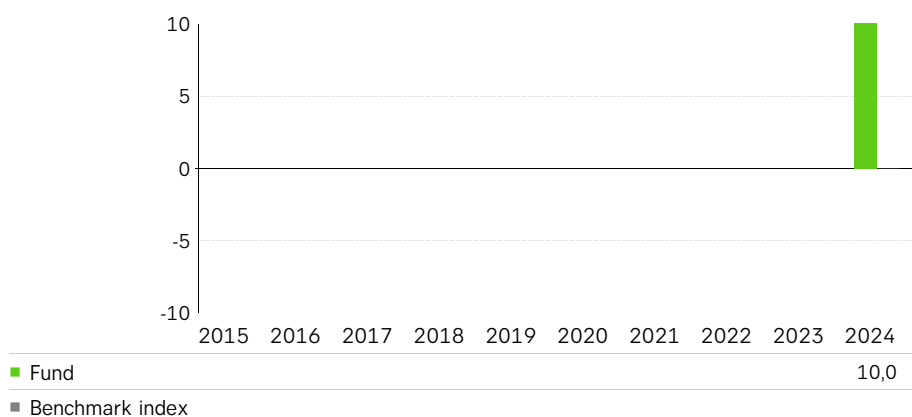
Past performance is no guarantee of future returns.



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class N.

Past performance is no guarantee of future returns.

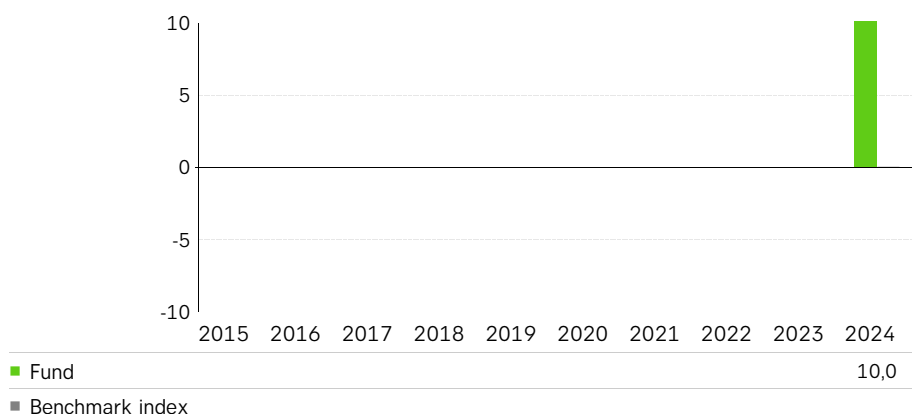


The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class O.

Past performance is no guarantee of future returns.

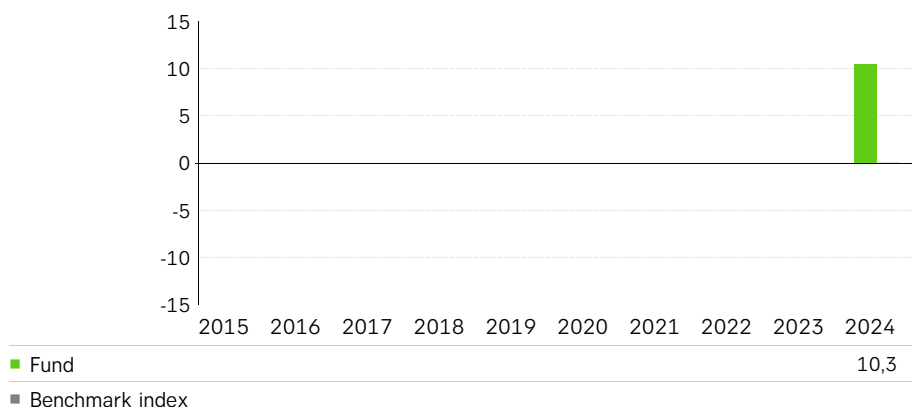
## Past performance, forts



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a distributing unit class P.

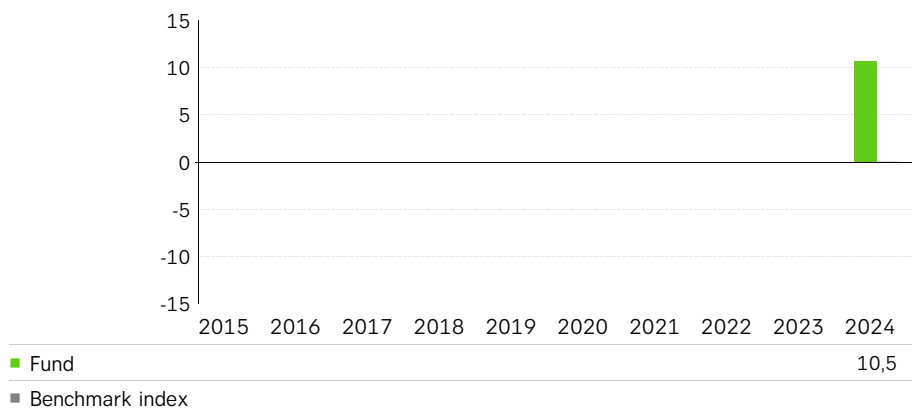
Past performance is no guarantee of future returns.



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class Q.

Past performance is no guarantee of future returns.

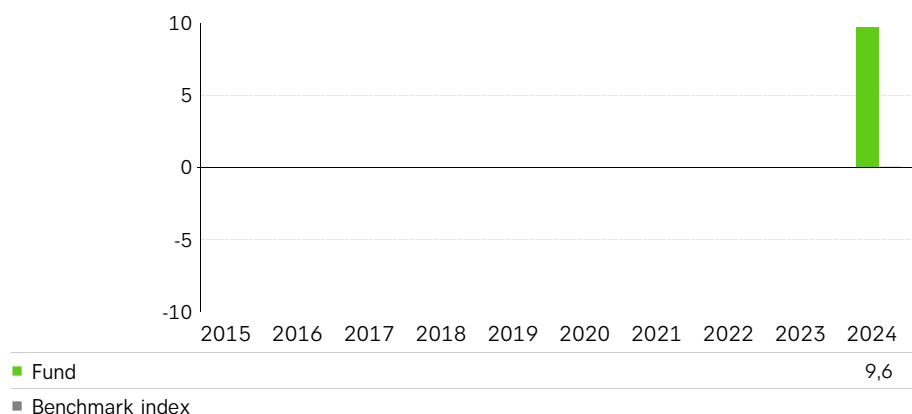


The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class R.

Past performance is no guarantee of future returns.

## Past performance, forts



The past performance for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The past performance relates to the original fund, which since 31 March 2023 has been a non-distributing unit class S.

Past performance is no guarantee of future returns.



