



PROSPECTUS FOR SWITZERLAND

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SEB FRN Fond

Information brochure

Past performance is no guarantee of future performance. Fund units and other financial instruments may increase or decrease in value, and you may lose the capital invested.

This information brochure has been written in accordance with the Mutual Funds Act (2004:46) and the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) on mutual funds.

SEB

1. General information

This is an information brochure about the SEB FRN Fond (hereinafter "the Fund"). The fund is a securities fund in accordance with the Act (2004: 46) on Mutual Funds ("LVF"). As part of its funds offerings, SEB Investment Management AB (hereinafter "the Company") manages both mutual funds and alternative investment funds. This information brochure includes the following sections:

1. **General Information**
2. **Investment policy and risk notice**
3. **Performance fee**
4. **Historical returns**
5. **About the Company**
6. **Fund regulations**
7. **Additional information for investors in Switzerland**

Details of the funds' environmental and/or social characteristics can be found in the annex to the information brochure.

Legal nature of the Fund

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

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

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

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

Unit classes

The Fund is made up of seven unit classes; units of each unit class imply equal rights to the Fund's assets.

- A) Non-distributing unit class
- B) Distributing unit class, minimum initial deposit 1,000,000 SEK
- C) Non-distributing unit class, offered subject to certain conditions; minimum initial deposit 1,000,000 SEK
- D) Non-distributing unit class, offered subject to certain conditions; minimum initial deposit 10,000,000 SEK
- E) Non-distributing unit class, offered subject to certain conditions; minimum initial deposit 50,000,000 SEK
- F) Non-distributing unit class, minimum initial deposit 50,000,000 SEK
- G) Distributing unit class

Unit classes B and G are distributing. Once a year, the Company may decide to pay out dividends to unit holders. Fund dividends are paid out to unit holders in May of the year following the financial year. The dividend is calculated in accord-

ance with the Company's general dividend payment method, averaging e.g. the value over the last three years' in order to make payout sums more consistent. The goal is for the Fund to pay out between 1 and 2 percent of this value annually. Full information about the Fund dividend payments can be found under § 12 of the Fund regulations.

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 (purchase orders) and redemption (sales orders) 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, for example as a consequence of how one or more of the markets in which the Fund trades are fully or partly closed.

The Company has the right to postpone the sale and redemption of units in the Fund if particular circumstances arise and such action is justifiable with regard to the unit holders' interests. Sale or redemption requests received by the Company during this time must 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 rules for fund accounts and terms and conditions for custody accounts can be obtained from all SEB offices.

Requests for sale and redemption 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 on the banking day after the banking day on which the request is made, provided that the request can be registered before 15:30. Please note that requests for sale and redemption of fund units via SEB AB must be submitted before 13:30, and via SEB Pension & Insurance before 13:00, so that the request can be registered before 15:30. Certain distributors of the Fund may apply other times for when the request must be submitted at the latest. Execution takes place at the prevailing price on the banking day on which the request is submitted. For requests submitted later, sale and redemption will normally be executed on the following banking day.

On certain public holidays, SEB's system will close earlier, which means 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.

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If, upon a redemption request, the Fund does not have sufficient liquidity available, such liquidity will be acquired through the sale of assets in the Fund, and the redemption will be executed as soon as this is possible.

It is not possible to limit a request for sale and redemption of fund units. Fund unit sale and redemption requests may only be cancelled 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 unitholder. 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 determined 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 is 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.

Unit classes A, B, F and G are open to the public.

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

For unit class A, there is no minimum subscription amount requirement.

For unit class B, the minimum amount on initial subscription is SEK 1,000,000

For unit class C, the minimum amount for initial subscription is SEK 1,000,000

For unit class D, the minimum amount for initial subscription is SEK 10,000,000

For unit class E, the minimum amount on initial subscription is SEK 50,000,000

For unit class F, the minimum amount on initial subscription is SEK 50,000,000

For unit class G, there is no minimum subscription amount requirement.

Suspension of sale

The Company is entitled to suspend sales of the fund units until further notice if the Fund's total assets are of such a size as to prevent the Fund from being managed in an optimum way on behalf of the unit holders ("suspension of sales").

A suspension of sales may be justified in the event that the Fund's assets become too large to be managed effectively. If the Fund's capital become too large, this will result in an inability to invest them in the assets and the markets specified in the investment objective in a rational and cost-effective manner.

The size of the Fund established by the Company as constituting the limit for when it can no longer be managed optimally is currently SEK 35,000 million. The Company may therefore adopt a suspension of sale if the Fund's capital exceeds this amount. A decision to suspend sales must be communicated on the Company's website in connection with the decision.

If there are no longer grounds for the suspension of sale and this is deemed to be permanent, the Company is entitled to resolve to lift the suspension. Such a decision must be communicated on the Company's website before the decision can be enforced.

The Fund's target group

The fund is primarily suitable for investors who have an investment horizon of at least two (2) years. Fund investors must be able to accept that the value of the fund may fall in the short term in the event of an interest rate increase. The Fund risk level decreases when investing over the longer term. The Fund is well-suited as part of a well-balanced savings portfolio.

Fees

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

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

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

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

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

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ments and the price at which someone can buy/sell them during a trade.

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

Management fee in underlying funds

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

Other expenses

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

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

Maximum and current fees

The levying of fees is regulated in the Fund regulations, which state what fees may be levied on the Fund and what the maximum fee level may be.

Current fees

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

Entry charge: 0%

Exit charge: 0%

Annual management fee:

- Set management fee for unit class A: 0,40 % of the Fund's net asset value.
- Set management fee for unit class B: 0,30 % of the Fund's net asset value.
- Set management fee for unit class C: 0,15 % of the Fund's net asset value.
- Set management fee for unit class D: 0,10 % of the Fund's net asset value.
- Set management fee for unit class E: 0,06 % of the Fund's net asset value.
- Set management fee for unit class F: 0,20 % of the Fund's net asset value.
- Set management fee for unit class G: 0,40 % of the Fund's net asset value.

Performance-based management fee:

In addition to the fixed management fee, performance-based compensation is charged for unit classes C, D, E and F based on the Fund's performance. The remuneration totals 10 percent of the fund's positive returns. Positive returns have been chosen as the return threshold, so that those share classes that pay performance-based compensation pay a total fee that over time is on par with those share classes that do not pay a performance-based fee. For more information, see below under the heading Other fee details.

Maximum fee levels

Below is a summary of the maximum set fees allowed for the Fund.

Entry charge: 0%

Exit charge: 0%

Annual management fee:

- Set management fee for unit class A: 0,40 % of the Fund's net asset value.
- Set management fee for unit class B: 0,30 % of the Fund's net asset value.
- Set management fee for unit class C: 0,15 % of the Fund's net asset value.
- Set management fee for unit class D: 0,10 % of the Fund's net asset value.
- Set management fee for unit class E: 0,06 % of the Fund's net asset value.
- Set management fee for unit class F: 0,20 % of the Fund's net asset value.
- Set management fee for unit class G: 0,40 % of the Fund's net asset value.

Performance-based management fee:

In addition to the fixed management fee, performance-based compensation is charged for unit classes C, D, E and F based on the Fund's performance. The remuneration totals 10 percent of the fund's positive returns. Positive returns have been chosen as the return threshold, so that those share classes that pay performance-based compensation pay a total fee that over time is on par with those share classes that do not pay a performance-based fee. For more information, see below under the heading Other fee details.

Other fee details

The remuneration is calculated daily using a collective model, and paid on the last banking day of each month. How the performance-based compensation is calculated is described in more detail under §11 of the fund regulations and in Section 4 of this information brochure, which also gives a definition of positive returns.

Fund objectives, management strategy and benchmark index

The Fund aims to increase the value of your investment over time and to outperform its benchmark index.

