# COMMON TERMS OF MERGER

**OF**

**SEB Prime Solutions – Nordic Cross Stable Return**
(The “**Merging Sub-Fund**”)
*Sub-fund of SEB Prime Solutions*
*Société d'investissement à capital variable*
Registered office: 33, rue de Gasperich
L-5826 Hesperange, Grand Duchy of Luxembourg
R.C.S. Luxembourg B 155 311

**INTO**

**NORRON SICAV – Select**
(The “**Receiving Sub-Fund**”)
*Sub-fund of Norron SICAV*
*Société d'Investissement à Capital Variable*
33, rue de Gasperich
L-5826 Hesperange
RCS Luxembourg B 158 534

**WHEREAS**

**SEB Prime Solutions** (the “**SEB**”), is incorporated in Luxembourg as a *société d'investissement à capital variable*, and having its registered office at 33, rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg and qualifies as an undertaking for collective investment organised as an umbrella fund pursuant to Part I of the law of 17 December 2010 on undertakings for collective investments as amended (the “**2010 Law**”).

**Norron SICAV** (the “**Receiving Fund**”) is incorporated in Luxembourg having its registered office at 33 rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg and qualifies as an undertaking for collective investment, organised as an umbrella fund pursuant to Part I of the 2010 Law.

## Type of merger

The Merging Sub-Fund will merge into the Receiving Sub-Fund (the “**Merger**”), as shown below and in accordance with article 1(20)(a) of the 2010 Law:

| Merging Sub-Fund | Receiving Sub-Fund |
|---|---|
| SEB Prime Solutions – Nordic Cross Stable Return | NORRON SICAV – Select |

## Background and Rationale

The Merging Sub-Fund and the Receiving Sub-Fund will hereinafter be together referred to as the “**Amalgamations**”.

## 1. Identification of the Merger and the sub-funds concerned by the Merger

The merger between the Amalgamations will be effected by the absorption of the Merging Sub-Fund by the Receiving Sub-Fund whereby the assets and liabilities of the Merging Sub-Fund are transferred to the Receiving Sub-Fund by way of a contribution in kind of all its assets and liabilities into the Receiving Sub-Fund, in accordance with article 1(20) (a) of the 2010 Law.

## 2. Effective date of the Merger

The Merger shall become effective between the Amalgamations and towards regulators, shareholders and other third parties on **20 January 2023** (the "**Effective Date**") and will be notified to the shareholders of the Merging Sub-Fund and the shareholders of the Receiving Sub-Fund in writing, upon approval of the Merger by the CSSF and the Directors of SEB and Norron SICAV.

The Effective Date will be subsequent to the completion of a thirty (30) calendar days' prior notice period and an additional five (5) business days period, upon the end of which the applicable share exchange ratios will be calculated.

## 3. Background and rational of the Merger

The Merging Sub-Fund has a multi-strategy investment approach with a low volatility target. The multi-strategy approach seeks to deliver consistently positive returns irrespective of the direction of the equity, FX, credit and fixed income markets. It entails a variety of investment strategies.

The Receiving Sub-Fund has an equity long short investment approach which is a compatible with the Merging Sub-Fund's investment approach. The Receiving Sub-Fund offers shareholders a similar fund to the Merging Sub-Fund, focusing on the Swedish stock market and on absolute portfolio return. Additionally, the Receiving Sub-Fund has a better track record than the Merging Sub-Fund in terms of risk adjusted return. The Receiving Sub-Fund has a strategy with more liquid assets than the Merging Sub-Fund.

The Merging Sub-Fund has approximately SEK 375 million under management as of 14 November 2022 while the Receiving Sub-Fund has approximately SEK 400 million under management as of the same date. The Receiving Sub-Fund has sufficient assets under management (AUM) to absorb the size of the Merging Sub-Fund.

Upon review, the Board of SEB in consultation with CAAM Fund Services AB, the investment manager for the Merging Sub-Fund, and Norron AB, the investment manager for the Receiving Sub-Fund, taking into consideration that CAAM Fund Services AB is in a process of terminating all its management operations and evaluating different alternatives for the Merging Sub-Fund have concluded that Norron AB should take over the investment management services for the Merging Sub-Fund.

Norron AB is a Swedish management company focusing on absolute strategies. Founded 2010, Norron AB has a relatively long history with solid performance track record.

**Please also note that the list of fees and expenses in inter alia the notification to the shareholders of the Merging Sub-Fund, states the "highest possible" fees and not the actual fees applied.**

## 4. Expected impact of the Merger on the shareholders of the Merging Sub-Fund

*4.1 Impact of the Merger on the shareholders of the Merging Sub-Fund*

For the shareholders of the Merging Sub-Fund, the Merger will result in such shareholders being, from the Effective Date, shareholders of the Receiving Sub-Fund.

