



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).

The SEB logo consists of the letters 'S', 'E', and 'B' in a bold, white, sans-serif font, each contained within a separate white square. These three squares are arranged horizontally and are set against a solid green background.

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 frame-work of its fund activities, SEB Investment Management AB (the "Company") manages both UCITS and alternative invest-ment 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 the infusion of capital 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 depository.

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) Icke 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 Swed-

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ish 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.

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. 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. 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.

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

Fees in SEB funds

If the Fund invests in other funds with SEB included in the name, the Fund will be compensated for the fixed management fee in the underlying SEB fund.

Fees in external funds

If the Fund invests in funds managed by fund management companies outside the SEB Group (external funds), the Fund will be charged the fixed management fee in the underlying external fund. Any discount received concerning the fixed management fee will be credited to the Fund, and thereby its unit holders. The Fund will also be charged any performance-based management fee.

There is currently no registration fee for the pledging of units.

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.

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- 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.

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/Primary broker

The Company has commissioned Skandinaviska Enskilda Banken AB (publ) ("SEB") to be responsible for the Company's fund administration, etc. This entails, among other things, that SEB must provide the Company with a function for internal audit, complaints handling, and also handle the Company's accounting. The Company has also outsourced to SEB the task of managing IT operations and system administration and HR. The Company also has a service agreement with BNYM under which BNYM manages part 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 as the Company's global distributor.

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.

SEB AB has commissioned Brown Brother Harriman & Co (BBH) to act jointly for securities held in custody outside Sweden. BBH has delegated the custody of certain securities to companies within its network of custodian banks.

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

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their unit holders, the Depositary and other activities within SEB, and the Company's activities, are functionally and organisationally separated. The Depositary 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 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. 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

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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 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

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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.

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 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

Investment policy and risk information, forts

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 of two times the market risk. Currency derivatives are used to hedge all investments.

The Fund's sustainability risk

The fund integrates environmental, social and corporate governance (ESG) factors into the investment process and investment decisions. This is done with the help of a proprietary sustainability model which grades companies' ability to manage sustainability risks and opportunities.

The sustainability model provides the fund manager with a relevant, forward-looking and individualised sustainability score for the companies in which the fund can invest.

In addition, it allows us to assess current and future sustainability factors that may affect risk and return in the longer term.

Evaluation of sustainability risks constitutes 50 percent of the sustainability model. The model measures companies' exposure to sustainability risk and the extent to which they manage this risk. The risk assessment also includes an assessment of how companies deal with potential controversies with their stakeholders, to see how they actually manage the sustainability risks posed by their business model. This helps us monitor the companies' reported management of sustainability risks in relation to their actual work on material sustainability risks.

By using many independent sources of information, with a large number of different indicators tailored to each individual sector, our assessment is that the sustainability model ensures that material sustainability risks are reflected in investment decisions.

This holistic approach to risk management also identifies companies that act in a way that contravenes established norms of corporate governance and good market practice and thus hinders or prevents the realisation of the global sustainability goals.

3. 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 ¹	Threshold (HWM) ²	PA ³	Output value ⁴
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).

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

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

³ 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%).

⁴ Closing value of the amount invested after the period's returns and fees.

4. Past performance

The Fund has existed for less than a full calendar year. As a result, the information available is not sufficient to present a representative view of the past performance.

Historical returns are no guarantee of future returns.

5. Information about the Company

Name of the Company

SEB Investment Management AB (the "Company") 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

Branches

SEB Investment Management AB, Luxembourg branch

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

SEB Investment Management AB, Helsinki Branch

Södra Esplanaden 18, SF-00130 Helsinki, Finland
Tel. no.: +358 961628000

SEB Investment Management AB, Copenhagen branch

Bernstorffsgade 50, DK-1577 Copenhagen V
Postbox 2098, Denmark Tel. no.: +45 33 28 10 00

Members of the Board of Directors

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

Senior executives

Elisabet Jamal Bergström, acting CEO & Head of Sustainability, Governance
Henrik Åhman, Chief Operating Officer
Caroline Rifall, General Counsel
Ulf Grunnesjö, Chief Financial Officer
Anna Frey, Personnel Director, SEB
Christian Lindstroem Lage, Chief Investment Officer
Katarina Höller, Head of Control Functions
Matthias Ewald, Branch manager Luxembourg
Antti Katajisto, Branch manager Finland
Erik Hallengren, Branch manager Denmark