The Fund is managed actively and primarily invests in fixed-income securities in the form of Floating Rate Notes (FRN) in the Nordic fixed-income market. The Fund focuses on investments in Nordic companies, but may also invest up to 20% of the Fund's value in the rest of Europe. The main category of fixed-income securities in the Fund is corporate bonds and at least 70% must be FRNs. A maximum of 60% of the Fund's assets may be invested in non-credit-rated instruments. Investments with a low credit rating (high yield or non-investment grade) may not exceed 20% of the Fund's value. The portfolio's average remaining fixed-interest period may not exceed one year. However, the average credit dura-

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tion can be up to four years. Investments denominated in currencies other than Swedish kronor are hedged to Swedish kronor. Credit risk and sustainability analysis are included in the investment process.

The Fund benchmarks its performance against the Solactive SEK FRN IG Credit Index. (Until 31 May 2020, the Fund's performance was benchmarked against NOMX Credit SEK Rated FRN Return Index.) The Fund's benchmark index is deemed to be relevant for the Fund as it provides a good representation of the Fund's investment focus in terms of choice of fixed-income securities, average duration, and credit and interest rate risk.

Activity level

The Fund's activity level is described using the activity measurement tracking error, which shows how much the difference between the Fund's return and the benchmark index return varies over time. The activity level is reported as a percentage and is calculated as the standard deviation, the average deviation from the mean deviation, of the difference between the Fund's return and the benchmark index. The higher the activity level of the fund, the higher the average deviation. The calculation does not take into account whether the deviation is positive or negative.

Below is the historical level of activity achieved in the Fund for the past ten calendar years, or, if the Fund has been in existence for less than 10 years but more than two years, as many full years as the Fund has existed for. The calculation of active risk is based on monthly data from the last two calendar years.

YEAR	Active risk (A)	Active risk (B)	Active risk (C)	Active risk (D)
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	2,5%	2,5%	2,5%	2,5%
2022	1,9%	1,9%	1,9%	1,9%
2023	2,2%	2,2%	2,2%	2,2%

YEAR	Active risk (E)	Active risk (F)	Active risk (G)
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-

YEAR	Active risk (E)	Active risk (F)	Active risk (G)
2019	-	-	-
2020	-	-	-
2021	2,5%	2,5%	
2022	1,9%	1,9%	
2023	2,2%	2,2%	2,2%

The fund started in April 2019 and realized risk based on 24 months is therefore only available for the period from 2021. During this period, the fund has realized an active risk in the range of 1.9-2.5 percent. The fund invests freely from its benchmark index and, unlike the benchmark index, has the opportunity to also invest in issuers without an official credit rating, "High Yield" bonds and bonds issued in currencies other than Swedish kronor. This means that an increased risk in the fund is normally associated with an increased active risk, as holdings outside the benchmark index are normally used to increase the fund's absolute risk. During the period, the fund has generally had a higher risk than the benchmark index, partly because the fund has had holdings in the "High Yield" segment, and partly because we have chosen to have an underweight compared to the fund's index in bonds issued by municipalities and regions. These have a significant weight in the benchmark index and are associated with low risk. In 2022, the fund gradually increased the risk in the fund as interest rates in the credit market became higher. In 2023, the Fund has maintained the higher risk throughout the year, which caused the active risk to rise from 2022 to 2023. Despite an increased risk level in the Fund, the active risk was lower for 2022 and 2023 than for the outcome in 2021, which is explained by the fact that the active risk level to some extent follows the underlying price fluctuations in the market. These became weaker after the pandemic outbreak in March 2020 fell out of the 24-month history from 2022 onwards.

Service agreement

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

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

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

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Depository

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

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

Handling of conflicts of interest

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

The Depository may delegate elements of the activities to one or more external companies, including other custodian banks designated by the Depository 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 Depository must act with due diligence, care and attention in its selection, continued involvement in and supervision of the party to which the depository 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 Depository 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.

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Indemnification liability

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

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

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

If the Company decides to discontinue its management, the management of the Fund will be taken over by the Depositary. The same will apply if the Swedish FSA revokes the 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 of the Fund are also marketed in Norway. The Company has therefore commissioned representatives in the country to make payments to fund unit holders, redeem shares and provide information.

Norway:

Information representative, payment agent and broker:

Skandinaviska Enskilda Banken AB (publ) Oslo branch

2. Investment policy and risk information

Investment policy

The Fund is a fixed income fund with sustainability requirements and a focus on fixed-income-related transferable Nordic securities and money-market instruments. The Fund focuses on investments in Nordic companies, but may also invest up to 20% of the Fund's value in other European countries. Investments in currencies other than SEK are hedged against SEK. The average remaining fixed-interest period (duration) may not exceed one year, but the average credit duration may be up to four years. Credit duration is a measure of the Fund's sensitivity to changes in the credit spread. The credit spread here refers to the interest rate differential to the government bond yield. The Fund will invest at least 70% of its investments in Floating Rate Notes (FRNs). A Floating Rate Note is a financial instrument for which the interest rate is adjusted at certain intervals during the term of the instrument. In total, the Fund may invest no more than 60% of its value in fixed-income transferable securities and unrated money-market instruments. Negotiable fixed-income-related securities with a lower credit rating (high yield/non-investment grade) may not exceed 20% of the Fund's value. The Fund's benchmark index is the Solactive SEK FRN IG Credit Index.

The Fund's assets may be invested in fixed-income-related transferable securities, money-market instruments and derivative instruments, and a maximum of 10% of its value may be invested in other fixed-income-related funds or fund undertakings, and in accounts with credit institutions. The Fund may also include the cash and cash equivalents required for the Fund's management. The Fund may invest in fixed-income-related negotiable securities and money-market instruments as referred to in Chapter 5, Section 5 of the Swedish Investment Funds Act (2004:46) ("LVF").

Derivative instruments may be used as part of the investment policy. The Fund may also use Over-The-Counter (OTC) derivatives in accordance with Chapter 5, Section 12(2) of the Swedish Investment Funds Act. For investments in derivative instruments, the underlying assets must constitute or relate to such assets as are referred to in Chapter 5, Section 12(2) of the Swedish Investment Funds Act. Currency derivatives are used to hedge the Fund's holdings at any time against SEK.

The Fund currently does not use securities financing transactions as defined in Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 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.

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

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

Risks with derivative instruments

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

Operative risk

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

Sustainability risk

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

The Fund's risk-assessment method

Derivative instruments are used to achieve the investment goal and streamline management. To calculate the Fund's

Investment policy and risk information, forts

total exposures, we use a method called the commitment approach.

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 have a well-balanced level of risk in all situations.

The average maturity of the Fund is short, which means a low risk of price fluctuations (interest rate risk).

In total, the Fund may invest no more than 60 percent of its value in transferable interest-rate-related securities and money-market instruments that do not have a credit rating. Interest-related instruments with a lower credit rating (high yield/non-investment grade) may total no more than 20 percent of the Fund's value. This means that the Fund invests in interest-related instruments with issuers that have both high and low credit ratings, as well as those issued by issuers that lack a credit rating. The credit risk in the Fund is therefore related to the overall make-up of the portfolio, where the creditworthiness of individual issuers may change over time. If an issuer's credit rating changes for the worse, this may mean that instruments issued by the issuer decrease in value. If an issuer's credit rating instead changes for the better, this may mean that instruments issued by that issuer increase in value.

The Fund may use derivative instruments, both standardised and OTC derivatives, as part of its investment policy. Derivative instruments have a so-called leverage effect, which means that the Fund's sensitivity to market changes is increased or decreased (market risk). According to the law on investment funds, the Fund may use a leverage corresponding to that of the Funds market value. In practice, however, leverage is limited by the existence of an upper and lower duration limit for the Fund. The Fund's risk exposure is monitored and checked regularly and rigorously to ensure compliance with laws and regulations, and the fund regulations.