The Merger will be binding on all the shareholders of the Merging Sub-Fund who have not exercised their right to request the redemption or conversion of their shares, free of charge within the timeframe set out in Section 9 below.

No subscription fee will be levied within the Receiving Sub-Fund because of the Merger.

The notice to shareholders of the Merging Sub-Fund (attached hereto as Appendix 1) will include a detailed schedule of the key features of and any differences and similarities between the Merging Sub-Fund and Receiving Sub-Fund, summarising also the classes of shares in the Merging Sub-Fund and the corresponding new classes of shares in the Receiving Sub-Fund, and will notify them of their rights in relation to the implementation of the Merger.

Shareholders in the Merging Sub-Fund should consult their own professional advisers as to the tax implications of the Merger under the laws of the countries of their nationality, residence, domicile or incorporation.

Upon implementation of the Merger, the shares of the Merging Sub-Fund will be cancelled having effect on the Effective Date.

*4.2 Impact of the Merger on the shareholders of the Receiving Sub-Fund*

The Receiving Sub-Fund is established and currently has Shareholders. The Merger will not affect the existing Shareholders.

*4.3 Key features of the Amalgamations*

This section compares the key features of the Merging Sub-Fund to that of the Receiving Sub-Fund and highlights material differences, if any.

(a) Investment objective and policy

The investment objective and policy of the Merging Sub-Fund and the Receiving Sub-Fund may differ but remain compatible:

| | **SEB Prime Solutions – Nordic Cross Stable Return** | **Norron SICAV – Select** |
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| **Investment objective** | The investment objective of the Sub-Fund is to achieve maximum capital appreciation by using a multi-strategy approach with a low volatility target. | The Sub-Fund's objective is to capitalize on the Investment Manager's ability to identify Nordic stocks that are under-valued compared to the general market. The Sub-Fund is actively managed without reference to a benchmark. |

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| | The multi-strategy approach seeks to deliver consistently positive returns irrespective of the direction of the Equity, FX, Credit and Fixed Income Markets. It entails a variety of investment strategies which are:<br><br>• Fixed Income Strategy aimed at investing, in a diversified set of Government Bonds, Corporate Bonds, among others, mainly issued in the Nordic Countries;<br><br>• Equity Long-Short Strategy which consists of investing in long and short positions of equities of companies listed in the Nordic Countries;<br><br>• Market Neutral Strategy which seeks to profit from the pricing inefficiencies between equities and neutralize the exposure to the equity market risk for companies listed in the Nordic Countries;<br><br>• Event Driven Strategy which seeks to profit from the pricing inefficiencies that may occur before or after a corporate event such as, but not limited to, IPO's, mergers and acquisitions, spinoffs, earnings call, restructuring or changes in the corporate strategy.<br><br>The Sub-Fund aims to invest in equities, small-medium capitalization shares and bonds instruments from the Nordic Countries covering mainly the industrial sectors such as consumer utilities, transportation, financial services & insurance, telecommunications, media and entertainment, pharmaceutical and healthcare industry. | |
| **Investment policy** | The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark. The Sub-Fund's performance fee is calculated with reference to the OMRX T-Bill Index (the "Benchmark"), which may also be used for marketing purposes. | To be able to achieve performance, the Sub-Fund will apply a combination of strategies in the Nordic equities and derivatives markets. Equity exposure may derive from direct investments in equities, equity derivatives, ETFs and convertible securities. |

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| | In pursuing the investment objective, the Investment Manager seeks to invest up to 70% of its assets in equities and up to 70% of the portfolio in fixed income and fixed income related instruments. The Sub-Fund will primarily invest in companies that are domiciled or mainly active in the Nordic Countries.<br><br>The investment process for the selection of the assets relies on the use of quantitative, qualitative corporate fundamental analysis and broker research reports. In addition environmental, social and governance (the "ESG") factors will be taken into consideration as part of the investment process. The Investment Manager's ESG policy is embedded throughout the entire investment process which prohibits it from investing in companies that are involved in controversial weapons such as cluster bombs, landmines, chemical weapons, biological weapons and nuclear weapons as defined under the treaty on non-proliferation of nuclear weapons, and controversial products such as alcohol, tobacco, pornography, gambling and fossil fuels. For further information on the Investment Manager's ESG policy please consult https://www.nordiccross.com/ansvarsfulla-investeringar-development<br><br>Financial derivative instruments will be used for hedging and investment purposes. Financial derivative instruments will primarily be used in the form of equity indices futures and options, single name equity option, futures, Total Return Swaps and CFDs, interest rate futures and options, credit default swaps on single name corporates and credit indices, options and futures on credit indices and FX futures, options and forwards. In accordance to its investment objective, the Sub-Fund may use financial derivative instruments to obtain an indirect exposure on eligible assets that are estimated to be beneficial for its performance. | The Sub-Fund will also seek short exposures by using different instruments including CFDs, equity derivatives, swaps, ETFs, index futures and derivative instruments. The Sub-Fund will be allowed to invest in fixed income securities and derivative instruments thereon primarily to manage the Sub-Fund's cash positions.<br><br>The Sub-Fund's equity long exposure will consist of selected, predominantly large capitalization stocks, in the Nordic equity markets. This long exposure may from time to time, depending on the Investment Manager's view of the general direction of the equity market, be hedged in full or in part. The Sub-Fund's net and gross exposures will change depending on valuation, volatility and market direction.<br><br>For hedging purposes and to enhance investment returns, the Sub-Fund may also have exposure to short positions through cash-settled derivative instruments. The Sub-Fund's long positions will at all times be sufficiently liquid to cover any obligations arising from its short positions.<br><br>From time to time, a maximum of 20% of the Sub-Fund's net assets might be invested in ancillary liquid assets limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time. Exceptionally and under certain negative market conditions this limit can be temporarily breached.<br><br>On top of that, the Sub-Fund will apply an opportunistic approach to trading. The return from the Sub-Fund will from time to time have a higher volatility than the equity markets in general, due to a higher degree of concentration of positions.<br><br>The Sub-Fund will also invest on an ancillary basis in money market instruments, cash and Cash Equivalents primarily in the Nordic markets. |