Other executives

Terese Cederlund, Risk Control Officer
Fredrik Lundberg, Senior Compliance Officer
Johan Lindqvist, Head of Internal Audit, SEB

Remuneration policy

Details of the Company's remuneration policy can be found (in Swedish) at SEB Investment Management AB | SEB (sebgroup.com) 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 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,

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SEB PB Aktiv 50,
SEB PB Aktiv 75,
SEB Start 100,
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 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 Eureka Fixed Income Relative Value,
SEB Green Bond Fund,
SEB Euro Short Rate Fund,
SEB Europe Exposure Fund,
SEB Euroland Free of Management Fee,
SEB European Equity Small Caps,
SEB Finland Optimized Exposure Fund,
SEB Finland Small Cap Fund,
SEB Global Climate Opportunity Fund,
SEB Global Focus 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 Mixed Fund 30,
SEB Mixed Fund 50,
SEB Mixed Fund 80,
SEB Modern Aggressive Fund,

SEB Modern Growth Fund,
SEB Nordic Energy Fund,
SEB Nordic Small Cap Fund,
SEB Norway Focus Fund,
SEB Pension Fund,
SEB Pension Fund Extra,
SEB Pension Fund Plus,
SEB Private Equity Global Direct III,
SEB Private Equity Nordic Direct II EUR,
SEB Private Equity Nordic Direct II SEK,
SEB Private Equity Opportunity Fund I,
SEB Private Equity Opportunity Fund II,
SEB Private Equity Opportunity Fund III,
SEB Private Equity Opportunity IV,
SEB Private Equity Global Partnership II,
SEB Private Equity Global Partnership II Access,
SEB Private Equity Sustainable Direct I,
SEB Europe Equity Fund,
SEB Global Equal Opportunity Fund,
SEB Sweden Equity Fund,
SEB Nordic Future Opportunity Fund,
SEB Global Exposure Fund,
SEB Global High Yield Fund,
SEB US Exposure Fund,
SEB Artificial Intelligence 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

C) Non-distributing share class, with conditions for distribution, minimum first deposit SEK 100

D) Non-distributing share class, with conditions for distribution, minimum first deposit SEK 1,000,000

E) Non-distributing share class, with conditions for distribution, minimum first deposit SEK 10,000,000

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

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

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

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

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

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

L) 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.

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

N) 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).

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

P) Distributing share class minimum first deposit is EUR 10

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

R) 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 Investment Management Aktieföretag, 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), 502032-9081 (hereinafter referred to as the "Depositary").

The Depositary shall take receipt of and hold in custody the property of the fund, and ensure that the fund company's instructions in relation to the UCITS fund are conducted in accordance with the LVF legislation, other statutes, and the fund rules, and ensure that:

- the sale and redemption of fund units take place in accordance with the provisions of the law and fund regulations;
- the value of fund units is calculated in accordance with the provisions of LVF and the fund regulations;
- the assets of the fund will be made available by the Depositary without delay; and
- the funds of the fund are used in accordance with the provisions of LVF and the fund regulations.

The custodian must act independently of the Fund Management Company and exclusively in the interest of the 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-

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

The fund's goal is to create a return in the long term at least equivalent to the risk-free interest rate + 2.5 percentage points.

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 also follows specific sustainability-related criteria in its investments. The criteria are based on international standards and guidelines, and the Fund Management Company's sustainability policy.

More information about the criteria can be found in the fund company's policies on environmental and social considera-

tions, 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

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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 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.

Fund regulations, forts

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 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 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

In the event that the Depository or Depository bank has lost financial instruments held by the Depository under the agreement entered into between the fund company and the Depository, the Depository shall, without undue delay, return financial instruments of the same type, or issue an amount corresponding to the value of such a financial instrument to the fund company on behalf of the fund. However, the Depository is not liable in the event that the loss of the financial instruments is caused by an external event beyond the reasonable control of the Depository, the consequences of which were impossible to avoid despite all reasonable efforts being made. Furthermore, the Depository is not responsible for damage due to Swedish or foreign law, Swedish or foreign

government action, war events, strikes, blockades, boycotts, lockouts, or other similar circumstances. The proviso regarding strikes, blockades, boycotts, and lockouts applies even if the Depository is subject to or itself takes such conflict action.