The fund's sustainability risk

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

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

Investment policy and risk information, forts

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

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

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

Exclusions

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

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

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

Active ownership

The third tool used to integrate sustainability risks into investment decisions is active ownership. This is a way to address potential sustainability risks or further strengthen existing sustainability-related comparative advantages, by actively

seeking to influence companies in a more sustainable direction. This may include adopting new business models, reducing company emissions, or improving social requirements in the value chain. Active ownership can be done through direct company dialogues, in cooperation with other asset managers or partners, or through collaborative initiatives. It can also be done by voting at shareholder meetings, in support of or against specific shareholder or management proposals.

Fundamental process

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

Likely impact of sustainability risks on the fund's performance

To assess the likely impact of sustainability risks on this fund's performance, the fund company uses a risk rating from an external independent provider of sustainability analysis.

The risk rating measures the degree to which a company's economic value is exposed to sustainability risks and the degree to which these risks are unmanaged by the company. Based on the risk rating, companies are grouped into one of five risk categories (negligible, low, medium, high, very high). We have calculated the aggregated risk rating for the fund and the outcome indicates that the sustainability risk within the fund is low and thus the likely impacts of sustainability risks on returns are deemed to be low.

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

3. Performance fee

Performance fee calculation example

Performance-based remuneration is calculated using a collective model. This means that all unit holders pay the same amount of any performance fee on a given day, per fund unit.

The performance fee ("PF") totals 10 percent of the fund's positive returns. Positive returns are defined as returns exceeding zero since the last performance-based fee was collected. This means that if the fund shows a negative return, the PF will only be paid after the negative return has been

compensated for by the equivalent positive return (known as a "high-water mark").

The PF is calculated daily and paid on the last day of each month. If unit holders redeem their fund units when the unit holders have a negative return, any PF previously paid will not be refunded.

The example below assumes that a unit owner subscribes units in the Fund for SEK 1,000,000. Furthermore, the example assumes that the set management fee has already been deducted:

Period	Fund performance	Value before PF	High-water mark**	PF***	Closing value****
Period 0		1 000 000,00	1 000 000,00	0,00	1 000 000,00
Period 1	0,10%	1 001 000,00	1 000 000,00	100,00	1 000 900,00
Period 2	-0,05%	1 000 499,50	1 000 900,00	0,00	1 000 499,50
Period 3	0,05%	1 000 999,75	1 000 900,00	9,97	1 000 989,77
Period 4	0,10%	1 001 900,76	1 000 989,77	100,10	1 001 890,67

* The value of the capital deposited before the performance fee ("PF") for each period.

** The high-water mark is the value the fund must exceed in order for the Company to be paid a PF.

*** The PF is calculated on the difference between the fund unit value (in the example, it consists of the capital invested, adjusted by the fund's return for the current period) and the threshold value multiplied by the PF (in this case 10%).

**** Closing value of amount invested, after the returns and fees for the period.

Day 1

The fund's returns total 0.10 percent. The investment value is adjusted upwards with the returns, i.e. SEK 1,000,000 x 1.001 = 1,001,000.00 PF totals SEK 100, i.e. 10 percent of the amount exceeding the so-called threshold (SEK 1,001,000 – 1,000,000) x 0.10. The value of the investment on Day 1 after PF totals SEK 1,000,900 (1,001,000 – 100).

Day 2

The value of the fund decreases by 0.05 percent. No PF is paid out, as the fund's unit value of SEK 1,000,499.50 is below the threshold value of SEK 1,000,900.

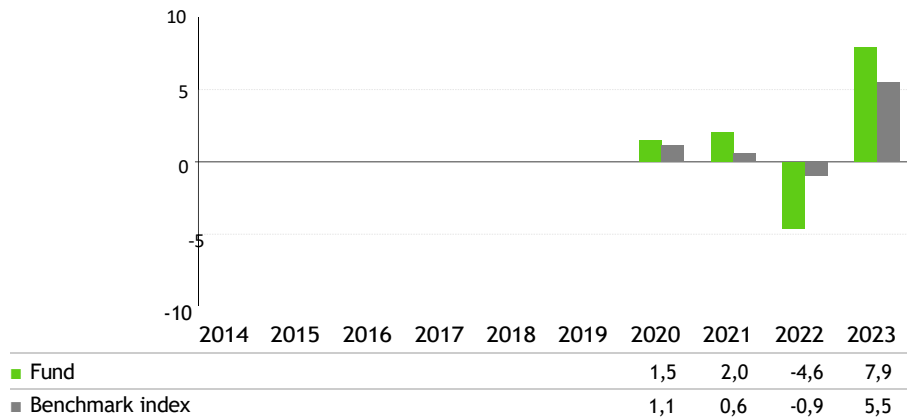
Day 3

The Fund's returns total 0.05 percent. PF totals SEK 9.97, i.e. 10 percent of the amount exceeding the so-called threshold (SEK 1,000,999.75 – 1,000,900) x 0.10. The value of the investment on Day 3 after PF totals SEK 1,000,989.77.

Day 4

The fund's returns total 0.10 percent. The investment value is adjusted upwards with the returns, i.e. SEK 1,000,989.77 x 1.001 = 1,001,990.76. PF totals SEK 100.10, i.e. 10 percent of the amount exceeding the so-called threshold (SEK 1,001,990.76 – 1,000,989.77) x 0.10. The value of the investment on Day 4 after PF totals SEK 1,001,890.67 (1,001,990.76 – 100.10).

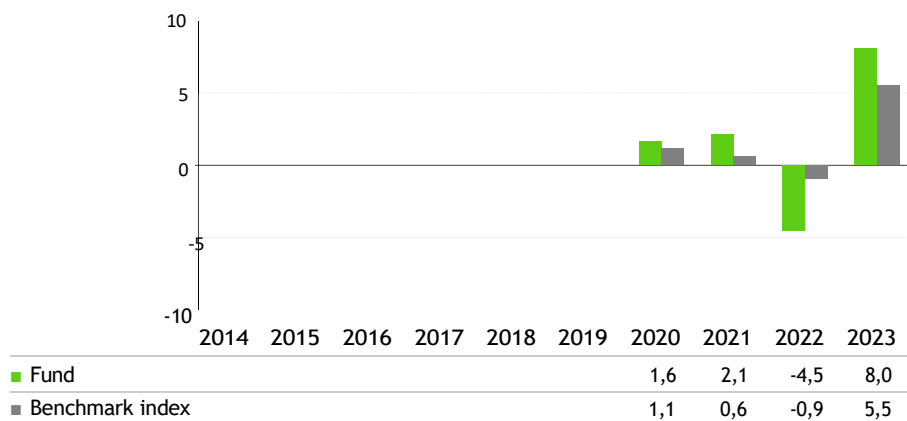
4. Historisk avkastning



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

The historical returns refer to the distributing unit class A, which started on 11 April 2019.

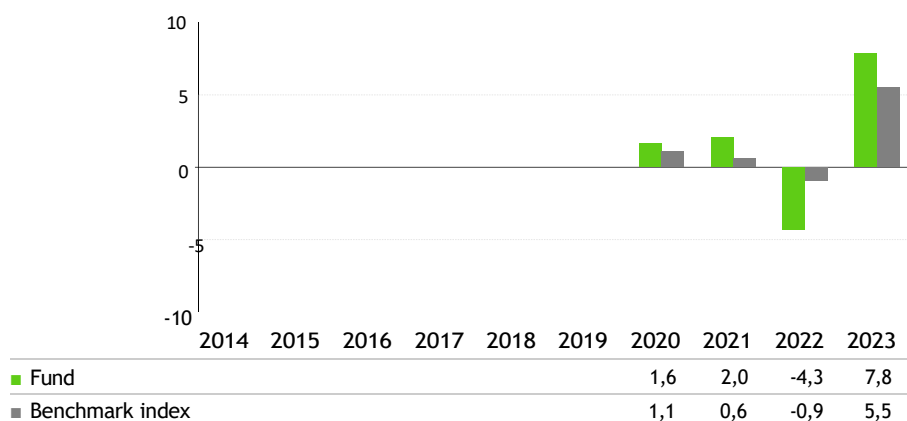
Past performance is no guarantee of future returns.