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| | The Sub-Fund may invest up to 10% of its net assets in units/shares of other Sub-Fund of the Company, UCITS, UCIs and ETFs.<br><br>The Sub-Fund may invest in other Sub-Funds of the Company which are managed by the same Investment Manager of the Sub-Fund or its affiliates. Investment is not permitted in the target Sub-Funds of the Company which in turn invest in the other Sub-Funds of the Company. Where the Sub-Fund invests in a target Sub-Fund which is managed by the same Investment Manager of the Sub-Fund or any other company with which the Investment Manager is linked by common management or control or by a substantial direct or indirect holding, there will be no subscription, conversion or redemption fees charged on account of such investment by the Sub-Fund. The Sub-Fund will not charge an annual management fee, or investment management fee or performance fee in respect of the portion of its assets invested in other Sub-Funds of the Company which is managed by the same Investment Manager of the Sub-Fund.<br><br>The Sub-Fund's objective is to hedge all currency exposure from fixed income instruments by the use of FX Forwards.<br><br>Depending on market conditions and in accordance with the investment objective, the Sub-Fund may invest up to 100% of its assets in money market instruments, cash and/or cash equivalent instruments.<br><br>The Sub fund may invest a maximum of 10% of its assets in Contingent Convertible Bonds (the "CoCos"). | The Sub-Fund does not make use of any securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.<br><br>The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs.<br><br>The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".<br><br>The Sub-Fund will enter on a continuous basis into unfunded Total Return Swap transactions or other financial derivative instruments with similar characteristics, within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, to hedge the existing long positions or exposures.<br><br>The expected proportion of assets under management that can be subject to unfunded TRS is 8% of the assets under management of the Sub-Fund (expressed as the sum of the notionals) while the maximum proportion shall not exceed 60% of the assets under management of the Sub-Fund (expressed as the sum of the notionals). For any avoidance of doubt diversification rules applicable at the Sub-Fund level shall apply to the underlying assets of the TRS.<br><br>The Sub-Fund will enter into unfunded TRS with European regulated financial institutions.<br><br>When the Sub-Fund is the total return payer of the TRS (i.e. owns the reference asset of the TRS), the Depositary is entitled to perform its duties by ensuring the safe-keeping of the reference asset of the TRS. |

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| | The global exposure of the Sub-Fund will be monitored by using the Absolute Value-at-Risk. The level of the monthly Value-at-Risk determined on the basis of a 99% interval for the Sub-Fund shall not exceed 5% of its total Net Asset Value.<br><br>The Sub-Fund's expected level of leverage will be determined taking into account the financial derivative instruments concluded by the UCITS; the sum of notionals of the financial derivative instruments shall be used as a reference for the determination of leverage. Accordingly, the leverage shall not exceed 250% of the Net Asset Value of the Sub-Fund. | The Sub-Fund is entitled to receive 100% (no profit-sharing agreement) of the revenues earned from the Total Return Swap transactions.<br><br>The Sub-Fund may enter into TRS o Nordic equity and published equity indice such as but not limited to MSCI and OM (rebalanced twice a year). |
| **Investment Approach** | The Sub-Fund employs the Absolute Value-at-Risk approach.<br><br>The level of the monthly Value-at-Risk determined on the basis of a 99% interval for the Sub-Fund shall not exceed 5% of its total Net Asset Value.<br><br>The Sub-Fund's expected level of leverage will be determined taking into account the financial derivative instruments concluded by the UCITS; the sum of notionals of the financial derivative instruments shall be used as a reference for the determination of leverage.<br><br>Accordingly, the leverage shall not exceed 250% of the Net Asset Value of the Sub-Fund. | The Sub-Fund employs the Absolute Value at Risk (the "VaR") approach.<br><br>The level of the absolute VaR for the Sub-Fund will not exceed 20%.<br><br>The Sub-Fund's expected level of leverage will be primarily determined using the sum of the notionals approach. This methodology is to be regarded as the sum of the direct investments and the additional exposure gained through the use of financial derivative instruments without consideration of netting and/or hedging mechanisms and through borrowing of cash. Based on this methodology the leverage is not expected to exceed five (5) times the Sub-Fund's total net assets (i.e. the sum of the direct investments and the additional exposure created through derivatives and cash borrowing may represent up to 500% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher.<br><br>On a parallel basis the Sub-Fund's expected level of leverage will also be calculated using the commitment approach. This means that potential netting and/or hedging mechanisms are taken into account when performing the calculation. |