## 5. Information about the Company

### Name of the Company

SEB Funds AB (the "Company") indirect wholly owned subsidiary of Skandinaviska Enskilda Banken AB (publ) ("SEB"). The Company is part of the SEB Asset Management division. Within the framework of the Company's fund activities, the Company manages UCITS and alternative investment funds. Since 5 April 2006, the Company has been authorised to conduct fund activities in accordance with the Swedish Investment Funds Act (2004:46). Since 20 May 2014, the Company has also been authorised to manage alternative investment funds in accordance with the Swedish Alternative Investment Fund Managers Act (2013:561).

### Date of establishment of the Company

1978-05-19

### Legal structure of the Company and size of the Company's share capital

Limited liability company, SEK 1,500,000

### Domicile and head office of the Company

Stockholm, Sweden

### Branch

#### SEB Funds AB, Luxembourg branch

4, rue Peternelchen, L-2370 Howald, Luxembourg  
Tel. no.: +352 26 23 1

### Members of the Board of Directors

Johan Wigh, Chairman, external member, Partner in the law firm Törngren Magnell & Partners Advokatfirma,  
Mikael Hultdt, external member, Head of Asset Management, AFA Insurance  
Louise Lundborg Hedberg, external member, CEO and senior counsel Penny to Pound AB

### Senior executives

Katarina Höller, CEO, the Company  
Simon Trepp, responsible Fund Accounting, the Company  
Johan Samuelsson, responsible Delegation Oversight, the Company  
Xavier Olsson, responsible Transfer Agency & Distribution, the Company  
Elisabet Jamal Bergström, Head of Sustainability and Communication SEB AM Holding  
Henrik Åhman, Chief Operating Officer, SEB AM Holding  
Caroline Rifall, Head of Legal and Financial Crime Prevention, SEB AM Holding  
Ulf Grunnesjö, Chief Financial Officer, SEB AM Holding  
Anna Frey, Personnel Director, SEB AB  
Christian Lindstroem Lage, Chief Investment Officer, SEB AM  
Alexander Khayyam, responsible Compliance and central Anti Money Laundering (CFA), the Company  
Simon Lundin, responsible risk control, Bolaget

Johan Lindqvist, responsible internal audit, SEB AB  
Matthias Ewald, Branch manager Luxembourg

### Remuneration policy

Details of the Company's remuneration policy can be found (in Swedish) at [SEB Funds AB | SEB](#) under "Remuneration Policy" (More about the fund management company). This provides exhaustive information on the remuneration policy and how remuneration and benefits are calculated, who is responsible for approving them, and the composition of the remuneration committee. A hard copy of the information can be obtained on request from the Company, free of charge.

### Auditors

The auditors for the Company and the Fund are Ernst & Young AB, and the designated auditor is Carl Rudin.

### Investment funds and alternative investment funds managed by the Company

#### Sweden

Charlottes Fond,  
Ethos Aktiefond,  
Ethos Räntefond,  
Hercules Fonden,  
SEB Active 80,  
SEB Active 55,  
SEB Active 30,  
SEB Active 20,  
SEB Aktiesparfond,  
SEB Asienfond ex Japan,  
SEB Blandfond Sverige,  
SEB Blockchain Economy Exposure Fund,  
SEB Dynamisk Aktiefond,  
SEB Emerging Marketsfond,  
SEB Emerging Markets Exposure Fund (SEB Emerging Markets indexnära),  
SEB Europafond,  
SEB Europafond Småbolag,  
SEB Fastighetsfond Norden,  
SEB FRN Fond,  
SEB Företagsobligationsfond,  
SEB Global Aktiefond,  
SEB Global Sustainable Companies Fund,  
SEB Hybrid Capital Bond Fund,  
SEB Institutionell Obligationsfond SEK,  
SEB Korträntefond SEK,  
SEB Likviditetsfond SEK,  
SEB Läkemedelsfond,  
SEB NanoCap,  
SEB Nordamerikafond Små och Medelstora Bolag,  
SEB Nordamerikafond Småbolag,  
SEB Nordenfond,  
SEB Obligationsfond Flexibel SEK,  
SEB Obligationsfond SEK,  
SEB PB Aktiv 25,  
SEB PB Aktiv 50,  
SEB PB Aktiv 75,  
SEB Start 100,

## Information about the Company, forts

SEB Start 75,  
SEB Start 50,  
SEB Start 25,  
SEB Stiftelsefond Balanserad,  
SEB Stiftelsefond Sverige,  
SEB Stiftelsefond Utland,  
SEB Sverige Expanderad,  
SEB Sverige Indexfond,  
SEB Sverige Indexnära,  
SEB Sverigefond,  
SEB Sverigefond Småbolag,  
SEB Sverigefond Småbolag Chans/Risk,  
SEB Swedish Value Fund,  
SEB Teknologifond,  
SEB Världenfond,  
SEB WWF Nordenfond,  
SEB Östeuropafond,  
Sophiahemmets Fond,  
Specialfond SLS,  
Svenska Läkaresällskapets Fond

### **Luxembourg**

SEB Active Owners Impact Fund,  
SEB Arkadia Bostad,  
SEB Artificial Intelligence Fund  
SEB Asset Selection Fund,  
SEB Climate Focus High Yield Fund,  
SEB Concept Biotechnology,  
SEB Corporate Bond Fund EUR,  
SEB Corporate Bond Fund SEK,  
SEB Credit Opportunity V,  
SEB Danish Mortgage Bond Fund,  
SEB Domestica V,  
SEB Dynamic Bond Fund,  
SEB Eastern Europe Small and Mid Cap ex Russia Fund,  
SEB ELTIF- Private Equity I  
SEB Emerging Markets Fund,  
SEB Euro Bond Fund,  
SEB Euro Short Rate Fund,  
SEB Euroland Free of Management Fee,  
SEB Europe Equity Fund,  
SEB Europe Exposure Fund,  
SEB European Equity Small Caps,  
SEB Finland Optimized Exposure Fund,  
SEB Finland Small Cap Fund,  
SEB Global Climate Opportunity Fund,  
SEB Global Equal Opportunity Fund  
SEB Global Exposure Fund  
SEB Global Focus Fund,  
SEB Global High Yield Fund  
SEB Green Bond Fund,  
SEB Index Linked Bond Fund SEK,  
SEB Listed Private Equity Fund,  
SEB Micro Cap Fund SICAV-SIF,  
SEB Microfinance IX SEK,  
SEB Microfinance IX EUR,  
SEB Microfinance X SEK,  
SEB Microfinance X EUR,  
SEB Microfinance XI EUR,  
SEB Microfinance XI SEK,  
SEB Microfinance XII EUR,

SEB Microfinance XII SEK  
SEB Mixed Fund 30,  
SEB Mixed Fund 50,  
SEB Mixed Fund 80,  
SEB Modern Aggressive Fund,  
SEB Modern Growth Fund,  
SEB Nordic Energy,  
SEB Nordic Future Opportunity Fund  
SEB Nordic Hydropower Co-Invest,  
SEB Nordic Small Cap Fund,  
SEB Pension Fund,  
SEB Pension Fund Extra,  
SEB Pension Fund Plus,  
SEB Private Equity Global Direct III,  
SEB Private Equity Global Partnership II,  
SEB Private Equity Global Partnership II Access  
SEB Private Equity Nordic Direct II EUR,  
SEB Private Equity Nordic Direct II SEK,  
SEB Private Equity Nordic Direct III EUR,  
SEB Private Equity Nordic Direct III SEK,  
SEB Private Equity Opportunity Fund I,  
SEB Private Equity Opportunity Fund II,  
SEB Private Equity Opportunity Fund III,  
SEB Private Equity Opportunity Fund IV,  
SEB Sweden Equity Fund,  
SEB US Exposure Fund,  
SEB US Focus Core Fund,  
SEB USD Currency Fund.