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

The historical returns refer to the distributing unit class B, which started on 11 April 2019.

Past performance is no guarantee of future returns.

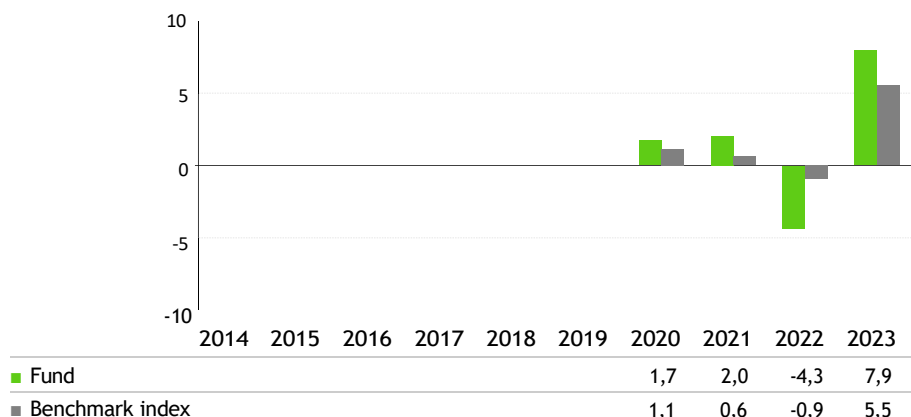


The historical return for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The historical returns refer to the distributing unit class C, which started on 11 April 2019.

Past performance is no guarantee of future returns.

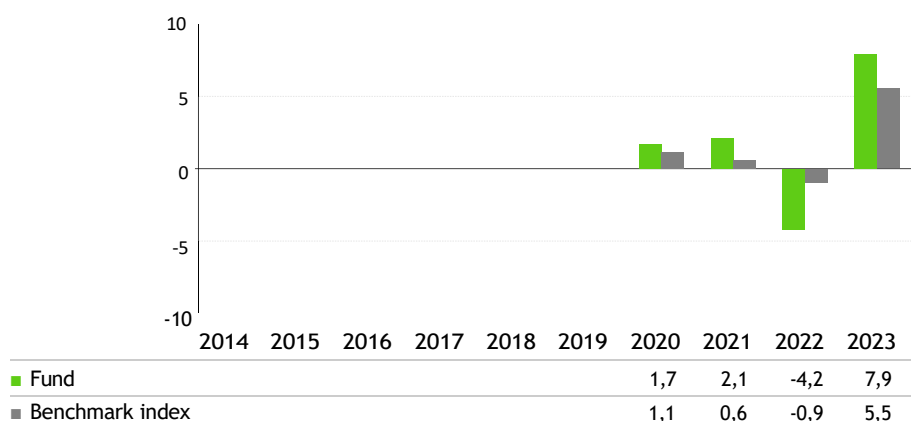
Historisk avkastning, forts



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

The historical returns refer to the distributing unit class D, which started on 11 April 2019.

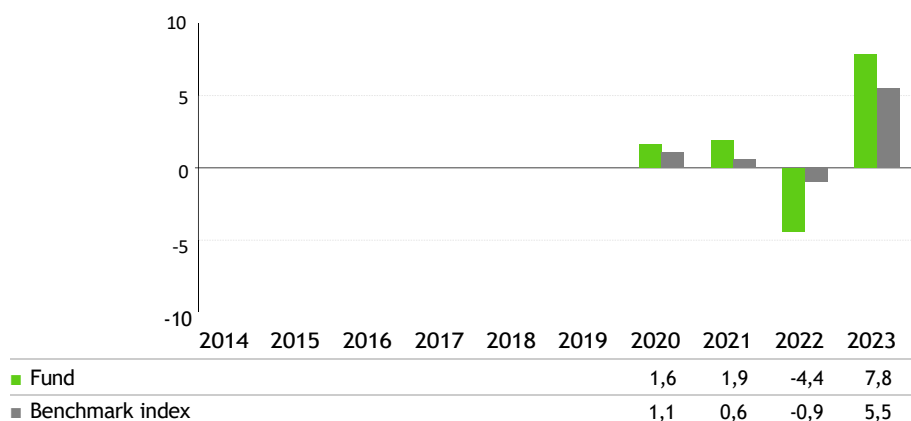
Past performance is no guarantee of future returns.



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

The historical returns refer to the distributing unit class E, which started on 11 April 2019.

Past performance is no guarantee of future returns.

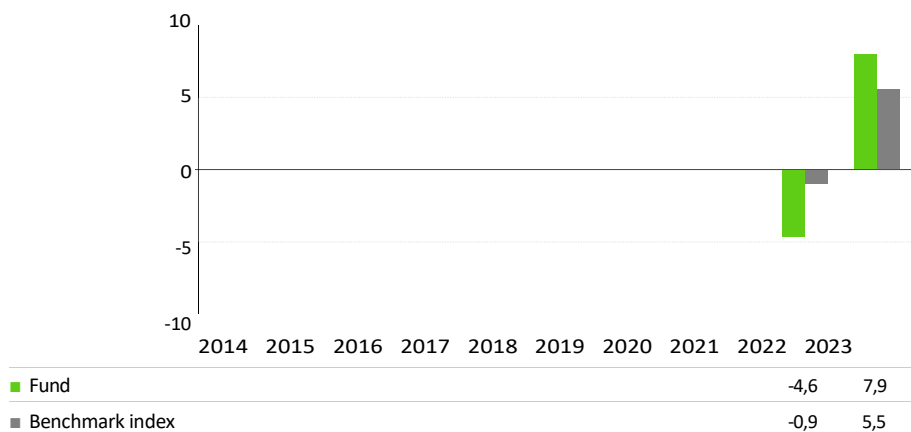


The historical return for the last ten calendar years is shown or, if the fund/unit class has existed for a shorter time, for as many full years as the fund/unit class has existed.

The historical returns refer to the distributing unit class F, which started on 5 September 2019.

Past performance is no guarantee of future returns.

Historisk avkastning, forts



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

The historical returns refer to the distributing unit class G, which started on 2 April 2020.

Past performance is no guarantee of future returns.

5. Information about the Company

Name of the Company

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

Date of establishment of the Company

1978-05-19

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

Limited liability company, SEK 1,500,000

Domicile and head office of the Company

Stockholm, Sweden

Branch

SEB Investment Management AB, Luxembourg branch
4, rue Peternelchen, L-2370 Howald, Luxembourg Tel. no.:
+352 26 23 1

Members of the Board of Directors

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

Senior executives

Katarina Höller, CEO, the Company
Simon Trepp, responsible Fund Accounting, the Company
Johan Samuelsson, responsible Delegation Oversight, the Company
Xavier Olsson, responsible Transfer Agency & Distribution, the Company
Elisabet Jamal Bergström, Head of Sustainability and Governance SEB AM Holding
Henrik Åhman, Chief Operating Officer, SEB AM Holding
Caroline Rifall, Head of Legal, SEB AM Holding
Ulf Grunnesjö, Chief Financial Officer, SEB AM Holding
Anna Frey, Personnel Director, SEB AB
Christian Lindstroem Lage, Chief Investment Officer, SEB AM
Matthias Ewald, Branch manager Luxembourg

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

SEB FRN Fond,
SEB Hybrid Capital Bond Fund

Luxembourg

SEB Asset Selection Fund
SEB Danish Mortgage Bond Fund
SEB European Equity Small Caps
SEB Global Focus Fund
SEB Nordic Future Opportunity Fund

6. Fund Regulations

Section 1 The Fund

The name of the Fund is SEB FRN Fond (hereinafter referred to as "the Fund").