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| | | Based on this methodology the leverage is not expected to exceed two (2) times the Sub-Fund's total net assets (i.e. the additional exposure created through leverage may represent up to 200% of the Sub-Fund's Net Asset Value). Please note that the actual level of leverage may be higher. |
| **Profile of typical investor** | The assets held by the Sub-Fund will predominantly consist of short and medium term instruments. The Sub-Fund is suited for experienced, sophisticated and retail investors who can afford to set aside capital for at least one up to three years. | The Sub-Fund is a long/short equity fund. The Sub-Fund's ambition is to maximize the return of the stock selection process.<br><br>The Sub-Fund is aimed at investors seeking exposure to the Nordic equity markets in general, but from an absolute return perspective. The Sub-Fund's risk profile may vary in accordance with the management team's view on stock selection, as well as on the net and gross exposure.<br><br>The Sub-Fund's return profile will be a consequence of the alpha that is generated as well as decisions based on the direction of the Nordic equity markets. The Sub-Fund may carry a positive as well as a negative net exposure to the equity market. |
| **The synthetic risk and reward indicator (SRRI)** | 3 | 5 |
| **Cut-off time/order processing** | The Valuation Day of the Sub-Fund is every Banking Day.<br><br>The Shares in the Sub-Fund may be subscribed for on any Valuation Day at the Net Asset Value plus, if applicable, a Sales Charge payable to the Global Distributor. Subscription requests must be sent in writing to the Administrative Agent. Subscription requests must be received by the Administrative Agent by no later than 15:00 p.m. Luxembourg time on the relevant Valuation Day. Subscription requests received after this deadline shall be deemed to be received on the next Banking Day and will take effect on the next Valuation Day.<br><br>Settlement of subscription proceeds needs to be received two (2) Banking Days after the relevant Valuation Day. | The Net Asset Value of each Class of Shares shall normally be calculated for each Business Day (a "Valuation Day").<br><br>Shares are available for subscription for each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent no later than 2:00 p.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day. Subscription proceeds must be received no later than on the second Business Day following the relevant Valuation Day.<br><br>Applications for Shares received by the Registrar and Transfer Agent after 2:00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day. |

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| | Shares in this Sub-Fund may be redeemed on any Valuation Day.<br><br>Redemption requests must be sent in writing to the Administrative Agent.<br><br>Redemption requests must be received by the Administrative Agent by no later than 15:00 p.m. Luxembourg time on the relevant Valuation Day. Redemption requests received after this deadline shall be deemed to be received on the next Banking Day following the day of receipt and will take effect on the next applicable Valuation Day.<br><br>Payment of redemption proceeds will be made within three (3) Banking Days following the relevant Valuation Day.<br><br>The Shareholders in the Sub-Fund are not entitled to convert all or part of their Shares into Shares relating to another Sub-Fund. | Shares are redeemable at the option of the Shareholders.<br><br>Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 2:00 p.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated as of that Valuation Day.<br><br>Redemption requests received by the Registrar and Transfer Agent after 2:00 p.m. (Luxembourg time) on the relevant Valuation Day will be dealt with on the basis of the Net Asset Value per Share as of the next Valuation Day.<br><br>Payment of redemption proceeds will normally be made within two Business Days following the relevant Valuation Day.<br><br>A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding. |

(b) Classes of shares and currency

The reference currency of the Merging Sub-Fund and the Receiving Sub-Fund is Swedish Krona (SEK). The reference currency of SEB is EUR and of the Receiving Fund is SEK.