## 6. Fund regulations

### Section 1 The Fund

The name of the fund is SEB Hybrid Capital Bond Fund (hereinafter referred to as "the fund").

The fund is a UCITS fund, as defined in the Swedish Mutual Funds Act ("LVF") (2004:46).

The fund is constituted through capital contributions from the general public, and the fund's assets are jointly owned by the unit holders. The shares in each unit class carry equal rights to the property included in the fund. The fund is not a legal entity and cannot acquire rights or assume obligations. Assets included in the fund may not be seized and the unit holders are not liable for obligations relating to a fund. The fund is managed by a fund management company, which represents the unit holders in all matters pertaining to the fund.

The fund has the following share classes denominated in Swedish kronor (SEK), and all the share classes are hedged against the fund's base currency, which is EUR (euro).

- A) Non-distributing share class, minimum first deposit SEK 100
- B) Distributing share class, minimum first deposit 100 SEK
- S) Non-distributing share class, minimum first deposit SEK 100
- A) Non-distributing share class, with conditions for distribution, minimum first deposit SEK 100
- B) Non-distributing share class, with conditions for distribution, minimum first deposit SEK 1,000,000
- C) Non-distributing share class, with conditions for distribution, minimum first deposit SEK 10,000,000
- D) Non-distributing share class, with conditions for distribution, minimum first deposit SEK 50,000,000
- E) Non-distributing share class, minimum first deposit SEK 1,000,000
- F) Distributing share class, minimum first deposit SEK 1,000,000
- G) Non-distributing share class, minimum first deposit SEK 10,000,000
- H) Distributing share class, minimum first deposit SEK 10,000,000
- I) Non-distributing share class, minimum first deposit SEK 50,000,000
- J) Distributing share class, minimum first deposit SEK 50,000,000

The following share classes are denominated in Norwegian kroner (NOK). All share classes are hedged against the fund's base currency, which is EUR.

- A) Non-distributing share class, minimum first deposit is NOK 100
- B) Non-distributing share classes, minimum initial deposit is NOK 1,000,000

The following share classes are denominated in the fund's base currency, euro (EUR).

- A) Non-distributing share class, minimum first deposit is EUR 10
- B) Distributing share class minimum first deposit is EUR 10
- C) Non-distributing share class, minimum first deposit is EUR 100,000
- D) Non-distributing share class, minimum first deposit EUR 1,000,000

The content of the fund rules is common to all of the above share classes, with the exception of the provisions on currency hedging in § 7, the minimum amount for subscription and distribution in § 9, fees in § 11, and dividends in § 12.

The fund's base currency is the euro.

### Section 2 Fund manager

The fund is managed by SEB Funds AB, 556197-3719 (hereinafter referred to as the "Fund Management Company").

### Section 3 Depositary

The fund's assets are held in custody by Skandinaviska Enskilda Banken AB (publ), registration number 502032-9081 (the "Depositary").

The Depositary shall receive and hold the assets of the Fund and carry out the instructions of the Fund Management Company relating to the Fund, unless they conflict with the provisions of the LVF, other statutes or the Fund Rules, and ensure that the

- the sale, redemption and cancellation of fund units are carried out in accordance with the provisions of the LVF and the Fund Rules,
- the value of fund units is calculated in accordance with the provisions of the LVF and the Fund Rules,
- compensation for transactions involving a fund's assets is paid to the Fund without delay; and
- the income of the Fund is utilised in accordance with the provisions of the LVF and the Fund Rules.

The Depositary shall act independently of the Fund Management Company and exclusively in the interest of the fund unit holders.

### Section 4 Nature of the Fund

The fund is a fixed-income fund with a focus on so-called hybrid capital, primarily contingent convertible bonds (CoCos). A characteristic of CoCos is that they are interest-bearing transferable subordinated securities with no end date, but with the characteristic that under certain predetermined circumstances, they can be converted into shares or written down. For more information about this type of instrument, see the fund's information brochure.

The fund will mainly invest in such instruments issued by European banks with good credit ratings. In addition, the fund will invest in such instruments issued by, for example, insur-

## Fund regulations, forts

ance companies, and other, non-financial companies that also have good credit ratings.

The Fund's objective is to increase the value of your investment over time by providing an annual return of the risk-free rate plus 2.5 percentage points over a normal business cycle.

The fund applies exclusionary criteria, regarding activities that are excluded, for example, for environmental and/or social reasons. More information can be found in the fund company's policies regarding environmental and social considerations, exclusion, country policies, and owner engagement, as well as in the fund's information brochure.

### Section 5 The fund's investment policy

#### (i) Assets

The fund's assets may be invested in transferable securities, money market instruments, derivative instruments, fund units or fund companies, and as deposits with credit institutions. The fund may also include the cash and cash equivalents required for management of the fund.

For investments in derivative instruments, the underlying assets shall constitute or relate to such assets as referred to in ch. 5, § 12 of LVF.

#### (ii) Allocation, etc

Of the fund's investments, a minimum of 90% shall be in instruments that can be considered hybrid capital.

The fund will not invest in hybrid capital instruments with a credit rating lower than B- from S&P or B3 from Moody's or an equivalent rating from another approved credit rating agency. However, the fund may invest in hybrid capital instruments where the instrument lacks a credit rating, as long as the issuer has an investment grade rating from S&P or from Moody's or an equivalent rating from another approved credit rating agency.

The fund will have an average duration of between one and ten years. For more information on hybrid capital instruments please see the information brochure.

The fund's investments must be in companies with headquarters or main operations within the OECD.

All holdings in currencies other than euros are currency hedged into euros, which is the fund's base currency.

The Fund promotes, inter alia, environmental and/or social characteristics by following specific sustainability-related criteria in its investments. The criteria are based on international standards and guidelines and criteria decided by the Fund Management Company.

More information about the criteria can be found in the fund company's policies on environmental and social considerations, exclusion, country policies, and owner involvement, as well as in the fund's information brochure.