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

The Fund is constituted through capital contributions from the general public, and the Fund's assets are jointly owned by the unitholders. Units in each unit class carry an equal right to the assets contained in the Fund. The Fund is not a legal entity and cannot acquire rights or assume obligations. Property included in the Fund may not be seized, and the unitholders are not responsible for any commitments concerning a Fund. The Fund Management Company will represent the unitholders in respect of all matters pertaining to the Fund.

- A) The Fund has the following unit classes:
- B) Non-distributing unit class
- C) Distributing unit class, minimum initial deposit SEK 1,000,000
- D) Non-distributing unit class, with conditions for distribution, minimum initial deposit SEK 1,000,000
- E) Non-distributing unit class, with conditions for distribution, minimum initial deposit SEK 10,000,000
- F) Non-distributing unit class, with conditions for distribution, minimum initial deposit SEK 50,000,000
- G) Non-distributing unit class, minimum initial deposit SEK 50,000,000
- H) Distributing unit class

The content of the Fund Regulations is common to the seven unit classes, with the exception of the provisions on the minimum subscription and distribution amounts in section 9, fees in section 11 and dividends in section 12.

Section 2 Fund manager

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

Section 3 Depository

The Fund's assets are held at Skandinaviska Enskilda Banken AB (publ), company reg. no. 502032-9081 ("the Depository").

The Depository will receive and hold in custody the assets contained in the Fund and execute the Fund Management Company's instructions concerning the Fund, unless they are in breach of the provisions of the Swedish Investment Funds Act, other statutory provisions or the Fund Regulations, and ensure that

– sale, redemption and cancellation of fund units take place in accordance with the provisions of the Swedish Investment Funds Act and the Fund Regulations,

- the value of the fund units is calculated in accordance with the provisions of the Swedish Investment Funds Act and the Fund Regulations,
- remuneration for transactions relating to a fund's assets is paid to the Fund immediately, and
- the Fund's income is used in accordance with the provisions of the Swedish Investment Funds Act and the Fund Regulations.

The Depository shall operate independently of the Fund Management Company and exclusively in the interests of the Fund's unitholders.

Section 4 Nature of the Fund

The Fund is a fixed-income fund with a focus on negotiable fixed-income-related Nordic securities and money-market instruments. The average remaining fixed-interest period (duration) may not exceed one year, but the average credit duration may be up to four years (the term credit duration is explained in the Fund's Information Brochure). The Fund invests mainly in Floating Rate Notes (FRNs). A Floating Rate Note is a financial instrument for which the interest rate is adjusted at certain intervals during the term of the instrument.

The Fund's long-term objective is to exceed its benchmark index. The Fund's benchmark index is presented in the Information Brochure.

The Fund applies exclusionary criteria in respect of activities that are excluded for e.g. environmental and/or social reasons. More information can be found in the Fund Management Company's policies concerning environmental and social considerations, activities we opt out of, country policies and ownership commitments, as well as in the Fund's Information Brochure.

Section 5 The fund's investment policy

(i) Asset classes

The Fund's assets may be invested in negotiable fixed-income-related securities, money-market instruments, derivative instruments, units in fixed-income-related funds or fund management companies, and in accounts 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 must constitute or relate to such assets as are referred to in Chapter 5, Section 12 of the Swedish Investment Funds Act.

(ii) Allocation, etc.

The Fund may invest in fixed-income-related negotiable securities and money-market instruments, or equivalent derivative instruments. The Fund's holdings may have an average remaining fixed-interest period (duration) of one year, but the average credit duration may be up to four years.

The Fund will invest at least 70% of its investments in Floating Rate Notes (FRNs). In total, the Fund may invest no more

Fund Regulations, forts

than 60% of its value in negotiable fixed-income-related securities and money-market instruments for which there is no credit rating. Negotiable fixed-income-related securities with a lower credit rating (high yield/non-investment grade) may not exceed 20% of the Fund's value.

The Fund focuses on investments in Nordic companies, but may also invest up to 20% of the Fund's value in the rest of Europe. All holdings in currencies other than SEK are hedged against SEK, which is the Fund's base currency.

The Fund also observes specific sustainability-related criteria in its investments. The sustainability criteria are based on international standards and guidelines, and the criteria adopted by the Fund Management Company.

More information about the criteria can be found in the Fund Management Company's policies concerning environmental and social considerations, activities we opt out of, country policies and ownership commitment, as well as in the Fund's Information Brochure.

The Fund may invest no more than 10% of its value in other funds or fund management 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 fixed-income negotiable securities and money-market instruments that are subject to trading in the bond and money market.

Section 7 Special investment policy

The Fund may invest in fixed-income-related negotiable securities and money-market instruments as referred to in Chapter 5, Section 5 of the Swedish Investment Funds Act.

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

The Fund may also use Over-The-Counter (OTC) derivatives in accordance with Chapter 5, Section 12(2) of the Swedish Investment Funds Act.

Currency derivatives are used to hedge the Fund's holdings at any time against SEK.

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' 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 valuation of the Fund's assets is not

possible in a way that ensures the equal rights of the unitholders, 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 unitholders' 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 will be obviously misleading, in the assessment of the Fund Management Company, the market value will be determined on the basis of the latest bid or ask price, or alternatively via a valuation model that is established in the market. For OTC derivatives, normally no published information is available concerning the latest price paid, as well as 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 foreign exchange 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.

For transferable securities and money-market instruments referred to in Chapter 5, Section 5 of the Swedish Investment Funds Act, if there is no active market a special valuation will be made by which a market value is determined on objective grounds, whereby 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)
- Proportion of equity (year-end valuation)
- Company events that have an impact 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 unitholders, for example as a consequence of how one or more of the markets in which the Fund trades 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 unitholders' interests. Sale or redemption requests received by the Fund Management Company during this time will 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.

Unit classes A, B, F and G are open to the public.

Fund Regulations, forts

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

For unit class A, there is no minimum subscription amount requirement.

For unit class B, the minimum amount on initial subscription is SEK 1,000,000

For unit class C, the minimum amount for initial subscription is SEK 1,000,000

For unit class D, the minimum amount for initial subscription is SEK 10,000,000

For unit class E, the minimum amount on initial subscription is SEK 50,000,000

For unit class F, the minimum amount on initial subscription is SEK 50,000,000

For unit class G, there is no minimum subscription amount requirement.

The respective sales price and redemption price of a fund unit will amount to the fund unit value on the banking day on which the request to sell (buying order) or to redeem (selling order) is received by the Fund Management Company.

The sale and redemption of a fund unit will be executed on the banking day after the banking day on which the request is received by the Fund Management Company, less any redemption or sales fees in accordance with section 11, provided that the request is received before the cut-off time stated in the Fund's Information Brochure. Execution refers to both purchase and sales orders.

Fund units are sold and redeemed at a price that is unknown to the unitholder at the time of the sale or redemption request. Details of sale and redemption prices concerning the preceding banking day may be obtained from the Fund Management Company, the Depository and Skandinaviska Enskilda Banken AB.

Sales and redemptions of fund units are processed via Skandinaviska Enskilda Banken AB or as stated by the Fund Management Company.

Requests for sale or redemption of fund units may only be revoked with the consent of the Fund Management Company.

If no liquidity is available in the Fund when a redemption request is received, such liquidity will be acquired by selling assets in the Fund, and the redemption will be executed as soon as possible.

Suspension of sale

The Fund Management Company is entitled to suspend further sale of fund units until further notice if the Fund's total assets are of such a size as to prevent the Fund from

being managed in an effective way on behalf of the unitholders.

The Fund Management Company has laid down guidelines for the enforcement and procedures for the management of suspension of sale. The guidelines are described in more detail in the Fund's Information Brochure. The Fund Management Company is entitled to make a decision to lift the sales suspension if the conditions which gave rise to it no longer exist.