Shareholders in the share classes of the Merging Sub-Fund will be eligible to receive shares in the share class of the Receiving Sub-Fund opposite the share class in the table below:

| SEB Prime Solutions – Nordic Cross Stable Return | ISIN Code | Norron SICAV – Select | ISIN code |
|---|---|---|---|
| R-SEK | LU1587859866 | RC SEK | LU0580532280 |
| SEK-I (acc) | LU1587867455 | IC SEK | LU0580531803 |
| SEK-RN | LU1823219230 | RC SEK | LU0580532280 |
| SEK-IN | LU1823219404 | IC SEK | LU0580531803 |
| SEK-IN2 (acc) | LU1955186967 | IC SEK | LU0580531803 |
| SEK-INZ | LU1823219586 | IC SEK | LU0580531803 |

Both SEB and the Receiving Fund are established as variable capital umbrella investment companies with limited liability and segregated liability between sub-funds. Following the Merger, a Shareholder's rights will derive from the Articles of the Receiving Fund and Luxembourg company law.

(c) Fees and Expenses

| | **SEB Prime Solutions – Nordic Cross Stable Return** | **Norron SICAV – Select** |
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| **Management Company and Administration Fee Rate** | Up to 1.00% of the Sub-Fund's Net Asset Value | Up to 0.085% p.a. of the Sub-Fund's Net Asset Value, subject to an annual minimum of EUR 10,000 |
| **Investment Management Fee Rate** | Up to 0.90% p.a. for Class R-SEK of the Sub-Fund's Net Asset Value | Up to 1.50% p.a. for Class RC SEK and Class IC SEK of the Sub-Fund's Net Asset Value |
| | Up to 0.70% p.a. for Class SEK-I (acc) of the Sub-Fund's Net Asset Value | |
| | Up to 0.70% p.a. for Class SEK-RN of the Sub-Fund's Net Asset Value | |
| | Up to 0.45% p.a. for Class SEK-IN of the Sub-Fund's Net Asset Value | |
| | Up to 0.00% p.a. for Class SEK-IN2 (acc) of the Sub-Fund's Net Asset Value | |
| | Up to 0.70% p.a. for Class SEK-INZ of the Sub-Fund's Net Asset Value | |
| **Performance Fee Rate** | 20% only for Classes R-SEK, SEK-I (acc), SEK-RN, SEK-IN and SEK-IN2 (acc)<br>0% for Class SEK-INZ | Up to 20% p.a. for Class RC SEK and Class IC SEK |
| **Performance Fee Mechanism** | High Water Mark+ OMRX T-Bill Index or 0 if the benchmark performance is negative, only for Classes R-SEK, SEK-I (acc), SEK-RN, SEK-IN and SEK-IN2 (acc)<br><br>Not applicable to Class SEK-INZ | High Water Mark |

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| **Investment management fees of other UCIs or UCITS (excluding any performance fees)** | It may be in total up to 0.065% of the Sub-Fund's Net Asset Value | It may be in total up to 0.065% of the Sub-Fund's Net Asset Value |
| **Minimum Initial Subscription Amount** | Class R-SEK: 100 SEK | Class RC SEK: N/A |
| | Class SEK-I (acc): 10 million SEK | Class IC SEK: 20 million SEK |
| | Class SEK-RN: 1 million SEK | Class RC SEK: N/A |
| | Class SEK-IN: 30 million SEK | Class IC SEK: 20 million SEK |
| | Class SEK-IN2 (acc): 10 million SEK | Class IC SEK: 20 million SEK |
| | Class SEK-INZ: 10 million SEK | Class IC SEK: 20 million SEK |
| **Subscription Fee Rate** | N/A | N/A |
| **Redemption Fee Rate** | N/A | N/A |

| SEB Prime Solutions – Nordic Cross Stable Return | Ongoing charges | Norron SICAV – Select | Ongoing charges |
|---|---|---|---|
| **R-SEK** | 1.01% | **RC SEK** | 1.95% |
| **SEK-I (acc)** | 0.80% | **IC SEK** | 1.90% |
| **SEK-RN** | 0.60% | **RC SEK** | 1.95% |
| **SEK-IN** | 0.49% | **IC SEK** | 1.90% |
| **SEK-IN2 (acc)** | 0.15% | **IC SEK** | 1.90% |
| **SEK-INZ** | 0.86% | **IC SEK** | 1.90% |

Due to the negative performance of the Merging Sub-Fund and the huge distance from the High Water Mark, no crystallisation of the performance fee calculation will be made in the Merging Sub-Fund. There will be no disruption in the calculation of the performance fee in the Receiving Sub-Fund.