The fund may invest no more than ten percent of its value in other funds or fund companies.

### Section 6 Markets

The fund's assets may be invested in a regulated market or in an equivalent market outside the EEA, and in other markets, within or outside the EEA, that are regulated and open to the general public and are covered by the fund's investment policy.

The fund's assets may also be invested in interest-bearing transferable securities and money market instruments traded on the bond and money markets.

### Section 7 Special investment policy

The fund may invest in interest-related transferable securities and money market instruments referred to in chapter 5, § 5 of LVF.

Derivative instruments may be used as part of the investment approach.

The fund may also use OTC derivatives in accordance with chapter 5, § 12, second paragraph of LVF.

The fund can use currency derivatives to currency hedge its holdings. For unit classes that are denominated in a currency other than the fund, currency derivatives will, at all times, be used for the purpose of fully hedging the fund's holdings against the currency of the unit class. The costs associated with currency hedging will only be charged to the share class in which the currency hedging is made.

### Section 8 Valuation

The fund's net asset value is calculated by deducting its liabilities from its assets. The value of a fund unit in a specific unit class is the unit class's net asset value divided by the number of outstanding fund units, taking into account the terms associated with the respective unit class.

The value of fund units is normally calculated on each Swedish banking day by the Fund Management Company.

The Fund Management Company has the right to suspend the valuation of the fund if the valuation of the fund's assets is not possible in a way that ensures the equal rights of the unit holders, i.e. if the fund's assets cannot be valued at market value. In these circumstances, the fund must be valued as soon as the unit holders' equal rights can be ensured.

Financial instruments included in the fund are valued at market value. For financial instruments traded in an active market, the market value is determined by the latest price paid, in the first instance. For financial instruments that are not traded in an active market, the market value is derived from information concerning equivalent transactions subject to market conditions during the most recent period of time. If these methods cannot be applied or if the Fund Management Company judges the methods as obviously misleading, the market value will be determined on the basis of the latest bid or ask price, or alternatively via a valuation model that is established in the market. For OTC derivatives, there is normally no published information available concerning the latest price paid, nor the latest bid and ask price. The market value of OTC derivatives is therefore normally determined on the

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basis of a generally adopted valuation model. The value of forward exchange rate contracts is determined, for example, on the basis of the market rate on the business day, with adjustment for the difference in interest rates between the currencies traded and the maturity of the forward contract.

If an active market is not available for transferable securities and money market instruments as referred to in chapter 5, § 5 of LVF, a special valuation will be made whereby a market value is determined on objective grounds and where the following factors may be taken into consideration.

- the instrument's convertibility.
- market prices from a non-regulated market or other independent sources.
- the acquisition value.
- discounted cash flows (present value calculation);
- the proportion of equity (year-end valuation);
- company events that have an influence on the market value

### Section 9 Sale and redemption of fund units

The fund is normally open for sale and redemption of fund units on every Swedish banking day, but not on any banking days on which the fund's assets cannot be valued while ensuring the equal rights of fund unit holders. This could be, for example, as a consequence of how one or more of the markets in which the fund trades is/are fully or partly closed.

The Fund Management Company has the right to postpone the sale and redemption of units in the fund if particular circumstances exist and such action is justifiable with regard to the unit holders' interests. Sale or redemption requests received by the Fund Management Company during this time shall be executed in the order in which they are received, and at the price determined on the first banking day after such circumstances no longer prevail.

Share classes A, B, G, H, I, J, K, L, M, N, O, P, Q, R, and S are open to the general public.

Share classes C, D, E, and F are open only to investors who, within the framework of agreements on portfolio management, and/or investment advice pursuant to chapter 2, 1 § 4, and chapter 2, respectively, 1 § 5 of the Act (2007:528) regarding the securities market or equivalent Swedish or foreign regulation, invests in the fund and where no remuneration is paid by the fund company.

The share classes are also open to life insurance companies where the customer (policyholder) has entered into an agreement with the life insurance company, and where no distribution compensation is issued by the fund management company to the life insurance company.

For share class A, the minimum amount for subscription is SEK 100.

For share class B, the minimum amount for the initial subscription is SEK 100.

For share class S, the minimum amount for the initial subscription is SEK 100.

For share class C, the minimum amount for the initial subscription is SEK 100.

For share class D, the minimum amount for the initial subscription is SEK 1,000,000.

For share class E, the minimum amount for the initial subscription is SEK 10,000,000.

For share class F, the minimum amount for the initial subscription is SEK 50,000,000.

For share class G, the minimum amount for the initial subscription is SEK 1,000,000.

For share class H, the minimum amount for the initial subscription is SEK 1,000,000.

For share class I, the minimum amount for the initial subscription is SEK 10,000,000.

For share class J, the minimum amount for the initial subscription is SEK 10,000,000.

For share class K, the minimum amount for the initial subscription is SEK 50,000,000.

For share class L, the minimum amount for the initial subscription is SEK 50,000,000.

For share class M, the minimum amount for the subscription of units is NOK 100.

For share class N, the minimum amount for the subscription of units is NOK 1,000,000.

For share class O, the minimum amount for the subscription of units is EUR 10.

For share class P, the minimum amount for the subscription of units is EUR 10.

For share class Q, the minimum amount for the subscription of units is EUR 100,000.

For share class R, the minimum amount for the subscription of units is EUR 1,000,000.

The sale and redemption price for fund units amounts to the net asset value per share on the banking day following the business day on which the request for sale (buy order) and redemption (sell order) have been received by the fund company.

The sale and redemption of a fund unit is handled on the banking day after it is received, and payment is made no later than four banking days after the banking day request has been received by the fund company, less any redemption or sale fee in accordance with § 11 if the request has been received before the cut-off time specified in the fund's information brochure. Implementation refers to the execution of buy and sell orders, respectively.

Sale and redemption are made at a price not known to the unit holder upon request for sale or redemption. Information on the sale and redemption price for the previous banking

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day can be obtained from the fund company, the Depositary, and Skandinaviska Enskilda Banken AB.

The sale and redemption of fund units takes place through Skandinaviska Enskilda Banken AB or in another manner specified by the fund company.

Requests for the sale or redemption of fund units may only be withdrawn if the fund company approves.

If at the time of the request for redemption, funds are not available in the fund, funds shall be raised through the sale of the fund's assets and redemption shall be affected as soon as possible.

### Section 10 Extraordinary circumstances

The fund may be closed for the sale and redemption of fund units in the event of extraordinary circumstances, which means that the fund is unable to be valued in accordance with Section 8 in a manner that ensures the equal rights of the unit holders or their interests.

### Section 11 Fees and remuneration

Remuneration will be paid to the Fund Management Company from the fund's assets for its management, including the costs of custody, supervision, and auditors, and may not exceed what is stated below. The compensation is calculated daily on a 1/365 basis.

