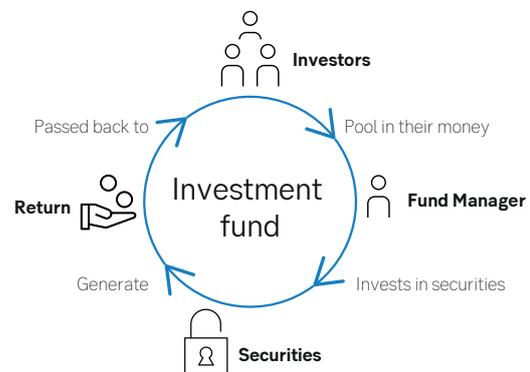


Non-UCITS funds

General information

An **investment fund** is a **pool of assets** established for collective investment. An investment fund usually has **numerous investors** and its management is entrusted to a **management company**. Non-UCITS is a fund, to which the requirements of the European Union UCITS Directive do not apply. Unlike the non-UCITS funds, UCITS are subject to more strict **requirements, which are related to the investment strategy and diversification of risks**. The entire information regarding the fund is disclosed in the **fund prospectus, conditions and Key Investor Information Document**.



Main differences between UCITS and Non-UCITS funds are generally the following:

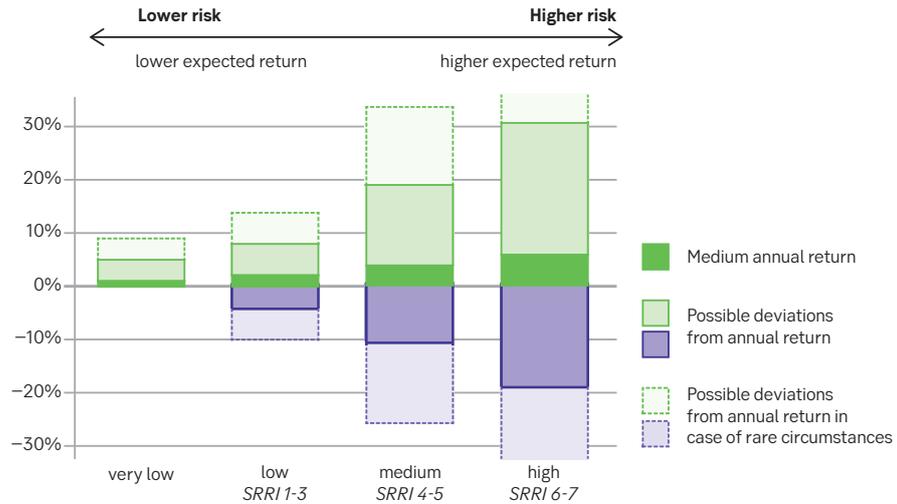
	UCITS fund	Non-UCITS fund
Requirements to investor and investment criteria	N/A	Professional investors, minimum subscription amount established
NAV calculations	At least once every two weeks (usually being calculated daily)	At least monthly
Borrowing limitations	Permitted, if the loan is not long-term and does not exceed 10% of the value of fund's assets.	No borrowing limitations
Leverage limit	May not exceed the net asset value of the fund's assets	In principal, no leverage limit
Governing directive	UCITS Directive	Alternative Investment Fund Managers Directive (AIFMD)

Upon investing, it is essential to diversify risks. If you invest through a fund, **your money is placed in many different types of financial instruments**, among others, the equities, bonds or alternative asset classes. It reduces the effect of a single unprofitable investment.

Outcome of the fund depends on:

- the manager and/or the management company,
- the fund's management strategy,
- regions and sectors in which investments are made.
- overall financial market situation.

Classification



Synthetic Risk and Reward Indicator (SRR1) is agreed methodology to measure the overall risk and reward profile of a fund. Funds are categorized on a scale from 1 to 7, with 1 being lowest risk and 7 being highest risk. Typically, the SRR1 is derived from the volatility over a period of last 5 years or, if the fund has operated for a shorter period, then the volatility of the respective period of operation.

All non-UCITS funds, the units of which are not denominated in the main currency,¹ always have a high risk level.

Complexity: all non-UCITS funds are treated as complex instruments.