The Depository is not responsible for other damages than this damage specified in the first paragraph, unless the Depository intentionally or negligently caused such damages. The Depository is also not responsible for such damages if circumstances stated in the first paragraph exist.

The Depository is not liable for any damage caused by a Swedish or foreign stock exchange or other Execution Venue, Registrar, Clearing Organization, or others who provide equivalent services, and with regard to damage other than the loss of Financial Instruments held in custody nor for damage caused by the Custodian or any other agent which the Depository with due skill, diligence and care and regularly monitor, or assigned by the Fund Management Company. The Depository is not liable for damage caused by the insolvency of the aforementioned organizations or contractors become insolvent. A mandate agreement relating to safekeeping of assets and control of ownership, however, does not relieve the Depository of its responsibility for losses and other damage under the Fund Law.

The Depository shall not be liable for any damage incurred by to the Fund Management Company, unitholders of the Fund, the Fund or any other party due to theof any restriction on disposal that may be applied against the Depository regarding Financial Instruments.

The Depository shall not in any case be liable for any indirect cost, damage or loss.

In the event that the Depository is prevented from fully or partially due to a circumstance referred to in the first paragraph, the action may be postponed until the impediment has ceased. In the event of deferred payment, the Depository shall not pay default interest. Where interest is payable, the Depository shall pay interest at the rate of interest applicable on the due date.

If, as a result of a circumstance referred to in the first paragraph prevents the Depository from receiving payment for the Funds, the Depository shall, for the period during which the impediment exists is entitled to interest only under the conditions applicable 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.

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 Uni-

Fund regulations, forts

ted 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/Social (E/S) Characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not cause significant damage to any other environmental objective or social objective and that the investees 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**. The Regulation does not establish 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"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%	<input checked="" type="checkbox"/> It promotes Environmental/Social (S/E) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10.00% sustainable investments
<input type="checkbox"/> in economic activities that are considered environmentally sustainable according to the EU taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities considered to be environmentally sustainable according to the EU taxonomy
<input type="checkbox"/> in economic activities that are not considered to be environmentally sustainable according to 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 type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promotes Environmental/Social (E/S) Characteristics, but will not make any sustainable investments



What Environmental/Social (E/S) characteristics are promoted by this financial product?

The Fund integrates sustainability risks and opportunities by using SEB Investment Management's sustainability model (SIMS-S), which uses multiple external and internal data sources to give each potential investment (company) a sustainability score. SIMS-S rates companies based on sustainability indicators. The parameters of the model include, but are not limited to, carbon emissions, climate solutions, diversity and gender equality.

In addition to the sustainability model, the fund also integrates sustainability by promoting issues classified by third parties as sustainable, known as green, blue or social bonds.

The environmental and social sustainability characteristics included are:

Integration. The Fund promotes issuers that

- integrate sustainability into their business models and strategies
- can demonstrate a high degree of willingness and ambition to reduce their greenhouse gas emissions and/or to become more energy efficient.

The Fund promotes issues classified as

- green
- blue
- social

Influence work. The fund aims to influence companies' business models in a more sustainable direction. This is done, for example, through company dialogues, collaborative initiatives.

Exclusions. The Fund excludes issuers that

- violates international norms, conventions and standards
- operate in controversial sectors or business areas, such as tobacco, non-medical cannabis, pornography, commercial gambling, civilian weapons and alcohol
- are exposed to fossil fuels or other business activities with a negative environmental impact.

However, the Fund has the possibility to be invested in issuers that are deemed to be in transition in line with SEB Investment Management's sustainability policy.

For more information see:

- SEB Investment Management's sustainability policy (sebgroup.com)
- Further information on SIMS-S (Sustainability and Stewardship Report 2021 (sebgroup.com))
- Further information on advocacy (Active Ownership | SEB (sebgroup.com))

Sustainability indicators measure the achievement of the environmental or social characteristics that the financial product promotes.