#### Share class A, B, M, O and P

A fixed remuneration corresponding to a maximum of 1.0 percent per year of the fund's value.

#### Share class G, H, N, Q and S

A fixed remuneration corresponding to a maximum of 0.80 percent per year of the fund's value.

#### Share class I, J and R

A fixed remuneration corresponding to a maximum of 0.6 percent per year of the fund's value.

#### Share class K and L

A fixed remuneration corresponding to a maximum of 0.40 percent per year of the fund's value.

Share classes for special distribution with agreements, see Section 9, a fixed remuneration corresponding to a maximum of the following:

Share class C) 0,5%

Share class D) 0,4%

Share class E) 0,3%

Share class F) 0,2%

In addition to the fixed management fee, for the share class S, a performance-based fee may be charged. The remuneration, which is based on the fund's performance, may not exceed 10% of the fund's return that exceeds the risk-free interest rate (defined as RXVX90) + 2.5 percentage points.

The performance-based remuneration is calculated daily according to a collective model and is paid on the last banking day of each month. How the performance-based fee is calculated is stated in the fund's information brochure. The fund applies the principle of perpetual high-water mark.

Transaction costs, such as brokerage, taxes, delivery, and other expenses related to the fund's purchase and sale of assets, shall be debited to the fund. Moreover, statutory taxes shall be debited to the fund.

### Section 12 Dividends

#### Share classes A, C, D, E, F, G, I, K, M, N, O, Q, R and S

The share classes are not distributed.

#### Share classes B, H, J, L and P

The share classes are distributed.

Once a year, the Fund Management Company may decide on the distribution of dividends to unit holders. Dividends are calculated based on the share class of the distributing unit class in the fund's value. The basis for any distribution is the return on the fund's assets or another distributable amount. The dividend may exceed or fall below the return on the fund's assets if this is in the interest of the fund's unit holders.

Dividends to the fund's unit holders are paid in May of the year following the financial year, and are paid to unit holders who, on the fixed distribution date, are registered for fund shares. The fund company also has the right to decide on extra distributions during the year if it is in the unit holders' interests.

The fund company shall, where applicable, deduct the tax that is required by law to be withheld for unit holders on the dividend. The dividend shall – after the tax deduction – be paid to the account belonging to the unit owner.

The value of the non-distributing fund units included in the fund is not affected by dividends. On the other hand, the ratio between the value of the distributing fund units and the non-distributing units is changed by the distribution. The ratio changes annually in connection with the distribution.

Special rules apply to distributions regarding pension savings funds invested by pension savings institutions on behalf of pension savers, and to dividends regarding insurance premiums placed by insurance companies on behalf of policyholders.

Further information on the objective regarding the size of the dividend can be found in the fund's information brochure.

### Section 13 Financial year

The financial year for the fund is the calendar year.

### Section 14 Interim report and annual report, and amendments to the Fund Regulations

The Fund Management Company shall submit an annual report regarding the fund within four months of the end of



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the financial year, and an interim report for the financial year's first six months within two months of the end of the half-year.

The annual report and interim report shall be available at the Fund Management Company and the Depository and shall be sent to those unit holders who so request.

Amendments to the Fund Regulations shall be approved by the Swedish Financial Supervisory Authority (FSA). After the FSA's approval of an amendment to the Fund Regulations, the amended Fund Regulations shall be made available at the Fund Management Company and the Depository, and where applicable, be notified in the manner instructed by the FSA.

### Section 15 Pledging

Unit holders may pledge their units in the fund, provided that the unit holder is not a pension savings institution that has invested pension savings assets on behalf of pension savers, or an insurance company that has invested pension savings assets on behalf of pension savers.

Pledging takes place by the pledger or pledgee notifying the Fund Management Company of the pledge in writing. Such notification shall contain the following:

- the name of the fund unit holder/pledger.
- the name of the pledgee.
- which fund units the pledge concerns; and
- any limitations to the extent of the pledge.

The notification shall be signed by the pledger.

The Fund Management Company shall record the pledging in the unit holder register and inform the unit holder in writing of the registration of the pledging. The pledging will lapse when the pledgee has informed the Fund Management Company in writing thereof. The Fund Management Company is entitled to apply a registration charge to the unit holder. Details of the current fee are set out in the fund's information brochure.

### Section 16 Limitation of liability

If the Depository or a custodian bank has lost financial instruments held in custody by the Depository or a custodian bank, without undue delay the Depository must provide financial instruments of the same type or pay an amount equivalent to the value thereof to the Fund Management Company on behalf of the Fund. However, the Depository will not be liable in the event that the loss of the financial instruments is caused by an external event beyond the Depository's reasonable control, and of which the consequences were impossible to avoid, despite all reasonable efforts being made, such as damage caused by Swedish or foreign legal orders, Swedish or foreign government action, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. Exemption from liability with regard to strikes, blockades, boycotts and lockouts will apply even if the Depository is the object or implementer of such conflict measures.

The Depository will not be liable for any damage other than such damage as referred to in the first paragraph, unless the Depository has intentionally or negligently caused such other damage. Nor shall the Depository be liable for such other damage if circumstances specified in the first paragraph exist.

The Fund Management Company will not be liable for any claims arising from Swedish or foreign statutes, measures implemented by Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. Exemption from liability with regard to strikes, blockades, boycotts and lockouts will apply even if the Fund Management Company is the object of or implements such conflict measures. No compensation will be paid by the Fund Management Company for loss or damage arising from other circumstances, provided that the Fund Management Company has shown due diligence.

The Fund Management Company or Depository is not liable for indirect loss or damage under any circumstances.

The Fund Management Company or Depository will not be liable for damage caused by a Swedish or foreign stock exchange or other marketplace, custodian bank, central securities depository, clearing organisation, or other party that provides similar services, nor for any other service provider that the Fund

Management Company or Depository may have engaged with appropriate diligence. The same will apply regarding loss or damage that may be caused by one of the aforementioned organisations or service providers becoming insolvent. The Fund Management Company or Depository shall not be liable for damage that may arise further to restrictions to the right of disposal that may be applied against the Fund Management Company or Depository with regard to securities.

Should the Fund Management Company or Depository, due to circumstances set forth in this section, be fully or partly prevented from executing measures pursuant to these Regulations, or executing purchase or redemption orders regarding fund units, such measures may be postponed until such impediments no longer exist. Should the Fund Management Company or Depository not be obliged, as a consequence of such circumstances, to execute or receive payment or delivery, the Fund Management Company or Depository, and the unit holder, shall not be obliged to pay any penalty interest. Should interest be pledged, the Fund Management Company or the Depository shall pay interest at the rate prevailing on the due date.

The above limitations of liability do not restrict the unit holder's right to damages in accordance with Chapter 2, Section 21 and Chapter 3, Sections 14-16 §§ LVF.