Section 10 Extraordinary circumstances

The Fund may be closed for the sale and redemption of fund units in the event of extraordinary circumstances which mean that the Fund cannot 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 shall be paid to the Fund Management Company from the Fund's assets for its management. Such remuneration shall include costs for custody, supervision and audit of the Fund, at the maximum amounts stated below. Such remuneration is calculated daily on a basis of 1/365th.

Unit class A

A fixed fee corresponding to a maximum of 0.40% per annum of the Fund's net asset value.

Unit class B

A fixed fee corresponding to a maximum of 0.30% per annum of the Fund's net asset value.

Unit class C

A fixed fee corresponding to a maximum of 0.15% per annum of the Fund's net asset value.

Unit class D

A fixed fee corresponding to a maximum of 0.10% per annum of the Fund's net asset value.

Unit class E

A fixed fee corresponding to a maximum of 0.06% per annum of the Fund's net asset value.

Unit class F

A fixed fee corresponding to a maximum of 0.20% per annum of the Fund's net asset value.

Unit class G

A fixed fee corresponding to a maximum of 0.40% per annum of the Fund's net asset value.

In addition to the fixed management fee, a performance-based fee may be charged for the C, D, E and F unit classes. The remuneration, which is based on the Fund's performance, may not exceed 10% of the Fund's positive return. Positive return is defined in the Fund's Information Brochure.

The performance-based remuneration is calculated on a day-to-day basis according to a collective model and is paid on the last banking day of each month. How the performance-based fee is calculated is set out in the Fund's Information Brochure.

Fund Regulations, forts

Transaction costs, such as brokerage, taxes, delivery and other expenses related to the Fund's purchase and sale of assets, shall be charged to the Fund. Taxes in accordance with prevailing legislation are also charged to the Fund.

Section 12 Dividends

Unit classes A, C, D, E and F.

The unit classes do not pay dividend.

Unit classes B and G

The unit classes pay dividend.

Once a year, the Fund Management Company will decide on the distribution of dividend to the unitholders. Distribution is calculated on the basis of the distributing asset class' share of the Fund's value. The basis for any distribution comprises the return on the Fund's assets or other distributable amount. Distribution may exceed or fall short of the return on the Fund's assets, if this is in the interest of the Fund's unit holders.

Distribution to the unitholders from the Fund will take place in May of the year following the financial year and will be paid to fund unitholders who are registered as holding fund units on the fixed distribution date. The Fund Management Company may also adopt extra dividend distribution during the year, if this is in the interest of the Fund unitholders

In such case, the Fund Management Company will make a deduction for the tax which is legally due on unitholders' dividends. The dividend — after tax deductions — will be paid to the account of the unitholder.

The value of the non-distributing fund units included in the Fund is not affected by the distribution. On the other hand, the ratio between the value of the distributing fund units, and the non-distributing fund units, respectively, will be changed by the distribution. The ratio will change annually in conjunction with distribution.

Special rules apply to dividends relating to pension saving funds invested by pension saving institutions on behalf of pension savers and to dividends relating to insurance premiums invested by insurance companies on behalf of policyholders.

Further information concerning the objective for the size of the distribution can be found in the Fund's Information Brochure.

Section 13 Financial year

The financial year of the Fund is the calendar year.

Section 14 Mid-year report, annual report and changes to the Fund Regulations

The Fund Management Company will 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 must be available

at the Fund Management Company and the Depository and will be sent to those unitholders who so request.

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

Section 15 Pledging of assets

Unitholders may pledge their units in the Fund, provided that the unitholder 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 must include 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 must 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 unitholder.

Details of the current fee are set out in the Fund's Information Brochure.

Section 16 Limitation of liability

If the Depository or a Custodian Bank has lost Financial Instruments held in custody by the Depository, under the agreement entered into between the Fund Management Company and the Depository, the Depository must without undue delay provide Financial Instruments of the same type or pay an amount equivalent to the value of such Financial Instruments to the Fund Management Company on behalf of the Fund. The Depository will not be liable, however, if the loss of the Financial Instruments is due to an external event beyond the Depository's reasonable control and the consequences of which were impossible to avoid, despite every reasonable effort being made. The Depository will furthermore not be liable for loss or damage arising from Swedish or foreign statutes, measures implemented by Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. Exemption from liability with regard to strikes, blockades, boycotts and lockouts will also apply if the Depository is the object or instigator of such conflict measures.

Fund Regulations, forts

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

The Depository is not liable for any loss or damage caused by a Swedish or foreign stock exchange or other Execution Venue, Registrar, Clearing Organisation or other parties who provide similar services, nor — insofar as this relates to damage other than loss of Financial Instruments held in custody — for loss or damage caused by the Custodian Bank or other contractor that the Depository has engaged with due skill, care and diligence, and regularly monitors, or as designated by the Fund Management Company. The Depository is not liable for loss or damage caused by the insolvency of the aforementioned organisations or contractors. However, an assignment agreement concerning the custody of assets and control of ownership rights does not relieve the Depository of its liability for losses and other damage in accordance with the Fund legislation.

The Depository is not liable for any loss or damage arising for the Fund Management Company, the Fund's unitholders, the Fund or any other party as a result of restrictions to the right of disposal relating to a Financial Instrument that may be imposed on the Depository.

The Depository will not be liable in any way for any indirect costs, damage or losses.

If the Depository is prevented from fully or partly enforcing measures due to circumstances specified in the first paragraph, the measures may be postponed until the hindrance has ceased. In the event of deferred payment, the Depository will not pay late payment interest. Should interest have been pledged, the Depository will pay interest at the rate prevailing on the due date.

If the Depository is prevented from receiving payment for the Funds as a result of a circumstance specified in the first paragraph, the Depository will only be entitled to interest for the period during which the hindrance occurred on the terms and conditions in force on the due date. The aforementioned terms of this section will not limit unitholders' right to indemnification in accordance with Chapter 2, Section 21 and Chapter 3, Sections 14-16 of the Swedish Investment Funds Act.

Section 17 Restriction of rights to sell etc.

The Fund or units in the Fund are not, nor are they intended to be, registered in accordance with the applicable United States Securities Act of 1933 or the United States Investment Companies Act of 1940, or other relevant U.S. legislation.

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

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

Buyers of fund units must also confirm to the Fund Management Company that they are 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 units may only be made to a non-US Person, and must 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 unitholders' holdings of units in the Fund for their account, and to pay out the subsequent amounts received.

7. Addition information for investors in Switzerland

Representative

The representative in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Paying agent

The paying agent in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zürich.

Location where the relevant documents may be obtained

The prospectus and the Key Information Document, the fund regulation as well as the annual and semi-annual report may be obtained free of charge from the representative in Switzerland.

Publications

Publications concerning the foreign collective investment scheme are made in Switzerland on the electronic platform Swiss Fund Data, www.swissfunddata.ch.

The issue and redemption prices or the net asset value per share with the addition "excluding commissions" are published daily for all share classes on the electronic platform www.swissfunddata.ch.

Payment of retrocessions and rebates

The management company may pay retrocessions as remuneration for distribution activity in respect of the fund shares in Switzerland. The remuneration may be deemed payment for the following services in particular:

- Maintaining business relationships with potential and existing investors;
- Provision of the relevant fund documentation and promotional materials; and
- Distribution and promotion of the funds in accordance with Swiss regulations.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of the Financial Services Act ("FinSA").

The management company does not pay any rebates for distribution in Switzerland in order to reduce the fees and costs charged to the fund that are attributable to the investor.

