

May 25, 2021 8:50 AM

# SEB Russia Fund, SEB Eastern Europe Ex Russia Fund merge with SEB Eastern Europe Small & Mid Cap Fund

We plan to merge SEB Fund 2 – SEB Russia Fund, and SEB SICAV 1 – SEB Eastern Europe Ex Russia Fund, with SEB SICAV 2 - SEB Eastern Europe Small & Mid Cap Fund on 2 July 2021.

## ***To investors in the merging sub funds***

We at SEB Investment Management AB work to continuously improve and refine our selection of funds. As part of this goal, we will merge two sub funds, SEB Fund 2 – SEB Russia Fund, and SEB SICAV 1 – SEB Eastern Europe Ex Russia Fund, with SEB SICAV 2 - SEB Eastern Europe Small & Mid Cap Fund, the receiving sub fund. The merger takes effect as of 2 July 2021.

Investment interest in SEB Eastern Europe Ex Russia Fund has decreased in recent years, resulting in a negative trend in assets under management. SEB Russia Fund has experienced a substantial reduction of its investment universe due to our recently adopted new, strengthened sustainability policy that requires all our funds to exclude companies involved in fossil fuels. This new policy, implemented Q1 2021, requires all our funds to follow the exclusion rules concerning, for example, fossil fuels, tobacco, commercial gaming operations and more. Our new sustainability policy is part of our continuous work to address the threat posed by climate change and contribute to the transition that is necessary to achieve the Paris Agreement and contribute to the UN Development Goals.

The merger of the above sub funds into SEB Eastern Europe Small & Mid Cap Fund aims to provide the benefit of larger fund size with economies of scale and a more streamlined offering in the region. Unitholders and shareholders who agree with the changes will continue to have access to a diversified exposure in the Eastern European Region. However, it should be highlighted that the receiving fund, SEB Eastern Europe Small & Midcap invests across Eastern Europe including Russia, as opposed to the merging sub fund SEB Eastern Europe Ex Russia.

The receiving fund has a strong historical track record and has a 5-star overall rating from investment research firm Morningstar. It is subject to our new, strengthened Paris Agreement-aligned ESG policy that requires excluding companies involved in fossil fuels.

This is a merger by absorption whereby the merging sub funds' assets and liabilities will be absorbed by the receiving sub fund. Both the merging sub funds will cease to exist.

Any accrued income in the merging sub funds will be transferred to the receiving fund and the merging sub fund. SEB Investment Management AB will bear any costs related to legal, advisory and administration costs that arise in relation to the merger. Holdings of the merging sub funds will be transferred to the receiving sub fund. Holdings that, for different reasons, cannot be

transferred, will be sold prior to the merger. This can result in a rebalancing of the receiving sub fund's portfolio, which could incur transaction costs. Any cash that is transferred from the merging sub fund to the receiving sub fund will be invested in accordance with the receiving sub fund's investment policy.

### How you are affected

You can redeem your shares free of charge until cut off time on 25 June 2021. After cut off, the sub fund prepares for the merger by suspending all requests for subscriptions, redemptions and transfers. Note that redemption of shares can result in taxation. Kindly consult your financial advisor.

### Merger timeline

- **Cut off time 25 June 2021:** Deadline for investors in the merging sub funds to redeem their shares or units before the merger. The merging sub funds close for trading. No subscriptions, redemptions or transfers are accepted after this time.
- **2 July 2021:** The net asset value for the merging sub fund is calculated, and the exchange ratio for the merging funds is calculated. The merger takes effect.

### Your rights as an investor

You are currently a shareholder or a unitholder in one or both the merging sub funds. If you do not redeem your shares or units, you will automatically receive shares in the receiving sub fund.

- The merging sub fund SEB Fund 2 – SEB Russia Fund is an FCP (Fonds commun de placement), an open-ended common fund.
- The other merging fund, SEB SICAV 1 – SEB Eastern Europe Ex Russia Fund is a SICAV (Société d'Investissement à Capital Variable), an open-ended investment company with variable share capital.
- The receiving fund, SEB SICAV 2 - SEB Eastern Europe Small & Mid Cap Fund, is a SICAV.

### Key differences between a SICAV and an FCP:

#### SICAV

- Investors own shares of a SICAV.
- SICAV has a board of directors that governs the fund and is elected by the shareholders.
- Investors in a SICAV can influence the decision-making process by voting at a general meeting of shareholders.

#### FCP

- Investors own units of an FCP.
- FCP is governed by the Management Company's board of directors.
- The management company makes decisions for an FCP fund.