### Section 17 Restriction of right of sale, etc.

The fund or units in the fund are not, nor are they intended to be, registered in accordance with the United States Securities Act 1933, the United States Investment Companies Act 1940 or other relevant US legislation in force at any time.

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Units in the Fund (or rights to fund units) may not, or will not be, offered, sold, or in any other way distributed to or on behalf of US Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

In addition, fund units may not be offered, sold or in any other way distributed to private individuals or legal entities if the Fund Management Company considers that this would entail or involve a risk of:

- (i) infringement of Swedish or foreign laws or statutes;
- (ii) the Fund Management Company having to adopt special registration or other measures, or suffering considerable tax or financial losses which cannot be reasonably claimed by the Fund Management Company; or
- (iii) the fund sustaining loss or damage or incurring costs that are not in the interests of the unit holders.

Persons who wish to acquire units in the fund shall inform the Fund Management Company of their national domicile. A unit holder is also obliged to notify the Fund Management Company of any changes in their national address.

Purchasers of units in the fund shall also confirm to the Fund Management Company that he or she is not a US Person and that the fund units are being acquired through a transaction outside the USA in accordance with Regulation S. Subsequent transfer of the units or rights to such entities may only be made to a non-US Person, and shall take place through a transaction outside the USA covered by exemptions pursuant to Regulation S.

Should the Fund Management Company deem that it does not have the right to offer, sell, or in any other way distribute fund units in accordance with the above, the Fund Management Company shall have the right to refuse the execution of such request to purchase units in the fund and, where applicable, and without prior consent, to redeem such unit holders' holdings of units in the fund for their account, and to pay out the subsequent amounts received.

# Product name: SEB Hybrid Capital Bond Fund

Legal entity identifier: 636700XOZLOC2B9XXN35

## Environmental and/or social characteristics

**Sustainable investment:** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : _%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : _%	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments  <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with a social objective  <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the following environmental and/or social characteristics:

- Climate change mitigation and adaptation, by investing in companies whose economic activities are assessed to be aligned with an environmental objective according to the EU taxonomy;
- Global long-term environmental and social objectives, such as protecting biodiversity, ensuring access to water, social inclusion, diversity, and inclusion by investing in companies whose activities are assessed to contribute to several or any of these sustainability objectives;
- Good corporate governance and ethical business practices by applying exclusion criteria to companies with verified violations of international norms and conventions;
- Long-term work with sustainability risks and opportunities in business models and in daily operations by assessing companies' work in this area using the Management Company's proprietary sustainability model SIMS-S;
- Sustainable and ethical business models by applying exclusion criteria for companies in sectors or business areas deemed to have significant ethical or sustainability-related challenges by the Management Company;
- Conservation of nature and people as a resource by considering the principle adverse impact on sustainability factors;
- Transparency, awareness, and action regarding the aforementioned characteristics by exercising active ownership which is done through corporate engagement.

A more detailed description of how the Fund promotes the environmental and/or social characteristics described above can be found under the heading, "What investment strategy does this financial product follow".

No benchmark index is used to achieve the environmental and/or social characteristics promoted by the Fund. Read more about the Fund Management Company's sustainability work in the Fund Management Company's Sustainability Policy: [Our sustainability approach at Asset Management | SEB](#)

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Fund uses the following sustainability indicators to measure the achievement of the environmental and/or social characteristics promoted:

- The Fund's volume-weighted taxonomy alignment according to the EU taxonomy is used to measure the promotion of climate transition and adaptation;
- The proportion of sustainable investments with environmental and social objectives is used as a measurement of the promotion of environmental and social objectives;
- The volume-weighted proportion of excluded companies in the Fund's comparison benchmark/universe of comparable companies is used to measure the promotion of long-term sustainable and ethical business models;
- The Fund's volume-weighted average score according to the Fondbolaget's proprietary sustainability model, SIMS-S, is used to measure the promotion of companies that credibly and successfully work long-term with sustainability risks and opportunities in their business models;
- The number of dialogues including sustainability aspects conducted by the fund managers during the year is used to measure the promotion of companies that credibly and successfully work long-term with sustainability risks and opportunities in their business models; and
- The Fund's exposure to Net Zero Banking Alliance signatory banks is used to measure the degree of transition towards a carbon neutral society.

## ● What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives

The Fund's sustainable investments are made in companies whose economic activities are assessed to contribute to one or more of the following environmental and social objectives:

### **Environmental objectives considered environmentally sustainable according to the EU taxonomy:**

The six objectives defined by the EU taxonomy are: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

### **Environmental objectives not deemed aligned with the EU taxonomy:**

UN Sustainable Development Goals (UNSDGs): SDG 6: Clean water and sanitation (for all), SDG 7: Affordable and clean energy (for all), SDG 9: Sustainable industry, innovation and infrastructure, SDG 11: Sustainable cities and communities, SDG 12: Responsible consumption and production, SDG 13: Climate action (combat climate change), SDG 14: Life below water (oceans and marine resources), SDG 15: Life on land (ecosystems and biodiversity).

### **Social goals:**

UN Sustainable Development Goals (UNSDGs): SDG 1: No poverty, SDG 2: No hunger, SDG 3: Good health and well-being, SDG 4: Quality education for all, SDG 5: Gender equality, SDG 6: Clean water and sanitation for all, SDG 8: Decent work and economic growth, SDG 10: Reduced inequality, SDG 11: Sustainable cities and communities, SDG 16: Peaceful and inclusive societies.

### **Other activities;**

Specific project contributions through sustainability bonds, such as green bonds and social bonds.

The fund company applies a pass/fail methodology, where an entire investment is classified and reported as sustainable if the requirements for contributing, not doing significant harm and good corporate governance are met.

## ● How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

To ensure that the sustainable investments do not cause significant harm to any environmental or social sustainable investment goal, the Fund applies the exclusion criteria defined in the Fondbolaget's sustainability policy. In accordance with the exclusion criteria, the Fund excludes investments in companies that do not follow international norms and standards, are involved in controversial sectors and business models, have exposure to fossil fuels, and do not meet the minimum levels of social safeguards defined in the EU taxonomy.

## ● *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The management company has developed internal tools and processes to assess and consider the negative impact indicators for sustainability factors. However, the indicators are dependent on the availability of data. Where reliable data with sufficient coverage is available, companies with negative performance on indicators in geographical and sectoral contexts are excluded. Examples of this include companies with extremely high CO<sub>2</sub> emissions relative to their peers.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The fund also adheres to the management company's exclusion criteria outlined in the management company's sustainability policy, excluding companies with activities in the fossil fuel sector, companies with operations in or near biodiversity-sensitive areas where the activities risk negatively impacting these areas, companies that do not comply with international norms and standards, companies involved in the manufacture or sale of controversial weapons (landmines, cluster bombs, chemical and biological weapons), and companies whose activities impact endangered species.