Place of performance and jurisdiction

In respect of the shares offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

Product name: SEB FRN Fond

Legal entity identifier: 549300NK42H2ULMLXH44

Environmental and/or social characteristics

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

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

Does this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●○ <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics, but will not make any sustainable investments



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

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

- Good corporate governance and ethical behaviour by applying exclusion criteria for companies with verified violations of international standards and conventions.
- Companies' long-term work on sustainability risks and opportunities in business models and in their daily operations by assessing companies' work on this using our Fund Management Company's proprietary sustainability model SIMS-S.
- Companies' long-term work on sustainability risks and opportunities in business models and in its day-to-day operations by assessing this through sustainability-informed dialogue with existing portfolio companies and potential companies to invest in.
- Sustainable and ethical business models by applying exclusion criteria for companies in sectors or business areas that are deemed by the Fund Management Company to have major ethical or sustainability challenges.
- Managing nature and people as a resource by considering the main negative impacts on sustainability factors.
- Transparency, awareness and action in relation to the above characteristics by exercising active ownership. This is done through corporate engagement.

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

No benchmark index is used to achieve the environmental and/or social characteristics which the fund promotes.

Read more about the Fund Management Company's sustainability work in the Fund Management Company's Sustainability Policy: <https://sebgroupp.com/sv/om-seb/vara-divisioner/asset-management/seb-investment-management-ab/vart-hallbarhetsarbete>

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

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

- The volume-weighted share of excluded companies in the fund's universe of comparable companies is used to measure the promotion of long-term sustainable and ethical business models.

Sustainability indicators measure the achievement of the environmental or social characteristics promoted by the financial product.

- To measure the promotion of companies that work credibly and successfully with sustainability risks and opportunities in their business model over the long term, the fund's volume-weighted average rating is used according to the Fund Management Company's proprietary sustainability model SIMS-S.
- The number of dialogues with sustainability elements conducted by the fund's managers during the year and the volume-weighted share of the fund's holdings with which the fund's managers have conducted dialogues with sustainability elements are used to measure the promotion of companies that credibly and successfully address sustainability risks and opportunities in their business model over the long term.
- The Fund's carbon intensity is used to measure the degree of transition towards a carbon-neutral society.

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

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

Environmental objectives that are considered environmentally sustainable according to the EU taxonomy:

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

Environmental objectives not considered aligned with EU taxonomy:

UN Sustainable Development Goals (UN SDGs): SDG 6: (Clean water and sanitation), SDG 7: (Affordable and clean energy), SDG 9: (Sustainable industry, innovation and infrastructure), SDG 11: (Sustainable cities and communities), SDG 12: (Responsible consumption and production), SDG 13: (Climate action), SDG 14: (Life below water), SDG 15: (Life on land).

Social objectives:

UN Social Sustainable Development Goals (UN SDGs); SDG 1: (No poverty), SDG 2: (No hunger), SDG 3: (Good health and well-being), SDG 4: (Quality education), SDG 5: (Gender equality), SDG 6: (Clean water and sanitation), SDG 8: (Decent work and economic growth), SDG 10: (Reduced inequalities), SDG 11: (Sustainable cities and communities), SDG 16: (Peace, justice and strong institutions).

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

Other activities:

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

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

To ensure that the sustainable investments made do not cause significant harm to any environmentally or socially sustainable investment objective, the fund applies exclusion criteria in the Sustainability Policy of the Fund Management Company. In accordance with the exclusion criteria, the fund excludes investments in companies that do not comply with international norms and standards, operate in controversial sectors and business areas, have exposure to fossil fuels and are not considered to fulfil the levels of minimum social requirements defined in the EU taxonomy.

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

The fund management company has developed internal tools and processes to assess and consider the indicators of main negative impacts on sustainability factors. However, the indicators are dependent on the availability of data. Where reliable data with sufficient coverage is available, companies with negative performance by indicator in a geographical and sectoral context are excluded. Examples of this are companies with extremely high CO2 emissions in relation to comparable companies.

The fund also applies the Fund Management Company's exclusion criteria in the Fund Management Company's Sustainability Policy and excludes companies with operations in the fossil fuel sector, companies with operations in or near areas sensitive to biodiversity, where the operations risk negatively affecting these areas, companies that do not comply with international norms and standards, companies with operations in the manufacture or sale of controversial weapons (landmines, cluster bombs, chemical and biological weapons) and companies whose operations affect endangered species.

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

The fund applies the Fund Management Company's Sustainability Policy and therefore excludes companies with verified violations of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Furthermore, for an investment to be considered a sustainable investment, the company must follow good corporate governance practices. To ensure this, an external assessment of the company's governance structure, employment relations, tax compliance and remuneration structure is used.

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

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

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

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



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

Yes, the Fund takes into account the main negative impacts of sustainability factors through the exclusions set out in the Sustainability Policy of the Fund Management Company. This includes the exclusion of companies with operations in the fossil fuel sector, companies with operations in or near areas sensitive to biodiversity, where the operations risk negatively affecting these areas, companies that do not comply with international norms and standards, companies with operations in the manufacture or sale of controversial weapons (landmines, cluster bombs, chemical and biological weapons) and companies whose operations affect endangered species.

The fund manager uses the Fund Management Company's proprietary sustainability model, SIMS-S, when considering main negative impacts. Through the use of SIMS-S, the fund manager receives a sustainability rating on a potential investment and can therefore exclude companies that are deemed to have high risks linked to the management of negative impacts on sustainability factors. The indicators identified and analysed in SIMS-S are companies' greenhouse gas emissions, carbon footprint, greenhouse gas intensity, water emissions, hazardous waste emissions and energy consumption intensity for companies in sectors with a high climate impact. Furthermore, companies with fossil fuel operations, companies with operations in or near biodiversity-sensitive areas, where the operations risk negatively impacting these areas, and whether the companies in which the fund invests have initiatives to reduce carbon emissions with the aim of adapting to the Paris Agreement are identified and analysed. In addition, the sustainability model analyses whether the companies in which the fund invests lack processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, gender pay gaps, gender balance on boards, and whether the companies in which the fund invests have a code of conduct for suppliers (against unsafe working conditions, precarious work, child labour and forced labour).

A more detailed description of SIMS-S can be found under the heading "What investment strategy does this financial product follow".

Information on the main negative impacts on sustainability factors is presented in the fund's annual report, which is available on the Fund Management Company's website.

No



What investment strategy does this financial product follow?

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

The Fund is actively managed and invests primarily in fixed-income securities in the form of Floating Rate Notes (FRN) on the Nordic fixed-income market. The Fund will invest at least 80% of its assets in Nordic companies. The remainder may be invested in the rest of Europe.

The Fund's sustainability strategies consist of sustainability analysis, exclusions and active ownership.

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

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

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

The Fund Management Company applies the following exclusion criteria and excludes companies that:

- Contribute to the development of nuclear weapons programmes or the production of nuclear weapons,
- Produce tobacco or tobacco products, or that derive more than 5% of their revenue from the distribution of tobacco products,
- Produce cannabis for non-medical purposes,

- Derive more than 5% of their revenue from the production of alcohol,
- Derive more than 5% of their revenue from commercial gaming production, distribution or services,
- Are involved in the manufacture, development or sale of prohibited weapons,
- Derive more than 5% of their revenue from the production or sale of civilian weapons,
- Derive more than 5% of their revenue from the development, production and services linked to weapons consisting of combat materiel or certain other military equipment,
- Are involved in the production of pornography, or where more than 5% of revenue comes from the distribution of pornography,
- Produce fossil fuels, including unconventional fossil fuel extraction, such as tar sands and deep sea drilling in particularly sensitive areas,
- produces energy from fossil fuels,
- Have operations in or near biodiversity-sensitive areas, where the activities risk adversely affecting these areas, and
- Whose activities affect endangered species.

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

Exceptions to the exclusion criteria can be made in individual cases, for example when the Fund Management Company has an ongoing dialogue, or for other reasons has insight into the company's operations and change work. Exceptions to exclusion in transition companies involved in fossil fuels can be made if it is considered that the company is undergoing a transition process. For a company to be considered a transition company, it must demonstrate a strategic understanding and plan for managing climate-related risks and opportunities, an ability to achieve the 1.5°C target under the Paris Agreement within set timeframes, and actual work and investment towards the 1.5°C target – a company must demonstrate its financial commitment to strategic plans.