The risk profile, fees and expenses, subscription, redemption and conversion of shares, minimum investment and subsequent investment, and holding requirements of the Merging Sub-Fund and the Receiving Sub-Fund are different, as further described in the prospectuses of the Merging Sub-Fund and the Receiving Sub-Fund.

| | SEB Prime Solutions – Nordic Cross Stable Return | Norron SICAV - Select |
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| **Risk profile – material differences** | ***Investing in exchange traded funds***<br><br>The exchange traded funds (the "**ETFs**") will expose the Sub-Fund to the same underlying securities as the direct investments in equity-type instruments. Therefore, the Sub-Fund's performance will depend on the performance of equities or equity related securities with no diversification in terms of geography, sector or type of instruments. The value of investors' investment could fall as well as rise. Investors in this Sub-Fund should accept that there is no guarantee that they will recover their initial investment and be prepared and able to sustain losses up to the total capital invested.<br><br>***Risks related to the investment in Cocos***<br><br>Contingent Convertible Bonds are instruments issued by banking and/or insurance institutions to increase their capital buffers. Under the terms of a Contingent Convertible Bond, events that trigger the conversion from debt into equity are designed so that conversion occurs when the issuer of the Contingent Convertible Bonds is in crisis. Investing in Contingent Convertible Bonds involves risks, such as, but not limited to:<br><br>• **Write-down risk**: Under the terms of Contingent Convertible Bond, certain events could cause the permanent write-down to zero of principal investment and/or accrued interest. Should a Contingent Convertible Bond undergo a write-down, the Sub-Fund may lose some or all of its original investment in the Contingent Convertible Bonds; | The main material difference is that the investment strategy of, and risks inherent to, the Sub-Fund are not typically encountered in traditional equity long-only positions.<br><br>The Sub-Fund may use derivative instruments as part of its investment strategy. Such instruments are inherently volatile and the Sub-Fund could potentially be exposed to additional risks and costs should the market move against it.<br><br>The Sub-Fund may also use derivative instruments to take short positions on some investments.<br><br>Should the value of such investments increase, it will have a negative effect in the Sub-Fund's value.<br><br>In extreme market conditions, the Sub-Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns or may even suffer a loss on such investments.<br><br>Under extreme market circumstances, some of the assets or derivative positions of the Sub-Fund may become difficult to unwind at a certain point in time and at a reasonable price.<br><br>The Sub-Fund may lose money if counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed). |

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| | • **Capital Structure inversion risk**: In certain scenarios, and unlike classic capital hierarchy, holders of Contingent Convertible Bonds may suffer a loss of capital when equity holders do not;<br><br>• **Liquidity risk**: Contingent Convertible Bonds or equity, upon conversion, may be difficult to sell at an opportunistic time and price;<br><br>• **Coupon cancellation**: for some Contingent Convertible Bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time;<br><br>• **Call extension risk**: some Contingent Convertible Bonds are issued as perpetual instruments, callable at pre-determined levels only with approval of the competent authority;<br><br>• **Concentration risk**: Since Contingent Convertible Bonds are issued by banking / insurance institutions, adverse movements in this particular sector are likely to affect significantly Contingent Convertible Bonds' value;<br><br>• **Trigger Level Risk**: This is the risk associated to the level below which the conversion into equities will take place. The most common trigger conditions include the Common Equity Tier 1 Capital ratio of a financial institution which is dropping below a specific value. Triggers can be based on a mechanical rule or supervisors' discretion. In the former case, the loss absorption mechanism is activated when the capital of the Financial Institution is falling below a pre-specified fraction of its risk-weighted assets. The capital measure, in turn, can be based on book values or market values; | "Financial derivative instrument" is a generic name for instruments getting their return from underlying assets. The return of the financial derivative instrument depends on the return of the underlying asset, but small price changes in the underlying asset can result in large price changes of the derivative.<br><br>OTC derivatives are private agreements between a fund and one or more counterparties. In general, those transactions are less subject to governmental regulation and supervision, compared to exchange traded derivatives. OTC derivatives carry higher counterparty and liquidity risks. Besides, the Sub-Fund may not be able to find a comparable derivative to be able to offset a certain position.<br><br>Although exchange traded derivatives are generally considered as less risky than OTC derivatives, there is still the risk that the securities exchange or commodities contract market suspends or limits the trading in derivatives or in their underlying assets.<br><br>Leverage is typical for trading in financial derivative instruments. Investment in derivative transactions may potentially result in losses greater than the amount invested for those transactions. |

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| | • The **activation of the loss absorption mechanism** might result in a partial – or even total – loss of the capital invested since the bond would have to be converted into shares or be written down, either permanently or temporarily;<br><br>• **Yield / Valuation Risk**: Coco's Bonds are issued with no maturity date and are therefore behaving like hybrid and equity-linked instruments which remain sensitive to the interest rate and credit spread market movements.<br><br>In addition, the investment in Coco's Bonds is subject to a Valuation risk since they may be terminated, redeemed or repurchased by the issuer provided that an authorisation has been given by the relevant supervisory authorities.<br><br>In addition, the payment of coupons remains at the sole discretion of the issuer;<br><br>• **Unknown Risk**: Investors should be well aware that the regulatory capital ratio's development depends on a large number of factors and is therefore exceedingly difficult to forecast. For instance, a loss of capital combined with an increase in additional risk-weighted assets can result in a reduction of the regulatory capital ratio to below the threshold which was set as the trigger.<br><br>*Risk related to smaller- mid capitalized companies*<br><br>A Fund which invests in smaller-mid capitalized companies may fluctuate in value more than other Funds.<br><br>Smaller- mid capitalized companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. | |