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

"The sustainability indicators used to measure the achievement of each of the environmental or social characteristics promoted are

- The percentage of the fund's holdings that have signed up to Net Zero Banking (an initiative for banks to commit to achieving net zero emissions by 2050).
- exclusion of issuers that violate international norms, conventions and standards, as measured by the number of issuers excluded on the basis of this sustainability indicator compared to the fund's benchmark index or investment universe.
- exclusion of issuers in controversial sectors or business areas, as measured by the number of issuers excluded on the basis of this sustainability indicator compared to the fund's benchmark index or investment universe
- exclusion of issuers with exposure to fossil fuels or other business activities with a negative environmental impact, as measured by the number of issuers excluded on the basis of this sustainability indicator compared to the fund's benchmark or investment universe
- integration of sustainability into the issuer's business model and strategy, as measured by the fund's sustainability rating in SIMS-S.
- the financing of transition companies, as measured by the number of transition companies
- influence issuers in a more sustainable direction, as measured by the number of companies subject to inclusive voting at general meetings, or through partner organizations."

● **What are the objectives of the sustainable investments that the financial product is intended to partially make, and how does the sustainable investment contribute to these objectives?**

"The financial product makes partly sustainable investments with environmental and/or social objectives. The sustainable investments are qualified in accordance with the EU taxonomy and the UN Sustainable Development Goals.

Environmental objectives

Social objectives

Climate change mitigation Social inclusion, cohesion and partnership

Adaptation to climate change

Contributing to environment-related global sustainable development goals:

Goal 6: Clean water and sanitation for all

Goal 7: Sustainable energy for all

Goal 9: Sustainable industry, innovation and infrastructure

Goal 11: Sustainable cities and communities

Goal 12: Sustainable consumption and production

Goal 13: Combating climate change

Goal 14: Sea and marine resources

Goal 15: Ecosystems and biodiversity

Contributing to the social objectives for sustainable development:

Goal 1: No poverty

Goal 2: No hunger

Goal 3: Good health and well-being

Goal 4: Good education for all

Goal 5: Gender equality

Goal 6: Clean water and sanitation for all

Goal 8: Decent work and economic growth

Goal 10: Reducing inequality

Goal 11: Sustainable cities and communities

Goal 16: Peaceful and inclusive societies

Goal 17: Implementation and global partnership

SEB Investment Management uses a "pass/fail" methodology where the issuer is classified and considered sustainable if

- 10% of the company's turnover has been conservatively estimated or reported as a significant contributor in accordance with the European Parliament and Council Regulation (EU) 2020/852 (Taxonomy Regulation) climate change mitigation or adaptation objectives

- 20% of the company's turnover has been assessed as contributing to other environmental or social global objectives, directly or indirectly linked to the UN Sustainable Development Goals mentioned above
- The company outperforms its sector and region in terms of emission factors, according to quantitative data
- The company outperforms its region in terms of gender equality factors, according to quantitative data
- The company outperforms its sector and region in terms of other resource efficiency such as water use, raw material consumption or waste generation, according to quantitative data
- The company has been fundamentally analysed and is deemed to meet one of the criteria above

An issued debt instrument is classified as sustainable if the instrument is either green, blue or socially sustainable.

Other fund managers may use a different methodology and criteria to assess what is a sustainable investment, therefore the levels of sustainable investment may differ between different fund managers."

● **In what way do the sustainable investments that the financial product is intended to partially address not cause significant harm to any environmental or social objectives of sustainable investment?**

SEB Investment Management's Sustainability Policy and SIMS-S are used to ensure that the sustainable investments do not cause significant harm to any environmental or social objectives of sustainable investments.

Companies are excluded and not investable if they

- violates international norms, conventions and standards
- operate in controversial sectors or business areas
- are exposed to fossil fuels or other business activities with a negative environmental impact.

The Fund's holdings are also screened for counteracting/obstructing the UN's Sustainable Development Goals. Significant counteraction or obstruction may lead to the exclusion of the company from the Fund's investable universe if companies are deemed to be at risk of doing or are doing significant harm to environmental and/or social objectives.

In addition to data-driven analysis and exclusion, each sustainable investment can be assessed on fundamental grounds. This refers to whether or not an investment causes significant harm to any environmental or social objectives of sustainable investment.