● *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The fund applies the management company's sustainability policy and therefore excludes companies with verified violations of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Further, for an investment to be considered sustainable, the company must adhere to good governance practices. To ensure this, an external assessment is used to evaluate the company's governance structure, employment relations, tax compliance, and remuneration policies.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes,

Yes, The Fund considers adverse impacts on sustainability factors through the exclusions outlined in the Fondbolaget's sustainability policy. This includes excluding companies involved in the fossil fuel sector, companies with operations in or near biodiversity-sensitive areas where the activities risk to negatively impacting these areas, companies that do not comply with international norms and standards, companies involved in the manufacture or sale of controversial weapons (landmines, cluster bombs, chemical and biological weapons) and companies whose activities affect endangered species. The portfolio manager utilises the Fondbolaget's proprietary sustainability model (SIMS-S), when considering adverse impacts on sustainability factors. Through the use of SIMS-S, the portfolio manager obtains a sustainability score for a potential investment and can therefore avoid to invest in companies deemed to have high risks associated with managing negative consequences for sustainability factors. The indicators identified and analyzed in SIMS-S include companies' greenhouse gas emissions, carbon footprint, greenhouse gas intensity, water emissions, hazardous waste emissions, and energy consumption intensity for companies in sectors with significant climate impact. Furthermore, the sustainability model identifies and analyses companies with fossil fuels operations, companies with operations in or near biodiversity-sensitive areas where the activities risk negatively impacting these areas, and whether the companies in which the Fund invests have initiatives to reduce carbon dioxide emissions to align with the Paris Agreement. Additionally, the sustainability model analyses whether the companies in which the Fund invests lack processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, gender pay gaps, gender distribution on boards, and whether the companies in which the Fund invests have a supplier code of conduct (against unsafe working conditions, precarious work, child labour, and forced labour). A more detailed description of SIMS-S can be found under the heading "What investment strategy does this financial product follow?"

Information about adverse impacts on sustainability factors is disclosed in the Fund's annual report, which is available on the Fondbolaget's website.

☐ No



## What investment strategy does this financial product follow?

Fund is actively managed with an investment focus on AT1 and hybrid capital securities from mainly European national champions.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's sustainability strategies consist of sustainability analysis, exclusions, and corporate engagement.

**Sustainability analysis:** The fund manager utilises the Fondbolaget's proprietary sustainability model, SIMS-S, in investment analysis. SIMS-S assigns companies a sustainability score to determine each company's eligibility for investment based on several aspects of sustainability to create a comprehensive and unbiased picture. The SIMS-S model consists of two main components: sustainability risks\* and sustainability opportunities. The model uses data from multiple data providers and is continuously modified as new data and insights become available. The sustainability score includes both a present value and a forward-looking perspective for each individual company. It enables portfolio managers to assess current and future sustainability factors that may affect long-term risk and return.

\*Sustainability risks refer to environmental, social, or governance-related events or circumstances that, if they were to occur, would have an actual or potential significant negative impact on the value of the investment.

**Exclusions:** The fund applies the Fondbolaget's exclusion criteria in the Fondbolaget's Sustainability Policy and excludes investments in companies in sectors or business areas that are deemed by the Fondbolaget to have major sustainability challenges.

The Fondbolaget applies the following exclusion criteria and excludes companies that:

- are involved in the development of nuclear weapons programs or the production of nuclear weapons;
- produce tobacco or tobacco and nicotine products, or derive more than 5% of their revenue from the distribution of tobacco and nicotine products;
- produce cannabis for non-medical purposes;
- derive more than 5% of their revenue from alcohol production;
- derive more than 5% of their revenue from production, distribution, or services related to commercial gambling;
- are involved in the manufacture, development, or sale of prohibited or controversial weapons (e.g., cluster bombs, land mines, white phosphorus, and chemical and biological weapons);
- derive more than 5% of their revenue from the production or sale of civilian weapons;
- derive more than 5% of their revenue from the manufacture, development, or sale of weapons comprising combat equipment;
- are involved in the production of pornography, or where more than 5% of revenue comes from the distribution of pornography;
- produce fossil fuels, including unconventional extraction of fossil fuels, such as oil sands, Arctic drilling, thermal coal mining and fracking;
  - derive more than 5% of their revenue from distribution of fossil fuels;
  - derive more than 50% of their revenue from services related to fossil fuels;
  - derive more than 1% of their revenue from distribution linked to coal;
  - derive more than 1% of their revenue from mining of metallurgical coal;
  - produce energy from fossil fuels;
  - have operations in or near biodiversity-sensitive areas where the activities risk negatively impacting these areas; and
  - whose activities affect endangered species.

Furthermore, companies with verified violations of international norms and standards regarding human rights, the environment, anti-corruption, or labour laws are excluded, or where companies do not follow best practices for corporate governance or are deemed to have inadequate corporate governance structures.

Exceptions to the exclusion criteria may be made on a case-by-case basis. For example, this may occur when the Fondbolaget has an ongoing dialogue, or for other reasons has insight into the company's operations and improvement efforts. Exceptions to exclusion for transition companies involved in fossil fuels may be made if it is deemed that the company is undergoing a transition process. For a company to be considered a transition company, the company must demonstrate a strategic understanding and plan for managing climate-related risks and opportunities, an ability to achieve the 1.5°C target according to the Paris Agreement within established timeframes, and actual work and investments towards the 1.5°C target – a company must demonstrate its financial commitment to strategic plan

**Active ownership and dialogues:** In its role as a shareholder, the Management Company exercises active ownership by voting at shareholders' general meetings, in support of or against specific shareholder or management proposals, and through proxy voting procedures in accordance with the Management Company's principles for shareholder engagement. Active ownership is conducted based on the Management Company's funds' shareholdings but also affects the fund's bond holdings. Outside the Nordic region, the Management Company collaborates with other investors through, for example, The Institutional Investors Group on Climate Change (IIGCC), Principles for Responsible Investment (PRI) Collaboration Platform, Access to Medicine, and Global Child Forum. The Management Company also engages in direct dialogues with companies outside the Nordic region.

Outside the Nordic region, the Fondbolaget co-operates with other investors through, among others, The Institutional Investors Group on Climate Change (IIGCC), Principles for Responsible Investment (PRI) Collaboration Platform, Access to Medicine, and Global Child Forum. The fund company also has direct dialogues with companies outside the Nordic region.

The Fondbolaget collaborates with Sustainalytics and Institutional Shareholder Services (ISS), two international leaders in corporate dialogues. By working together with other asset managers, under the guidance of Sustainalytics and ISS, the Fondbolaget can be more successful in dialogues with companies outside the Nordic region, where the Management Company's ownership share is typically relatively small.