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| | They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller-mid capitalized companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller-mid capitalized companies may be more vulnerable to adverse developments than those in larger companies and the Sub-Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.<br><br>*Risks related to ESG investments*<br><br>The Sub-Fund's ESG investment strategy limits the types and number of investment opportunities available to the Sub- Fund and, as a result, the Sub-Fund may underperform other funds that do not have an ESG focus. The Sub-Fund's ESG investment strategy may result in the Sub-Fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards.<br><br>*Sustainability Risks*<br><br>Assets held by the Sub-Fund may be subject to partial or total loss of value because of the occurrence of a Sustainability Risk (as described in the General Risks section of this Prospectus) due to fines, reduction of demand in the asset's products | |

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| | or services, physical damage to the asset or its capital, supply chain disruption, increased operating costs, inability to obtain additional capital, or reputational damage.<br><br>A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country which may impact the portfolio of the Sub-Fund in its entirety.<br><br>More information on the incorporation of Sustainability Risks and opportunities into day-to-day business operations are to be found on https://www.nordiccross.com/ansvarsfulla-investeringar-development | |

(d) Sustainable Finance Disclosures Regulation (SFDR)

The Merging Sub-Fund and the Receiving Sub-Fund both qualify as Article 8 financial products under SFDR.

4.4 *Impact on performance*

The Merger is not expected to negatively impact the performance experienced by Shareholders.

The investment objective and policy of the Receiving Sub-Fund is different but compatible to that of the corresponding Merging Sub-Fund.

The Investment Manager of the Receiving Sub-Fund will bear the legal, advisory and/or administrative costs and expenses incurred in respect of the implementation of the Merger (besides the disinvestment costs).

4.5 *Structure and Service Providers*

SEB is established as a UCITS pursuant to Part I of the 2010 Law and has appointed FundRock Management Company S.A. as its external Management Company. The Receiving Fund is also established as a UCITS pursuant to Part I of the 2010 Law and has also appointed FundRock Management Company S.A. as its external Management Company.

There will be no change to the entities providing administration and depositary services. FundRock Management Company S.A. has delegated its central administration duties in relation to the administration, registrar and transfer agency of SEB and the Receiving Fund to European Fund Administration S.A., who therefore provides administrative, registrar and transfer agency services to the Receiving Fund.

Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch provides depositary services in respect of SEB and the Receiving Fund.

Accordingly, Shareholders of SEB will not need to amend any standing instructions they have set up for the payment and receipt of money for subscriptions and redemptions.

PricewaterhouseCoopers S.A. is the auditor of SEB, while Deloitte Audit is the auditor of the Receiving Fund.

The personnel managing the investments of the Merging Sub-Fund will change to Norron AB.

## 5. Criteria adopted for the valuation of the assets and of the liabilities as of the date of the calculation of the relevant exchange ratios

As the Merger will be carried out in accordance with Chapter 8 of the 2010 Law, all the assets and liabilities of the Merging Sub-Fund will be contributed to the Receiving Sub-Fund.

Subject to the approval of the Board of Directors of SEB, all outstanding assets and liabilities of the Merging Sub-Fund will be valued in accordance with the valuation principles contained in the Articles and Prospectus of SEB on the date for calculating the exchange ratio referred to below.

All outstanding assets and liabilities and the net asset value of the Receiving Sub-Fund will be calculated in accordance with the valuation methodology of the Receiving Fund as set out in the Articles and Prospectus.

The net asset value of the Merging Sub-Fund and the Receiving Sub-Fund will be known on the Effective Date.

The depositary of the Amalgamations shall issue a confirmation, in accordance with the requirements of 2010 Law, that it has verified the type of merger and the sub-funds involved, the effective date and that the rules applicable, respectively, to the transfer of assets and exchange of shares as set out herein are in accordance with the requirements of the 2010 Law.

## 6. Method of calculation of the exchange ratios

The number of new shares in the Receiving Sub-Fund to be issued to each shareholder will be calculated using the exchange ratio. The relevant shares in the Merging Sub-Fund will then be cancelled.

The exchange ratio will be calculated as follows:

- European Fund Administration S.A. will calculate the net asset value per share class of the Merging Sub-Fund, the net asset value per share of the Receiving Sub-Fund and determine the exchange ratio.
- The exchange ratio per share will be based on the net asset value per share of the Merging Sub-Fund and the net asset value per share of the Receiving Sub-Fund both dated on the day before the Effective Date and will define the number of new shares to be issued to shareholders from the Merging Sub-Fund in the Receiving Sub-Fund.
- The net asset value per share of the relevant share classes of the Merging Sub-Fund will be divided by the net asset value per share of the Receiving Sub-Fund.