"

● *How have the negative impact indicators for sustainability factors been considered?*

"Principal Adverse Impacts Indicators (PAI)", in Annex 1 – Table 1 of Commission Delegated Regulation (EU) 2022/1288, which are taken into account in SEB Investment Management's sustainability policy through exclusion:

- PAI 4: Exposure to companies active in the fossil fuel sector
- PAI 10: Violation of the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)

PAIs in Annex 1 – Table 1 of Commission Delegated Regulation (EU) 2022/1288, as considered by SIMS-S and the fundamental analysis used in the threshold methodology by excluding issuers considered by SEB Investment Management to cause significant damage:

- PAI 1: Greenhouse gas emissions
- PAI 2: Carbon footprint
- PAI 3: Greenhouse gas intensity of the investment object
- PAI 5: Share of non-renewable energy consumption and production
- PAI 6: Energy consumption intensity by sector with high climate impact
- PAI 7: Activities adversely affecting areas of sensitive biodiversity
- PAI 8: Emissions to water
- PAI 9: Hazardous waste and radioactive waste
- PAI 11: No processes and enforcement mechanisms to monitor compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- PAI 12: Unadjusted gender pay gap
- PAI 13: More equal gender representation on boards
- PAI 4 Annex 1 – Table 2 of Commission Delegated Regulation (EU) 2022/1288: Investments in companies without carbon reduction initiatives
- PAI 4 Annex 1 – Table 3 of Commission Delegated Regulation (EU) 2022/1288: No code of conduct for suppliers

Main negative impacts are the most negative impacts of investment decisions on sustainability factors related to the environment, social and human resource issues, respect for human rights, and anti-corruption and anti-bribery issues.

All PAI indicators are dependent on data availability and this may change with improved data quality and availability. Because of this, all PAI analysis is performed to the best of our ability.

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

The sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights both through the standards-based exclusion criteria in SEB Investment Management's Sustainability Policy and through the use of SIMS-S.

Standards-based exclusions mean that SEB Investment Management assumes and monitors that investments (companies) comply with international standards and conventions such as:

- UN Principles for Responsible Investment
- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights, including the principles and rights listed in the eight core conventions of the ILO and the UN Declaration on Human Rights

Issuers with confirmed breaches of these standards are not considered sustainable investments.

The EU taxonomy establishes a principle of 'no significant harm', according to which taxonomy-related investments must not cause significant harm to the objectives of the EU taxonomy, and is accompanied by specific EU criteria.

The principle of not causing significant damage only applies to those of the financial product's underlying investments that take into account the EU criteria for environmentally sustainable economic activities. The remaining part of this financial product has underlying investments that do not respect the EU criteria for environmentally sustainable economic activities.

No other potential sustainable investments may cause significant harm to any environmental or social objectives.



Does this financial product take into account the main negative impacts on sustainability factors?

Yes, before an investment decision the following PAI's are considered:

· Exclusions

Annex 1 – Table 1 of Commission Delegated Regulation (EU) 2022/1288

- PAI 4: Exposure to companies active in the fossil fuel sector
- PAI 10: Violation of the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)
- When integrating sustainability, SIMS-S is used together with a fundamental analysis.

Annex 1 – Table 1 of Commission Delegated Regulation (EU) 2022/1288

- PAI 1: Greenhouse gas emissions
- PAI 2: Carbon footprint
- PAI 3: Greenhouse gas intensity of the investment object
- PAI 4: Exposure to companies active in the fossil fuel sector
- PAI 7: Activities adversely affecting areas of sensitive biodiversity
- PAI 8: Emissions to water
- PAI 9: Hazardous waste and radioactive waste
- PAI 10: Violation of the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- PAI 11: No processes and enforcement mechanisms to monitor compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- PAI 12: Unadjusted gender pay gap
- PAI 13: More equal gender representation on boards
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)

During the investment period, the following PAIs are considered:

- Influence dialogues with issuers:

PAI 13 from Annex 1 – Table 1 of Commission Delegated Regulation (EU) 2022/1288

No



What investment strategy does this financial product follow?

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

The Fund is a fixed income fund with a focus on so-called hybrid capital, mainly contingent convertible bonds (CoCos). Characteristically, CoCos are interest-bearing transferable subordinated securities with no maturity date, but with the feature that under certain predefined 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 instruments issued by, for example, insurance companies and other non-financial companies with also a good credit rating.

The Fund applies exclusionary criteria for activities that are excluded, for example, for environmental and/or social reasons.

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

The binding elements of the investment strategy are:

Comply with the exclusion criteria described in more detail in SEB Investment Management's sustainability policy.

For more information see:

· SEB Investment Management's sustainability policy (sebgroup.com)

● **What is the minimum percentage to reduce the size of investments considered before the investment strategy was applied?**

Not applicable

● **What is the policy for assessing good governance practices in investment properties?**

SEB Investment Management ensures good corporate governance in the holdings of the financial product, partly through exclusion and screening based on

- sector screening
- norm violation
- safeguards such as adherence to the UN Global Compact, ILO conventions and OECD guidelines in the investment process.