Read more about the management company's work as an active owner: <https://sebgroup.com/sv/om-seb/vara-divisioner/asset-management/seb-investment-management-ab/vart-hallbarhetsarbete/aktivt-agarskap>



● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the Fund are:

- **Minimum sustainable investment share:** The Fund has a minimum percentage of sustainable investments of 20.00% according to the pass/fail methodology applied by the Fondbolaget, where a whole investment is classified and reported as sustainable if all requirements for a sustainable investment are met.
- **Integration.** Issuers with significant sustainability risk are defined as issuers having a raw SIMS-S score below 3. The SIMS-S ranges from 0-10, which 10 being the highest sustainability score. The Fund will have a maximum exposure of 10% to issuers with significant sustainability risk.
- **Monitoring and engagement dialogues.** The Fund commits to have dialogues with at least 20 portfolio issuers each year.
- **Exclusion.** The Fund will comply with the Fondbolaget's exclusion policy as mentioned above.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The fund has no commitment to reducing the scope of investments to a minimum rate.

● **What is the policy to assess good governance practices of the investee companies?**

The fund manager applies norm-based exclusion criteria and excludes companies that are not considered to be in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition to the norm-based exclusion criteria, an external assessment of the companies' governance structure, labour relations, tax compliance, and remuneration is used to ensure good governance in the companies in which the Fund invests.

A more detailed description of how the Fondbolaget works to ensure good corporate governance is available in the Fondbolaget's sustainability policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

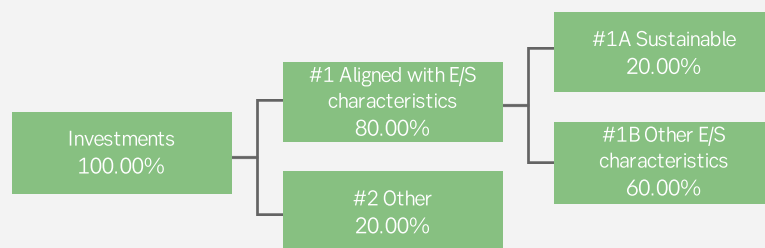
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The schematic description below illustrates the Fund's minimum share of investments that meet the environmental or social characteristics promoted by the Fund, as well as the minimum share of sustainable investments in the Fund. At least 80.00% of the Fund's investments promote environmental or social characteristics.

At least 20.00% are sustainable investments.

The remaining assets consist of cash and cash equivalents, derivatives, government bonds, supranational bonds and other investments where data are not available.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The fund does not use derivatives to achieve the environmental or social characteristics promoted by the fund. The Fondbolaget does not use derivatives as a way to attain the environmental or social characteristics promoted by the financial product, but does use ESG derivatives where possible. In order to decide if it is feasible, total cost of execution is considered. Factors like liquidity, spreads and alignment, along with the Fondbolaget's ESG principles are considered as well.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum level of sustainable investments in line with the EU taxonomy, but may make investments in line with the EU taxonomy.

### ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

- ☐ Yes
- ☐ in fossil gas      ☐ in nuclear energy
- ☒ No

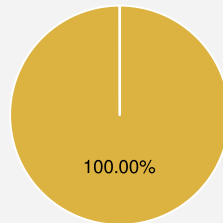
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective — see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



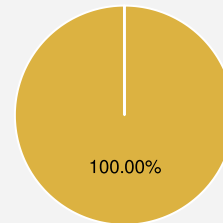
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds\*



<span style="color: green;">■</span> Taxonomy-aligned: Fossil gas	0.00 %
<span style="color: blue;">■</span> Taxonomy-aligned: Nuclear	0.00 %
<span style="color: grey;">■</span> Taxonomy-aligned (no gas and nuclear)	0.00 %
<span style="color: orange;">■</span> Non Taxonomy-aligned	100.00 %

2. Taxonomy-alignment of investments excluding sovereign bonds\*



<span style="color: green;">■</span> Taxonomy-aligned: Fossil gas	0.00 %
<span style="color: blue;">■</span> Taxonomy-aligned: Nuclear	0.00 %
<span style="color: grey;">■</span> Taxonomy-aligned (no gas and nuclear)	0.00 %
<span style="color: orange;">■</span> Non Taxonomy-aligned	100.00 %

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to any investments in transitional or enabling activities under the EU Taxonomy. However, the fund may make investments in transitional and enabling activities under the EU Taxonomy.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund can invest in economic activities that are classified as sustainable investments, even if they cannot be classified as aligned with the EU taxonomy. The EU taxonomy does not cover all economic sectors that are relevant for the Fund to invest in and that contribute to sustainability goals. There are also relatively few companies that report in accordance with the EU taxonomy. This may be due to both the size of the companies and their geographical location. The Fund is also able to invest in sustainability-labelled bonds such as green bonds. The financing from these bonds must be used to contribute to an environmental goal to maintain their label, e.g. as green. However, there is often no reporting for individual financial securities in accordance with the EU taxonomy. It is likely that in the vast majority of cases these targets are clearly linked to the targets in the EU taxonomy, but that reliable data is lacking for such a classification.

The Fund commits to maintaining an overall minimum level of sustainable investments of 20.00%. However, the Fund does not commit to having a specific breakdown between environmentally and socially sustainable investments. The Fund's sustainable investments are made in companies whose economic activities are assessed to contribute to one or more of the following environmental goals:

**Environmental objectives not deemed compatible with the EU taxonomy:**

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

UN Sustainable Development Goals (UNSDGs): SDG 6: Clean water and sanitation (for all), SDG 7: Affordable and clean energy (for all), SDG 9: Sustainable industry, innovation and infrastructure, SDG 11: Sustainable cities and communities, SDG 12: Responsible consumption and production, SDG 13: Climate action (combat climate change), SDG 14: Life below water (oceans and marine resources), SDG 15: Life on land (ecosystems and biodiversity).



## What is the minimum share of socially sustainable investments?

The Fund commits to maintaining an overarching minimum level of sustainable investments of 20.00%. However, the Fund does not commit to having a specific allocation between environmentally and socially sustainable investments. The Fund's sustainable investments are made in sustainable bonds used in projects to contribute to social goals or companies whose economic activities are assessed to contribute to one or more of the following social goals: UN Sustainable Development Goals (UNSDGs): SDG 1: No poverty, SDG 2: No hunger, SDG 3: Good health and well-being, SDG 4: Quality education for all, SDG 5: Gender equality, SDG 6: Clean water and sanitation for all, SDG 8: Decent work and economic growth, SDG 10: Reduced inequality, SDG 11: Sustainable cities and communities, SDG 16: Peaceful and inclusive societies.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold ancillary means for the purpose of managing the liquidity and flows of the Fund. The Fund may also hold derivatives for efficient portfolio management and as part of the Fund's investment strategy. Additionally, the Fund may hold bonds where data is lacking as part of the Fund's investment strategy. These assets are not covered by environmental or social minimum safeguards.

These assets are not covered by minimum environmental or social safeguards.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website: [SEB SE funds list](#) | [SEB](#)