- The number of new shares in the Receiving Sub-Fund to be issued to each shareholder will be calculated using the exchange ratio.
- The relevant shares in the Merging Sub-Fund will then be cancelled.
- The issue of new shares in the Receiving Sub-Fund in exchange for shares of the Merging Sub-Fund will not be subject to any charge.
- No cash payment shall be made to shareholders in exchange for the shares as a result of the Merger.

The approved statutory auditor of the Merging Sub-Fund will be appointed and will validate, in accordance with Article 71 (1) of the 2010 Law, the following: (a) the criteria adopted for the valuation on the assets and where applicable, the liabilities of the Merging Sub-Fund on the date for calculating the exchange ratio and (b) the calculation method of the exchange ratio. The report will be made available on request and free of charge to shareholders and the CSSF.

## 7. The planned Effective Date of the Merger

Subject to the approval of the CSSF, the planned Effective Date of the Merger is **20 January 2023**. Any change to the Effective Date, which must be cleared in advance by the CSSF, as applicable, will be notified in writing to the shareholders of the Merging Sub-Fund and the shareholders of the Receiving Sub-Fund in advance.

In accordance with Article 70 of the 2010 Law, the depositary of the Merging Sub-Fund and Receiving Sub-Fund will provide written verification of the Effective Date of the Merger to the CSSF.

## 8. Rules applicable to the transfer of assets and the exchange of shares

On the Effective Date, the depositary will arrange the delivery and/or transfer of the assets and liabilities of the Merging Sub-Fund to the Receiving Sub-Fund and will record the delivery and/or transfer of the assets and liabilities on behalf of the Receiving Sub-Fund by noting that, as and from the Effective Date, it holds all of such assets (to include any cash or securities accounts) on behalf of the Receiving Sub-Fund.

Shareholders participating in the Merger will receive new shares in the Receiving Sub-Fund in place of their existing shares on the Effective Date. The Management Company will ensure the allocation of the new shares to the shareholders of the Merging Sub-Fund, on the basis of data contained in the register of shareholders of the Merging Sub-Fund on the Effective Date. Shareholders participating in the Merger will receive written notification confirming their shareholding in the Receiving Sub-Fund following the Effective Date.

## 9. Notices to shareholders

Notices to shareholders shall be prepared and subsequently sent to the shareholders of the Merging Sub-Fund and the Receiving Sub-Fund in accordance with article 72 of the 2010 Law.

The notices, enclosed to these Common Terms of Merger, will provide for a period of at least thirty (30) calendar days during which the shareholders of the Merging Sub-Fund and the Receiving Sub-Fund will be entitled to request, without any charge other than those retained by SEB or the relevant Merging Sub-Fund to meet disinvestment costs as described above, the redemption of their shares.

The exchange ratios may only be calculated 5 business days after such notice period has expired.

## 10. Suspensions in dealings

In order to implement the procedures required for the implementation of the Merger in an orderly and timely manner, the Board has respectively decided that subscriptions for or conversions to shares of the Merging Sub-Fund are suspended as of **12 December 2022**. Redemptions of shares of the Merging Sub-Fund will not be suspended during the Merger process, except during the 5 business days period for the calculation of the relevant exchange ratios.

## 11. Publications

The Merger and its Effective Date shall be made public through appropriate means.

This information shall also be made publicly available, where required, in other jurisdictions where shares of the Merging Sub-Fund are distributed.

## 12. Appendices

The appendices to these Common Terms of Merger consist of the notice to the shareholders of the Merging Sub-Fund (Appendix 1) and the notice to the shareholders of the Receiving Sub-Fund (Appendix 2).

**IN WITNESS WHEREOF** the Board of Directors has caused these Common Terms of Merger to be executed in one counterpart on 5 December 2022.

**SEB Prime Solutions**

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| Mr Xavier Parain<br>Director | Mr Claes-Johan Geijer<br>Director | Mr Rikard Lundgren<br>Director |

**Norron SICAV**

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| DocuSigned by:<br>Alexander Zetterquist<br>97F05565579643B... | DocuSigned by:<br>B6B42017BED64B5... | DocuSigned by:<br>Jesper Laudon Meyer<br>A2FCECDD512E42E... |
| Mr Alexander Zetterquist<br>Director | Mr Xavier Parain<br>Director | Mr Jesper Laudon Meyer<br>Director |

## Appendix 1 Notice to the shareholders of SEB Prime Solutions – Nordic Cross Stable Return

**Appendix 2 Notice to the shareholders of Norron SICAV – Select**