Value

Value of the investment fund depends on the financial instruments in which the fund has invested. It can **change during the investment period and can be higher or lower** compared to the amount initially invested depending on the prevailing market conditions.

Non-UCITS fund's NAV calculations are usually made less frequently than those of an UCITS fund (once a month). NAV is based on the price development of financial instruments included in the fund's assets and it **determines the fund units' issue and redemption price**. The client does not know the **exact price** of a fund unit upon placing a purchase or sale order.

Investment fund's past performance is not a reliable indicator of future performance (if the return on investments is positive at some point, there is no guarantee that it will remain such also in future), but it can help to assess the fund units' price volatility over time.

The figures are illustrative. The presented information should in no case be construed as an investment consultation, investment recommendation or a service offer. The rate of return achieved in previous periods or the previous history do not constitute a promise or indication with regard to the rate of return or the achievement of its objectives in future periods.

Figure 1. Long-term performance



¹ EUR, USD, GBP, CHF, CAD, AUD, JPY, SEK, DKK, NOK are defined as main currencies.

Figure 2. Positive scenario

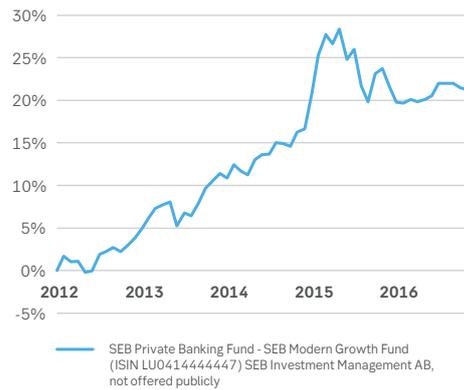
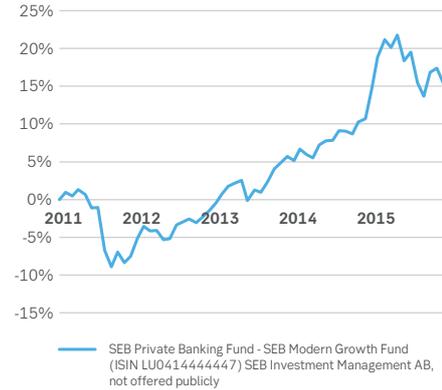


Figure 3. Negative scenario

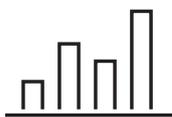


Source of Figures 1, 2 and 3: Bloomberg. (2017) Bloomberg Professional. Available for a fee (data as at: 23 November 2017).

Possible fees applied:

- Management fee
- Issue and redemption fee
- Transaction fee
- Safekeeping fee (not applicable to SEB funds)

More detailed information about the fees is provided in SEB's price list, on the Investor Protection website or in documents concerning the specific security.



Risks

Investment funds do not guarantee a rate of return. The return and risk are closely tied. **The higher is the possible return, the bigger is the risk of losing substantial part of initial investment.** Financial markets are interlinked and the performance of such fund which invests in one country may be affected by the situation on a stock or bond market in the other country.

Currency risk. In the case of investments denominated in a foreign currency there is a risk that the client suffers losses on such investments due to unfavourable changes in the exchange rates of various currencies.

Issuer risk refers to the possibility that the value of the instrument may significantly fall due to deficiencies in the activity of the management company.

Liquidity risk. In general, the holders of investment fund units usually have the right to demand redemption of their units at any business day. An exception is an investment trust, the units, shares or partitions of which are not redeemed upon request of the unit holder or shareholder before liquidation of the fund. In certain cases, the redemption of the fund units may be temporarily suspended. For example, if the fund has invested in illiquid financial instruments, it is difficult to realise these and accordingly, the fund is unable to redeem them from the investors. Redemption of funds units is suspended also upon liquidation proceedings of the fund and the unit holders will receive their money from the fund upon division of the remaining assets upon liquidation of the fund between the unit holders.



Taxation

Income from investments is taxed. An investment account allows Estonian tax residents to postpone the taxation of return on investments. The taxation depends on the investor's tax residency and legal form, but also the income type and several other circumstances. For more specific instructions, consult your tax office or contact a tax advisor.