Active ownership management and dialogues: As a shareholder, the Fund Management Company exercises active ownership by voting at general meetings, in favour of or against specific shareholder or management proposals, and through proxy voting in accordance with the Fund Management Company's principles of shareholder engagement. Active ownership is carried out on the basis of the equity holdings of the Fund Management Company's funds but also affects the funds' bond holdings.

In Nordic companies where the Fund Management Company is among the largest shareholders and bondholders, the Fund Management Company maintains an ongoing direct dialogue with management and boards. When the Fund Management Company is a significant shareholder in terms of number of votes, the Fund Management Company also participates in nomination committees to influence, among other things, sustainability expertise and diversity in the companies.

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

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

The binding elements of the Fund are linked to the three elements of our sustainability investment process: integration, impact and exclusion. Consequently, there is a binding element for each step

The binding elements for the fund are:

1. Integration. Issuers with a SIMS-S score below 3 are defined as having significant sustainability risk. The SIMS-S ranges from 0-10, with 10 being the highest sustainability score. The Fund will have a maximum exposure of 10% to issuers with significant sustainability risk.
2. Advocacy dialogues. The sub-fund commits to conduct dialogues with at least 20 portfolio companies each year
3. Exclusions. The fund will comply with the Fund Management Company's Sustainability Policy as described above.

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

The Fund has no commitments to reduce the scope of investments by a minimum proportion.

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

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

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

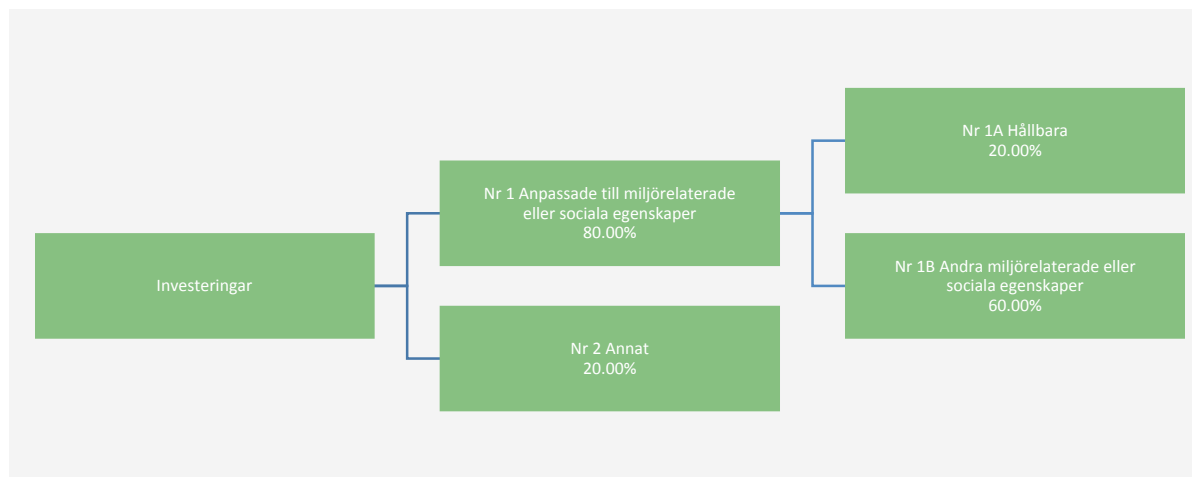
A more detailed description of how the Fund Management Company works to ensure good corporate governance can be found in the Fund Management Company's Sustainability Policy.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The schematic description below illustrates the fund's minimum proportion of investments that meet the environmental or social characteristics promoted by the fund, as well as the minimum proportion of sustainable investments in the fund. At least 80% of the fund's investments promote environmental or social characteristics. At least 20% are sustainable investments. The remaining assets consist of cash and cash equivalents, derivatives, government bonds, supranational bonds and other investments where data are not available.



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

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

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

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

The Fund does not use derivatives to achieve the environmental or social characteristics promoted by the fund.



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

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

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

Yes:

In fossil gas In nuclear energy

No

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

Taxonomy-aligned activities are expressed as a share of:

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

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

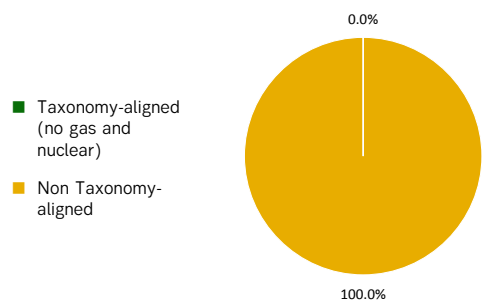
– **turnover** reflecting the share of revenue from green activities of investee companies

– **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy

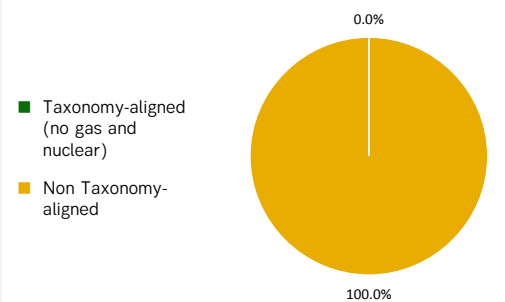
– **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

ign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100% of the total investment

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

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

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

The Fund does not promise investments in transition and enabling activities according to the EU taxonomy. However, the Fund can invest in transition and enabling activities according to the EU taxonomy.

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



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

The Fund has the possibility to make sustainable investments in economic activities that cannot currently be classified as compatible with the EU taxonomy. The EU's taxonomy does not cover all economic sectors that are relevant for the fund to invest in, and that contribute to sustainability objectives. There are also relatively few companies that report in accordance with the EU Taxonomy. This may be due to both the size of the companies and/or their geographical location. It is likely that, in the vast majority of cases, these objectives are clearly linked to the objectives of the EU's taxonomy, but there is no reliable data for such a classification.

The Fund is committed to maintaining an overall minimum level of sustainable investment of 20%. However, the fund does not commit to having a minimum share of environmentally sustainable investments that are not compatible with the EU taxonomy.

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

Environmental objectives not considered aligned with EU taxonomy:

UN Sustainable Development Goals (UN SDGs): SDG 6: (Clean water and sanitation), SDG 7: (Affordable and clean energy), SDG 9: (Sustainable industry, innovation and infrastructure), SDG 11: (Sustainable cities and communities), SDG 12: (Responsible consumption and production), SDG 13: (Climate action), SDG 14: (Life below water), SDG 15: (Life on land).



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



What is the minimum share of socially sustainable investments?

The Fund is committed to maintaining an overall minimum level of sustainable investment of 20%. However, the fund does not undertake to have a specific division between environmentally and socially sustainable investments.

The Fund's sustainable investments are made in sustainable bonds used in projects to contribute to social objectives or companies whose economic activities are deemed to contribute to one or more of the following social objectives

UN Sustainable Development Social Goals (UN SDGs): SDG 1: (No poverty), SDG 2: (No hunger), SDG 3: (Good health and well-being), SDG 4: (Quality education), SDG 5: (Gender equality), SDG 6: (Clean water and sanitation), SDG 8: (Decent work and economic growth), SDG 10: (Reduced inequalities), SDG 11: (Sustainable cities and communities), SDG 16: (Peace, justice and strong institutions).



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

The Fund may hold liquid funds in order to manage the fund's liquidity and flows. The Fund may also hold derivatives for achieving efficient fund management and as part of the fund's investment strategy. In addition, the fund may hold government bonds, supranational bonds and other investments, where promotion is not involved but is part of the fund's investment strategy. These assets are not covered by minimum environmental or social safeguards.



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

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

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



Where can I find more information about this specific product online?

More product-specific information is available on the website: <https://seb.se/marknaden-och-kurslistor/fondlista#/funds/detail/4500/0P0001H700?back=true>