### Existing classes and ISIN codes

SEB Fund 2 – SEB Russia Fund:

C (EUR), LU0273119544

C (USD), LU0600309446

C(SEK), LU2030514173

IC (EUR), LU2158612874

UC (EUR), LU1822878143

SEB SICAV 1 – SEB Eastern Europe Ex Russia Fund:

C (EUR), LU0070133888

UC (EUR), LU1808746744

**Merging sub funds into receiving sub fund, per share/unit class**

Two new share classes will be opened in the receiving fund at the time of the merger. The two new classes have the same level of risk, 6 on the SRRI scale, as the existing classes.

<b>SEB SICAV 1 – SEB Eastern Europe Ex Russia Fund: merging sub fund</b>	<b>SEB Fund 2 – SEB Russia Fund: merging sub fund</b>	<b>SEB SICAV 2 - SEB Eastern Europe Small &amp; Mid Cap Fund: receiving sub fund</b>
	C (EUR), LU0273119544	C (EUR), LU0086828794
	UC (EUR), LU1822878143	UC (EUR), LU1822878572
C (EUR), LU0070133888	IC (EUR), LU2158612874	IC (EUR), LU2030514413
UC (EUR), LU1808746744	C (USD), LU0600309446	<i>New C (USD), LU2321682267</i>
	C (SEK), LU2030514173	<i>New C (SEK), LU2321682184</i>

**To investors in the receiving fund SEB SICAV 2 - SEB Eastern Europe Small & Mid Cap Fund.**

The merger will not have any foreseeable impact on your investment in the receiving fund, SEB SICAV 2 - SEB Eastern Europe Small & Mid Cap Fund.

The holdings of the merging sub fund will be transferred to the receiving sub fund. Holdings that, for different reasons cannot be transferred, will be sold prior to the merger. This can result in a rebalancing of the receiving sub fund's portfolio, which could incur transaction costs. SEB Investment Management AB will bear any costs related to legal, advisory and administration costs that arise in relation to the merger. Any cash that is transferred from the merging sub fund to the receiving sub fund will be invested in accordance with the receiving sub fund's investment policy.

This is a merger by absorption whereby the merging sub funds' assets and liabilities will be absorbed by the receiving sub fund and the merging sub funds will no longer exist.

The receiving sub fund, SEB Eastern Europe Small & Mid Cap Fund, continues to offer investors exposure to the Eastern European Markets, including Russia. However, it should be noticed that the sub fund is subject to our recently adopted new, strengthened sustainability policy which requires all our funds to exclude companies involved in fossil fuels. This new policy, implemented Q1 2021, requires all our funds to follow exclusion rules concerning, for example, fossil fuels, tobacco, commercial gaming operations and more. Our new sustainability policy is part of our continuous work to address the threat posed by climate change and contribute to the transition that is necessary to achieve the Paris Agreement and contribute to the UN Development Goals.

### **How you as an investor in the receiving fund are affected**

As an investor in the receiving sub fund, SEB SICAV 2 - SEB Eastern Europe Small & Mid Cap Fund, you are not required to act, but it is important you are familiar with the merger. If you do not wish to remain invested in the receiving sub fund, you may redeem your shares free of charge by 15:30 CET on 1 July 2021. Note that redemption of shares can result in taxation. Kindly consult your financial advisor for more information.

### **Merger timeline**

- **Cut off time 1 July 2021:** deadline for investors in the receiving sub fund to redeem shares before the merger.
- **2 July 2021:** calculation of the exchange ratio for the merging funds is calculated and the merger takes effect.

### **SEB SICAV 2 - SEB Eastern Europe Small & Mid Cap Fund: existing classes and ISIN codes**

C (EUR), LU0086828794

IC (EUR), LU2030514413

UC (EUR), LU1822878572

### **Further information**


Kindly see the key investor information document for the receiving and the merging sub funds, included, and the summarised comparison of the sub funds, below. Product documentation for the receiving sub funds are available on [www.sebgroup.lu](http://www.sebgroup.lu).

The terms of the merger, the depositary statement and the auditor report will be available, free of charge, on request from our registered office, SEB Investment Management AB, Luxembourg branch.

### **Click on the following links for more information:**

[Eastern Europe merger 2021 comparison table](#) 

[Eastern Europe merger information in German](#) 

 Past performance does not guarantee future performance. The value of investment funds and other financial instruments may rise as well as fall and there is no guarantee you will recover

your original investment. Key investor information documents and prospectuses are available on [sebgroup.lu/funds](https://sebgroup.lu/funds).