Screening for relevant sanctions is also done. The Fund's investments are also monitored on an ongoing basis in these respects, as set out in SEB Investment Management's sustainability policy.

The governance of the companies included in the Fund is assessed on the basis of several additional factors, including

- the suitability and independence of directors
- diversity in the board and management
- appropriate levels of pay and variable remuneration (including sustainability-related incentives)
- separation of management and board duties
- anti-corruption
- tax evasion
- environmental and climate impact
- human rights
- working conditions, both in the company's own operations and in its supply chain.

For more information on SEB Investment Management's work on corporate governance, please visit (Active ownership | SEB (sebgroup.com))

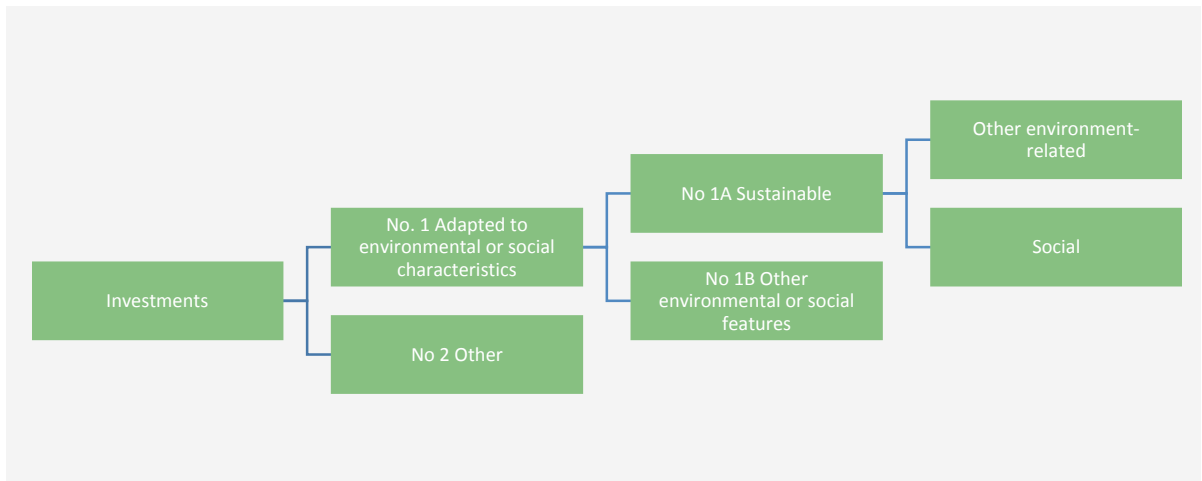
Good governance practices include sound management structures, employee relations, staff remuneration and tax compliance.



What asset allocation is planned for the financial product?

Asset allocation describes the proportion of investments in specific assets.

At least 80% promote environmental and social characteristics, of which at least 10% represent sustainable investments. The remaining assets are cash and derivatives, as well as government bonds, supranational bonds (when unsustainable) and other investments where data are not available.



No. 1 Adapted to environmental or social characteristics includes investments of the financial product that are used to achieve the environmental or social characteristics promoted by the financial product.

No. 2 Other includes the remaining investments of the financial product that are neither adapted to the environmental or social characteristics nor considered as sustainable investments.

Category **No. 1 Adapted to environmental or social characteristics** includes:

- The subcategory **No 1A Sustainable** includes sustainable investments with environmental or social objectives.
- Subcategory **No 1B Other environmental or social characteristics** includes investments adapted to those environmental or social characteristics that are not considered to be sustainable investments.

● **How does the use of derivatives achieve the environmental or social characteristics that the financial product promotes?**

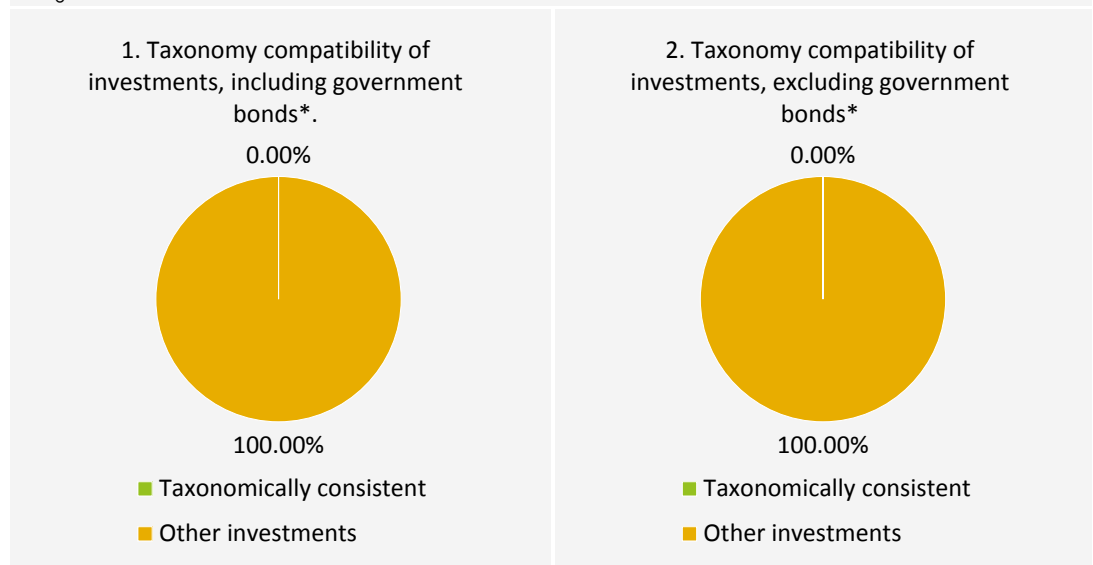
The Fund does not use derivatives to achieve its sustainability objectives.



To what minimum level are the sustainable investments with an environmental objective compatible with the requirements of the EU taxonomy?

0%. The sustainable investments that the Fund may make may be compatible with the EU taxonomy. However, the Fund does not have a minimum level for sustainable investments with an environmental objective compatible with the requirements of the EU taxonomy as there is no established calculation model for investments compatible with the EU taxonomy.

The two graphs below show in green the minimum percentage of investments that are compliant with the EU taxonomy. Since there is no appropriate methodology to determine the taxonomy fit of government bonds, the first graph shows the taxonomy fit with respect to all investments of the financial product, including government bonds, while the second graph shows the taxonomy fit only with respect to the investments of the financial product that are not government bonds.*



* In these graphs, "government bonds" refers to all exposures to government securities

● **What is the minimum share of investment in transition and enabling activities?**

Taxonomy-related activities are expressed as a share of the following:

- **turnover**, which reflects the share of revenues from the green activities of the investment property
- **capital expenditure**, showing the green investments made by the investment objects, e.g. for a transition to a green economy
- **operating expenditure**, reflecting the green operational activities of the investment property.

Not applicable **Enabling activities** directly enable other activities

to make a significant contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and which, among other things, have GHG emissions at levels corresponding to best performance.



What is the minimum proportion of sustainable investments with an environmental objective that is not compatible with the EU taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities according to the EU taxonomy.



What is the minimum proportion of socially sustainable investments?

Not applicable



Which investments are included in "No 2 Other", what is their purpose and are there any environmental or social minimum safeguards?

Cash, government bonds, supranational bonds (when unsustainable), other investments where data are lacking and derivatives. The purpose of cash and cash equivalents is to manage liquidity and flows. The purpose of derivatives is efficient portfolio management and as part of the Fund's investment objective. The purpose of government bonds, supranational bonds and other investments where data are missing is allocation and investment strategy. These assets are not covered by minimum environmental or social safeguards.



Is a specific index chosen as a benchmark to determine whether this financial product is consistent with the Environmental/Social (E/S) characteristics it promotes?

Benchmarks are indices to measure whether the financial product achieves the environmental or social characteristics it promotes.

● **How is the reference value adjusted on an ongoing basis to each of the environmental or social characteristics promoted by the financial product?**

Not applicable

● **How is continuous adaptation of the investment strategy to the index calculation method ensured?**

Not applicable

● **How does the selected benchmark differ from a relevant broad market index?**

Not applicable

● **Where can I find the method used to calculate the chosen index?**

Not applicable



Where can I find more product-specific information online?

More product-specific information is available on the website: <https://seb.se/bors-och-finans/fonder/fondlista#/funds/filter-retail>